

CITY OF BURLINGTON
2022 YEAR END OPERATING BUDGET PERFORMANCE REPORT
VARIANCE ACCOUNTABILITY REPORT

Appendix A
to F-13-23

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

Major drivers	December 31st Variance	F / (U)	Explanation of Variance
Tax Supported Revenues	\$ 38,838	F	
Recreation, Community and Culture	\$ (1,338,785)	U	Recreation, Community and Culture had decreased revenues in 2022, especially in the program areas. Reduced revenues were included in the onetime COVID impact budget for Q1 & Q2 with revenues expected to return to pre-covid levels for Q3 & Q4. The reality is that revenues throughout the year continued to be slow to recover except for sport field rentals and the BTTB memberships. Changes in customer buying behavior combined with the January closure resulted in an overall decrease of budgeted revenues. This change and the slow revenue recovery is expected to continue throughout 2023.
Transit	\$ 1,613,808	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. The actual 2022 revenue was favourable during ridership recovery, with ridership reaching approximately 90% of pre-COVID ridership levels.
Parking By Law	\$ (342,777)	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.
Fire Fines	\$ 106,592	F	Favourable variance resulting from an increase in rates for preventable false alarms and only having no charge for the first offence. Prior years we were billing preventable false alarms at a reduced rate.
Non-Tax Supported Revenues	\$ (514,298)	U	
Parking District Revenues	\$ (182,921)	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 are offset by lower provisions to the Parking District Reserve Fund.
Provision to Reserve Fund - Parking District	\$ 250,967	F	
Planning Fee Revenues	\$ 350,109	F	Planning fee revenues experienced a favourable variance primarily due to increased demand from residents renovating properties and applicants seeking to get ahead of anticipated legislation changes from the Province. This resulted in a provision to the reserve fund in this amount.
Provision to Planning Fee Reserve Fund	\$ (350,109)	U	
Building Permit Revenues	\$ 1,655,175	F	The revenue was higher than anticipated due to an influx of several large industrial buildings, multi-residential, mid/high-rise buildings and continued investment by homeowners. As per Bill 124 Model, higher building permit revenues resulted in a provision to the reserve fund.
Provision to Building Reserve Fund	\$ (2,237,519)	U	
COVID Related costs	\$ (779,977)	U	
Additional costs (COVID related)	\$ (779,977)	U	Additional costs as a result of COVID related overtime costs in Fire Management Service, 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	\$ 282,427	F	
Human Resource costs	\$ 1,803,203	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2022 Budget and other temporary vacancies. These savings were partially offset by unfavourable variance in overtime costs due to higher than budgeted costs in Fire Management and Transit Services .
Contracted Services	\$ (876,273)	U	Contracted Services costs came in higher than anticipated in various Services, but the two major ones were Tree Management, as a result of the additional costs due to the May 21, 2022 Derocho storm, and Road Maintenance .In addition, janitorial services and security services were higher in Services like Parking and Corporate Facilities . The costs related to the storm were partially offset by a draw from the Severe Weather Reserve Fund .
Draw from the Severe Weather Reserve Fund	\$ 494,128	F	
Fuel	\$ (610,877)	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.
Draw from the Commodity Reserve Fund	\$ 233,622	F	The Transit unfavourable variance in fuel is offset with Safe Restart Public Transit funding. The remainder is partially offset by a draw from the Commodity Reserve Fund .

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Equipment Repair and Building Maintenance	\$ (853,002)	U	The unfavourable variance is due to higher than anticipated repair costs in Transit . In addition 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.
Utilities	\$ 73,424	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.
Other miscellaneous	\$ 18,201	F	Miscellaneous savings
Corporate Expenditure	\$ (1,677,697)	U	
Provision for Prior Year Tax Write off	\$ (1,500,000)	U	Unfavourable variance due to significant appeals relating to prior years taxes resulting in an insufficient balance in the allowance account at year end.
Current Year Tax Write Offs	\$ (177,697)	U	Unfavourable variance due to significant appeals in 2022.
Corporate Revenues	\$ 696,394		
HST Recovered	\$ 317,746	F	Higher than anticipated recovery related to the City's rebate on commercial services was realized.
Supplementary Taxes	\$ 188,994	F	The City realized higher than anticipated supplementary taxes for current and previous years.
Penalty and Interest on Taxes	\$ 189,653	F	Higher than anticipated penalty and interest on taxes were realized in 2022
Year End Shortfall	\$ (1,954,312)		
Safe Restart Funding - Transit	\$ 2,366,850	F	Top up, Supplementary and Phase 4 Transit Safe Restart Funding
Tax Rate Stabilization Reserve Fund COVID Draw	\$ (412,538)	U	Lower than budgeted draw resulting from additional Safe Restart Funding received and draws from Severe Weather Reserve Fund and Commodity Reserve Fund
Year End Position	\$ -		