

CITY OF BURLINGTON
2018 OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT
JANUARY 1 – DECEMBER 31, 2018

Outlined in the table below are explanations of the specific cost elements that have variances greater than \$100,000 at December 31, 2018.

COST ELEMENT	2018 VARIANCE	F / (U)	EXPLANATION OF 2018 VARIANCE
CITY SERVICES			
Human Resources (excluding Winter Maintenance)	\$904,848	F	Favourable variance in Human Resource costs, mainly in Transit, and Traffic Operations. These positive variances were partially offset by unfavourable variances in Parks and Open Space Maintenance, due to greater than expected staffing costs resulting from the wet, rainy park season.
Diesel	\$(415,065)	U	Unfavourable variance is due to higher than anticipated diesel prices.
Equipment Parts & Supplies	\$(605,958)	U	The unfavourable variance is due to higher than anticipated repair costs in Transit and outfitting vehicles with lighting and signage requirements in Fleet Services.
RPM Stores Issues	\$248,478	F	The favourable variance is due to decreased usage of materials in Winter Maintenance from the milder winter season in 2018.
Building Repair and Maintenance	\$(326,023)	U	Unfavourable variance mainly due to unplanned repairs at the pools (waterslide, compressors, pumps and sprinklers) and increase in preventative maintenance to manage aging arena facilities and equipment.
External Services	\$(523,333)	U	Unfavourable variance mainly due to the increased use of contractual services for the Emerald Ash Borer Management Program and clean-up costs from high wind events. This is partially offset from savings in Winter Services due to the milder 2018 winter season.
Water & Wastewater	\$194,375	F	Savings in Arena and Sportfield Maintenance operations due to conservation efforts and emergency pool closure.
Recreation Admissions	\$148,682	F	Increased skating and recreational swim revenues due to higher participation and an increase in rates and fees.
Ice Rentals	\$(171,380)	U	Lower than expected revenues mainly due to unplanned facility closures.

COST ELEMENT	2018 VARIANCE	F / (U)	EXPLANATION OF 2018 VARIANCE
Parking Fines	\$342,530	F	Fine revenue was higher than expected due to enforcement technologies such as license plate recognition (LPR), hand-held devices / ticket management system, parking payment equipment, and efficiencies of patrol grids.
Daily Parking Revenues	\$246,707	F	Variance due to an increase in the volume of daily parking revenue following the transition from coin only meters based on parking space to machines offering multiple payment options based on license plate.
Provision to Parking Reserve Fund	\$(634,987)	U	Increases in parking revenues and fines in the downtown parking district resulted in higher than budgeted provision to the Reserve Fund.
Building Revenues	\$(1,089,773)	U	The unfavourable variance is attributed to a lower than expected number of building permit applications. Building revenues are offset by expenditures (both direct and indirect as per the Bill 124 model), resulting in a draw from the reserve fund.
Building Permit Stabilization Reserve Fund	\$935,885	F	As per Bill 124 Model, a shortfall in building permit revenues resulted in a draw from the reserve fund.
Official Plan and Rezoning Fees	\$406,181	F	Planning fee revenues experienced a favourable variance due to increase in site plan applications fees, subdivision fees, official plan amendments and rezoning fees.
Planning Fee Stabilization Reserve Fund	\$(335,330)	U	Higher than expected development application fee revenues resulted in an increased provision to this reserve fund.
Engineering Revenues	\$(167,189)	U	The unfavourable variance is due to a decrease in Subdivision Administration Fees.
Engineering Fee Stabilization Reserve Fund	\$167,189	F	The decrease in Subdivision Administration Fees has resulted in a draw from the reserve fund. Residential development in Burlington has changed from Greenfield subdivision applications to infill and intensification sites.
Hydro Proceeds	\$786,476	F	Special dividend payment received from Burlington Hydro.

COST ELEMENT	2018 VARIANCE	F / (U)	EXPLANATION OF 2018 VARIANCE
Provision to Reserve Fund	\$(786,476)	U	Provision to Hydro Reserve Fund resulting from special dividend payment.
Recovery from Halton Court Services	\$348,448	F	As per revenue sharing agreement, increased revenues resulted in a higher recovery from Halton Court Services.
External and Regional Recoveries	\$330,414	F	Increased work performed for the Region and other municipalities resulted in higher recoveries.
Ministry of Transportation Recoveries	\$141,909	F	Higher than expected recoveries from MTO due to Burlington Fire Department response to highway incidents.
Excavation Permits	\$142,980	F	Higher than expected revenues due to excavation permit volumes.
CORPORATE REVENUES			
Earnings on Investments	\$648,809	F	Investment income exceeded budget by \$648,809. This positive variance is attributed to \$1,805,832 of realized capital gains, of which \$1,157,023 was used to meet the budget of \$5.3 million.
Supplementary Taxes	\$227,823	F	Favourable variance due to higher than anticipated supplementary taxes for current and prior years.
Payment in Lieu	\$748,161	F	Increased assessment value of Regional water facility resulted in a higher payment in lieu collected for current and previous two tax years.