

## 2023 Year-End Operating Variances by Department

The following is a summary of the 2023 Operating Budget Year-End Variances (unaudited) by Department.

Town of Whitby by Department* (\$ in Thousands)		2023 Budget	2023 Actual**	Total YE 2023 Surplus / (Deficit)	Variance %
<b>Labour Disruption</b>	Revenue	\$0	\$1,237	(\$1,237)	
	Expense	\$0	\$75	(\$75)	
	<b>Net</b>	<b>\$0</b>	<b>\$1,312</b>	<b>(\$1,312)</b>	<b>(0%)</b>
<b>Executive and Legislative</b>	Revenue	(\$317)	(\$454)	\$137	
	Expense	\$1,137	\$1,281	(\$145)	
	<b>Net</b>	<b>\$820</b>	<b>\$828</b>	<b>(\$8)</b>	<b>(1%)</b>
<b>Chief Administrative Office</b>	Revenue	(\$677)	(\$1,566)	\$890	
	Expense	\$16,742	\$17,903	(\$1,161)	
	<b>Net</b>	<b>\$16,065</b>	<b>\$16,337</b>	<b>(\$271)</b>	<b>(2%)</b>
<b>Legal &amp; Enforcement Services</b>	Revenue	(\$1,451)	(\$1,282)	(\$169)	
	Expense	\$4,060	\$3,875	\$186	
	<b>Net</b>	<b>\$2,609</b>	<b>\$2,592</b>	<b>\$17</b>	<b>1%</b>
<b>Financial Services</b>	Revenue	(\$4,057)	(\$5,537)	\$1,480	
	Expense	\$5,580	\$5,911	(\$311)	
	<b>Net</b>	<b>\$1,523</b>	<b>\$374</b>	<b>\$1,149</b>	<b>75%</b>
<b>Fire &amp; Emergency Services</b>	Revenue	(\$498)	(\$419)	(\$79)	
	Expense	\$26,335	\$26,725	(\$390)	
	<b>Net</b>	<b>\$25,838</b>	<b>\$26,306</b>	<b>(\$468)</b>	<b>(2%)</b>
<b>Planning and Development</b>	Revenue	(\$11,127)	(\$10,929)	(\$198)	
	Expense	\$13,512	\$11,257	\$2,256	
	<b>Net</b>	<b>\$2,385</b>	<b>\$328</b>	<b>\$2,058</b>	<b>86%</b>
<b>Community Services</b>	Revenue	(\$13,589)	(\$12,949)	(\$640)	
	Expense	\$48,255	\$45,408	\$2,847	
	<b>Net</b>	<b>\$34,665</b>	<b>\$32,458</b>	<b>\$2,207</b>	<b>6%</b>

<b>Grants</b>	Revenue	(\$150)	(\$150)	\$0	
	Expense	\$6,739	\$6,680	\$59	
	<b>Net</b>	<b>\$6,589</b>	<b>\$6,530</b>	<b>\$59</b>	<b>1%</b>
<b>Corporate Revenues and Expenses</b>	Revenue	(\$133,240)	(\$132,891)	(\$348)	
	Expense	\$42,745	\$45,747	(\$3,002)	
	<b>Net</b>	<b>(\$90,495)</b>	<b>(\$87,144)</b>	<b>(\$3,350)</b>	<b>4%</b>
<b>TOTAL</b>	Revenue	(\$165,105)	(\$164,941)	(\$164)	
	Expense	\$165,105	\$164,860	\$245	
	<b>Net</b>	<b>\$ -</b>	<b>(\$80)</b>	<b>\$80</b>	

\*Note: Numbers may not add due to rounding

\*\*2023 Actuals have been adjusted to eliminate variances related to offsetting (surplus/deficit) variances related to reserve/reserve fund transfers approved by Town Policy.

## Labour Disruption

Refer to the main report FS 15-24 for variance commentary.

## Executive and Legislative

Executive and Legislative experienced an overall **net deficit of (\$8 thousand)**. This net deficit is from various miscellaneous accounts.

## Chief Administrative Office

The Chief Administrative Office ended 2023 with an overall **net deficit of (\$271) thousand** comprised of a revenue surplus of \$890 thousand and an expense deficit of (\$1,161) thousand. There was a net pressure of (\$168) thousand for additional staff hired to backfill those seconded to capital projects, such as Project Wisdom, shown as expenditure variances while the recovery from capital projects is shown as a revenue variance. The remaining net pressure of (\$103) thousand is mainly due to recruitments, on-going union negotiations as well as increasing costs for operating supplies to support events such as Christmas Tree Lighting, Canada Day and the Harvest Festival.

## **Legal and Enforcement Services**

Legal and Enforcement Services experienced an overall **net surplus of \$17 thousand** composed of a (\$169) thousand revenue pressure and a favourable expense variance of \$186 thousand. This surplus is primarily due to \$291 thousand from staff vacancies/shortages (net of overtime) within Enforcement for Parking and By-Law which is offset by (\$258) thousand in reduced parking fine revenue resulting from the staffing vacancies. The remaining unfavourable variance (\$16) thousand is from net miscellaneous accounts such as purchased services and supplies. Note that due to the Town's overall minimal operating net surplus, the normal transfer of funding to/from the Parking Reserve did not occur, therefore the Parking division had a tax-based net impact on the Town's operating results. As a result, the (\$414) thousand deficit from Parking operations caused a reduction to the Town's overall financial results for 2023.

## **Financial Services**

Financial Services ended 2023 with a **\$1,149 thousand net surplus** consisting mainly of a favourable surplus in revenues of \$1,480 thousand and an offsetting unfavourable deficit in expense variance of (\$331) thousand. The revenue surplus is largely due to an additional \$1,456 thousand collected in late payment fees on tax arrears and \$55 thousand from increased rental income from Town-owned properties (lease extensions and a new rental). The Town will be implementing new payment programs for residents to address tax receivables. The main drivers of the unfavourable expense variance of (\$389) thousand are related to vacancies and additional temporary resources employed to address workload while the positions remain vacant. A slight net surplus of \$27 thousand is from various other accounts.

## **Fire and Emergency Services**

Fire & Emergency Services experienced an overall **net pressure of (\$468) thousand** comprised of (\$79) thousand deficit in revenues and (\$389) thousand of additional expenses. There were lower provincial recoveries from the Ministry of Transportation (MTO) for fire calls (\$48) thousand and lower recoveries related to Motor Vehicle Collisions (\$103) thousand, which is partially offset by additional external recoveries \$75 thousand, mostly from WSIB. A pressure of (\$309) thousand was seen in overall salaries, wages, and benefits, primarily due to additional staff overtime required to cover for absences due to WSIB, sick and personal leaves. There was a pressure of (\$102) thousand in equipment and parts repairs/maintenance and a pressure of (\$108) thousand in administrative service contracts mainly for the emergency dispatch service contract and radios contract. There were savings in fuel costs of \$70 thousand due to

lower than budgeted market prices and usage volumes, and savings in utility costs of \$41 thousand. The remaining net surplus of \$16 thousand is from various other accounts.

## **Planning & Development**

Planning & Development ended 2023 with an overall **net surplus of \$2,058 thousand** composed of a (\$198) thousand deficit in revenues and a favourable expense variance of \$2,256 thousand. The main driver of this surplus is due to staff vacancies/staff shortages, \$1,179 thousand. There were savings of \$854 thousand for transfers to reserves which were not completed for parking and asset management. Other savings of \$189 thousand primarily due to reduced administrative type and purchased services expenses such as office supplies, training, membership, and consulting fees. Favourable vehicle variance of \$34 thousand on inspector vehicles is primarily a result of fuel savings. These savings are offset by a (\$566) thousand reduction in recoveries of staff time from capital projects which is a direct result of the staff vacancies. There was a favourable \$400 thousand variance in Fees revenues primarily for Planning and Development Engineering Fees, offset by a parking lot and meter revenue deficit of (\$113) thousand. The remaining revenue variance of \$81 thousand can be mainly attributed to other miscellaneous revenue impacts.

## **Community Services**

Community Services experienced an overall **net surplus of \$2,207 thousand** consisting of (\$640) thousand shortfall in revenues and \$2,847 thousand savings in expenses. There were revenue losses in overall program revenues of (\$610) thousand, primarily in aquatics and fitness related programs due to the closure of the Civic Recreation Complex (CRC) for renovations for most of the year, with some additional losses seen in Seniors' programming and services. Other revenue pressures include reduced recoveries of staff time from capital projects (\$192) thousand, federal grants (\$113) thousand, and miscellaneous revenues (\$77) thousand. A revenue surplus of \$365 thousand was seen in Road Occupancy Permits related to additional repair work done by the Region and utility companies within the Town. The savings in expenses were made up savings in salaries, wages, and benefits \$1,156 thousand mainly from staffing vacancies, utilities cost \$675 thousand, fuel costs \$516 thousand, operating supplies \$452 thousand, Waste Removal Contracts \$153 thousand and Transfer to Road Infrastructure Repair Reserve \$300 thousand, as the transfer of Road Occupancy Permit revenues into the reserve did not occur. There was a pressure of (\$424) thousand in external equipment rental costs, mostly for contracted winter maintenance services, with a smaller portion relating to vehicle rentals required due to a delay in

receiving ordered units. The remaining net surplus of \$6 thousand is from various other accounts.

## **Grants**

Grant programs ended 2023 with an overall **net surplus of \$59 thousand** entirely due to expense savings. The lower expense was primarily due to reduced participation in the Access Program \$46 thousand with the closure of the Civic Recreation Centre (CRC) pool for renovations for most of the year, plus no applications for the Affordable Housing Tax Incentive \$60 thousand, nor for the Accessibility Improvement program \$20 thousand. This is partially offset (\$67) thousand additional funding contributed mainly for the Seniors' Tax Grant.

## **Corporate Revenues and Expenses**

Corporate Revenues and Expenses experienced an overall **net deficit of (\$3,350 thousand)** consisting of (\$348 thousand) lower revenue and (\$3,002) in additional expenses. This main driver of the unfavourable variance is mainly due a (\$3,248) thousand payroll accrual for the 27<sup>th</sup> pay period in 2025. As outlined in the main report, there are day(s) each year that are worked but fall outside of the regular 26 pay periods for that fiscal year (e.g. the last day in December could be a work-day but falls within the pay period of the following year). Approximately every 10 years, those additional days results in a 27<sup>th</sup> pay period for that year (i.e. 2025). Rather than increasing the budget for the additional pay period for the year and then decreasing the budget the following year, accruals are made leading up to the 27<sup>th</sup> pay year. There are other net salaries and benefits variances of \$(421) thousand. Included are additional supplementary tax revenue of \$1,060 thousand based assessment growth provided by MPAC and lower taxes written off \$664 thousand. Net investment income and dividends of \$118 thousand was due to higher prime interest rates in 2023 and savings from a lower insurance deductible of \$126 thousand. There are reduced revenues of (\$446) thousand from the soccer domes loan payments from the Whitby Football Club due to lingering pandemic impacts with payments resuming in August of 2023. As a result of the overall Town year end surplus, the budgeted draw of \$(600) thousand from the Tax Rate Stabilization Reserve for Elexicon dividend shortfalls, planned draw of (\$395) thousand to deal with fuel/gas inflation, and a planned transfer from the Insurance Reserve Fund of (\$26) thousand were not required. The remaining (\$182) thousand pressure was from other accounts.