

Departmental Overview of Variances

Building & Municipal Law Enforcement Services

Year-end variance of \$17,665

- \$550,879 favourable variance in Building Services at the end of 2022 which was transferred to the Building Stabilization Reserve and did not result in an overall Town surplus. \$550,879 favourable variance in Building Services mainly due to the following:
 - \$467,603 favourable variance for salaries, wages and benefits across the department due to salary gapping, vacant positions and delay in hiring for vacancies.
 - \$213,519 favourable variance for building permits as the Building Services division issued a record number of building permits in 2022.
 - \$31,279 favourable variance in Training/Development/Seminars due to staffing vacancies.
 - \$22,976 unfavourable variance for mileage due to the increased volume of construction activity the Town experienced in 2022.
 - \$255,306 unfavourable variance in reserve fund to revenue for positions to be funded from reserve but not funded due to there already being a surplus in the Building Services division.
- \$82,663 favourable variance in Municipal Law Enforcement for salaries, wages and benefits across the department due to salary gapping, vacant positions and delay in hiring for vacancies.
- \$29,034 favourable variance in Municipal Law Enforcement for fill permits as applications have been higher than anticipated.
- \$39,017 unfavourable variance in Municipal Law Enforcement for contracted services due to extra costs associated with the illegal trucking strategy/implementation as well as replacement costs for rear cam/parking control devices and printers.
- \$69,628 unfavourable variance in Municipal Law Enforcement for Property Standards Admin fees due to a reduction in remedial actions related to the pandemic restrictions and staff safety protocols in the first half of the year however property standards enforcement picked up in the second half of 2022.

Building Permit Stabilization Reserve

There was a net contribution of \$550,879 to the Building Permit Stabilization Reserve Fund at the end of 2022 mainly due to increased building permit activity and salary gapping.

The Building Permit Stabilization reserve was established from the 2005 implementation of the *Building Code Statute Law Amendment Act* (Bill 124). The purpose of the reserve is to allow a municipality to stabilize slow years in terms of building activity and permit revenue. The Building Services division operates as full cost recovery and any surplus or deficit in the division is accounted for by a transfer to/from the Building Permit Stabilization Reserve Fund. Accordingly, the Building division operations do not have an impact on property taxes.

The balance in the Building Permit Stabilization Reserve fund after the transfer of \$550,879 is \$5,665,687.

Caledon Public Library

Year-end favourable variance of \$323,444

- \$311,985 favourable variance in salaries, wages and benefits due to salary gapping brought by delay in filling vacancies, limited hours of part time and casual staff at the beginning of the year.
- \$48,075 unfavourable variance in contracted services mainly due to unbudgeted legal fees related to outplacements and costs of a search firm to assist in the recruitment of staff to fill a vacant position.
- \$31,410 favourable variance in computer services due to ongoing delay in installation of fibre to Albion Bolton Branch.
- \$10,443 favourable variance in training and development attributed to reduced travel costs as most of training sessions and conferences are virtually done.
- \$16,892 favourable variance in courier services is a result of a change in contracted courier at a lower rate as well as reduced use of courier services earlier in the year.

Community Services

Year-end unfavourable variance of \$485,609

- \$2,636,376 net unfavourable variance for Recreation Revenues due to beginning of the year facilities closures, program stoppages, capacity limits and previously approved fee reduction for the Town's affiliates. Significant shortfall in revenues were identified in:
 - Arena ice rental fees when facilities had limited operations at the beginning of the year and summer ice removed at CECC due to construction replaced with ice for the full year at Mayfield Recreation Complex.
 - Fitness memberships when facilities had capacity limits and monthly memberships were not being sold.
 - Aquatics program registrations due to limited instructors and certified staffing.
 - Limited camp program registrations due to staffing constraints.
 - Fall programing and rentals ran at reduced capacity, further extending losses.
- \$1,600,616 favourable variance in Salaries and Benefits across the department due to salary gapping, staffing vacancies and delay in filling vacant positions. A portion of the favourable variance was the due to difficulties recruiting qualified staff in camps, fitness and aquatics. Vacancies resulting from leaves and turnover, with various positions temporary filled through internal job upgrades or in acting roles or backfilled by contract positions. Events and Fall programing and rentals are expected to run at reduced limits due to continuing staffing challenges.
- \$156,504 unfavourable variance in Maintenance & Repairs-Building was for extra cleaning due to COVID
- \$45,420 favourable variance in Contracted Services resulted from less expenditure at CCRW site as a result of the Rotary Place expansion and the renovation project. It was previously a separate facility within the CCRW site. Through the recent expansion project, CCRW and Rotary Place (RP)

now connect into one building. In addition, for Equestrian Center, under the new agreement with the new owner; we are experiencing savings as they now cover majority of the related expenses.

- \$173,815 net favourable variance in Operating and Programs Supplies and Programing Mileage resulting from facilities closure and programs cancellation. Closed facilities require less maintenance work to be performed and cancelled programs require no supplies. Limited programing reduced staff travels. Fall program resumption is expected at a reduced capacity further extending savings.
- \$251,374 net favourable variance in Utilities primarily in electricity due to savings from limited operations at Caledon East Community Complex during construction, the inherit challenges with forecasting a new facility (Southfields Community Centre) and facility closures/limited operations at the start of the year.
- \$31,705 favourable variance in Furniture & Fixtures was due to COVID more persons were working from home, and this changed the office space requirement.
- \$24,756 favourable variance in Training/development/Seminars due to staffing vacancies and travel costs as most of training sessions and conferences are virtually done.

Corporate Accounts

Year-end favourable variance of \$3,322,982

- \$3,508,324 favourable variance in interest earned on investments and reserves due to the significant increase in interest rates that occurred in 2022. Interest rates on High Interest Savings Accounts and Cash increased from weighted average rate of 0.81% in 2021 to weighted average rate of 2.45% in 2022. Investments have also been purchased at the start of Q2 2022 with interest rates above 4%.
- \$637,926 favourable variance for Penalties/Interest on property taxes due to property tax arrears being higher than budgeted.
- \$643,600 favourable variance related to supplementary property taxes mainly due to higher than budgeted residential assessments.
- \$379,679 favourable variance in centralized charges mainly related to IT maintenance contracts of \$301,632 under budget as positions not filled and several contracts have come in at a lower cost than anticipated. Copier, fax costs and telephone costs are \$69,386 favourable as many staff are still working from home with the hybrid model.
- \$445,195 unfavourable variance related to large property tax appeals
- \$1,483,385 unfavourable variance in salary gapping mainly related to budgeting for recurring vacancies under corporate accounts rather than under each department. Unfavourable variance also attributed to not drawing from the operating contingency reserve as part of the phase in of the Council approved Total rewards program for non-union Staff due to salary gapping across the corporation being higher than expected brought by widespread labour shortages.

Corporate Services

2022 favourable variance of \$197,656

- \$461,876 favourable variance in salaries, wages and benefits across the department due to salary gapping, vacant positions and delay in hiring for vacancies; partially offset by backfilling vacant positions with contract staffing.
- \$174,583 favourable variance in Contracted Services across the department mainly due to:
 - Increase in court closures by province resulted in savings for judicial and prosecutorial hourly rates charged by the Ministry of the Attorney General (POA Caledon)
 - Dedicated funding sources were sufficient to manage expert contracted services required to support unanticipated or emergency litigation and realty transactions (Legal Services)
 - Decrease in by-law related appeals reduced the need to utilize external counsel
- \$49,524 favourable variance in Legal Services for Agreement Admin Fees due to an increase in agreements related to easements and leases that require legal review and support.
- \$44,489 favourable variance in Training/Development/Seminars across the department due to staffing vacancies and a pause on some annual conferences due to the pandemic.
- \$40,545 favourable variance in Legal Services for court costs awarded with a \$30,000 award offsetting the Trucking Taskforce legal fees
- \$34,612 unfavourable variance in Legal Services for external counsel costs required to support organizational legal resources while full time recruitment was proceeding
- \$67,125 unfavourable variance in registry office net of recovery due to a significant increase in title searches from Town departments, especially for property enforcement matters
- \$167,085 unfavourable variance in Legal Services - Trucking Task Force due to injunction and contempt proceedings continued from 2019 for which costs were awarded to the Town. Town continues to seek compensation for the \$450,000 in court costs awarded since 2019 from the defendant
- \$427,405 unfavourable variance in POA fine revenues due to enforcement challenges from the pandemic and court pressures felt from 2020 to 2022. Staff expect to see revenue increases in 2023

Corporate Strategy & Innovation

2022 favourable variance of \$56,905

- \$28,649 favourable variance in Training/Development/Seminars across the department due to less training opportunities as a result of the pandemic.

Customer Service & Communications and Economic Development

2022 variance of \$197,976

- \$76,544 favourable variance in salaries, wages and benefits across the department due to salary gapping, vacant positions and delay in hiring for vacancies; partially offset by backfilling vacant positions with contract staffing.
- \$65,550 favourable variance in snow removal grants paid due to this being a new program that was implemented towards the end of 2023 covering only half of the winter season (September to December 2023). In 2023, the budget will cover the full winter season being January to April

of 2023 and September to December 2023. There was an uptake in applications in early 2023 with \$21,350 grants provided.

- \$24,059 favourable variance in CBIZ expenses as this line is tied to the opening of the Humber River Centre, which was pushed back both from a construction standpoint as well as an official opening standpoint, and therefore the CBIZ programming dollars were not spent.

Engineering Services

Year-end favourable variance of \$624,148

- \$434,434 net favourable variance forecasted for salaries and benefit driven by staff vacancies and gapping due to staff turnover and timing of hiring new positions approved in Engineering, Development Engineering and Transportation. The favourable variance in salaries and benefits was offset by unfavourable variance in contributions from reserve being reduced to fund such positions.
- \$194,697 favourable variance in Automated Speed Enforcement (ASE) Equipment & Services because the ASE program has not started due to court capacity and the need to better understand the impacts of the Region's pilot program on court operations and capacity.
- \$143,351 net favourable variances in debt servicing realized through aligned debenture payments to the Region of Peel to receive favourable debenture terms.
- \$108,604 favourable variance in Transit due to lower operating chargebacks from Brampton Transit for the operation of the Southfields route as service was operating at a reduced schedule in response to ridership demands.
- \$181,860 net unfavourable variance related to Engineering Fees: \$1,412,449 unfavourable variance in Engineering Fee revenue resulting from planned revenue and an offsetting \$1,230,589 favourable contribution to reserve variance as there is less surplus to contribute to the Development Engineering Stabilization reserve.

Engineering Stabilization Reserve

- Due to engineering fees exceeding direct costs mainly due to salary gapping the Town has transferred \$33,015 to the Engineering Stabilization Reserve. Engineering Services work related to development applications may span many years from the time revenues are collected. This reserve serves the purpose of having the revenues available to fund the Engineering related work beyond the current year. Thus, allowing future budgets to draw from these reserves to fund the direct and indirect costs related to the Engineering process.

Finance

Year-end favourable variance of \$258,079

- \$341,646 net favourable variance in Salaries and Benefits expenditures primarily due to several vacancies.

- \$28,892 net favourable variance in Training/Development/Seminars related to delayed hiring of permanent staff to fill vacant positions.
- \$49,090 net unfavourable variance for Printing & Advertising due to an increase in the number of job postings in an effort to fill several vacancies.
- \$49,316 net unfavourable variance for Contracted Services mainly due backfilling vacancies with a consultant and a staffing agency to ensure asset management database is kept up to date and to assist with the implementation of a new tax system.

Fire & Emergency Services

Year-end unfavourable variance of \$340,994

- \$433,305 favourable variance in Fire Revenues from accident, false alarm, user fees & rentals, cost recovery for watch after emergency response and Town of Mono chargeback for higher than anticipated calls for emergency service response.
- \$502,125 net unfavourable variance in Salaries, Wages, Benefits & Overtime for volunteer firefighters due to a higher-than-expected number of emergency incidents and longer duration responses. Also, new recruits and NFPA Certification that was required during the year.
- \$39,645 unfavourable variance in Maintenance & Repairs - Equipment resulted from increased call volume and aged equipment.
- \$62,321 favourable variance in Fire Communications - Dispatching Services was due to shortage of staff.
- \$31,803 favourable variance in Fire Operations – uniforms was related to issues with supply chain.
- \$53,504 unfavourable variance in insurance is due to increased premiums
- \$67,304 unfavourable variance in write offs done during the year for uncollectible amounts
- \$266,197 unfavourable variance was experienced in Interdepartmental charges due to huge fuel increase in Fire Fleet which was a direct impact from the rise in emergency response as well as some works that had to be contracted out due to a shortage in staff. This over-expenditure is partially offset by a savings of \$97,934 in Vehicle - Maintenance & Repairs as less repairs were done externally

Operations

Year-end favourable variance of \$473,445

- \$199,642 net favourable variance for salaries and benefits (excluding winter control staff savings) due to staff turnover/gapping primarily in Road Operations and Fleet; Park Operations and Crossing Guards were flat.
- \$518,359 net favourable variance from sale of fleet vehicle and equipment at auction were offset by unfavourable variance in Contribution to Reserves with the proceeds from sale going to the Equipment Reserve. Net impact to budget is \$0.
- \$441,118 net favourable variance forecasted in Road Hardtop and Loose Top mainly due to savings in Pavement Marking & Line Painting and Sweeping Contracts. This variance is due to the road painting contract having to be tendered again. As well, industry staff shortages have led to a backlog in many maintenance contractors.

- \$142,835 overall variance in Roadside activities due to streetlight maintenance and guide beam/post maintenance due to planned work not undertaken.
- \$103,733 favourable variance in Winter Control costs (including salary and benefit savings of \$203,697) were offset by contributing the \$103,733 savings to the Winter Maintenance Reserve. Main drivers for Winter Control variances were higher prices for salt and calcium, partially offset with savings from winter parking lot maintenance as work completed by internal resources.
- \$78,856 net unfavourable variance in Parks Operations in Parks Operations with main drivers being lower park rental revenues, trailway repairs and water/wastewater costs mainly for splash pads, partially offset by electricity savings.
- \$52,480 net unfavourable variance for Fire and Roads Heavy Duty Vehicle maintenance cost overage of \$269,442 partially offset by \$216,962 favourable recovery from the Fire & Emergency Services Department.
- \$282,235 net unfavourable variance in Fleet due to an increase in diesel, gasoline and miscellaneous fuel as market price fluctuated higher throughout the year than baseline used at budget; partially offset by inter-departmental recoveries.

People Services

2022 favourable variance of \$63,853

- \$102,994 favourable variance in salaries, wages and benefits across the department due to salary gapping, vacant positions and delay in hiring for vacancies; partially offset by backfilling vacant positions with contract staffing.
- \$33,702 unfavourable variance in legal services due to higher-than-normal legal costs pertaining to new policies surrounding COVID-19.
- \$22,957 unfavourable variance in corporate training/development due to more training opportunities.

Planning

Year-end favourable variance of \$217,458

- \$825,426 unfavourable variance in Planning reserves draws due to smaller than anticipated shortfall in Planning budget. As the overall unfavourable variance in Planning will be funded from the Development Approval Stabilization Reserve, it will not result in a Town deficit. Unfavourable variance in Planning can be mainly attributed to the following:
 - \$813,643 net favourable variance in Planning revenues due to higher Site Plan Application Fees, Application fees for subdivision, Condos, POPA fees and Rezoning Application Fees.
 - \$556,135 favourable variance in Salaries and Benefits across the department primarily due to salary gapping, staffing vacancies and delay in filling vacant positions, partially offset by backfilling vacant positions with contract staff.

- \$471,268 unfavourable variance in contracted services and external consultants to continue backfilling vacant positions and processing planning files due to limited staffing capacity.
- \$46,297 favourable variance in Heritage Tax Rebate

Development Approvals Stabilization Reserve and Engineering Stabilization Reserve

- Due to the timing of processing subdivision applications, direct costs in the current year were less than incoming revenues in Planning Services and a draw of \$1,196,762 from the Development Approvals Stabilization Reserve Fund was necessary at year-end. The Development Approvals Stabilization Reserve Fund currently has an uncommitted balance of \$3,070,903. Planning Services work related to development applications may span up to 4 years from the time revenues are collected. These reserves serve the purpose of having the revenues available to fund the Development approval and related work beyond the current year. Thus, allowing future budgets to draw from these reserves to fund the direct and indirect costs related to Development approvals.