

**Attachment 2
Town of Tecumseh
August 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: \$128,000
- Direct COVID-19 non-payroll related costs: \$89,000
- Insurance is greater than budget due to greater rate increase than expected: \$11,000

Notable Variances – By Department

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

Budget Item	Amount
Council	
Council – Wages & Benefits favourable due to lower than anticipated health benefit enrollment.	(18,000)
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 – AMO/Other Committees 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.	80,000
Corporate Shared – Payments in Lieu favourable due to unanticipated supplementary assessments.	(26,000)
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 – Donations favourable due to lower overall Lakeshore Community Services ridership as a result of COVID-19.	(10,000)
Corporate Shared – Public Relations favourable due to cancellation of events as a result of COVID-19.	(12,000)
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)
Maintenance	
Maintenance – Wages & Benefits favourable due to position vacancies.	(8,000)
Chief Administrative Officer	
CAO – Wages & Benefits favourable primarily due to gapping and vacancies.	(37,000)
CAO – Professional Fee - Other favourable due to lower than anticipated activity.	(44,000)
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.	34,000
Corporate Services & Clerks	
Corporate Services & Clerks - Lottery Licences unfavourable due to loss of revenue as a result of COVID-19.	82,000

Budget Item	Amount
Corporate Services & Clerks – Marriage Licences unfavourable due to lower activity than anticipated as a result of COVID-19.	5,000
Corporate Services & Clerks – Professional Fee – Legal favourable due to lower activity than anticipated activity.	(6,000)
Human Resources	
Human Resources – Wages & Benefits favourable primarily due to positions vacancies.	(14,000)
Human Resources – Professional Fee – Legal favourable due to lower than anticipated activity.	(8,000)
Seniors Advisory Committee	
Seniors Advisory Committee – Ontario Specific Grants favourable due to receipt of Seniors Community Grant.	(8,000)
Fire Services	
Fire – Grants favourable due to unbudgeted receipt of COVID-19 fire safety and defibrillator grants.	(16,000)
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.	(32,000)
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.	(9,000)
Police	
Police – Ontario Specific Grants unfavourable primarily due to the Town no longer receiving the Community Safety and Policing (CSP) grant.	98,000

Budget Item	Amount
Police – Alarm Registrations unfavourable due to lower than anticipated activity.	5,000
Police – O.P.P Reports & Clearances favourable due to higher than forecast level of activity.	(6,000)
Police – Fines unfavourable due to lower than anticipated parking fines revenue.	5,000
Police – Contracts favourable due to lower than anticipated contract costs incurred for 2021.	(44,000)
Building & By-Law	
Building - Building Permits unfavourable due to anticipated delays in a number of development projects to 2022.	98,000
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 lower contracted services are anticipated for 2021.	(11,000)
By-law Enforcement – Administration Fees are anticipated to be under budget due to lower than anticipated enforcement fees as a result of COVID-19.	5,000
Animal Control	
Animal Control – Licenses and Permits lower than budget due to less activity than anticipated.	5,000
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	89,000

Budget Item	Amount
overtime hours incurred partly as a result of two major rain events.	
Roadways - Vehicle Parts & Service unfavourable due to unanticipated, significant repairs required on a backhoe and plows.	32,000
Roadways – Professional Fee - Engineer unfavourable largely due to Tecumseh on street parking review.	6,000
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.	(35,000)
Transit	
Transit – Ontario Specific Grants favourable due to receipt of Safe Restart Agreement Public Transit Funding Phase 3 grant.	(32,000)
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.	(16,000)
Transit - Bus Fare unfavourable due to bus fares being eliminated to date in 2021.	22,000
Street Lighting	
Street Lighting – Materials & Supplies projected to be unfavourable due to unbudgeted costs for lightpoles at Old Tecumseh Rd.	27,000
Street Lighting- Maintenance Service projected to be unfavourable due to greater than anticipated costs for street light maintenance & repairs.	19,000

Budget Item	Amount
Storm Sewer	
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.	18,000
Storm Sewer System – Materials & supplies 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
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
Storm Sewer System – Property Taxes unfavourable due to unanticipated change in exempt assessment from MPAC.	35,000
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.	(12,000)
Parks – Miscellaneous Rentals unfavourable due to lower user group registration numbers as a result of limited program time.	(8,000)
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 \$92,000 of the total variance.	(154,000)
Parks – Materials & Supplies unfavourable due to additional materials required for sport fields and Town Hall expansion.	6,000

Budget Item	Amount
Parks – Tree Trimming and Removal unfavourable due to an unanticipated number of requests for 2021.	10,000
Parks – Contracts favourable as goose control contract has not been in place for the majority of 2021.	(10,000)
Parks Buildings	
Parks Buildings – Canada Specific Grants favourable due to greater than anticipated Canada Summer Jobs grants received.	(6,000)
Parks Buildings – Hall rental revenue unfavourable due to closures as a result of COVID-19.	10,000
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.	297,000
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 \$70,000 of the total variance.	(201,000)
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.	(17,000)
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
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.	18,000
Pool – Wages & Benefits favourable due to vacancies as a result of COVID-19.	(38,000)
Pool – Maintenance Materials & Supplies anticipated to be favourable due to reduced facility usage as a result of COVID-19.	(5,000)
Christmas in Tecumseh	
Christmas in Tecumseh – Net expenditures anticipated to be favourable due to modified holiday programming as a result of Covid-19.	(20,000)
Special Events	
Special Events – Net expenditures anticipated to be favourable due to a reduction in events as a result of COVID-19.	(56,000)
Planning & Zoning	
Planning – Planning Fee projected to be favourable due to greater than anticipated planning activity for 2021.	(10,000)
Planning – Wages & Benefits projected to be unfavourable due to contractual increases.	5,000
Planning – Tecumseh Hamlet Secondary Plan – Professional Fee – Engineer is projected to be lower than originally estimated resulting in a favourable variance of \$10,000. 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

Budget Item	Amount
Planning – Oldcastle Future Development Lands Study – anticipating favourable variance of \$30,000 in Professional Fees due to project delay. Reduces corresponding transfer from reserve, so minimal impact.	(3,000)
Committee of Adjustment	
COA – User Charges anticipated to be favourable as a result of higher than expected severance and minor variance applications.	(20,000)
COA – Wages & Benefits anticipated to be favourable due to a reduction in meetings & per diems as a result of COVID-19.	(8,000)
COA – Professional Development expenses favourable due to the OACA conference taking place virtually rather than in-person.	(5,000)
Agriculture & Reforestation	
Agriculture & Reforestation – Professional Fee – Other unfavourable due to unanticipated costs for external support related to AODA document compliance.	7,000

Numerous accounts with favourable and unfavourable variances of under \$5,000 along with the above-noted items contribute to the estimated surplus of \$163,000.

Rate-Supported

Significant variations from budget are expected to be:

Budget Item	Amount
Sanitary Sewer	
Sanitary Sewer – User Charges unfavourable due to lower residential consumption, offset by greater than anticipated non-res consumption.	9,000
Sanitary Sewer – Anticipating a favourable variance under Contracts for sanitary sewer treatment due to a lower rate than was budgeted.	(235,000)

Budget Item	Amount
Sanitary Sewer – Grant expense anticipated to be favourable due to lower than expected intake of subsidy program.	(64,000)
Water Services	
Water – User Charges unfavourable due to lower residential consumption, offset by greater than anticipated non-res consumption.	22,000
Water – Work Orders favourable due to greater than anticipated activity.	(14,000)
Water – Wages & Benefits unfavourable largely due to temporary overlapping of roles & contractual increases.	11,000
Water – Purchases projected to be favourable due to a lower rate than was budgeted.	(111,000)
Water – Professional Fee – Other favourable due to lower than anticipated activity for 2021.	(7,000)

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 \$423,000.

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