

Appendix A - Operating Surplus

	2020					2020						
	Actual					Budget					Net	
	Revenue	Personnel Expenses	Operating Expenses	O/H Applied*	Net	Revenue	Personnel Expenses	Operting Expenses	Net	Different		
Levy Budget												
Global	\$ 23,918,316	\$ -	\$ 3,482,517	\$ 174,870	\$ 20,610,669	\$ 22,864,544	\$ -	\$ 3,496,621	\$ 19,367,923	\$ 1,242,746	1	
Council	\$ 42,000	\$ 275,478	\$ 214,776		-\$ 448,254	\$ 42,000	\$ 254,233	\$ 268,278	-\$ 480,511	\$ 32,257		
CAO's Office	\$ 317,519	\$ 425,644	\$ 226,041		-\$ 334,166	\$ 236,726	\$ 366,306	\$ 239,519	-\$ 369,099	\$ 34,933		
Corporate Services	\$ 492,222	\$ 2,123,791	\$ 1,483,838		-\$ 3,115,406	\$ 438,822	\$ 2,085,317	\$ 1,253,244	-\$ 2,899,739	-\$ 215,667	2	
Transit	\$ 78,018	\$ -	\$ 247,618		-\$ 169,600	\$ 160,500	\$ -	\$ 330,100	-\$ 169,600	-\$ 0		
Community and Economic Development	\$ 1,019,626	\$ 2,547,167	\$ 2,579,393		-\$ 4,106,933	\$ 1,785,312	\$ 2,555,675	\$ 3,643,529	-\$ 4,413,892	\$ 306,959	3	
Economic Development	\$ 69,816	\$ 173,087	\$ 259,720		-\$ 362,992	\$ 65,000	\$ 140,088	\$ 282,259	-\$ 357,347	-\$ 5,645		
Market Squire	\$ 7,225	\$ -	\$ 19,509		-\$ 12,284	\$ 11,600	\$ -	\$ 20,179	-\$ 8,579	-\$ 3,705		
Community & Recreation	\$ 18	\$ 551,607	\$ 103,447		-\$ 655,036	\$ 1,710	\$ 593,909	\$ 157,834	-\$ 750,033	\$ 94,997		
VHWC	\$ 704,115	\$ 537,505	\$ 1,504,071		-\$ 1,337,461	\$ 994,766	\$ 594,377	\$ 1,658,877	-\$ 1,258,488	-\$ 78,973		
Roselawn	\$ 8,142	\$ 91,447	\$ 65,050		-\$ 148,355	\$ 30,500	\$ 122,084	\$ 76,565	-\$ 168,149	\$ 19,794		
Parks	\$ 23,853	\$ 1,030,324	\$ 603,089		-\$ 1,609,560	\$ 18,000	\$ 844,485	\$ 495,964	-\$ 1,322,449	-\$ 287,111		
Canal Days & Events	\$ 18,186	\$ 163,196	\$ 24,505		-\$ 169,516	\$ 663,736	\$ 260,732	\$ 951,851	-\$ 548,847	\$ 379,331		
Public Works	\$ 867,955	\$ 3,735,326	\$ 3,890,375		-\$ 6,757,747	\$ 872,823	\$ 3,363,699	\$ 3,293,401	-\$ 5,784,277	-\$ 973,470	4	
Planning and Development	\$ 483,071	\$ 980,088	\$ 564,665		-\$ 1,061,682	\$ 465,855	\$ 1,033,553	\$ 522,364	-\$ 1,090,062	\$ 28,380	5	
Fire	\$ 111,503	\$ 2,787,031	\$ 554,829		-\$ 3,230,357	\$ 20,550	\$ 2,568,650	\$ 520,790	-\$ 3,068,890	-\$ 161,467	6	
Library (City Funding)	\$ -	\$ -	\$ 773,827		-\$ 773,827	\$ -	\$ -	\$ 773,827	-\$ 773,827	\$ -		
Museum	\$ 103,611	\$ 315,090	\$ 60,596		-\$ 272,076	\$ 92,134	\$ 308,389	\$ 82,861	-\$ 299,116	\$ 27,040		
	\$ 27,433,841	\$ 13,189,615	\$ 14,078,475	\$ 174,870	\$ 340,621	\$ 26,979,266	\$ 12,535,822	\$ 14,424,534	\$ 18,910	\$ 321,711		
Self Sustaining Entities (SSE's)												
Nickel Beach	\$ 233,107	\$ 74,707	\$ 69,677	-\$ 47,659	\$ 41,064	\$ 125,000	\$ 62,143	\$ 40,972	\$ 21,885	\$ 19,179		
Marina	\$ 1,003,911	\$ 320,905	\$ 814,677	-\$ 101,100	-\$ 232,771	\$ 1,302,858	\$ 398,292	\$ 945,338	-\$ 40,772	-\$ 191,999	7	
Cemetery	\$ 62,215	\$ 7,679	\$ 18,898	-\$ 26,111	\$ 9,527	\$ 46,900	\$ 24,848	\$ 22,075	-\$ 23	\$ 9,550		
	\$ 1,299,233	\$ 403,291	\$ 903,252	-\$ 174,870	-\$ 182,180	\$ 1,474,758	\$ 485,283	\$ 1,008,385	-\$ 18,910	-\$ 163,270		
	\$ 28,733,074	\$ 13,592,906	\$ 14,981,727	\$ -	\$ 158,441	\$ 28,454,024	\$ 13,021,105	\$ 15,432,919	\$ -	\$ 158,441		

Rate Budgets

Storm Sewer	766,700	47,076	809,228		-\$	89,604	775,279	87,655	687,624	\$	-	-\$	89,604	8							
Water	4,885,893	540,705	4,217,366		\$	127,822	5,179,824	790,145	4,389,679	\$	-	\$	127,822	8							
Wastewater	5,259,552	108,994	5,757,614		-\$	607,056	5,988,429	354,379	5,634,050	\$	-	-\$	607,056	8							
	\$	10,912,145	\$	696,775	\$	10,784,208	\$	-	-\$	568,838	\$	11,943,532	\$	1,232,179	\$	10,711,353	\$	-	-\$	568,838	
Levy + Rate	\$	39,645,219	\$	14,289,682	\$	25,765,935	\$	-	-\$	410,397	\$	40,397,556	\$	14,253,284	\$	26,144,272	\$	-	-\$	410,397	

The following highlights some of the salient budget to actual differences (note these budget groupings do not align with the 2021 Levy budget, they follow groups of the 2020 Levy budget):

Notes

- 1

\$

622,700

The City received COVID-19 funding from the Provincial Government that was previously unbudgeted. These funds offset COVID-19 expenses as noted in this report.
- \$

174,870

Applied 2021 budget O/H model to 2020 to recognize levy support to SSE's
- \$

224,000

Investment income has traditionally been unbudgeted or deposited to reserves. The new Council approved Reserve Policy FIN-04 attributes investment income to obligatory and future liability reserves. See Investment reporting on **Appendix E**.
- \$

140,000

The City experienced new assessment growth of 1.97% in fiscal 2020 leading to supplemental billings higher then budget.
- \$

1,161,570
- 2

The net difference primarily relates to fees associated with subject matters experts utilized by Human Resources and a \$103,000 related to additional IT costs associated with COVID-19.
- 3

\$

476,100

The City experienced a net savings associated with Canal Days, Recreation & Other Events as a result of cancelations due to social distancing health measures as a result of COVID-19.
- \$

47,000

The net cost of the downtown LED decorative slight project done with the Business Improvement Associations.
- \$

92,000

The City experienced a revenue loss of \$290,000 at the VHWC offset by \$198,000 in reduced utility costs.
- 337,100
- 4

-\$

151,400

The majority of the City's COVID-19 relates expenses were coded to Public Works ranging from facility improvements (i.e. safety glass to) to general signage.
- \$

371,627

Staff identified \$193,000 in water and wastewater employee payroll being charged to Public Works. This was noted during the water and wastewater budget presentation. This work was not budgeted in the Levy Budget and is noted budgeted in the 2021 Levy Budget as it was noted between completing the Levy and Rate budgets. Staff will be reviewing chargebacks between the two budgets in 2021 and making recommendations doing into the 2022 budget process. Staff identify the remaining difference results from organizational changes within the Public Works department.
- \$

445,974

Staff have reviewed Public Works accounts and noted accounts ranging from culvert repairs, road grading, brush and tree trimming, sidewalk and snow removal, pavement markings, PC Harbour / Vale Rale all being overbudget. Public Works has noted a variety of reasons from Council requests to budgets historically not being significant. Budget adjustments have been made in the 2021 Levy budget to accommodate the budget requests of Public Works. There is a new Director, Public Works who will be supporting the Public Works team with their budget to actual review

going forward.

-	\$	969,001
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- 5
- This difference was a function of unfilled positions following staff turnover within the department.
- 6
- This difference was the result of organizational changes within the Fire department.
- 7
- While Sugarloaf Marina was able to reduce costs in-year it was not enough to offset reduced volume and prorated fees provided to boaters. Despite the current year loss Sugarloaf Maria maintained a reserve balance at year end of \$175,851 (**Appendix D**).
- 8
- As presented in the Rate Budgets, Report 2021-80 the main driver of the budget to actual variance on water and wastewater is revenue which has been addressed through the 2021 budget process. The main driver on the Storm Sewer budget was unbudgeted but required repair and maintenance and borrowing costs. The close out figures identified above are materially consistent with Report 2021-80 although additional transactions during close-out were noted and required to the Storm Sewer budget in the amount of approximately \$13,000.