

CITY OF BURLINGTON
2016 OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT
JANUARY 1 – DECEMBER 31, 2016

Outlined in the table below are explanations of the specific cost elements that have variances greater than \$100,000 at December 31, 2016.

COST ELEMENT	2016 VARIANCE	F / (U)	EXPLANATION OF 2016 VARIANCE
CITY SERVICES			
Human Resource Costs	\$1,798,715	F	Favourable variance in Human resource costs mainly in Traffic Operations Management, Recreation and Winter Maintenance. The City experienced a large number of vacancies throughout the year. The favourable variance is primarily attributed to the period of time from when the position became vacant to being filled after the competition was complete.
Equipment Parts & Supplies	\$(507,031)	U	The unfavourable variance, mainly in Transit, is due to higher than anticipated repairs from an older model of bus of which 4 are being replaced in 2017.
Commodities	\$(173,693)	U	Commodities exceeded budget primarily due to unfavourable variances in electricity and water costs. These unfavourable variances were partially offset by favourable variances in diesel fuel, gasoline and natural gas.
MACC Purchased Materials and Supplies	\$(104,532)	U	Variance mainly related to higher than anticipated costs for topsoil in Sport fields maintenance and salt in Winter operations.
Contract Services	\$(152,681)	U	Unfavourable variance primarily in Development Review due to Natural Heritage studies for a proposed King Rd development.
Advertising and Promotion	\$148,400	F	The favourable variance is due to savings in Transit as well as reduced cost for online vs. print advertising in Recreation.

COST ELEMENT	2016 VARIANCE	F / (U)	EXPLANATION OF 2016 VARIANCE
Provision to Reserve Fund (DAAP)	\$(118,144)	U	Provision to the Building Reserve fund as per bill 124 Model.
Provision to Reserve Fund (Parking)	\$(338,825)	U	Increases in Parking Revenues, resulted in higher than budgeted provision to the Reserve Fund.
Parking Fines	\$626,731	F	Parking Fine revenue came in higher than expected due to increase in number of fines issued across the city.
Daily Parking Revenues	\$167,311	F	Variance due to an increase in daily parking revenue in the downtown.
Recovery from DAAP Reserve Fund	\$205,378	F	Lower than budgeted Site Plan Application Fees and Subdivision Admin Fee revenues, resulted in a draw from the Reserve Fund.
Official Plan & Rezoning Fees	\$106,926	F	Official Plan & Rezoning Fees were higher than budgeted due to a large number of major redevelopments.
Site Plan Application Fees	\$(263,947)	U	Unfavourable variance due to the elimination of the Site Plan Application Fees for low density residential dwellings.
Recovery from the Region of Halton	\$170,181	F	Higher than anticipated recoveries mainly in Roadway Maintenance due to one time recoveries for locate services, E.A.B. mitigation and the New Street reconstruction
Transit Fare Revenue	\$(249,156)	U	Unfavourable variance resulting from lower than anticipated ridership, some of it driven by the New Street detour.
CORPORATE REVENUES			
Earnings on Investments	\$1,215,971	F	Favourable variance is the result of \$2.8M capital gains realized, of which \$1.6M was used to meet budget.

COST ELEMENT	2016 VARIANCE	F / (U)	EXPLANATION OF 2016 VARIANCE
Supplementary Taxes	\$1,157,278	F	The favourable variance in Supplementary taxes was offset by an unfavourable variance in Property Tax write offs (see below).
CORPORATE EXPENDITURE			
Tax Write Offs	\$(1,663,205)	U	Tax write offs in 2016 were significantly higher than budget due to significant processing of outstanding appeals by the Assessment Review Board prior to the new 4 year reassessment period.
Provincial Contribution	\$218,473	F	Favourable variance due to payment received in 2016 from ODRAP for the disaster relief committee.
Provision to Reserve - Other	\$(450,056)	U	Variance related to the ODRAP payment being transferred to tax rate stabilization reserve fund, as well as some capital holdback payments transferred to their original funding source.