

CITY OF BURLINGTON
2020 OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT
 JANUARY 1 – DECEMBER 31, 2020

Outlined in the table below are the explanations of the major Year End variance drivers as at December 31st, 2020

Major drivers	December 31st Variance	F / (U)	Explanation of Variance
Tax Supported Revenues	\$ (13,410,305)		
Recreation, Community and Culture	\$ (8,744,063)	U	With facilities and programs being closed as of mid March until May, there were significant losses in Program and Rental revenues. As some of the programs started resuming, the revenues increased marginally but still well below budget due to the restricted capacity and few programs offered.
Transit	\$ (3,059,926)	U	Transit fare revenues were highly impacted by COVID as a result of fare collection being suspended from March 19th to September 1st. Burlington Transit's ridership declined around 60% at the beginning of the pandemic and rebounded to 35% in the fall. However, with increased restrictions and further lockdowns in December, revenues continued to decline.
Penalty and Interest on Taxes	\$ (647,498)	U	Revenue loss as a result of waiving of penalty and interest for the months of April, May, June and July
Parking By Law Enforcement	\$ (611,031)	U	Revenue losses primarily due to a halt in parking fine revenues starting March. Parking enforcement fines have now been reinstated.
Licensing	\$ (347,786)	U	Licensing revenues experienced losses as venues and events were restricted by Provincial orders.
Non-Tax Supported Revenues	\$ (3,281,835)		
Parking District Revenues	\$ (1,281,056)	U	Revenue loss resulting from the suspension of the collection of parking fees. As the City resumed services, payment became required in the downtown for on-street parking and in municipal parking lots effective August 4th.
Building Permit Revenues	\$ (1,564,084)	U	Building Permit revenues were significantly affected by COVID resulting in revenue losses. Anticipated large scale projects for 2020 were not received due to circumstances related to the pandemic and the delay in planning approvals (ICBL, LPAT).
Planning Fee Revenues	\$ (436,695)	U	Planning experienced revenue losses as a result of the City Hall closure in mid March, however, with the launch of the digital review process in mid May, typical application volumes resumed, and efficiencies were realized in the delivery of services in a digital format.
COVID related costs	\$ (1,485,810)		
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Non-Tax Supported provisions/draws	\$ 2,608,363		
Provision to Reserve Fund - Parking District	\$ 1,051,356	F	Revenue losses in Parking District resulted in lower than budgeted provision to the Parking District Reserve Fund.
Draw from Reserve Fund- Building	\$ 931,864	F	Building Revenue losses were partially offset by a draw from the Building Permit Stabilization Reserve Fund as per the Bill 124 Model.
Draw from Reserve Fund - DAAP	\$ 436,695	F	Planning Fee Revenue losses were offset by a draw from the Planning Fee Stabilization Reserve Fund.
Provision to Net Zero Operations	\$ 188,448	F	Revenue losses in the Net Zero Operations resulted in lower than budgeted provision to the Reserve Funds.
Expenditure Restraint Program Savings	\$ 7,143,157		
Part time Wages	\$ 4,069,694	F	Savings in part-time wages resulting from temporary part-time staff lay-offs across various programs between March and June and the delay in hiring of summer students.
Utilities	\$ 907,655	F	Utility savings from various facility closures.
Other Discretionary Operating Savings	\$ 2,165,808	F	To offset revenue losses the City 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.
Other Operational Savings	\$ 2,886,849		
Other Human Resources	\$ 1,417,989	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2020 Budget and other temporary vacancies.
Fuel	\$ 1,129,131	F	Fuel savings primarily in Transit as a result of favourable pricing as well as reduced consumption.
Winter Maintenance	\$ 1,316,390	F	Favourable variance in Winter Maintenance is due to a decrease in salt and sand usage, as well as external services resulting from the mild winter seasons.
Transfer From Provincial Gas Tax Reserve Fund	\$ (1,000,000)	U	Provincial gas tax funding for Transit Operations was not required in 2020 due to offsetting savings in HR and fuel.
Other	\$ 23,340	F	Miscellaneous savings in various other expenditures
Corporate Expenditures	\$ (4,540,208)		
Current Year Tax Write offs	\$ (466,996)	U	Unfavourable variance due to significant appeals in 2020
Provision to Allowance for Prior Year Tax Write offs	\$ (459,144)	U	Unfavourable variance due to significant appeals relating to prior years taxes resulting in an insufficient balance on the allowance account at year end.
Provision to Tax Rate Stabilization Reserve Fund	\$ (1,131,189)	U	
Provision to Infrastructure Renewal Reserve Fund	\$ (1,131,189)	U	To allocate surplus investment income as per the Interest Allocation Policy (F-48-20) as amended.
Provision to Green Initiatives Reserve Fund	\$ (250,000)	U	
Provision to Severe Weather Reserve Fund	\$ (600,000)	U	Given the favourable variance in Winter Maintenance, a provision was made to Severe Weather Reserve fund
Provision to Commodities Reserve Fund	\$ (320,000)	U	Given the favourable variance in commodity costs, a provision was made to the Commodities Reserve fund
Provision to Strategic Land Acquisition Reserve Fund	\$ (101,690)	U	
Provision to Insurance Reserve	\$ (80,000)	U	To support potential 2021 budget reduction discussion items
Corporate Revenues	\$ 3,152,361		
Investment Income	\$ 2,512,378	F	Investment income exceeded budget by \$2,512,378. This positive variance is attributable to \$4,179,177 of realized capital gains, of which \$1,666,799 was used to meet budget of \$5,300,000. This favourable variance was distributed according to the interest allocation policy as amended.
Payments in Lieu of Taxes	\$ 264,141	F	Favourable variance due to receipt of PIL properties omitted from the roll covering multiple years for Canada Post.
HST Recovered	\$ 230,197	F	Net proceeds on HST recovery based on external consultant review.
Supplementary Taxes	\$ 145,645	F	The City realized higher than anticipated supplementary taxes for current and previous years.
Subtotal Year End Position	\$ (6,927,427)	U	
Senior Level Government Funding	\$ 6,927,427	F	
Safe Restart Agreement Phase 1 - Operating Pressures	\$ 4,470,700	F	Funding used to offset City's COVID related impacts
Safe Restart Agreement Phase 1 - Transit	\$ 1,571,213	F	Funding used to offset Transit's COVID related impacts
Safe Restart Agreement - Phase 1 Transit Top Up funding	\$ 796,142	F	Funding used to offset Transit's COVID related impacts
Municipal Transit Enhanced Cleaning (MTEC)	\$ 89,372	F	Funding used to offset Transit's enhanced bus cleaning costs
Total Year End Position	\$ (0)		