



Administration and Operations Committee Report

To: The Chair and Members of the Administration and Operations Committee
From: Heather Mifflin, Director of Finance, Treasurer
Date: July 16, 2024
Report #: RPT-0347-24
Subject: 2023 Surplus
Purpose: For Approval

Recommendation

Whereas the 2024 approved budget included a contribution from the Contingency Reserve of \$1.5mil with the assumption the 2023 Surplus would be directed to the Contingency Reserve;

And whereas Council resolved in March 2024 to fund requests from agencies providing support to victims of Intimate Partner Violence/Gender-based Violence from the 2023 Surplus totalling \$266,177;

That the 2023 Surplus report detailing an overall surplus of \$892,703 be received for information;

And that the remaining \$626,526 be transferred to the Contingency Reserve.

Strategic Plan Priority

Strategic Priority 6 - Stable and Responsive Governance

Impacts and Mitigation

Social Impacts

Council has declared Intimate Partner Violence and Gender-Based Violence (IPV/GBV) an epidemic and supported this declaration by approving allocation of surplus funds to agencies that provide support to victims of IPV/GBV.

Environmental Impacts

There are no environmental impacts resulting from this recommendation.

Economic Impacts

Financial details are included throughout this report.

Report

Background

The 2023 Financial Audit is underway, and the Financial Statements will be presented to Council in September 2024. Staff are completing the provincially required Financial Information Return.

Analysis

Attached for Committee's review is the Variance Analysis and 2023 Budget to Actual as at December 31st, 2023. The actual 2023 surplus is \$892,703.

Staff worked diligently to stay on budget. Most departments were slightly under budget. The variance report reflects the new organizational structure; staff have been moved to their new divisions for 2023 with the budget being reallocated to reflect the moves in 2024.

The approved 2024 budget included a contribution from the contingency reserve of \$1.5mil with the assumption the 2023 surplus would be directed to the contingency reserve. Subsequently, in March Council approved \$266,177 to fund agencies for the support of victims of IPV/GBV from the 2023 surplus.

Ontario Land Tribunal Costs

Legal and consultant costs related to Ontario Land Tribunal (OLT) appeals are being tracked by case. This is an unbudgeted item in the Taxation & Corporate Finance section with expenditures at yearend of \$144,498; this is reflected in the overall surplus.

Purchasing Awards

In July 2022 Council approved an updated Purchasing Policy and Bylaw. The updated bylaw increased the dollar value required for Council approval of purchasing awards from \$100,000 to \$250,000. Staff committed to providing Committee with a list of the purchasing awards that fell between the old and new dollar value. Attached please find the list of Purchasing Awards between \$100,000 and \$250,000 for August to December 2023.

Summary and Recommendations

Continuing into 2023 the economy has been recovering from the pandemic with inflation slowing but still higher than pre-pandemic. The County concluded 2023 with a comfortable surplus of \$892,703.

Use of the 2023 surplus to fund agencies who support victims of IPV/GBV will support Council's declaration of an IPV/GBV epidemic.

The Contingency Reserve is used to smooth tax levy increases and to fund unanticipated expenditures. During the 2024 Budget Council choose to smooth the tax levy by approving contributing \$1.5mil from the contingency reserve with the assumption the 2023 surplus be directed to the contingency reserve.

A 2024 budget to actual variance report will be presented to Committee in October.

Attachments

1. Variance Explanations
2. County of Brant Operating Budget to Actual at December 31, 2023
3. August to December 2023 – Purchasing Awards between values \$100,000 and \$250,000

Reviewed By

Heather Boyd, General Manager of Corporate Services
Alison Newton, Chief Administrative Officer

Copied To

Heather Bailey, Manager of Accounting & Budgets
Senior Management

By-law and/or Agreement

By-law Required	No
Agreement(s) or other documents to be signed by Mayor and /or Clerk	No

Department	Variance \$	Explanation
Mayor and Council	(\$11,369)	
Office of the CAO	(\$72,799)	The CAO's department is under budget at yearend with Physician Recruitment budget being unspent in 2023. As reported, a plan for these funds has been developed for 2024.
Corporate Services	\$184,480	The Corporate Services Administration budget has actuals higher than budget at yearend due to a reallocation of administrative overhead. Human Resources has an overage in HR legal services, while Business & Technology Solutions has budget for consulting services that was not required in 2023. Finance is overbudget from increases to software licensing, bank charges for increased use of credit cards to receive payments, and tax consulting services to assist with the gravel pit appeals.
Taxation & Corporate Finances	\$146,501	<p>The Taxation & Corporate Finance area of the budget has many substantial budget lines. In 2023 some large variances offset each other.</p> <p>Property tax supplementaries exceeded the budget of \$1.9 mil by \$1.3 mil. Property tax write offs are over budget by \$200k.</p> <p>Investment revenue is on budget.</p> <p>A contribution from the contingency reserve of \$600k was budgeted, however with an overall surplus at yearend the funds have not been transferred.</p> <p>The 2023 OLT costs are \$144k; these costs are unbudgeted.</p> <p>Microfits were overbudget at yearend by \$240k; future budgets will be adjusted to reflect actual net revenue being realized.</p>

Development Services	\$218,137	<p>Development Services actuals are greater than budget at yearend; Planning revenues which are dependent on timing of receipt and processing of applications and permits are less than budget by \$480k; this is partially offset with staffing vacancies. Development Services Admin was over budget from an administrative overhead adjustment.</p> <p>During the 2023 Budget process a reserve fund was created for Development Engineering to move it to a self-sustaining model as work that may straddle yearends proceeds payment of fees. Staff are monitoring this new model as less than budgeted revenue was received and a net expense was funded from the reserve.</p>
Strategic Initiatives	(\$173,892)	<p>Strategic Initiatives is under budget overall at yearend. Staffing vacancies and transitions from the staffing reorganization are reflected in some divisions being over and others under budget. Economic Development is under budget in expenses for promotions, special events, and advertising. The Brant Transit program is over budget driven by low fare revenue and the up-front costs from moving to the new provider.</p>
Operations	(\$471,664)	<p>The Operations department is under budget at the end of the year. The Municipal Utility Locates program has continued as in past years and based on quotes coming in beyond budget did not transition to the new proposed format resulting in \$320k being unspent. Roads is slightly overbudget at yearend with impacts from an increased focus on municipal drains, overages relating to building/facility maintenance and some small, unexpected infrastructure failures. Winter Control was slightly underbudget at yearend. Gravel Pits and Stormwater Management were under budget in 2023. The Solid Waste division budget is impacted by the leachate budget being unneeded and unused. Property Management is over budget from utility cost pressures, lease increases, and additional building maintenance.</p>

Community Services	(\$189,939)	Community Services overall is under budget at the end of the year. Community Services Admin was impacted by the staff reorganization and related staff vacancies. Parks, Trails & Forestry was underbudget mainly from the invasive species contract which required less treatment in 2023. Cemeteries is underbudget at yearend from higher than expected revenue in some cemeteries, and staffing vacancies. Recreation Facilities is feeling some budget pressures in unexpected building and facility maintenance and repairs. Ice and rental revenues were on budget at yearend.
Emergency & Protective Services	(\$121,462)	The newly created Emergency & Protective Services department is slightly under budget at yearend. Both Fire and Paramedic budgets are driven by call volume. At yearend Fire is under budget in Firefighter wages offset by some pressures in station maintenance. Dispatch is also underbudget. Paramedics Services is overbudget impacted by increased calls through wages, fuel, vehicle maintenance, and medical supplies. Enforcement Services is under budget from increased fine revenue, staffing vacancies and some expense savings.
External Agencies	(\$400,697)	Provincial Offences Act revenue is above budget at yearend which is a positive change from the past 5 years. The County's share of Social Housing and Family & Income Stability both came in underbudget.
Capital Financing	\$0	The capital levy has been fully allocated for the year to the capital program.
Overall		Throughout most areas natural gas and hydro budget lines are over budget.