



**Financial Summary**  
**Year-end Variance Analysis**  
**December 31 2025**



## Financial Summary

### Year-end Variance Report

December 31, 2025

*This document should be read alongside the December 31, 2025, internal Financial Statements. This report focuses on accounts with budget variances meeting both thresholds of \$10,000 and 5%, or those below these thresholds that were deemed worthy to highlight.*

#### Ensuring Financial Stability Through Continuous Variance Monitoring

Throughout the year, the Finance & Information Technology department regularly monitored actual costs against the budget to ensure the Town stayed on track to achieve budgeted results. Variance analysis is a key tool for understanding the differences between budgeted figures and actual outcomes. Here are some key reasons why this is important:

- **Identifies Deviations:** Variance analysis highlights where accounts went over or under budget, allowing staff to pinpoint the root cause(s) of discrepancies.
- **Informs Decision-Making:** By understanding why certain variances occur, staff can make informed decisions to optimize financial strategies and operations.
- **Monitors Financial Health:** Regular variance analysis provides a clear picture of the Town's financial performance, helping staff track whether financial goals are being met.
- **Trend Identification:** It helps in identifying trends and patterns over time, which can be crucial for future financial planning and forecasting.
- **Risk Management:** Understanding variances can improve risk management by allowing staff to address potential issues before they become significant problems.

A **mid-year and year-end variance analysis** is a key component of the Town's financial monitoring framework. This practice provides both Council and staff with **clear visibility into financial performance throughout the year**, strengthens financial control, and supports more **informed, data-driven decision-making** in alignment with sound financial stewardship and the Town's strategic objectives.

These analyses inform decisions related to

- **Budget Adjustments:** If consistent overspending is noted in certain categories, adjustments can be made to allocate more funds to those areas or find ways to cut costs elsewhere.
- **Expense Management:** By identifying areas where actual expenses are higher than expected, the reason(s) can be investigated to implement cost-saving measures.



- **Resource Allocation:** Understanding variances can help staff allocate resources more effectively, ensuring that funds are directed towards the most impactful areas.
- **Performance Evaluation:** Variance analysis can highlight which departments or projects are underperforming, allowing staff to take corrective actions or re-evaluate strategies.
- **Forecasting and Planning:** By analyzing trends and patterns in the financial data, staff can make more accurate forecasts and develop strategic plans that align with the Town's financial goals.

Continually monitoring variances is crucial for maintaining the Town's **financial stability** and ensuring that all necessary services and projects are **adequately funded**. This helps for several reasons, such as:

- **Ensures Adequate Coverage:** By regularly analyzing financial variances, the Town can ensure that it has sufficient funds to cover all necessary expenses, from public services to infrastructure projects.
- **Promotes Transparency:** This exercise promotes transparency and accountability in fiscal management, helping residents understand how their tax dollars are being utilized.
- **Improves Financial Planning:** It aids in better financial planning and forecasting, allowing the Town to allocate resources more effectively and prepare for future needs.
- **Identifies Financial Health:** Regular financial assessments help identify the Town's financial health, ensuring that it can meet its obligations.
- **Supports Decision-Making:** The insights gained from variance analysis support informs decision-making, enabling the Town to address any financial discrepancies promptly and efficiently.

## GENERAL OPERATING FUND

The following section summarizes the year-end variance analysis for the Town's General Operating Fund, highlighting the key factors contributing to overall financial results for the year ended December 31, 2025.

The Town has an annual **SURPLUS of \$222,996** in the **General Fund**.

### **REVENUE**

**Revenues were \$84,268 overall above budget.**

#### Revenue from Own Sources:

**Overall, this section of the budget exceeded the budget by \$128,916.**

**Building Permit** revenue was higher than budget by **\$261,257** reflecting more development activity in 2025 than anticipated (new development). This account is entirely driven by activity that is not all



known at budget time. The largest contributor of this figure is the 123 unit building at Whitepine (a \$21.5 million-dollar project). In relation to this, the **Planning Commission Services** revenue also exceeded the budget by **\$43,480**, also due to increased activity. For example, higher-than-anticipated subdivision fees tied to development drives this account. While staff rely on historical averages to estimate the budget for these two accounts, actual costs are heavily influenced by real-time activity, which fluctuates year to year based on what actually happens in the Town.

**Interest on Cash in the Bank** was **\$23,959 above budget**, driven by higher-than-anticipated interest rates earned on the Town's cash balances. The interest budget is developed conservatively based on historical trends and the current market outlook, recognizing the inherent unpredictability of market-driven interest income and avoiding reliance on revenues that cannot be guaranteed.

**Proceeds – Sale of Assets** finished **\$30,308 below budget**. This variance reflects the inherently market-driven and timing-dependent nature of asset dispositions. Two fire trucks were budgeted to generate **\$75,000 each** at auction (**\$150,000 total**), but collectively sold for **\$86,000**, representing the primary driver of the variance. This was partially offset by stronger-than-anticipated proceeds from other sales, most notably a plow truck that sold for **\$53,000** compared to a budgeted amount of **\$15,000**.

**Miscellaneous Revenue** finished **\$10,126 above budget**, reflecting primarily smaller-value items throughout the year. The main driver of the favourable variance was an unanticipated **\$5,000 contribution from the South East Regional Service Commission (SERSC)** for healthcare initiatives, which was not included in the original budget.

**Operating Reserve** was **\$350,00** below budget, as these funds had been earmarked to offset anticipated operating costs associated with the new RCMP building and the Riverview Recreation Complex (RRC). As these facilities were not fully operational during the year, the related operating costs did not materialize. The reserve was intentionally established in prior years to **smooth the financial impact** of bringing these major facilities online and to avoid concentrated operating pressures in any single year. Accordingly, the unused **\$350,000 was deferred to 2026** and has been included in the 2026 budget as a source of funding to align with the operating costs expected to be incurred in that year, consistent with the original intent of the reserve.

**Local Improvement** revenue was **\$23,554** above budget which is due to more payments received before year-end than anticipated. It is not known how residents will choose to pay., i.e. a lump sum or installment plan with interest. More residents paid the lump sum, and hence more revenue received.



### Fire & Rescue Revenue

**Fire Revenue** was **\$35,823** overall above budget.

The overage is driven entirely by Riverview Fire providing assistance to the Department of Natural Resources (DNR) during wildfire suppression efforts. The Town was reimbursed **\$32,217** for firefighter and equipment usage related to this event. The activity resulted in higher-than-anticipated overtime costs in August; however, these costs are largely **offset by the related revenues**, as well as by expenses directly attributable to supporting the emergency response.

### Engineering & Public Works Revenue

**Engineering & Public Works Revenue** was **\$68,574 above budget** overall, driven primarily by higher-than-anticipated revenues across three accounts:

**Roads & Streets (Province)** revenue was **\$12,886 above budget**, reflecting changes in the rate and scope of provincially funded work. For the 2025 budget, final funding amounts were not confirmed by the Province until **July**, at which time payments for **Q1 and Q2** were received. As a result, the full annual variance related to the revised scope and rates was recognized mid-year.

**Curb Cutting** revenue exceeded budget by **\$23,818**, largely due to work associated with apartment developments on **Pinewood** and **Pine Glen**. This revenue source is inherently difficult to forecast and was higher than typical due to the scale of development activity in 2025.

**Works Miscellaneous Income** was **\$31,588 above budget**, primarily attributable to an **asphalt deficiency charge** assessed to a developer.

### Parks, Recreation, Facilities & Community Relations

Overall, **Parks, Recreation, Facilities & Community Relations revenue exceeded budget by \$198,465**, driven primarily by higher-than-anticipated activity levels, expanded programming, and growth-related staffing and training requirements across several facilities.

Under **Coverdale Centre Revenue**, **Bar Revenue was \$15,990 above budget**. Actual results were generally in line with the prior year; however, the 2025 budget had been reduced in anticipation of a potential policy change that did not occur. Correspondingly, **bar purchases** were also higher, resulting in offsetting expenses.

Within **Aquatic Centre & Pools**, **Aquatic Centre revenue exceeded budget by \$80,073**. This increase reflects expanded programming in 2025, including the ability to offer more swimming lessons than in previous sessions. Increased service delivery led to higher participation levels, directly contributing to



the revenue overage. Related to this growth, **student and training wages were also above budget**, as additional instructors were required to support the increased number of classes. Training costs rose due to a combination of higher staffing levels and increased participation in training initiatives. In addition, a stronger emphasis was placed on mentorship, with new instructors paired alongside senior staff, temporarily increasing staffing levels during certain lessons. Overall, higher staffing costs aligned with increased revenues and supported both current programming needs and forward planning for the Riverview Recreation Complex.

**Lion's Pool revenue** was **\$14,634 above budget**, driven by stronger-than-anticipated attendance across swimming sessions. Favorable weather conditions, sustained membership levels, and the addition of more swim lessons during the summer contributed to increased usage and revenues.

Under **Rinks & Arenas**, **Arena Revenue** was **\$18,211 above budget**, due to an increase in the number of events and uptake of pre-season ice.

Within **Other Revenue – Parks**, three accounts primarily contributed to a favourable overall variance. **Recreation Programs** revenue was **\$16,367 above budget**, consistent with prior-year actuals, as the 2025 budget had been conservatively reduced to reflect a revised programming schedule. **Festival and Miscellaneous Revenue** exceeded budget by **\$10,231**, supported by stronger-than-anticipated sponsorship activity, including approximately **\$4,000** in additional Winter Carnival sponsorships and a **\$2,000** sponsorship received in October for *Light Up Riverview*. **Grants** revenue finished **\$36,525 above budget**, primarily due to a **\$30,000** grant received for the EV Fleet Study, with the corresponding offsetting expense reflected under **Other Expenses – Master Plans**.

## EXPENDITURES

Overall expenditures finished **\$138,728 below budget**. On a total budget of **\$41,283,291**, this represents **0.33% below budget** and reflects strong cost control. Combined with revenues exceeding budget, this resulted in an overall **General Fund surplus of \$222,996**.

Before reviewing the specific expenditure areas, one consistent theme across the budget is **employee benefit savings**, which are noted here rather than repeated throughout this section. For example, **Accounting & Information Technology employee benefits** finished **\$12,425 below budget**. These savings resulted from successful negotiations and the Town's decision to switch benefit providers partway through the fiscal year, which delivered lower rates and generated cost savings across multiple departments.



### Legislative/Administration Expenses

Overall, this section of the budget finished **\$407,386 below budget**. The favourable result reflects a combination of numerous smaller savings and several larger variances, which more than offset a limited number of accounts that finished over budget and are discussed below.

Under **Legislative Services**, most expenses were consistent with budget, with one variance of note. **Council Travel** finished **\$6,183 over budget**, driven by higher-than-anticipated attendance and travel costs. The budget assumed attendance by the Mayor and three Councillors at the Federation of Canadian Municipalities (FCM) conference; however, four Councillors attended. In addition, hotel accommodations and flights to Ottawa were higher than expected due to travel coinciding with the federal election and Throne Speech. Travel expenses related to the Union of Municipalities of New Brunswick (UMNB) conference for the Mayor and three Councillors were also incurred and recorded in October.

Under **Town Hall, Building Repairs & Maintenance** finished **\$10,654 over budget**, reflecting a combination of planned and unplanned work throughout the year. Planned items included foyer painting completed in January and the installation of new indoor signage in June. Unplanned costs were primarily related to unexpected boiler repairs, additional security enhancements, and the replacement of a failed hot water tank in September, which together contributed to the year-end overage.

Under **Human Resources, Corporate Development** expenditures finished **\$14,490 over budget**, primarily due to the Compensation Market Study, which came in higher than originally estimated.

Under **Civic Relations, Public Receptions** was **\$11,041 under budget**, reflecting a combination of coding changes and event delivery decisions. Costs associated with the New Year's Levee are now recorded under Public Receptions but were not reflected in the original budget, while the Mayor's Luncheon is now coded to Winter Carnival. These changes were partially offset by higher-than-historical costs for the Tri-Community and CRPA meetings in June, driven by increased audiovisual expenses, resulting in a net favorable variance.

**Insurance Premiums** were **\$27,927 under budget**, reflecting the benefit of securing a more competitive insurance rate and a stronger loss ratio compared to previous years.

Under **Corporate Services, Salaries** finished **\$12,657 under budget** as a result of a maternity leave within the department. The mid-term replacement was hired at a lower rate than the full-time position, generating salary savings.



**Public Transit** expenditures were a total of **\$86,135 over budget**, driven by pressures across both conventional and accessible transit services. **Codiac Transpo** costs were **\$62,042 over budget**, largely due to higher-than-anticipated fleet repairs and maintenance, including accident-related repairs, as well as additional charges incurred when a replacement bus was borrowed while Town buses were temporarily out of service. **Accessible Transit** costs were **\$24,093 over budget**, as the original budget was lower than warranted based on historical usage and actual demand exceeded prior years. Accessible transit is demand-driven, and the 2026 budget has been adjusted to better align with anticipated usage.

Overall, **Economic Development budget line items were \$44,046 above budget** in 2025. This net position reflects a combination of **timing-related variances, program demand dynamics, and structural alignment across initiatives**, rather than unplanned spending pressures. The key variances below should be read together, as they are interrelated.

**Marketing Plan Execution** was **\$17,735 below budget** for the year. Approximately **\$3,400** in invoices were reallocated from the Strategic Partnerships line to better align costs with the initiatives delivered. While titled *Marketing Plan Execution*, this account supports a broader range of initiatives under the Town's **Community Economic Development Strategy (CEDS) and Action Plan**. The remaining variance is primarily attributable to the **deferral of the Tourism Strategy to 2026**, as staff resources were redirected to advance the **Secondary Plan for the Bridgedale, Gunningsville, and Robertson Area**. The timing of this work was accelerated in response to **Housing Accelerator Fund and Regional Development Corporation Fund availability**, and the limited timeframe to commit and spend those funds.

**Commercial Development Grants** were **\$314,162 above budget**. This variance relates to **previously approved Commercial Development Grant agreements**, which commenced payments in 2025 following public Council approval. The overage reflects the **timing of Year 1 grant payments**, higher-than-anticipated assessment impacts for one of the properties, and the inclusion of a second property that had not been reflected in the original budget. The financial impact was anticipated and is being managed within the Town's overall 2025 operating results.

**Housing Accelerator Fund (HAF) Initiatives** were **\$235,668 below budget** in 2025. This variance is primarily timing-related and reflects both **program demand and project sequencing**. Several initiatives supported by HAF were appropriately recorded under other expense accounts for accuracy, including capital infrastructure costs for the **Whitepine Sewer and Sanitary Project** and salary and benefits for the **Economic Development Coordinator role**, although they were originally anticipated within the HAF Initiatives account. In addition, a number of participants in the **HAF In-Law and Garden Suite Grant** withdrew or were deemed ineligible due to rising construction costs, resulting in planned grant



payments not proceeding in 2025. Similarly, several larger projects under the **HAF Affordable and 3-Bedroom Unit Development Grant** requested timeline extensions, deferring grant payments into **2026–2028**.

Under the **Fiscal Services** category, **Bank Interest and Charges** were **\$52,256 below budget**. This variance reflects lower-than-anticipated borrowing during the year, as construction timelines for the Riverview Recreation Complex (RRC) were deferred and the Town relied more heavily on reserve funding. As a result, interest charges and issuance-related fees associated with debt were lower than budgeted, generating direct savings. Similarly, **Long-Term Debt Interest** was below budget due to reduced borrowing activity. While borrowing had been anticipated earlier in the year to support the RRC, the deferral of construction allowed the Town to postpone borrowing until later in the year and reduce the overall amount required. This timing adjustment resulted in **interest savings** reflecting prudent financial management and strategic debt planning.

Under **Transfers to Reserves**, there are two items to note, both related to year-end alignment of capital funding sources. These entries reflect timing adjustments made as capital funding was finalized and recorded across multiple projects and funding programs, rather than changes to approved capital plans or operating performance.

The budget included a planned total transfer of **\$1,193,912** to reserves. Of this amount, **\$193,912** was budgeted within the General Operating Reserve as a contingency allowance intended to provide flexibility for unanticipated operating pressures during the year. This contingency was not required, consistent with the **\$350,000 operating reserve provision** that also remained unused. Rather than being transferred to reserve, these funds were applied directly to capital expenditures funded from operating, as discussed further below.

In addition, **\$1,000,000** was budgeted to be transferred into the **General Capital Reserve Fund** to support future capital projects. Rather than transferring funds into reserve and then back out again through multiple year-end journal entries to fund capital expenditures incurred during the year, this transfer was netted at year end against the second reserve transfer processed in December. As a result, a net transfer of \$11 million was recorded from reserves for the year, rather than transferring \$1 million into reserves and \$12 million out of reserves through separate transactions.

Lastly, **Capital from General Operating** finished **\$844,480 above budget**. This outcome reflects how the year's operating and capital results ultimately came together, including project deferrals, lower-than-anticipated tender results, and timing of funding receipts. As a result, more capital spending was funded from operating than originally budgeted. Using the year-end operating results in this way allowed available funds to be applied directly to capital projects, rather than remaining as timing-related



surplus that could not be accessed for two fiscal years under municipal budgeting rules. Overall, this reflects prudent financial management and the strategic use of current-year results to support the Town's capital program and future funding needs.

### RCMP

**Overall, this section of the budget was on budget.** Therefore, in line with the Council approved contract allocation.

### Fire & Rescue

Overall **Fire & Rescue Department expenditures were \$214,515 over budget.** The variance is primarily attributable to **staffing-related impacts**, including extended sick leave absences, resulting overtime requirements, and training pressures, as well as **unplanned repairs and equipment costs**. These pressures were partially offset by vacancies and reduced regular wages.

The **Salaries, Wages & Benefits** category finished **\$127,103 overall above budget.** This net variance reflects a combination of overtime costs required to maintain minimum staffing levels during a year with an unusually high number of extended absences, partially offset by reduced regular wages while employees were away from work.

Overtime pressures were most pronounced within the Fire Department. **Overtime – Sickness** finished **\$150,123 over budget**, driven by extended sick leave absences affecting multiple firefighters, including a Captain. To maintain minimum staffing levels, shifts were covered by full-time firefighters working overtime. These costs were partially offset by **Salaries – Fire** finishing **\$168,617 under budget**, as regular wages were not paid while employees were on extended leave and due to a vacancy created when the Training Officer position was filled from within the firefighter complement.

Additional overtime pressures were recorded across several accounts. **Overtime – Fire Administration (\$54,893 over budget)** reflects coverage required for non-sickness absences such as bereavement leave, special leave, and lieu time, which still necessitate overtime coverage to meet staffing requirements. **Overtime – Training** exceeded budget by **\$29,183**, largely due to staffing pressures related to extended absences, promotions, and an accelerated training schedule associated with the commissioning of new fire apparatus and onboarding of new hires. **Overtime – Fire Call-Ins** finished **\$21,138 over budget**, reflecting increased reliance on call-ins to maintain response capacity during extended absences and several higher-intensity incidents, including wildfire responses. A portion of these costs was offset through recoveries from the Department of Natural Resources and Energy Development related to wildfire response activity.

Under **Station & Building, Building Repairs & Maintenance** was **\$17,003 above budget**, primarily due to **unbudgeted repairs**. This included approximately **\$12,000 in repairs to an overhead door** following an accident in March, as well as **\$6,400 related to a generator failure in April**. These items were unplanned and required immediate attention to maintain operational readiness.



Under **Fire Fighting Equipment, Small Equipment Purchases were \$27,294 above budget**, primarily related to the commissioning of **two new fire apparatus**, particularly the new Squad unit. The new Squad required equipment (including adapters and nozzles) that was not previously needed, as the older rescue unit did not have full firefighting capabilities. While the tanker required some additional equipment, the impact was significantly lower. In addition, increased fire activity resulted in **higher-than-anticipated consumption of firefighting foam**, with spending increasing from less than \$4,000 in 2024 to approximately \$16,000 in 2025. Collectively, these operational and commissioning-related needs contributed to the overage in this account.

**Small Equipment Repairs & Maintenance was \$12,977 above budget**. In September, a tool fell from a responding apparatus, resulting in a **repair cost of approximately \$11,400**. This was an isolated incident but had a significant impact on the annual budget for this line.

**Vehicle Repairs & Maintenance was \$19,819 above budget**, driven by increased repair and maintenance requirements across the fleet. This reflects the age and usage of frontline apparatus, unplanned mechanical issues, and the operational demands placed on vehicles throughout the year.

#### Engineering & Public Works

Overall, **Engineering & Public Works Department** expenditures finished **\$4,037 over budget** (Budget: \$5,279,259; Actual: \$5,283,296), reflecting very close alignment with the approved budget. While several individual accounts finished either above or below budget, these variances largely offset one another, resulting in a near-balanced year-end position. The most notable variances are outlined below.

Within **Engineering Services, Street Lighting – Electricity** was **\$31,883 above budget**. The original budget of \$715,000 was developed using historical consumption and known rate information available at the time. Subsequent planned and unplanned **NB Power rate increases**, announced after budget approval, exceeded historical expectations and were the primary driver of the overage. Electricity consumption itself remained within normal operating ranges, and the variance reflects rate impacts rather than increased usage. Staff identified early in the year that electricity costs for both street lighting and arena operations would be challenging and actively worked to offset these pressures through savings in other areas where possible.

Under the **General Equipment** category, **Gas, Oil & Diesel** came in **\$20,205 under budget**. While the budget was based on expected consumption, actual costs aligned more closely with 2024 results, reflecting both lower fuel pricing and slightly lower usage than anticipated.

The **Workshops, Yards & Buildings** category finished **\$5,544 overall above budget**, with internal variances largely offsetting each other. **Electricity** was **\$24,022 over budget**, while **Heating (Biomass)** was **\$23,412 under budget**. Staff noted that the biomass heating system experienced several outages during the season, which resulted in increased reliance on electricity and reduced biomass fuel usage. Billing and usage details were reviewed to ensure these impacts were accurately reflected in the final 2025 costs. A similar relationship is reflected in the Parks allocation, as a portion of these costs are shared, and the same operational factors apply.



The **Works & Engineering Salaries** category was **\$83,385 below budget overall**, driven primarily by savings in **regular salaries (\$56,721 under budget)** and **benefits (\$22,792 under budget)**. This variance reflects the **later-than-budgeted hiring** of two positions—**Transit Manager** and **Water & Sewer Manager**. Both roles were filled later in the year than originally planned, resulting in salary and benefit savings relative to the approved budget timeline.

While the **Summer Maintenance** category finished only **\$862 over budget**, there were several variances within the category that offset one another worth noting. **Street Patching** was **\$21,792 over budget**, due to a change order for crack milling and patching work on **Whitepine Road (Civic 235 to Lawson Road)**. This work was necessary to extend pavement life and address deteriorating conditions. **Curb & Sidewalk Maintenance** was **\$14,081 over budget**; however, this increase was fully offset by higher curb-cutting revenues, resulting in a net neutral impact. These overages were offset by **Guardrails & Parts being \$13,477 under budget**, along with other minor savings, reflecting reduced repair needs and a deliberate effort by staff to manage costs within the category.

**Snow & Ice Removal** expenditures were **\$94,955 above budget overall**, driven primarily by winter conditions affecting materials usage and equipment wear. **Salt** was **\$81,981 over budget**, reflecting higher-than-anticipated usage driven by weather conditions—particularly in January. The season included several prolonged **freezing rain events**, which require significant salt application, as well as fewer traditional plowing events and more frequent salting due to small snowfalls and fluctuating temperatures. Salt usage is inherently difficult to predict, as it is highly weather-dependent, and staff noted that neighbouring municipalities experienced similar increases in salt consumption during the early part of the season.

This pressure was partially offset by **Gas, Oil & Diesel** coming in **\$18,142 under budget**, reflecting lower fuel prices and usage. **Snow Removal Blades** were **\$38,533 over budget**, as this winter proved particularly hard on cutting edges. Reduced snow cover leads to increased wear due to the lack of lubrication, requiring more frequent replacements. Additional costs were incurred for specialized and custom-ordered cutting edges and curb shoes, as well as equipment required for new plows and an apparatus. Staff also noted that rising steel and material costs have contributed to increased pricing. This account will be reviewed in future budget cycles to assess whether adjustments are required based on recent trends.

Offsetting some of the snow-related pressures, the **Snow Removal Contract** finished **\$18,452 under budget**. Contract costs fluctuate based on snowfall amounts, event duration, and timing. The contractor is guaranteed a minimum number of hours per unit per season, with additional hours billed only when thresholds are exceeded. Fewer qualifying events during the year contributed to the favourable variance.

Finally, under the **Garbage & Waste Collection** category, **Garbage Pickup – Regular** came in **\$22,677 under budget**. The majority of this variance is attributable to the **fuel adjustment clause**, under which the contractor paid the Town **\$15,878** for 2025 fuel adjustments, reducing overall net costs.



### Parks, Recreation, Facilities & Community Relations

Overall Parks, Recreation, Facilities & Community Relations Department expenses were **\$50,107 over budget** in 2025 (Budget: **\$6,935,517**; Actual: **\$6,985,624**). As noted above, departmental revenues exceeded budget by **\$198,465**, resulting in a **net surplus of \$148,358** for the department.

The **Salaries, Wages & Benefits** category finished **\$47,567 below budget**. This net variance reflects the combined impact of four key accounts. **Overtime** was **\$21,184 over budget**, driven by a higher-than-expected number of absences in Q1 due to illness, with several arena shifts requiring overtime coverage during a long-term illness. A temporary replacement was hired later in the year to stabilize staffing levels and manage costs. **Student Wages** were **\$30,386 under budget**. While the department met the budgeted target of 14 students for 17 weeks each, recruitment challenges persisted, with several students starting later than planned or ending their placements early. In addition, two students transitioned into casual positions that were posted concurrently, reducing student wage costs. **Winter Program Salaries** were **\$11,632 under budget** due to program adjustments and lower-than-anticipated enrollment. **Employee Benefits** were **\$40,134 under budget**, primarily driven by improved rates achieved through going to market and switching providers as previously above.

The **Community & Special Events** category finished **\$64,126 below budget**, driven primarily by savings in **Community Relations (\$41,623 under budget)**. Staff anticipated these savings based on planned event activity and made deliberate efforts to balance departmental budgets. In addition, **Sunfest** was **\$8,600 under budget**, reflecting a cost-saving decision to switch vendors and reduced spending on merchandise due to lower-than-anticipated demand.

The **Bridgedale** category finished **\$13,163 below budget**. The Bridgedale Community Centre was **\$10,089 under budget**, as the building demolition completed in July came in below the approved budget of **\$70,000**.

The **Aquatic Centre & Pools** category was **\$65,263 over budget**, driven primarily by **Student Wages (\$44,499 over budget)**, reflecting expanded programming and increased staffing required to support both current operations and future planning related to the Riverview Recreation Centre. **Building Repairs & Maintenance** were **\$12,208 over budget** due to ongoing issues with the boiler and air-handling unit, as well as filter modifications at Lion's Pool to address clarity issues. **Pool Chemicals** were **\$8,205 over budget**, resulting from higher-than-anticipated usage and cost increases.

The **Rinks & Arenas** category finished **\$105,313 over budget**, driven primarily by utilities and maintenance. **Electricity** was **\$52,257 over budget**, due to NB Power's planned and unplanned rate increases, not increased consumption. Staff confirmed earlier in the year that overall usage remains below pre-renovation levels, even with added summer dehumidifier operations. The budget was completed prior to NB Power's announcements, and staff later anticipated being underfunded by approximately **7–9%** for both arena and streetlighting electricity accounts. **Building Repairs & Maintenance** were **\$65,314 over budget**, primarily due to unanticipated plumbing and condenser repairs in October, equipment purchases related to the new water-management program, and repairs to the ammonia sensor system. **Ice Plant Repairs** were **\$19,960 under budget**, reflecting fewer repairs than anticipated and partially offsetting overages elsewhere.



The **Parks & Playgrounds** category finished **\$39,173 over budget**, driven primarily by **Other Expenses / Master Plans (\$67,325 over budget)** related to costs associated with the EV study. A corresponding grant offset **\$30,000** of the expense; however, an additional **\$30,000** was incurred that was not included in the original operating budget. **Machinery & Equipment Repairs** were **\$18,034 over budget**, largely due to unexpected field painter repairs (**\$4,300**) and significant repairs to the skid steer hydraulic system (**\$14,800**). These overages were partially offset by **Sports Field Landscaping** being **\$36,655 under budget**, as some invoices were reclassified to capital in June, resulting in higher capital expenditures and lower operating costs.

The **Recreation Operating Expenses** category finished **\$10,815 below budget**, with offsetting variances. **Building Repairs & Maintenance** were **\$10,876 over budget**, due to furniture purchases exceeding budget and unexpected roof repairs to the fitness studio in October. **Facilities Management** was **\$19,278 under budget**, reflecting planned deferrals made to balance departmental budgets.

The **Youth Centre** category expenditures were **\$39,202 below budget**, driven primarily by **Casual Wages (\$17,416 under budget)** due to unfulfilled staffing hours related to employee leaves. **Heating** was **\$8,747 under budget**, as usage remained consistent with the favourable winter conditions experienced in 2024. The heating budget included a **\$10,000 increase** for 2025 to capture known rate increases and cooler winter conditions. **Programming** was **\$10,516 under budget**, reflecting program deferrals related to skateboard day programs.

#### UTILITY FUND (WATER & SEWER)

The following section summarizes the year-end variance analysis for the Town's Utility Operating Fund, highlighting the key factors contributing to overall financial results for the year ended December 31, 2025.

Town recorded an **annual surplus of \$115,181 in the Utility Fund**. Revenues finished **\$88,205 above budget**, while expenses were **\$26,977 below budget**, resulting in the surplus year-end position.

As Council is aware, the majority of Utility Fund expenses are **allocations from the General Fund**, with detailed explanations provided in the General Fund section of this report. Accordingly, the discussion below focuses on **variances outside of those allocations**, where changes are specific to Utility operations rather than broader Town wide cost-drivers.

Utility revenues were closely aligned with budget and finished **\$88,205 above budget** (Budget: **\$8,960,187**; Actual: **\$9,048,392**), representing an overall favourable variance of approximately **1%**. Utility revenue forecasting is inherently challenging due to variables such as **development activity and changes in consumption patterns**, particularly TransAqua's water usage, which historically accounts for approximately **25–30% of town-wide consumption** and can materially impact overall volumes. Forecasts were developed using the best information available at budget time, and Council was updated on anticipated risks and potential impacts through the budget process.



Within this total, **Water and Sewer** revenues finished **\$114,745 (1.3%) below budget**, reflecting lower-than-anticipated consumption resulting from TransAqua using less water than projected, as well as development activity slowing slightly more than expected. This shortfall was more than offset by stronger-than-expected performance in other utility revenue areas, resulting in overall utility revenues finishing slightly above budget. Given the inherent uncertainty associated with utility consumption and development timing, year-end results are well aligned with expectations and reflect a conservative forecasting approach.

A key contributor to the favourable variance was **Connection and Service Charges**, which finished **\$185,035 above budget** due to multiple development-related fees associated with service installations on streets throughout the year. These revenues are highly variable and difficult to predict, as development timing can differ from estimates available at budget time. As such, forecasts are based on a combination of historical averages and confirmed development activity. From an operating perspective, these revenues are largely offset within the Water Maintenance expense account, making them primarily an in-and-out transaction.

Under **Revenue from Own Sources**, two variances are noted. First, similar to the General Fund, **Interest on Cash in the Bank** was **\$23,259 above budget**, driven by more favourable interest rates than anticipated. As discussed in the General section, this variance is market-driven. Second, **Development Cost Recovery** was **\$10,000 below budget (Budget: \$10,000; Actual: \$0)**. While this line item has historically been budgeted at \$10,000 based on the expectation of some recoveries, no eligible recoveries occurred during the year. Development Cost Recovery is dependent on approved projects proceeding to a stage that triggers the subdivision or recovery process, which can be difficult to predict. Given the small size of this line item, the variance is not considered material.

## EXPENDITURES

Overall, **Utility Fund expenditures were \$26,977 below budget** for the year. As noted previously, many Utility Fund expenditures are **allocations from the General Fund**, and the explanations provided in the General Fund section also apply here. The discussion below focuses on the **most significant non-allocation variances**, where changes are specific to Utility operations.

Under **Billing & Collection**, **Collection Charges were \$23,545 above budget**. This variance reflects a higher-than-anticipated **volume and dollar value of transactions**. While this account is budgeted using historical averages, actual activity can fluctuate from year to year, making precise forecasting challenging. In addition, **credit card processing fees continue to rise**, driven by increased use of credit cards and pre-authorized payments. Payment behaviour is difficult to predict and has contributed to upward pressure on this account.

**The Water Operating Costs** category was **\$93,073 above budget**, with several offsetting factors. The primary driver was **Water Maintenance**, which was **\$74,696 above budget**, directly related to the **Connection & Service Charges** noted in the revenue section. As these costs are incurred to support development-related service installations, they largely represent an **offsetting expense**. In addition, **Water Pavement Patching** was higher than budget, reflecting an allocation from the General Fund



associated with utility restoration work. As explained in the General Fund section, a **change order for crack milling and patching on Whitepine Road** was required to extend pavement life between Civic 235 and Lawson Road. These pressures were partially offset by **Water Meter Replacement & Repair**, which was **\$11,595 below budget**, reflecting fewer repairs required during the year and a conservative approach to discretionary spending to help offset other overages. **Sewer Operating Costs** followed a similar pattern, with higher-than-budget maintenance and patching costs driven by the same operational factors noted above.

**Utility Capital Reserves** were **\$225,000 above budget (Budget: \$100,000; Actual: \$325,000)**. As Council will recall, staff recommended an increased transfer to Utility capital reserves in December, stemming from the Utility Fund surplus and **capital project costs coming in lower than anticipated**. In connection with this, **Capital Paid from Utility – Water** finished **\$270,641 below budget**, and **Capital Paid from Utility – Sewer** finished **\$39,814 below budget**. These variances are directly related and reflect the same underlying factor—**tender results coming in lower than budgeted**, reducing immediate capital funding requirements. As a result, additional funds were allocated to reserves to be carried forward for future Utility capital projects. As reflected in the 2025 budget, a **significant draw from reserves is planned in 2026**, with **\$800,000 budgeted**.