

Attachment 2
Town of Tecumseh
June 2021 Budget Variance

Notable Variances - Corporate-Wide

Overall variances for common 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: \$55,000
- Direct COVID-19 non-payroll related costs: \$17,000
- Gasoline costs came in under budget due to lower usage than originally budgeted: \$11,000
- Insurance is greater than budget due to greater rate increase than expected: \$10,000

Notable Variances – By Department

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

Budget Item	Amount
Council	
Council – Public Relations greater than budget due to the carryforward of costs for the 20 th anniversary plaque (\$16,000) and art framing project (\$7,000) from 2020. These amounts are offset by a transfer from reserves. Net impact is nil.	0
Council – Professional Development under budget due to virtual events and lower participation.	(5,000)
Council – Favourable due to AMO events taking place virtually as a result of COVID-19.	(8,000)
Corporate Shared	
Corporate Shared – Supplemental Taxes forecast to be below budget due to lower than anticipated assessment growth primarily as a result of delays in construction.	60,000
Corporate Shared – Miscellaneous Revenue favourable due to unanticipated receipt of funds re: memorial wall.	(33,000)

Budget Item	Amount
Corporate Shared – Provincial Offences Act Fines projected to be below budget due to reduced ticketing and collections during COVID-19.	110,000
Corporate Shared – Tax Write-Off expense under budget due to lower assessment appeal activity. Larger favourable variance by year end possible.	(50,000)
Corporate Shared – Transfer to reserves of \$200,000 for union and non-union wage settlements. Offset by settlement increases recorded within each department.	(200,000)
Chief Administrative Officer	
CAO – Wages & Benefits favourable primarily due to gapping.	(16,000)
CAO – Professional Fee - Other favourable due to lower than anticipated activity.	(25,000)
Financial Services	
Financial Services – Wages & Benefits unfavourable primarily due to contractual increases. Additional student wages offset by receipt of Canada Summer Jobs grant. Unanticipated retirement payout offset by corresponding reserve transfer.	17,400
Corporate Services & Clerks	
Corporate Services & Clerks - Lottery Licences unfavourable due to loss of revenue as a result of COVID-19.	74,000
Corporate Services & Clerks – Marriage Licences unfavourable due to lower activity than anticipated as a result of COVID-19.	9,000
Corporate Services & Clerks - Wages & Benefits unfavourable largely due to contractual increases.	12,000
Corporate Services & Clerks - Public Relations less than budget due to deferral of Volunteer Appreciation Night due to gathering restrictions under the Province's Re-Open Plans.	(5,000)
Seniors Advisory Committee	
Seniors Advisory Committee – Ontario Specific Grants favourable due to receipt of Seniors Community Grant.	(8,000)

Budget Item	Amount
Fire Services	
Fire – Ontario Specific Grants favourable due to unbudgeted receipt of COVID-19 fire safety grant.	(10,000)
Fire – Alarm Registrations favourable as this revenue line item was added after the approval of the 2021 budget.	(7,000)
Fire – Wages & Benefits projected to show net favourable variance. Lower Volunteer firefighter hours and salary gapping partially offset by contractual increases and position overlap. Retirement payout offset by corresponding transfer from reserves.	(25,000)
Fire - Dispatch unfavourable due to the purchase of additional radio airtime.	10,000
Fire - Equipment Parts & Service projected to be favourable due to lower than anticipated costs to be incurred.	(10,000)
Police	
Police – Ontario Specific Grants unfavourable due to the Town no longer receiving the Community Safety and Policing (CSP) grant.	96,000
Police – Fines unfavourable due to lower than anticipated parking fines revenue.	5,000
Building & By-Law	
Building - Building Permits unfavourable due to anticipated delays in a number of development projects to 2022.	85,000
Building - Salary Payroll unfavourable due to contractual increases.	7,000
Building – Salary Payroll – Digitization Clerk wages recorded under Salary Payroll, but budgeted under Miscellaneous Service which is under by this amount. Net impact is nil.	0
Building - Professional Fee – Other projected to be favourable as no contracted services are anticipated for 2021.	(27,000)

Budget Item	Amount
By-law Enforcement – Administration Fees are anticipated to be under budget due to lower than anticipated enforcement fees as a result of COVID-19.	6,000
Animal Control	
Animal Control- Miscellaneous Service favourable primarily due to costs related to Commissionaires not anticipated to be incurred in 2021 as a result of COVID-19.	(10,000)
Roadways	
Roadways - Miscellaneous Revenue favourable largely due to locating services.	(10,000)
Roadways – Wages and Benefits unfavourable due to contractual increases as well as greater than anticipated overtime hours incurred partly as a result of two major rain events.	87,000
Roadways - Vehicle Parts & Service unfavourable due to unanticipated, significant repairs required on a backhoe and plows.	29,000
Roadways – Professional Fee - Engineer unfavourable largely due to Tecumseh on street parking review.	8,000
Roadways - Miscellaneous Service greater than budget due costs to repair sound wall of \$18,000 resulting from accident. Fully offset by recoveries.	0
Crossing Guards	
Crossing Guards – Wages and Benefits favourable due to school closures as a result of COVID-19.	(39,000)
Transit	
Transit – Ontario Specific Grants favourable due to receipt of Safe Restart Agreement Public Transit Funding Phase 3 grant.	(20,000)

Budget Item	Amount
Transit – Canada Specific Grants favourable due to receipt of Canada Healthy Communities Initiative grant in the amount of \$27,150 to be used towards implementation of on-demand transit services. For 2021, it is anticipated that \$20,000 of this grant will be used, with the balance carried forward to 2022.	(20,000)
Transit - Bus Fare unfavourable due to bus fares being eliminated to date in 2021.	20,000
Transit – Implementation of on-demand service (contract fee, training, advertising).	20,000
Street Lighting	
Street Lighting- Maintenance Service projected to be unfavourable due to greater than anticipated costs for street light maintenance & repairs.	17,000
Storm Sewer System	
Storm Sewer System – Miscellaneous Revenue unfavourable due to cancellation of GenSet contract (sale of electricity to grid). This is offset by a reduction in transfer to reserves. The net impact is nil.	0
Storm Sewer System - Maintenance Service unfavourable due to unanticipated costs incurred to install catch basin improvements required due to road paving.	25,000
Storm Sewer System – Contracts lower than budget as there has not been any flood related costs incurred to date. This is offset by a reduction in transfer from reserves. Net impact is nil.	0
Parks	
Parks – Canada Specific Grants favourable due to greater than anticipated Canada Summer Jobs grants received.	(55,000)
Parks – Hall Rental revenue unfavourable primarily due to restrictions as a result of COVID-19.	(16,000)
Parks – Miscellaneous Rentals unfavourable due to lower user group registration numbers as a result of limited program time.	(8,000)

Budget Item	Amount
Parks – Donations favourable to unbudgeted receipt of funds for commemorative benches & trees.	(10,000)
Parks – Wages & Benefits favourable primarily due to one vacancy and reduced hours, with a slight offset for contractual increases. Reduced student hours as a result of COVID-19 comprise approximately \$86,000 of the total variance.	(140,000)
Parks – Materials & Supplies unfavourable due to additional materials required for sport fields and Town Hall expansion.	5,000
Parks Buildings	
Parks Buildings – Hall rental revenue unfavourable due to closures as a result of COVID-19.	8,000
Parks Buildings – Wages & Benefits favourable due to reduction in hours as a result of COVID-19.	(24,000)
Arena	
Arena – User Charges projected to be unfavourable due to closures as a result of COVID-19. This amount is partially offset by a one-time transfer from reserves.	259,000
Arena – Wages & Benefits favourable primarily due to staffing vacancies and COVID-19 related reduced hours/vacancies. Fundraiser position vacancy offset by a corresponding reduction in reserve transfer. COVID-19 impact comprises approximately \$62,000 of the total variance.	(97,000)
Arena – Building maintenance expenses projected to be favourable due to lower than anticipated costs to be incurred.	(20,000)
Arena – Transfers to Lifecycle Reserve less than budget primarily due to reduced capital surcharges and deficit in advertising revenue as a result of COVID-19.	(19,000)
Recreation Programs	
Recreation Programs – Utilizing Essex Power Youth in Community funding and Pathway to Potential Universal Program funding to offer free programs to residents. Unfavourable variance in Registration Fees completely offset by this funding revenue.	0

Budget Item	Amount
Budget Item	Amount
Recreation Programs – Wages & Benefits expense unfavourable due to unanticipated supervisor acting pay required.	9,000
Pool	
Pool – Grants favourable due to greater than anticipated Canada Summer Jobs grant funding.	(20,000)
Pool – User Charges unfavourable due to a reduced activity as a result of COVID-19 restrictions.	41,000
Pool – Wages & Benefits favourable due to vacancies as a result of COVID-19.	(43,000)
Pool – Maintenance Materials & Supplies anticipated to be favourable due to reduced facility usage as a result of COVID-19.	(9,000)
Special Events	
Special Events – Net expenditures anticipated to be favourable due to a reduction in events as a result of COVID-19.	(19,000)
Planning & Zoning	
Planning – Planning Fee projected to be favourable due to greater than anticipated planning activity for 2021.	(15,000)
Planning – Wages & Benefits projected to be unfavourable due to contractual increases.	5,000
Planning – Tecumseh Hamlet Secondary Plan – expected to come under budget by \$19,500 due to project delay. Reduces corresponding transfer from reserve, so no net impact.	0
Planning – Official Plan was approved without appeal resulting in a favourable variance of \$20,000 in Professional Fee – Legal. Reduces corresponding transfer from reserve, so no net impact.	0
Planning – Oldcastle Future Development Lands Study – anticipating favourable variance of \$30,000 in Professional	(3,000)

Budget Item	Amount
Fees due to project delay. Reduces corresponding transfer from reserve, so minimal impact.	

Budget Item	Amount
Committee of Adjustment	
COA – User Charges anticipated to be favourable as a result of higher than expected severance and minor variance applications.	(16,000)
COA – Wages & Benefits anticipated to be favourable due to a reduction in meetings & per diems as a result of COVID-19.	(9,000)
COA – Professional Development expenses favourable due to the OACA conference taking place virtually rather than in-person.	(5,000)

Numerous accounts with favourable and unfavourable variances of under \$5,000 along with the above-noted items contribute to the estimated surplus of \$97,000.

Rate-Supported

Significant variations from budget are expected to be:

Budget Item	Amount
Sanitary Sewer	
Sanitary Sewer – Anticipating a favourable variance under Contracts for sanitary sewer treatment due to a lower rate than was budgeted.	(111,000)
Sanitary Sewer – Grant expense anticipated to be favourable due to lower than expected intake of subsidy program.	(64,000)
Water Services	
Water – Work Orders favourable due to greater than anticipated activity.	(6,000)
Water – Wages & Benefits unfavourable largely due to temporary overlapping of roles & contractual increases.	25,000
Water – Materials & Supplies projected to be unfavourable due to greater than anticipated costs for valve maintenance, flushing and inspections.	8,000

Budget Item	Amount
Water – SCADA net expenditures projected to be favourable due to lower than anticipated maintenance costs expected to be incurred in 2021.	(6,000)

Numerous accounts with favourable and unfavourable variances of under \$5,000 along with the above-noted items contribute to the estimated operating surplus for rate-supported departments of \$139,000.

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