

**CITY OF BURLINGTON**  
**OPERATING BUDGET PERFORMANCE FOR THE PERIOD ENDING JUNE 30, 2025**  
**VARIANCE ACCOUNTABILITY REPORT**

Outlined in the table below are the explanations of the major June 30th variance drivers

Major drivers	2025 Budget	2025 Year End Projections	Projected Variance as of June 30th	F / (U)	Explanation of Projected Variance
<b>Tax Supported Revenues</b>			<b>\$ 513,358</b>	<b>F</b>	
Ice Rentals	\$ (3,608,775)	\$ (3,742,458)	\$ 133,683	F	Increased revenue in ice rentals is primarily attributed to the retirement of the arena debt with a larger portion of the ice fees now going directly into the city revenues; this is an increase driven by a rate change and not by volume. These higher revenues will be reflected in the 2026 budget.
Admissions	\$ (643,660)	\$ (821,950)	\$ 178,290	F	Increased demand for drop-in programs particularly in the adult area reflect the desire for more quality programs in town as people choose to stay local and forego travel. This trend is expected to continue throughout the summer with overall participation increases across all services.
Registration Fees	\$ (3,771,210)	\$ (4,072,595)	\$ 301,385	F	Increased revenue across registered program, driven by higher participation in all program areas. This is particularly noticeable in aquatic, music and adult programs as people seek out these quality, reasonably priced, and well-advertised programs. Continuous improvements and feedback loops put in place are yielding results in terms of higher participation numbers, meaning this change is driven by an increase in volume and not only by the rate increase which is minimal compared to the total. The trending registration revenues will be reflected in the 2026 budget.
General Licenses	\$ (652,856)	\$ (552,856)	\$ (100,000)	U	By-law Compliance is experiencing a shortfall in general licensing revenue due to current staffing vacancies.
<b>Non-Tax Supported Revenues /Expenditures</b>			<b>\$ (219,999)</b>	<b>U</b>	
Planning Fee Revenue	\$ (6,262,330)	\$ (5,320,800)	\$ (941,530)	U	The negative variance in Community Planning revenues is primarily attributed to challenging regional market conditions, including high interest rates, slow new home sales, and elevated home prices. These factors have resulted in lower-than-average application volumes for major development files, such as Official Plan and Zoning By-law Amendments, despite continued pre-application activity. Site Plan application volumes and associated revenues also remain lower than anticipated. This is likely due to the site plan approval process being the final planning step before a building permit—with a two-year approval window—leading developers to delay applications until market conditions and land economics stabilize. While revenues from larger development applications are down, pre-consultation activity remains strong, suggesting that proponents are preparing for future submissions when market conditions improve. Furthermore, staff have observed that some applicants may be waiting for the adoption of the Community Planning Permit System, which offers a streamlined process and lower costs for new housing development. Staff continue to engage proactively with applicants and monitor files closely, reaching out to those with limited activity to facilitate progress and encourage timely submissions, positioning the City to respond quickly as market conditions recover.
Draw from the Planning Fee Reserve Fund	\$ 941,530	\$ -	\$ 941,530	F	A draw from the Planning Fee Stabilization Reserve fund has been projected to offset the unfavourable revenues.

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Building Permit Refunds	\$ -	\$ 859,197	\$ (859,197)	U	Building Department experienced a significant building permit cancellation, resulting in applicable building permit fees being refunded.
Draw from the Building Reserve Fund	\$ 639,197	\$ -	\$ 639,197	F	A draw from the Building Permit Stabilization Reserve Fund has been projected to offset the lower than anticipated revenues in accordance with the Bill 124 legislation.
<b>Other Operational Impacts</b>			<b>\$ 460,233</b>	<b>F</b>	
Human Resource costs	\$ 181,061,965	\$ 179,026,079	\$ 2,035,885	F	Gapping savings realized from the full year cost of vacant new positions approved in the 2025 Budget and other temporary vacancies that have occurred throughout the year. These savings are partially offset with higher than budgeted overtime costs in Transit and Fire.
Commodities	\$ 11,012,334	\$ 10,780,422	\$ 231,912	F	Recreation, Community and Culture department realized some savings in hydro and water costs due to the delay in the opening of the new Skyway arena. Transit also is projecting savings in diesel fuel due to lower than budgeted prices per liter .
Equipment Parts and Supplies	\$ 3,482,885	\$ 3,722,025	\$ (239,140)	U	Increase in overall Transit fleet size as well as aging of the fleet contributed in high costs for Equipment Parts and Supplies. Additionally a sharp rise in the cost of vehicle parts has contributed to the unfavourable variance. This has been a consistent trend for the last several years and a phase in of additional funding will be required in the 2026 and future budgets to address this shortfall.
Materials & Supplies	\$ 1,441,520	\$ 1,534,155	\$ (92,635)	U	Recreation, Community and Culture department is experiencing higher participation in their programs leading to higher consumption of materials and supplies
Roads Parks and Forestry stores	\$ 1,242,940	\$ 1,574,940	\$ (332,000)	U	Unfavourable variance is partially attributable to a higher than anticipated roads salt usage due to extreme winter conditions in early 2025.
Contracted Services	\$ 15,378,583	\$ 16,094,326	\$ (715,743)	U	Partially due to the unfavourable variance in winter maintenance as extreme winter conditions in early 2025 requiring higher than anticipated contractor hours for sidewalk and park parking lot winter maintenance. This is partially offset by savings for contractor expenses for road sweeping, which is now done by staff.
Repair & Maintenance - Building	\$ 1,168,790	\$ 1,400,227	\$ (231,437)	U	Unfavourable variance driven by higher than anticipated costs for facility maintenance at the Operations Centre for Roads, Parks and Forestry, as well as some urgent maintenance needs at Fire station 3 and 4. Recreation, Community and Culture also experienced higher repair costs at the Mainway Arena and Nelson pool. The 2026 and future budgets will continue to provide incremental phased funding to support the cost of ongoing preventative maintenance measures.
Rental - Vehicles & Equipment	\$ 309,980	\$ 439,980	\$ (130,000)	U	The variance is due to increased costs for rental vehicles for the in-house road sweeping program which is offset by reduced need for road sweeping contractors.
Other - various			\$ (66,609)	U	Various other minor variances across a variety of services

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<b>Corporate Revenues</b>			<b>\$ 1,383,875</b>		
Payments in Lieu of Taxes	\$ (4,019,150)	\$ (4,203,025)	\$ 183,875	F	Projecting a favourable variance for Payments in lieu as a result of previous years sustainable revenue collections.
Interest & Penalty on Taxes	\$ (2,300,000)	\$ (2,500,000)	\$ 200,000	F	The city is realizing higher than anticipated penalty and interest charges given higher tax arrears for a few accounts with prior years arrears in the first half of the year with total collections improving overall.
Supplementary Taxes	\$ (1,200,000)	\$ (1,000,000)	\$ (200,000)	U	Lower than anticipated levels of supplementary revenue in the early part of the year. The city forecasts lower than planned supplementary taxes for the current and previous years with a total projection of \$1 million.
Earning on Investments	\$ (8,951,000)	\$ (10,151,000)	\$ 1,200,000	F	The favourable investment income expected for year-end is driven by higher interest rates on short-term deposits and bonds compared to the stabilized rate assumed in the budget. Additionally, maturing lower-yield investments have been reinvested at more advantageous rates and volatility in markets have allowed staff to realize additional capital gains.
<b>Year End Position</b>			<b>\$ 2,137,467</b>		