



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF CORPORATE SERVICES

MISSION STATEMENT: Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.

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Author's Phone: 519 736-0012 ext. 2254	Date to Council: June 13, 2022
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To: Mayor and Members of Town Council

Subject: 2021 Year End (Q4) Budget to Actual Projections

1. RECOMMENDATIONS:

It is recommended that:

1. This report on the 2021 Year End Projected Surplus **BE RECEIVED** for information.

2. BACKGROUND:

The Town's budget is established by Council each year for operating and capital purposes as a cash-based budget used for determination of the annual tax levy requirement and user rate impacts.

The cash-based budget estimates are based on Council direction, economic trends and the best estimates and information available at the time. The actual expenditures and revenues in the various budget centres are monitored by Administration in relation to the approved budget on an ongoing basis. The year-to-date actual and projected results to the end of the year are reported to Council. The following report provides the projected outcomes of the year ended December 31, 2021 (Q4).

3. DISCUSSION:

This report is provided to advise Council of the projected results for the 2021 fiscal year in relation to the cash-based budget, the following is a breakdown of the major variances by department.

It is important to note that the 2021 Results are not reflective of regular Town operations given the impacts of the pandemic (COVID-19) emergency in 2020. Due to the pandemic emergency the Town reduced service levels, including staff layoffs and program reductions, implemented alternate service delivery measures and forwent training and professional development for staff. The Town also incurred expenses for emergency response such as enhanced cleaning and various health and safety measures, the costs of which were mitigated to some extent by Ontario grant funding through the Ontario Safe Restart program. Across the corporation the investment in staff training and development had to be curtailed due to resources shortages, heavy workload and operational restrictions, all related to the pandemic emergency. The pandemic emergency has continued into 2022 and financial impacts are being monitored and will be reported to Council in due course.

Taxation Funded:

The taxation funded budget centres are projected to complete the year with an overall estimated operating a surplus of \$1.9 million. Particulars by department with recommendations for reserve fund transfers will follow, in due course, with the audited financial statement once completed by the external auditor.

User Rate Funded:

The user rate funded budget centres include Water and Wastewater are projected to complete the year with a surplus of approximately \$30,000.

4. RISK ANALYSIS:

A significant contributor to the surpluses experienced in fiscal 2021 was staffing vacancies, which resulted from pandemic emergency related service level reductions, staff layoffs, staff leaves of absence, and position gapping. The gaps in the Town's workforce in 2021 imposed significant challenges in meeting service delivery requirements, maintaining adequate levels of staff training and professional development, employee retention and attraction. This also affected the delivery of capital projects, which contributed to projects not being completed in the budget year.

5. FINANCIAL MATTERS:

It is recommended that the taxation funded surplus be transferred to reserves as supported by the Town's strategic goal of financial stability. Once KPMG audit is finalized a recommendation from Administration for the Reserves transfer will be brought forward for council consideration.

The Water budget centre and Wastewater budget centre are user rate funded, and as such any fiscal surplus or deficit is transferred to/from a Water Reserve account and Wastewater Reserve account respectively, as part of closing out the year end position for those funds.

6. CONSULTATIONS:

The Senior Management Team provided input on the 2021 Q4 results for budget centres within their departments.

7. CONCLUSION:

This report provides the modified cash-basis results for 2021 for the Town. The recommended disposal of the surpluses/deficits reported herein is consistent with the Town's strategic priority of financial sustainability.

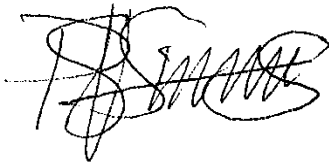


Tracy Prince
Director Corporate Services/CFO
Treasurer

Report Approval Details

Document Title:	2022 05 25 - 2021 Year End (Q4) Budget to Actual Projections.docx
Attachments:	
Final Approval Date:	Jun 8, 2022

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read 'P. Simmons', with a large, stylized initial 'P'.

Peter Simmons

A handwritten signature in black ink, appearing to read 'Valerie Critchley', written in a cursive style.

Valerie Critchley