

**Attachment 2  
Town of Tecumseh  
2020 Year-End Budget Variance**

**Notable Variances – Corporate-Wide**

Overall variances for common revenue/expenditure types affecting many departments throughout the corporation include:

- Electricity costs are less than budget due to favourable rates & lower overall usage as a result of COVID-19: \$156,000
- Direct non-budgeted COVID-19 non-payroll related costs: \$74,000
- Gasoline costs came in under budget due to lower rates through 2020 than originally budgeted: \$70,000
- Flood mitigation and preparations costs total \$109,000 corporate-wide
- Natural Gas is showing a favourable variance due to lower usage than budgeted: \$29,000
- Insurance is less than budget due to lower claims activity: \$15,000

**Notable Variances – By Department**

The Town received \$554,100 in Safe Restart Agreement (SRA) Municipal Stream Phase 1 grant funding, which has been allocated to various departments to wholly or partly offset 2020 COVID-19 related operating pressures. Variance items for which this funding has been applied, are identified in the table below with an asterisk “\*”. The full \$554,100 was applied in 2020.

SRA Municipal Stream Phase 2 grant funding of \$234,000, announced in December and received in January, has been transferred in whole to Town reserves to be applied to 2021 COVID-19 related operating pressures.

The Town also received \$33,584 in SRA Transit Stream Phase 1 funds, of which approximately \$22,000 was applied to 2020 COVID-19 related transit operating pressures, with the remaining balance transferred to Town reserves to be applied to 2021 COVID-19 related transit operating pressures. This allocation is noted in the following table with an asterisk “\*”.

**Tax-Supported**

Significant projected variances within department operating budgets are detailed in the following table:

<b>Budget Item</b>	<b>Amount</b>
<b>Council</b>	
Council – Wages & Benefits favourable due to lower than anticipated enrollment in health benefits and less per-diem expenses as a result of COVID-19.	(25,000)
Council – Professional Development favourable due to cancellation or change in format of conferences.	(24,000)
Council – Public Relations under budget \$11,000 as costs for the 20 <sup>th</sup> anniversary signage and framing were not incurred. Partially offset by reduced transfer from reserve of \$7,000. Requesting carryforward of these two items.	(4,000)
Council – AMO/Other Committees under budget as in-person meetings were not held.	(8,000)
<b>Corporate Shared</b>	
Corporate Shared – Taxes favourable due to increases in property assessments and new construction, primarily in residential (\$103,000), Commercial (\$70,000) & Industrial (\$90,000).	(261,000)
Corporate Shared – Supplementary Taxes below budget due to lower than anticipated growth primarily due to delays in construction and assessment.	75,000
Corporate Shared – Payments in Lieu revenue over budget due to assessment changes.	(15,000)
Corporate Shared – User Charges revenue greater than budget primarily due to WSIB New Experimental Experience Rating (NEER) refund & land lease revenues.	(10,000)
Corporate Shared – Provincial Offences Act fines revenue \$82,000 below budget due to suspended collection activities as a result of COVID-19.*	82,000*
Corporate Shared – Penalties & Interest \$192,000 unfavourable due to financial relief provided to ratepayers during the COVID-19 pandemic.*	192,000*
Corporate Shared – Greater than anticipated average bank balance led to favourable variance in Bank Interest income of	0

<b>Budget Item</b>	<b>Amount</b>
\$73,000; transferred to Infrastructure Reserve as per approved budget, so no net impact.	
Corporate Shared – Municipal Drain Interest income favourable as new debentures were issued during 2020.	(15,000)
Corporate Shared – Investment Income \$46,000 favourable due to reinvestment & capital gains income. Transferred to reserve fund (reinvested), so no net impact.	0
Corporate Shared - Health Benefit Administrative Services Only (ASO) \$81,000 favourable due to lower claims paid out. Transferred to ASO benefits reserve, so no net impact.	0
Corporate Shared – Postage & Courier favourable due to less than anticipated replenishments of postage meter during 2020.	(8,000)
Corporate Shared – Janitorial Contracts favourable as budget included provision for Town Hall expansion, which was delayed as a result of COVID-19.	(6,000)
Corporate Shared – Donations favourable due to lower overall Lakeshore Community Services ridership as a result of COVID-19.	(11,000)
Corporate Shared – Public Relations under budget due to COVID-19. Requesting carryforward of unspent funds to be used for Town Hall art re-framing project.	(11,000)
Corporate Shared – Tax Write-off expense under budget due to lower assessment appeal activity.	(145,000)
<b>Maintenance</b>	
Maintenance – Miscellaneous Service favourable due to lower than anticipated costs related to energy incentive partnerships.	(5,000)
<b>Chief Administrative Office</b>	
CAO – Wages & Benefits favourable primarily due to gapping and lower than budgeted health enrollment.	(32,000)
CAO – Professional Development favourable due to cancellation or switch to virtual events.	(12,000)

<b>Budget Item</b>	<b>Amount</b>
CAO – Professional fees – Legal \$85,000 under budget, partially offset by the reduction in the corresponding reserve transfer. Net impact \$28,000 favourable.	(28,000)
CAO – Professional Fees – Other \$63,000 under budget as the Business Retention and Expansion Program did not proceed due to lack of grant funding and also as a result of the impact of COVID-19. Partially offset by the reduction in the corresponding reserve transfer. Net impact \$43,000 favourable.	(43,000)
CAO – Travel & Mileage favourable due to lower than typical activity, in addition to the impact of COVID-19.	(7,000)
<b>Information &amp; Communication Services (ICS)</b>	
ICS – Wages & Benefits favourable as summer student was not hired due to COVID-19, as well as lower health and disability rates than anticipated.	(15,000)
ICS – Computer Support/Software unfavourable due to greater than anticipated costs incurred in 2020.	11,000
ICS – Professional development favourable due to cancellation or change in format of conferences.	(5,000)
<b>Financial Services</b>	
Financial Services – Canada Specific Grants favourable due to receipt of Canada Summer Jobs grant.	(6,000)
Financial Services – Wages & Benefits favourable, primarily due to salary gapping and position vacancies during the year.	(64,000)
Financial Services – Professional Development favourable due to cancellation or switch to virtual events.	(11,000)
<b>Corporate Services &amp; Clerks</b>	
Corporate Services & Clerks – Licences & Permits revenue \$148,000 unfavourable due to closures as a result of COVID-19.*	148,000*

<b>Budget Item</b>	<b>Amount</b>
Corporate Services & Clerks – Wages & Benefits favourable due to temporary vacancies as well as lower health and disability rates than anticipated.	(15,000)
Corporate Services & Clerks – Computer Support/Software favourable \$23,000 due to webcasting and closed captioning costs covered by the Municipal Modernization Fund in the capital fund. Reduces corresponding operating reserve transfer, so no net impact.	0
Corporate Services & Clerks – Professional Development favourable due to cancellation of conferences as a result of COVID-19.	(7,000)
Corporate Services & Clerk – Professional Fee – Legal favourable due to lower than anticipated need for legal services during 2020.	(10,000)
Corporate Services & Clerks – Public Relations favourable due to inability to hold Volunteer Appreciation Night during COVID-19.	(5,000)
<b>Human Resources</b>	
Human Resources – Education/Seminar Fees favourable due to the cancellation of events as a result of COVID-19.	(10,000)
Human Resources – Professional Fee – Legal unfavourable due to various employment matters.	60,000
Human Resources – Professional Fee – Other \$24,000 favourable due to delay in various projects to 2021 as a result of COVID-19. Reduces corresponding reserve transfer so no net impact.	0
<b>Youth Advisory Committee</b>	
Youth Advisory Committee – received non-budgeted RBC Future Launch Community Challenge Grant funding of \$15,000 – project and expenditures anticipated to proceed in 2021, net budget impact is zero.	0
Youth Advisory Committee – Budget not expended due to cancellation of events as a result of COVID-19.	(10,000)

<b>Budget Item</b>	<b>Amount</b>
<b>Senior Advisory Committee</b>	
Senior Advisory Committee – Miscellaneous Service favourable due to cancellation of workshops as a result of COVID-19.	(6,000)
<b>Fire Services</b>	
Fire – Wages & Benefits favourable, primarily due to a reduction in service calls, as well as reduced Firefighter training due to COVID -19 restrictions, partially offset by temporary overlapping of roles. Unanticipated retirement payout offset by corresponding reserve transfer.	(77,000)
Fire – Equipment purchases under budget due to delay in purchases to 2021.	(9,000)
Fire – Vehicle Parts & Service unfavourable due to 2019 truck inspections that were delayed and took place in 2020.	14,000
Fire – Public Relations favourable due to the cancellation of public events as a result of COVID-19.	(5,000)
<b>Police &amp; Police Services Board (PSB)</b>	
Police – Grants under budget due to the re-allocation of the Community Safety & Policing grant to the Mental Health pilot project administered by the Essex Detachment for all OPP Police Service Boards in the County.	179,000
Police – Alarm Registration favourable due to greater number of registrations than anticipated.	(10,000)
Police – O.P.P Reports & Clearances unfavorable due to restrictions as a result of COVID-19 and the move to an on-line platform.	16,000
Police Services Board – Professional Development favourable due to the cancellation of the OAPSB conference as a result of COVID-19.	(9,000)
<b>Building &amp; By-Law</b>	
Building – Licenses & Permits favourable compared to budget due to increase in construction activity.	(196,000)

<b>Budget Item</b>	<b>Amount</b>
By-Law Enforcement – Administration Fees projected to be unfavourable due to lower than anticipated enforcement fees as a result of COVID-19.	5,000
By-law – Maintenance Service – Fees incurred for property cleanup, \$23,000, offset by recoveries from property owners.	0
<b>Animal Control</b>	
Animal Control – Dog Licences unfavourable due to lower than anticipated revenue as a result of COVID-19.	7,000
Animal Control – Contract Services over budget due to Lakeshore dog pound fees coming in higher than anticipated based on historical trends.	8,000
Animal Control – Miscellaneous Service favourable primarily due to costs related to Commissionaires not incurred for 2020 as a result of COVID-19.	(13,000)
<b>Roadways</b>	
Roadways - Canada Specific Grants favourable due to receipt of Canada Summer Jobs grant.	(11,000)
Roadways – Miscellaneous Revenue favourable due to cost recoveries from damage to public property and locates.	(60,000)
Roadways – Culvert/Driveway Permits favourable due to a greater number of permits issued than anticipated.	(11,000)
Roadways – Interfunctional revenue over budget due to greater allocation of time towards sanitary works than anticipated.	(14,000)
Roadways – Wages & Benefits unfavourable compared to budget. Roadways and Winter Control typically fluctuate in opposite directions depending on the number of winter weather events that occur in any given year. The unfavourable variance is direct result of a lower number of events occurring in 2020. The unfavourable Roadway variance will give rise to a favourable Winter Control variance. The unfavourable variance is partially offset by salary gapping and position vacancies.	26,000

<b>Budget Item</b>	<b>Amount</b>
Roadways – Vehicle Parts & Service unfavourable, primarily due to significant repairs required as a result of corrosion damage to both backhoes.	28,000
Roadways – Street Signs favourable due to delay in purchasing new required signs to 2021.	(6,000)
Roadways – Building Maintenance unfavourable, primarily due to unanticipated door panel replacements.	8,000
Roadways – Traffic Light maintenance unfavourable due to actual costs greater than budget which was based on historical trends.	10,000
Roadways – Roadside Maintenance – Materials & supplies greater than budgeted as additional stone for shouldering operations was required.	15,000
Roadways – Roadside Maintenance – Maintenance Service favourable due to lower than expected ditching costs.	(5,000)
Roadways – Hardtop Maintenance – Materials & Supplies favourable due to actual costs for 2020 came in under budget, which was based on historical trends.	(9,000)
Roadways – Tecumseh Hamlet Secondary Plan – Professional Fee – Engineer greater than budget by \$22,000 due to project timing. Offset by Transfer from Reserve so no net budget impact.	0
<b>Crossing Guards</b>	
Crossing Guards – Wages & Benefits favourable due to vacancies as a result of COVID-19 school closures and the shift to online learning.	(39,000)
<b>PWES - Winter Control</b>	
Winter Control – Wages & Benefits favourable due to less winter weather events.	(43,000)
Winter Control – Salt purchases came in under budget due to fewer winter weather events.	(73,000)



<b>Budget Item</b>	<b>Amount</b>
Winter Control – Maintenance Service under budget as there were no costs incurred in 2020. This account is weather dependent.	(6,000)
<b>Transit</b>	
Transit – Grants favourable due to Safe Restart grant allocation and higher than anticipated Transit funding.	(30,000)
Transit – Bus Fare unfavourable as service was provided for free during the COVID-19 emergency. Charging of fares resumed in September, but ridership was well below average.*	22,000*
Transit – Transfer from Lifecycle Reserve less than budget due to lower than anticipated net expenditures.	12,000
<b>Street Lighting</b>	
Street Lighting – Maintenance Materials & Maintenance Services unfavourable due to greater than anticipated costs to repair underground faults.	19,000
<b>Storm Sewer System</b>	
Storm Sewer System – Miscellaneous Revenue favourable primarily due to receipt of Great Lakes WEGE award.	(7,000)
Storm Sewer System – Computer Support/Software favourable as no costs for PLC issues and diagnostics were incurred in 2020.	(5,000)
Storm Sewer System – Professional Development favourable due to cancellation of seminars and training due to COVID-19.	(9,000)
Storm Sewer System – Maintenance Service is unfavourable due to unanticipated flushing costs.	7,000
Storm Sewer System – Equipment Parts & Service unfavourable due to greater than anticipated costs related to load testing.	11,000
Storm Sewer System – Building Maintenance favourable due to lower than anticipated repairs occurring in 2020.	(6,000)

<b>Budget Item</b>	<b>Amount</b>
Storm Sewer System – Property Taxes unfavourable due to a change in tax class of the Brighton Rd. pump station.	21,000
Storm Sewer System – Budgeted one-time contract/materials & supplies costs re: lake level mitigation came in \$50,000 under budget; reduces corresponding reserve transfer so no net impact.	0
<b>Garbage Disposal</b>	
Garbage Disposal – Contracts unfavourable due to increase in total KG's of waste & compost collected in 2020.	39,000
<b>Parks &amp; Recreation Services – Parks</b>	
Parks – Canada Specific Grants favourable as summer student funding approved.	(58,000)
Parks – User Charges unfavourable, primarily due to loss of rentals as a result of community event cancellations.	23,000
Parks – Wages & Benefits favourable primarily due to COVID-19 related vacancies and reduced hours.	(227,000)
Parks – Professional Development favourable due to cancellation of conferences as a result of COVID-19.	(6,000)
Parks – Materials & Supplies favourable primarily due to reduction in flower and mulch purchases in the fall.	(15,000)
Parks – Equipment Purchases under budget as fewer weed whippers and leaf blowers required replacement at the end of the season.	(5,000)
Parks – Tree Trimming and Removal unfavourable due to additional trimming required per Town Arborist.	5,000
Parks – Contracts favourable due to lower than anticipated playset inspection costs.	(8,000)
Parks – Miscellaneous Service came in under budget due to fewer porta-john rentals and lower than typical fence repairs, earth berm works etc.	(19,000)
<b>Parks &amp; Recreation Services – Parks Buildings</b>	

<b>Budget Item</b>	<b>Amount</b>
Parks Buildings – Grants favourable due to receipt of Canada Summer Jobs grant.	(8,000)
Parks Buildings – Hall Rental unfavourable due to loss of community centre rentals as a result of COVID-19. Rentals resumed third week of September.	8,000
Parks Buildings – Wages & Benefits favourable, primarily due to decrease in student hours as a result of COVID-19.	(24,000)
<b>Parks &amp; Recreation Services – Arena</b>	
Arena – User Charges, primarily ice rentals, unfavourable due to closures as a result of COVID-19.*	349,000*
Arena – Wages & Benefits favourable, primarily due to position vacancies as a result of COVID-19.	(89,000)
Arena – Building R & M Purchases favourable as there were fewer repairs due to facility closure.	(7,000)
Arena – Professional Development favourable due to cancellation of training and events as a result of COVID-19.	(8,000)
Arena – Miscellaneous Service unfavourable due to unplanned temporary personnel services required as a result of a temporary vacancy.	16,000
Arena – Financial Expense favourable primarily due to less than budgeted credit card transaction fees as a result of the COVID-related closure of the Arena.	(8,000)
Arena – Transfer to reserves less than budget primarily due to reduced capital surcharges and deficit in advertising revenue as a result of COVID-19.	(18,000)
<b>Parks &amp; Recreation Services – Recreation Programs</b>	
Recreation Programs – Grants favourable due to receipt of Canada Summer Jobs grant.	(21,000)
Recreation Programs – User Charges unfavourable due to cancellation of Summer Day Camp and modified programs as a result of COVID-19.	103,000

<b>Budget Item</b>	<b>Amount</b>
Recreation Programs – Wages & Benefits favourable due to cancellation of programs as a result of COVID-19.	(56,000)
Recreation Programs – Total of all expenditures (excluding wages noted above) favourable due to cancellation of programs as a result of COVID-19.	(24,000)
<b>Parks &amp; Recreation Services – Arena Concessions</b>	
Arena Concessions – Sales unfavourable due to the closure of the arena concessions due to COVID-19.	55,000
Arena Concessions – Wages & Benefits favourable due to closure of arena concessions.	(23,000)
Area Concessions – Purchases favourable due to the closure of the arena concessions.	(29,000)
<b>Parks &amp; Recreation Services – Pool</b>	
Pool – Grants unfavourable as the pool remained closed in 2020 due to COVID-19.	15,000
Pool – User Charges unfavourable as the pool remained closed in 2020 due to COVID-19.	138,000
Pool – Wages & Benefits favourable as the pool remained closed in 2020 due to COVID-19.	(171,000)
Pool – Maintenance Materials & Supplies favourable as the pool closed for 2020 due to COVID-19.	(22,000)
Pool – Building Maintenance favourable as less actual building repairs occurred compared to budget.	(7,000)
<b>Parks &amp; Recreation Services – Other</b>	
Cultural Committee – Cancellation of cultural events due to COVID-19 resulted in a \$6,000 favourable overall variance.	(6,000)
Corn Festival – Net Expenditures under budget due to the cancellation of the 2020 festival as a result of COVID-19.	(62,000)

<b>Budget Item</b>	<b>Amount</b>
Christmas in Tecumseh – Net Expenditures favourable due to the cancellation of traditional programs as a result of COVID-19.	(17,000)
Special Events – Net Expenditures favourable due to various cancellations as a result of COVID-19.	(28,000)
<b>Planning &amp; Zoning</b>	
Planning & Zoning – Planning Fees under budget due to marginally less development applications than anticipated.	5,000
Planning and Zoning – Professional Development under budget as a result of COVID-19.	(6,000)
Planning and Zoning – Tecumseh Hamlet Secondary Plan – Professional Services favourable due to delays in project as a result of COVID-19. Decreases the transfer from reserve so no net budget impact.	0
Planning and Zoning – Official Plan – Professional Fee – Legal favourable as costs are not anticipated until 2021. Decreases transfer from reserve so no net impact.	0
Planning and Zoning – Development Charge Study – Professional Fee – Other favourable due to delays in related legislation. Decreases the transfer from reserve so no net budget impact.	0
Planning and Zoning – Community Benefit Charge – Professional Fees – Other favourable as provincial passage of legislation was significantly delayed. Decreases transfer from reserve so no net budget impact.	0
Planning and Zoning – Grants under budget due to lower than anticipated participation in CIP grant program. Balance transferred to reserve so no net impact.	0
Planning and Zoning – Oldcastle Lands Study – Professional Services favourable due to delays as a result of COVID-19. Decreases transfer from reserve so not net impact.	0
<b>Committee of Adjustments - COA</b>	

<b>Budget Item</b>	<b>Amount</b>
COA – Minor Variance Fee revenue under budget due to fewer minor variance applications than anticipated.	7,000
COA – Wages & Benefits favourable due to reduction in meetings and per diems as a result of COVID-19.	(14,000)
COA – Professional Development favourable due to cancellation of OACA conference as a result of COVID-19.	(12,000)
<b>Agriculture &amp; Reforestation</b>	
Agriculture & Reforestation – Grants favourable due to greater number of grantable hours than originally budgeted.	(5,000)
Agriculture & Reforestation – Wages & Benefits favourable as budgeted overtime was unused due to COVID-19.	(11,000)
Agriculture & Reforestation – Professional Development under budget due to COVID-19.	(5,000)

Numerous accounts with favourable and unfavourable variances of under \$5,000 along with the above-noted items contribute to the operating surplus for tax-supported departments of \$1,625,000.

### **Rate-Supported**

Significant variations from budget are as follows:

<b>Budget Item</b>	<b>Amount</b>
<b>Sanitary Sewer</b>	
Sanitary Sewer – User Charges unfavourable due to lower than anticipated net consumption, offset by a favourable variance in fixed charges.	20,000
Sanitary Sewer – Wages & Benefits favourable primarily due to salary gapping and position vacancies.	(27,000)
Sanitary Sewer – Computer Support/Software favourable due to lower than anticipated SCADA system maintenance during 2020.	(6,000)

<b>Budget Item</b>	<b>Amount</b>
Sanitary Sewer – Materials & Supplies unfavourable due to greater than anticipated costs for locating paint and stone for winter repairs.	10,000
Sanitary Sewer – Equipment Purchases unfavourable due to St. Alphonse meter station upgrade.	9,000
Sanitary Sewer – Contracts under budget largely due to North Talbot credit adjustment.	(60,000)
Sanitary Sewer – Sewer Maintenance – OCWA unfavourable due to greater than anticipated sewer maintenance service.	6,000
Sanitary Sewer – Professional Fee – Engineer favourable due to lower than anticipated costs incurred for 2020.	(7,000)
Sanitary Sewer – Grant expense favourable due to lower intake of subsidy programs as a result of COVID-19.	(47,000)
Sanitary Sewer – Interfunctional admin. charge unfavourable due to greater allocation of time from public works than anticipated.	14,000
<b>Water Services</b>	
Water - Canada Specific Grants favourable due to receipt of Canada Summer Jobs grant.	(8,000)
Water – User Charges favourable, primarily due to higher than anticipated residential consumption and fixed charges offset by lower than anticipated non-residential consumption.	(90,000)
Water – Wages & Benefits favourable primarily due to salary gapping, temporary position vacancies and lower health/disability rates than anticipated.	(144,000)
Water – Professional Development favourable due to cancellation of courses and training as a result of COVID-19.	(16,000)
Water – Materials & Supplies unfavourable due to unanticipated costs related to repairing & replacing hydrants, installation of breakaway kits on at risk hydrants in the event of a flood and the installation of a sampling station.	46,000

<b>Budget Item</b>	<b>Amount</b>
Water – Equipment Purchases unfavourable due the unanticipated need to purchase hydrant flushing units.	7,000
Water – Water Purchases favourable largely due to new blended rate.	(129,000)
Water – Maintenance Services unfavourable primarily due to two significant watermain repairs and asphalt restoration.	25,000
Water – Vehicle Parts & Service favourable due to less repairs required than anticipated in 2020.	(11,000)
Water – Professional Fees – Other favourable due to lower total costs incurred than anticipated.	(10,000)

Numerous accounts with favourable and unfavourable variances of under \$5,000 along with the above-noted items contribute to the operating surplus for rate-supported departments of \$412,000.

Note that a surplus increases the balance transferred to reserve funds to offset capital requirements.