

CITY OF BURLINGTON
2020 OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT
 JANUARY 1 – JUNE 30, 2020

Outlined in the table below are the explanations of the major Year to date and/or Year End variance drivers as at June 30, 2020.

Major drivers	June 30th Variance	F / (U)	Year End Variance	F / (U)	Explanation of Variance
Tax Supported Revenues	\$ (5,464,116)		\$ (13,452,939)		
Parks and Recreation	\$ (2,799,704)	U	\$ (8,271,224)	U	With facilities and programs being closed as of mid March, there have been significant losses in Program and Rental revenues . As some of the programs start resuming, the revenues are expected to increase marginally but still well below budget due to the restricted capacity and few programs offered. Additional losses are projected for the fall and winter season due to the ongoing restrictions as well as the uncertainty around public participation in the City's offerings.
Transit	\$ (1,368,681)	U	\$ (3,168,147)	U	Transit fare revenues were highly impacted by COVID as a result of fare collection being suspended starting March 19th. With the installation of physical barriers on the buses, Transit will resume charging fares September 1st, however with low ridership volumes due to capacity restrictions in place, revenue is expected to be much lower than budget.
Penalty and Interest on Taxes	\$ (640,140)	U	\$ (670,000)	U	Revenue loss as a result of waiving of penalty and interest for the months of April, May, June and July
Parking By Law	\$ (395,336)	U	\$ (975,000)	U	The unfavourable variance is primarily due to a halt in parking fine revenues starting March. Parking enforcement fines have been re-instated as of August.
Licensing	\$ (260,254)	U	\$ (368,568)	U	Licensing revenues have been affected as venues and events were restricted by Provincial orders.
Non-Tax Supported Revenues and COVID related costs	\$ (3,032,782)		\$ (4,559,320)		
Parking District	\$ (1,117,381)	U	\$ (1,357,000)	U	Revenue loss resulting from the suspension of the collection of parking lot fees. As the City continues to resume services during COVID-19, payment became required in the downtown for on-street parking and in municipal parking lots effective August 4th .
Building Permit Revenues	\$ (1,032,174)	U	\$ (2,110,120)	U	Building Permit revenues have significantly been affected by the pandemic. The development industry has been affected and construction projects have been delayed due to the financial constraints by developers.
Planning Fee Revenues	\$ (580,230)	U	\$ (391,200)	U	Planning experienced revenue losses resulting from the City Hall closure in mid March, however, with the launch of the digital review process in mid May, typical application volumes have resumed, and efficiencies are currently being realized in the delivery of services in a digital format.
Additional costs (COVID related)	\$ (302,997)	U	\$ (701,000)	U	Impact of additional expenses incurred directly as a result of COVID-19 such as enhanced cleaning of transit buses, additional park ambassadors, paid duty officers and the reservation system for Lowville Park. These costs are expected to continue during the second half of the year.
Expenditure Restraint Program Savings	\$ 4,124,347		\$ 7,040,939		
Part time Wages	\$ 1,905,912	F	\$ 4,558,141	F	Savings in part-time wages as a result of the temporary part-time staff lay-offs across various programs between March and June and the delay in hiring of summer students. Further part-time savings are expected in the second half of the year, however, with the gradual resumption of services, part-time staff will return in services where required.
Utilities	\$ 491,915	F	\$ 850,032	F	Utility savings from various facility closures
Other Discretionary Operating Savings	\$ 1,726,520	F	\$ 1,632,766	F	To offset revenue losses the City has implemented an Expenditure Restraint Program . The savings realized from this program include savings in areas such as external contracted services, professional development & consulting services, etc. This program has been extended to the end of the year.
Other Operational Savings	\$ 3,079,284		\$ 3,284,811		
Human Resources	\$ 1,611,430	F	\$ 2,155,705	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2020 Budget and other temporary vacancies
Fuel	\$ 528,275	F	\$ 614,164	F	Fuel savings primarily in Transit as a result of favourable pricing as well as reduced consumption.
Interest Earned	\$ 318,062	F	\$ 500,000	F	Investment income is expected to exceed expectations by \$500,000 by year end. This positive variance is attributable to year to date capital gains which are being used to help meet budget of \$5,300,000.
Winter Maintenance	\$ 552,367	F	\$ 311,519	F	Favourable variance in Winter Maintenance is due to a decrease in salt and sand usage, as well as external services resulting from a mild winter season in the first part of the year.
Other	\$ 69,151	F	\$ (296,578)	U	Favourable year-to-date primarily due to higher than budgeted GST recovered as well as small variances across multiple cost elements. The unfavourable year end projection is primarily related to tax write-offs as a result of 2020 being the last year of the 4 year assessment phase-in, and lower private tree by-law revenues offset by savings in HR costs given the delay in hiring additional forestry resources
Total	\$ (1,293,267)		\$ (7,686,510)		
Additional impact from Service Redesigns approved by Council on August 13, 2020			\$ (1,982,500)		
TOTAL revised			\$ (9,669,010)		