

Operating Variances by Department
For the period ending December 31, 2022

Council

Council has a year-end surplus of \$116,970 or 12.5% of the budget. Discretionary spending and generalized savings within the budget were the main drivers of the surplus.

Council spending on training, mileage and conferences were \$47K under budget as many meetings and conferences continue to be offered online. In addition, savings on materials and services from various committees resulted in a \$24K favourable variance. Waivers of fees and grants to others were \$43K under budget which was offset by \$32K in equipment costs as equipment was loaned to user groups during events.

Office of the CAO

The Office of the CAO has a year-end surplus of \$158,601 or 5.1% of the budget. There is a surplus in salaries, wages & benefits (gapping) of \$172K due to vacancies and staff on leave. The Administrative Monetary Penalty System (AMPS) for parking tickets, approved as part of the 2022 operating budget, was implemented during Q3, delaying the hiring of the AMPS coordinator and collection of revenue until the third quarter.

Contracted services were \$31K over budget in the enforcement services division for parking enforcement and animal control, which is offset by \$31K of savings in consulting services from the administration and corporate communications divisions. Revenues were \$45K under budget due to the timing of the AMPS implementation, and the decline in sign permits fees as more businesses chose to advertise virtually. These unfavorable variances were offset by approximately \$32K of savings in materials and supplies as business changes to more online processes.

Business, Environment & Culture

The Business, Environment and Culture Department has a year-end surplus of \$152,996 or 8.0% of the budget driven by staff vacancies within Climate Change & Asset Management and Economic Development & Innovation. Funding of \$33K for the Senior Climate Change Specialist will be carried forward for use in 2023 in accordance with the Contract Carry Forward Policy.

Contracted services in Climate Change & Asset Management were \$66K over budget which was offset by savings in salaries and benefits. Consultation for the Equity, Diversity and Inclusion Strategy – Phase 1 was deferred until 2023 resulting in a net \$0 variance as the associated funding from the Tax Rate Stabilization was also deferred.

Corporate Services

Corporate Services has a year-end surplus of \$104,407 or 1.7% of the operating budget. The main driver for the surplus is \$259K in salaries and benefits, offset by an \$88K shortfall in revenues and \$69K in internal transfers.

The Corporate Services department had one vacant position which is reflected in savings related to salaries and benefits but there is also an offsetting shortfall in the revenue line as funding for the position was not required. Staff turnover in various roles has also contributed to the surplus in salaries and benefits and funding associated with contract positions will be carried forward to 2023.

Library Services

Library Services has a year-end surplus of \$240,627 or 6.1% of the operating budget. Total salaries and benefits were under budget by \$225K at year end. The savings are the result of a reorganization of human resources associated with retirements of long-term positions, and a review of resource needs for position vacancies. Revenues were \$24K over budget, mainly due to unbudgeted grant revenue for New Horizons for Seniors and the Young Canada Works grants received in 2022.

Fire Services

Fire Services has a year-end deficit of \$422,036 or 5.2% of the operating budget. Unbudgeted overtime for unforeseen Fire Fighter coverage is the main driver for this deficit. Overtime of \$504K was incurred to ensure sufficient staffing levels required to provide essential services during multiple short term and long term leaves for full time Fire Fighters. Savings of \$129K were recognized in full time wages, and there was \$165K in contributions from the WSIB reserve to help offset some overtime costs. Part time wages were over budget by \$72K due to call volume in 2022.

Utilities, services and other costs were \$164K over budget with fuel and vehicle expenses being the main driver at \$73K, and emergency response agreements and the provision of dispatch services were \$71K over budget. The department recovered \$71K through emergency response agreements with other fire departments.

Fire services also had some savings in transfers to reserves as the new business licensing fee was deferred by Council to 2023, reducing the contribution to reserves and revenue collections by \$128K, however this was a net zero impact on the overall departmental deficit.

Transportation & Public Works

Transportation and Public Works has a year-end deficit of \$661,031 or 4.6% of the operating budget. Variances were spread across the department with various over expenditures being offset by savings in other sections.

Revenues from users and customers were \$396K under budget especially in development agreements (327K), building permits (112K) and ActiVan services (129K). Recoveries exceeded budget by \$177K offsetting higher maintenance and winter maintenance on Regional roads. Transfers from reserves were \$1M over budget as required for growth stabilization, funding the building department operating costs, and approved funding carried forward for the surface treatment program in Public Works in 2022.

A surplus of \$679K is recognized for salaries and benefits for 2022. This is due to vacancies and leaves in various divisions, as well as a few base budget positions within the building services department that are historically left vacant until needed to address increased volume in permits.

A large deficit related to materials, supplies and other expenses was recognized for 2022. The main drivers for this deficit are the known increase in the cost of fuel (\$207K), gravel/asphalt materials used for road maintenance and surface treatment program preparation (\$110K), and an increase in salt prices used for winter control (\$350K). Some provisions have been made for these increases for the 2023 budget but will continue to be monitored as market inflation fluctuates. Contracted services were over budget, primarily due to the larger surface treatment program in 2022. This was carried forward from 2021 with an offsetting funding provision on the revenue line and had no impact on the net budget variance.

The deficit of \$856K in financing & external transfers is related to the timing of building permit revenue collection. The revenue from building permits collected during the last four months of the year is deferred to reserves for recognition in the following year when the work on building permits is performed, in accordance with policy. This revenue will be recognized in 2023.

Planning & Development

Planning and Development has a year-end surplus of \$110,622 or 7.0% of the operating budget. Salaries and benefits were the main driver of the surplus with \$180K from staffing vacancies in the Policy & Heritage division. The vacancies from growth related positions were offset by a reduced transfer from the growth stabilization reserve of \$109K.

Recreation & Parks

Recreation and Parks has a year-end surplus of \$280,515 or 3.3% of the operating budget. The main contributor to the surplus is \$611K in salaries and benefits, and \$241K in utilities and services which is partially offset by a shortfall of \$648K in revenue.

Revenue shortfalls (\$648K) were mainly due to COVID-19 facility closures and program cancellations/modifications that were in place for most of Q1 and Q2. The shortfall was offset by savings in part time wages (\$370K), reduced materials and supplies (\$61K), and lower rent expenses (\$21K) for program space.

Other staff costs related to vacancies and leaves of absence resulted in \$241K of savings. Utilities, services, and other expenses were reduced intentionally to minimize any potential COVID deficit. There were savings across various areas such as repairs and maintenance (\$67K), training and mileage (\$50K), and contracted services (\$84K). The mitigation efforts realized savings overall and a surplus for the department.

Corporate Revenues & Expenses

Corporate costs were the biggest driver of the 2022 annual deficit with a year-end deficit of \$1,327,235 or 64.9%.

The main driver of this deficit was legal fees related to the Ontario Land Tribunal (OLT) appeals and other complex legal matters where the Town required legal counsel (\$1.2M). Insurance costs increased to \$107K beyond the budgeted amount in 2022. WSIB insurance claims paid by the Town also exceeded the budget and resulted in a \$129K deficit.

Corporate revenues had a surplus of \$388,718 or 6.4% of the operating budget as interest earned on long term investments exceeded budgeted amounts by \$293K. Excess interest is transferred to reserves in accordance with the General Reserve and Reserve Fund Policy (POLICY-2018-0004).