

ATTACHMENT A
Variance Analysis of the Operating Results
for the Six Months Ending 2021-JUN-30 & Projections for the
Year Ending 2021-DEC-31

On a monthly basis, each City department monitors its actual financial results as compared to the Financial Plan. The following section provides a summary of the projected surplus (deficit) by department for 2021, and includes an explanation for significant variances over \$100,000.

City Administration

The City Administration division shows year-to-date total revenues at 75% and expenditures at 45%. Based on the analysis of these accounts, at 2021-JUN-30, a net surplus of \$175,600 is projected which includes the following key variance:

- CAO Office – \$102,100 surplus – This surplus is due to a staff vacancy, and under spending on conferences and travel due to COVID-19.

Corporate Services

The Corporate Services division shows year-to-date total revenues at 35% and expenditures at 51%. Based on the analysis of these accounts, at 2021-JUN-30, a net deficit of (\$2,069,500) is projected. The key variances over \$100,000 are outlined below:

- Information Technology – (\$137,700) deficit – Wages are expected to be higher than budgeted.
- Police Services – \$120,400 surplus – Savings in wages due to vacant positions has resulted in this surplus.
- RCMP Retro Pay Expense – (\$2,000,000) deficit – At the end of July, the National Police Federation and the Federal Government reached a tentative compensation deal, however the exact financial implications of an agreed upon RCMP members pay package is still unknown. Since 2017, accounting services has accrued retro pay costs based on estimates provided by the RCMP. The final cost to the City is estimated to be \$2,000,000 higher than what was accrued.

Development Services

The Development Services division shows year-to-date total revenues at 87% and expenditures at 41%. Based on the analysis of these accounts, at 2021-JUN-30, a net surplus of \$487,600 is projected. Areas with variances exceeding \$100,000 are outlined below:

- Bylaw Enforcement including Parking – (\$126,500) deficit – This projected deficit is due to lower than expected parking revenues in both the hospital area and the Harbourfront Parkade.
- Building Inspections – \$250,000 surplus – This projected surplus is due to the expectation that the volume of building inspections will be higher than anticipated for the year.

Parks, Recreation and Culture

The Parks, Recreation and Culture division shows year-to-date total revenues at 31% and expenditures at 45%. Based on the analysis of these accounts, at 2021-JUN-30 there is a projected year-end deficit of (\$232,500). The key variance over \$100,000 is as follows:

- Aquatics Operations – (\$220,800) deficit – This variance is mainly due to the reopening of Beban Pool in October, which was not budgeted in the 2021 financial plan.

Engineering and Public Works

The Engineering and Public Works division shows year-to-date total revenues at 45% and expenditures at 47%. Based on the analysis of these accounts, at 2021-JUN-30, a net surplus of \$74,100 is projected. The variance exceeding \$100,000 is outlined below:

- Engineering – \$153,200 surplus – Savings in wages due to vacant positions has resulted in this surplus.

Fire Rescue

The Fire Rescue division shows year-to-date total revenues at 60% and expenditures at 46%. Based on the analysis of these accounts, at 2021-JUN-30, there is a projected year-end surplus of \$121,300 due to position vacancies.

Utilities

The Utilities division shows year-to-date total revenues at 57% and expenditures at 74%. Based on the analysis of the water and sewer accounts, at 2021-JUN-30 there is a projected combined year-end surplus of \$259,600. The variance exceeding \$100,000 is outlined below:

- Water – \$277,100 surplus – This surplus is due to expected wage savings of \$127,000 including one staff vacancy, and unused water contingency funds totaling \$100,000.

Other (VICC and Corporate Facilities)

The Other division shows year-to-date total revenues at 6% and expenditures at 35%. Based on the analysis of these accounts, at 2021-JUN-30, there is a projected year-end surplus of \$158,100. The key variance over \$100,000 is:

- VICC – \$179,000 surplus – Expenses are significantly lower than budget, slightly offset by lower than budgeted revenues, which is a result of the COVID-19 pandemic.

General Revenue

The General Revenue division shows year-to-date total revenues at 92% and expenditures at 78%. The majority of revenues in this department relate to property taxation, which are recorded in May and June of each year. Correspondingly, the majority of expenditures relate to tax pay overs and transfers to reserve.

Based on the analysis of these accounts, at 2021-JUN-30 an estimated surplus of \$197,500 is expected. The variance exceeding \$100,000 is outlined below:

- Provincial Revenue Sharing – \$113,500 surplus – This surplus is due to the reopening of the casino on July 1st. The 2021 budget had been prepared on the assumption that the casino would remain closed for the entire year. \$113,500 is an estimate of the City's portion of shared casino revenue for 2021.