

CITY OF BURLINGTON
2022 MID-YEAR OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT

Outlined in the table below are the explanations of the major Year End variance drivers .

Major drivers	Projected Year End Variance	F / (U)	Explanation of Variance
Tax Supported Revenues	\$ (1,112,707)	U	
Recreation, Community and Culture	\$ (1,382,607)	U	Recreation, Community and Culture have experienced loss of revenues in the program areas. Reduced revenues were budgeted through the onetime COVID impact budget for Q1 & Q2 and, in some instances, they ended up doing better than expected (e.g. rentals). Revenue for Q3 and Q4 was expected to return to pre-covid levels which is not happening. Changes in customer buying behavior has resulted in continued loss of revenue through Q3 which is the prime revenue generation period for many of our program areas and it is anticipated this change in behavior will continue to negatively impact revenues through the end of the year and possibly into 2023.
Parking By Law	\$ (511,100)	U	Unfavourable variance in Parking Bylaw revenues resulting from changes from a proactive enforcement of certain offences, to complaint basis only during State of Emergency, and the extension of these changes throughout summer to accommodate students and those working from home . The revenues were also affected by exemption extensions as required in the absence of city-wide paid permit system. In addition Beachway lot revenues were down compared to the same period last year.
Transit	\$ 865,000	F	2022 Approved Budget was prepared with anticipated lower Transit Fare Revenues compared to pre-COVID budgeted revenue to reflect the impacts of COVID and the anticipated recovery of ridership. Year to date fare revenue is reporting favourably during ridership recovery, with Q2 reporting a ridership reaching approximately 90% of pre-COVID ridership levels. Although the monthly boardings held strong in Q2, ridership was still low in Q1 and therefore the year-to-date revenues are not yet reporting 90% of pre-COVID revenues. This lag in revenues to date is expected to lessen as strong ridership recovery continues, and ultimately service reaches 100% of pre-COVID levels.
Private Tree Bylaw revenues	\$ (84,000)	U	Private Tree bylaw revenues are reflective of the new fee structure approved during 2022 . An adjustment to the Private Tree bylaw revenues will be required in 2023 .
Tenant Lease Revenue	\$ (77,578)	U	Unfavourable variance due to the loss of a tenant at 414 Locust Street
Non-Tax Supported Revenues	\$ 18,404	F	
Parking District Revenues	\$ (543,025)	U	Lower than anticipated revenues in Parking District due to a variety of factors such as Lot closures due to sensor installations, curbside pickup program occupying many on-street spaces early 2022, as well as staffing shortage due to enforcement officer turnover . These losses will be offset by lower provisions to the Parking District Reserve Fund.
Provision to Reserve Fund - Parking District	\$ 561,429	F	
Planning Fee Revenues	\$ (845,812)	U	Unfavourable variance mainly due to lower than budgeted Site Plan Application Revenues. There have been over 30 site plan pre-consultations year to date in 2022 , but many of these have not yet translated into formal applications. Bill 109 may be influencing this delay. These unfavourable variances will be offset by a draw from the Planning Fee Reserve Fund.
Draw from the Planning Fee Reserve Fund	\$ 845,812	F	
COVID Related costs	\$ (117,807)	U	
Additional costs (COVID related)	\$ (117,807)	U	Additional costs as a result of enhanced cleaning services , purchase of PPE and other COVID related costs. The unfavourable variance was slightly offset by lower than anticipated costs related to active screening and implementation of the enhanced vaccine certificate in Recreation, Community, and Culture .
Other Operational Impacts	\$ 1,321,835	F	
Human Resources (excluding Part time wages and Overtime costs)	\$ 2,590,987	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2022 Budget and other temporary vacancies
Part time Wages	\$ 609,221	F	Recreation, Community and Culture have experienced some savings in part-time wages due to a stripped down program offering during various stages of covid recovery. Mountainside Pool closure along with the continued challenge to fill specific part-time positions are contributing to the favourability. In addition, savings were also realized in school crossing guard costs.
Overtime costs	\$ (1,337,995)	U	Unfavourable variance due to higher than budgeted costs in Fire Management and Transit Services resulting from COVID related pressures and temporary vacancies.
Utilities	\$ 236,373	F	Recreation, Community and Culture have experienced savings in hydro and water expenses. The favourability is due to the January closures which predominately impacted ice and indoor pools, combined with the gradual reopening of facilities due to the restrictions that were in place. In addition, there are savings due to the closure of Mountainside Pool.
Contracted Services	\$ (571,883)	U	Additional costs due to the May 21, 2022 Derocho storm. The city has submitted information to the Ministry of Municipal Affairs and Housing for municipal disaster assistance. Should funding not be forthcoming, a draw from the Severe Weather Reserve Fund may be required.
Draw from the Severe Weather Reserve Fund	\$ 545,000	F	

Fuel	\$ (434,982)	U	Russia's invasion in Ukraine has resulted in economic and fiscal sanctions which have driven up the price of fuel. Fuel prices began to increase steadily beginning in January and reached records highs during the first half of the year resulting in unfavourable variance in fuel costs.
Equipment Repair and Building Maintenance	\$ (100,210)	U	Unfavourable variance primarily as a result of higher than anticipated vehicle maintenance costs . These costs were slightly offset by some savings realized due to the Mountainside Pool closure.
Other - various	\$ (214,677)	U	Miscellaneous impacts in various areas
Corporate Expenditure	\$ (1,000,000)	U	
Provision for Prior Year Tax Write off	\$ (1,000,000)	U	Unfavourable variance due to significant appeals relating to prior years taxes resulting in an insufficient balance in the allowance account at year end.
Corporate Revenues	\$ (264,378)		
Investment Income	\$ (500,000)	U	Investment income as of June 30, 2022, has decreased compared to prior year. Economic conditions in the first half of 2022 have significantly decreased prices in the bond market. This has limited the ability to achieve capital gains through active trading. Staff will continue to monitor market fluctuations taking advantage of trades for capital gains where prudent to do so in accordance with the City's investment policy.
Payments in Lieu of Taxes	\$ (64,378)	U	Unfavourable variance as two Canada Post properties sold at the end of 2021 which are now taxable properties (no longer PIL revenue).
Supplementary Taxes	\$ 300,000	F	The City is expecting to realize higher than anticipated supplementary taxes for current and previous years.
Projected Year End Shortfall	\$ (1,173,057)		
Safe Restart Funding - Transit	\$ 792,919		
Additional Tax Rate Stabilization Reserve Fund Draw	\$ 380,138		
Projected Year End Position	\$ -		