

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: FINANCIAL REPORT AS AT 2025 PERIOD 05

RECOMMENDATION:

THAT the report titled “Financial Report as at 2025 Period 05” dated July 15, 2025, of the Financial Management Committee meeting, be received for information.

REPORT

The Financial Management Committee, at its meeting held on July 15, 2025, received and adopted the attached report providing Council with an overview of the City’s financial activity as of the end of Period 05 and comparing that activity with the 2025–2029 Financial Plan adopted by Council on April 28, 2025.

On behalf of the Financial Management
Committee,

Councillor S. Dhaliwal
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **FINANCIAL REPORT AS AT 2025 PERIOD 05**
PURPOSE: To provide an overview of the City's financial activity as of the end of Period 05 and to compare that activity with the 2025 - 2029 Financial Plan adopted by Council on April 28, 2025.

RECOMMENDATION

THAT the report titled "Financial Report as at 2025 Period 05" dated July 15, 2025, be received for information.

EXECUTIVE SUMMARY

This report provides an overview of the City's financial activity as at the end of Period 05 comparing actual financial results to the approved 2025-2029 Financial Plan. This report is to be received for information.

1.0 POLICY SECTION

This financial update is being provided to align with the Office of the Auditor General of British Columbia's best practices for Public Sector Governance in the area of Planning and Performance Monitoring.

2.0 BACKGROUND

The City of Burnaby uses four week accounting periods to capture budget and posted accounting data. Therefore, this report is based on revenue and expenditure figures for closed 2025 Periods 01 to 05 (January 1, 2025 to May 18, 2025).

All known significant expenditures as of Period 05 have been accrued; therefore, the expenditures reported reflect costs incurred to date for goods and services that have been delivered but not billed.

This Financial Report focuses on activities through operations and capital and does not reflect consolidated view of all city reserve and reserve funds.

3.0 GENERAL INFORMATION

As of Period 05, the City remains in a net surplus position, primarily driven by higher-than-anticipated revenues. This surplus is largely attributed to higher than anticipated development-driven revenues, which is partly a result of the in-stream protection tied to provincial legislation changes ending in June 2025. However, broader economic indicators suggest continued volatility, and the sustainability of this revenue remains uncertain.

The Parks, Recreation, and Culture (PRC) department continues to experience strong demand for its programs and services during the summer season. Revenues from golf and food services have exceeded budget expectations due to high demand for tee times, weddings, and other events. Additionally, the revised B-Active membership pass, which expands access to programs and courses, has continued to contribute to increased participation. However, these revenue gains are offset by increased expenditures necessary to maintain service levels aligned with demand.

Despite revenues trending above budget, the City continues to operate under growing economic pressure. Significant cost escalations, and difficult labour market conditions in acquiring candidates with the appropriate skill sets continue to impact operations. Compounding these pressures are broader macroeconomic uncertainties, including the following. Although some these may not have significant impacts to the City as of Period 05, they continue to be factors that may result in future financial implications for the City.

- The uncertainty surrounding the introduction and continual changes of new tariffs that may increase material and equipment costs,
- A rising unemployment rate, which may affect consumer spending and overall economic activity,
- The cost of goods/services required for City operations are increasing higher than average household inflation rate.

Although a forecasted surplus is reflected as of Period 05 and is currently higher than the prior year, the City recognizes that this position is driven by economic activity in development that may not persist and is difficult to predict. Staff will continue to monitor the impact of recent legislative changes on the development sector and economic fluctuations affecting operations.

Throughout the year, departments will continue to monitor economic factors related to the City's financial position. However, with growing uncertainty, sustained inflationary pressures, and economic headwinds, maintaining core programs and services at existing levels may become increasingly challenging. The City remains committed to closely monitoring these financial risks and implementing mitigation strategies to manage potential impacts on the operating budget.

The year-end forecasts provided in this report are based on current information and are subject to change due to the uncertainty and factors caused by the issues noted above.

3.1. OPERATING BUDGETS

3.1.1. General Revenue Fund – Operational Highlights

The following is a list of some department initiatives up to the end of 2025 Period 05:

- The City of Burnaby opened the overnight warming centre at 7320 Buller Avenue starting February 1, to provide additional shelter for vulnerable individuals during the cold weather. The centre opened nightly from 8:30 pm to 8 am, offering extra capacity beyond the temporary winter shelter next door run by Progressive Housing Society. Other warming options in Burnaby include Douglas Shelter (2294 Douglas Road) and extreme weather shelters at Southside Community Church (7135 Walker Avenue, open 1st–15th) and Westminster Bible Chapel (7540 6th Street, open 16th–end of month).

(Responsible Departments: Community Safety and Lands & Facilities)

- Burnaby residents are now moving into 134 new non-market housing units at 6889 Royal Oak Avenue, thanks to a partnership between the City of Burnaby, Catalyst Community Developments Society, and the federal government through the Canada Mortgage Housing Corporation (CMHC). This 6-storey mixed-use building offers homes at affordable rents for low- and moderate-income households and includes units supporting Burnaby's Tenant Assistance Policy. It marks the seventh completed project under Burnaby's City Lands for Non-Market Housing program, bringing the current total to 442 units.

(Responsible Departments: Lands & Facilities and Planning & Development)

- The City of Burnaby has launched a pilot program featuring eCheck, a digital tool that pre-reviews building plans for compliance with the Zoning Bylaw, and Explore, a user-friendly map tool providing zoning information for residential properties. This program helps home-builders receive timely zoning feedback, reduce permit application issues, and experience a faster, more transparent approval process. Initially available for single-family homes without suites (with or without laneway homes), eCheck offers an optional streamlined review during permit submission. Explore allows users to easily access information like allowable dwelling units, parking requirements, and building specifications. Burnaby staff will continue to review documents for BC Building Code compliance, while the tools enhance speed and clarity in development applications.

(Responsible Departments: Planning & Development and Information Technology)

- On April 26, 2025, the City of Burnaby proudly marked the grand opening of Fire Station 8 on Burnaby Mountain, and welcomed over 1,000 community members to celebrate this state-of-the-art, energy-efficient facility. Designed to enhance emergency response and public safety for SFU, UniverCity, and nearby neighbourhoods, the new station has already reduced response times and reflects Burnaby's commitment to sustainability, innovation, and community care.

(Responsible Departments: Burnaby Fire and Lands & Facilities)

- On May 3, 2025, the City of Burnaby celebrated the grand reopening of the upgraded Jack Crosby Sports Box at Riverway, unveiling a revitalized, year-round facility that now supports a variety of sports including lacrosse, ball hockey, volleyball, pickleball, and badminton. The event featured a ribbon-cutting ceremony and brought together key community members to mark Burnaby's continued commitment to enhancing inclusive, high-quality recreational spaces for residents of all ages.

(Responsible Departments: PRC and Lands & Facilities)

- During National Volunteer Week (April 27–May 3), the City of Burnaby proudly recognized and gave thanks to more than 1,000 volunteers who contributed over 67,000 hours last year, making a meaningful impact across the community. This year's theme, Volunteers Make Waves, celebrated how even small acts of service create ripples of positive change. From supporting seniors and vulnerable residents to restoring ecosystems and helping at community events, Burnaby's volunteers embody generosity, compassion, and community spirit.

(Responsible Departments: Mayor & Council, Office of the CAO, and Corporate Services)

- On May 4, 2025, the City of Burnaby hosted the Burnaby Blooms at Deer Lake—one of the city's most beloved spring festivals. Citizens enjoyed a day filled with eco-art installations, workshops, live music, children's performers, tours, plant sales, and delicious food trucks. This free, family-friendly event celebrates community, creativity, and sustainability while offering unforgettable experiences for all ages.

(Responsible Departments: PRC)

3.1.2. General Revenue Fund – Operating Financial Results

In Tables 1 to 3 below, the Period 05 Variance is the difference between Period 05 Actual and Period 05 Budget. A positive number is a favourable variance which could result from either lower expenditures or higher revenue compared to budget. A negative number is an unfavourable variance which could result from either higher costs or lower revenue compared to budget. Variances identify any pressures or opportunities on the operating budget. Departments continue to proactively monitor their actual results compared to the approved budget on a periodic basis.

Table 1 – General Revenue Fund – Net Departmental Variances as of Period 05

Department – Net View	Period 05 Actual	Period 05 Budget	Period 05 Variance Favourable/ (Unfavourable)	Variance %	2025 Annual Budget	2025 Year End Forecasted Variance Favourable/ (Unfavourable)
Mayor & Council	457,888	463,533	5,645	1.2%	1,269,700	(33,400)
Office of the CAO	1,970,099	1,876,861	(93,238)	(5.0%)	4,852,300	(34,400)
People & Culture	3,838,836	3,693,706	(145,130)	(3.9%)	8,880,700	(373,500)
Burnaby Public Library	9,286,359	9,019,875	(266,484)	(3.0%)	18,159,500	(190,000)
Information Technology	20,582,137	20,348,013	(234,124)	(1.2%)	34,269,100	(255,900)
Corporate Services	6,085,028	6,372,747	287,719	4.5%	13,534,500	381,300
Community Safety Administration	1,692,295	1,891,937	199,642	10.6%	3,637,300	(303,300)
Business Licence & Bylaw Services	(2,617,171)	(2,288,331)	328,840	14.4%	(1,895,600)	551,000
Burnaby Fire	26,492,144	26,122,497	(369,647)	(1.4%)	61,188,600	(1,344,600)
RCMP Burnaby Detachment	24,221,860	25,020,102	798,242	3.2%	90,939,400	2,522,000
Engineering	38,298,885	40,290,582	1,991,697	4.9%	50,637,500	42,000
Finance	6,062,681	6,155,282	92,601	1.5%	16,174,200	157,400
Planning & Development	(18,049,418)	(4,892,894)	13,156,524	268.9%	(10,667,700)	13,290,400
Lands & Facilities	14,243,469	13,675,648	(567,821)	(4.2%)	27,397,000	(3,419,400)
Parks, Recreation & Culture	32,334,561	34,833,856	2,499,295	7.2%	68,370,100	423,900
Fiscal	(132,257)	(2,076,265)	(1,944,008)	(93.6%)	(18,605,900)	(3,379,100)
Tax Levy for City Services	(373,251,822)	(374,779,600)	(1,527,778)	(0.4%)	(368,140,700)	(1,527,800)
Net Result	(\$208,484,426)	(\$194,272,451)	\$14,211,975	5.8%	-	\$6,506,600

* Represents Period 05 net variance as a percentage to Period 05 expenditures budget

The City is in an overall net favourable position of \$14.2M (5.8%) at the end of Period 05. This is primarily due to higher than anticipated building permit & fee revenue which is partly driven by applicants ensuring they have permits and fees paid prior to the e in-stream protection period ending tied to provincial legislative housing changes. Furthermore, there are favourable variance tied to operations in PRC, Engineering, and RCMP. These are offset by higher than anticipated expenditures in other departments and the shortfall in anticipated taxation from new growth. By year end, it is forecasted that the City's net favourable variance will decrease to \$6.5M, primarily due to continued higher than expected expenditures for the remainder of the year.

Further details on the significant variances by department in General Revenue Operations as of Period 05 and year end forecasts are provided below. Additional commentary has been provided for departments with favourable or unfavourable variances that are greater than \$0.5M.

Business Licence & Bylaw Services: As of Period 05, the department has a net favourable variance of \$0.3M due to higher than anticipated business licence revenue, and compensation savings from staffing levels. The forecasted year-end net favourable variance will be \$0.6M due to the same factors to date.

Burnaby Fire: As of Period 05, the department has a net unfavourable variance of \$0.4M due to higher than anticipated compensation expenditures to ensure adequate firefighting coverage/staff levels at the various fire hall stations. The forecasted year-end net variance will remain unfavourable by \$1.3M due to the same factors to date.

RCMP Burnaby Detachment: As of Period 05, there is a net favourable variance of \$0.8M primarily due to lower RCMP contract costs from Regular Member vacancies, lower E-Comm contract costs and compensation savings from City staff vacancies. Similar to many organizations and other police services across Canada, the RCMP is operating during an unprecedented time with uncertainty and many staffing challenges. There is a significant staffing plan in place with currently 17,500 active applicants in process. The results of this plan are not expected to be realized by year end. The forecasted year end net variance will be favourable by \$2.5M due to the same factors to date.

Engineering: As of Period 05, the department has a net favourable variance of \$2.0M primarily due to higher development fees, anchor rod fees, and traffic control permit revenue in addition to savings in other operating expenditures. This is partially offset by a decrease in revenues from 3rd party connection activities, lower parking revenue and higher compensation expenditures to ensure adequate/staff levels related to Public Works Solid Waste & Recycling operations. By year end, it is anticipated that actuals will align close to budget due to the lower than anticipated advertising and parking revenues as well as increased compensation expenditures and other operating expenditures to fulfil various operational requirements and to ramp up 3rd party connection activities.

Planning & Development: As of Period 05, the department has a net favourable variance of \$13.2M primarily due to higher than anticipated building permit & fee revenue driven by higher development activity as a result of the in-stream protection period from provincial legislation changes. It is estimated that this favourable variance will remain by year end.

Lands & Facilities: As of Period 05, the department has a net unfavourable variance of \$0.6M primarily due to higher compensation related expenditures for maintenance and custodial services for City facilities in addition to third party building services expenditures for various maintenance activities. The forecasted year end net variance will be increase to \$3.4M primarily driven by same factors to date to ensure City facilities are adequately maintained and serviced.

Parks, Recreation and Culture: As of Period 05, the department net variance is favourable by \$2.5M primarily due to favourable operations within the recreation, food and golf services divisions. Recreation division is favourable due to higher than anticipated recreation revenues from an increase in B-Active membership passes and facility rental revenue partially offset by higher than anticipated compensation expenditures to ensure appropriate coverage/staffing levels. Food & Golf Services division is favourable due to strong golf revenues in green fees due to high volume of patrons and food services revenues resulting from an increase in demand for catering services for weddings and other events. These are offset by higher than budgeted expenditures within Park Services division for various maintenance and contracted/hired equipment services to support snow removal and overall parks operations. By year end, it is anticipated the net variance will be reduced to \$0.4M favourable due to the continued increases in overall compensation expenditures, higher cost associated with safety requirements for City events as well as contracted/hired equipment expenditures related to snow removal & parks operations.

Fiscal & Tax Levy for City Services: As of Period 05, the department net variance is unfavourable by \$3.5M primarily due to lower than anticipated taxation from new growth, higher than anticipated assessment appeals, higher interest on tax prepayments, and other operational expenditures. By year end, the net unfavourable variance is expected to increase to \$4.9M primarily due to the same factors mentioned.

Please refer to Attachment 1 for the summary of Period 05 General Revenue and Expenditure Operating Results by Department.

3.1.3. Sanitary Sewer Fund – Operating Financial Results

Table 2 summarizes Period 05 Sanitary Sewer Fund operating results.

Table 2 – Sanitary Sewer Fund - Revenue and Expenditures to Period 05

	Period 05 Actual	Period 05 Budget	Period 05 Variance Favourable/ (Unfavourable)	Variance %	2025 Annual Budget	2025 Year End Forecasted Variance Favourable/ (Unfavourable)
Revenue	61,978,216	61,273,116	705,110	1.2%	73,809,800	709,000
Expenditures	62,110,210	62,849,325	739,115	1.2%	73,809,800	1,983,000
Net Result	(\$131,994)	(\$1,576,209)	\$1,444,215	2.3%*	-	\$2,692,000

* Represents Period 05 net variance as a percentage to Period 05 expenditures budget

Sanitary Sewer Fund has a net favourable variance of \$1.4M (2.3%) at Period 05 and is mainly due to favourable variances of \$0.7M in revenue and \$0.7M in expenditure.

Period 05 favourable revenue variance of \$0.7M is mainly due to higher than anticipated flat sewer use revenues from additional growth in new strata apartment/townhome units.

The favourable Period 05 expenditure variance of \$0.7M is primarily due to compensation savings from staff vacancies, and savings in hired equipment services due to lower than anticipated maintenance for City infrastructure.

By year end, it is anticipated that Sanitary Sewer Fund' will have a net favourable variance of \$2.7M as expenditures will continue to be lower than anticipated due to continued savings in the same factors mentioned above.

3.1.4. Waterworks Utility Fund – Operating Financial Results

Table 3 summarizes Period 05 Waterworks Utility Fund operating results.

Table 3 – Waterworks Utility - Revenue and Expenditure to Period 05

	Period 05 Actual	Period 05 Budget	Period 05 Variance Favourable/ (Unfavourable)	Variance %	2025 Annual Budget	2025 Year End Forecasted Variance Favourable/ (Unfavourable)
Revenue	56,357,786	56,456,240	(98,454)	(0.2%)	66,846,300	306,000
Expenditures	24,502,749	24,537,699	34,950	0.1%	66,846,300	1,162,000
Net Result	\$31,855,037	\$31,918,541	(\$63,504)	(0.3%)*	-	\$1,468,000

* Represents Period 05 net variance as a percentage to Period 05 expenditures budget

Waterworks Utility has a minor net unfavourable variance of \$0.1M (0.3%) at Period 05 which is mainly due to unfavourable variances of \$0.1M in revenue with expenditures being aligned with budget.

The unfavourable Period 05 revenue variance of \$0.1M is mainly due to lower than anticipated metered water revenue due to lower consumption from industrial/commercial customers.

The Period 05 expenditure variance is aligned with budget is primarily due to compensation savings from staff vacancies partially offset with higher than anticipated cost of water expenditures due to increase in water consumption.

By year end, it is forecasted that the Waterworks Utility's net favourable variance will increase to \$1.5M. This is primarily due to an increase in other 3rd party revenues related to 3rd party water connection activities, continued savings in compensation and savings in other operational expenditures.

3.2. CAPITAL PLAN

3.2.1. Capital Plan - Executive Summary

The capital plan total for 2025 is \$438.5M. As of the end of Period 05, the 2025 year-to-date capital expenditures amount to \$109.1M. The majority of expenditures incurred are attributable to Civic Projects, Infrastructure & Development and Transportation, which incurred \$63.4M (58.1%), \$20.8M (19.1%) and \$10.6M (9.7%) of all costs, respectively. Overall, total expenditures incurred equate to 25% of the planned capital expenditures which is comparable to 20% spent during the same period in 2024. The capital plan was increased significantly for 2025 to accommodate several ongoing major civic projects such as the Cameron Community Centre & Library, Community Safety Building (RCMP Detachment), Burnaby Lake Recreation Complex, and James Cowan Theatre Redevelopment.

Based on activities completed to date and current information available, the City has forecasted that \$417.0M will be spent in 2025, representing 95.1% of the plan compared to 103.7% of plan spent in 2024. The forecast is comparable to prior year expenditures, while significant land acquisitions were made last year, the current year is seeing accelerated expenditures to catch up from delays in the prior year for Civic Projects noted above, which are ongoing and under construction.

The year-end forecasts are further influenced by various market conditions, economic impacts and trade-related factors. According to Statistics Canada, the Building Construction Price Index for Q1 2025 reflects a 4.2% increase, underscoring the persistent inflationary pressures in the construction sector. This index serves as a key indicator of rising costs in both materials and services, which continue to drive year-over year increase in capital project expenditures.

The City remains impacted by these inflationary trends, which are compounded by uncertainties related to ongoing geopolitical tensions, global trade issues and imposition of additional foreign tariffs. While the City has yet to realize any significant financial impact from the foreign tariffs to date, they have the potential to further escalate material and equipment costs, placing additional strain on capital budgets. In response, City Council has approved a “Buy Local and Buy Canadian” approach when procuring services & materials to help mitigate the volatility on contract costs and to support local Canadian businesses. Furthermore, the City has updated its procurement practices/processes to mitigate these risks and promote increased transparency. Specifically, the City has included revised language within all new bid documents to address the ongoing impact of tariffs. Vendors are also now required to quote tariff-related costs as a separate line item within their pricing submissions. The contract terms stipulate that if applicable tariffs are reduced or removed during the contract period, corresponding price adjustments will be required to reflect the change.

The factors mentioned above all contribute to a dynamic and unpredictable market environment. As such, economic conditions will be closely monitored, and forecasts will be updated as new data and trends emerge.

3.2.2. Capital Reports

For visibility and transparency into the progress of the City of Burnaby’s approved 5 Year Capital Plan, the actual results of capital projects are provided in the 3 capital summary tables attached to this report as follows:

- 2025 Capital Plan Summary (Attachment 2)
- 2025 Detailed Department Project Summary & Forecast (Attachment 3)
- Lifetime Status Update on Significant Projects (Attachment 4).

For reference purposes, a Reader’s Guide - Glossary (Attachment 5) has been included to provide readers with explanations of the terminology utilized in the various reports.

3.3. CONTRACT AWARDS

Attachment 6 provides a listing of all contract awards between \$250,000 and \$1,000,000 signed by the Chief Administrative Officer to the end of 2025 Period 05.

At the end of March, Council approved the change to the Chief Administrative Officer's approval authority from \$1,000,000 to \$500,000. The attached listing includes contract awards that were approved prior to this change taking into effect.

4.0 COMMUNICATIONS AND COMMUNITY ENGAGEMENT

Not applicable.

5.0 FINANCIAL CONSIDERATIONS

As outlined in this report.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

- Attachment 1 – General Revenue Fund Summary As of Period 05
Revenue and Expenditures by Department
- Attachment 2 – 2025 Capital Plan Summary As of Period 05
- Attachment 3 – 2025 Detailed Department Project Summary and Forecast
- Attachment 4 – Capital Plan – Lifetime Status Update on Significant Projects
- Attachment 5 – Capital Plan Reporting Readers Guide – Glossary
- Attachment 6 – Purchase Orders Between \$250,000 - \$1,000,000
(2025 Period 01 to 05)

REPORT CONTRIBUTORS

This report was prepared by James Cheu, Manager, Budgets & Reporting and Coreen Jorgenson, Manager, Budgets & Reporting and reviewed by Ratan Grewal, Deputy General Manager, Finance and Wilson Kwan, Director, Budgets & Reporting.