



**Subject:** Budget White Paper Council 2022 to 2023 Budget Variance

**Report Number:** FIN 23-04

Department: Finance Department

Submitted by: Renato Pullia, Interim Director of Finance / Treasurer

Meeting Type: Council Meeting

Meeting Date: Monday, January 9, 2023

## **RECOMMENDATION**

THAT report FIN 23-04 Council 2022 to 2023 Budget Variance White Paper be received as information.

## **BACKGROUND**


At its December 7, 2022 meeting, Council requested additional information on the 2022 to 2023 Council budget difference. While there was no formal resolution for a white paper, this report seeks to provide that additional information.

## **DISCUSSION**

For the Revenue side, in 2022, the Council budget included \$162,100 in grants related to Modernization funding Intake 3 (three projects), which is not included in 2023. The Contribution from Reserves included \$70,000 from the Physician Recruitment Reserve in 2022 and it is the same in 2023. Different for 2023, however, is a \$300K transfer from the Tax Rate Stabilization Reserve for the Town Hall design work. Altogether, the revenues from 2022 to 2023 is a \$55,300 decrease.

On the expenditure side, labour is up \$15,400 (COLA), Purchases are up \$67,542 mostly for Strategic Plan initiatives and a 2-month carryforward of the Mgmt Intern. But there is also a decrease of \$36,800 related to election expenses that are not budgeted for in 2023.

Thus, as shown in the figure below, from 2022 to 2023, revenues are down \$55K, total expenditures are up \$54K, which combined show a net levy increase of \$109K.

		<b>2023 Financial Plan</b> <b>Operating Plan - Cost Code Summary</b> <b>Council</b>				
	2022	2023	Budget	%	Note	
	Budget	Budget	Variance	Variance	Reference	
<b>Revenues</b>						
Grants	162,100		(162,100)	100.0%	1	
Contribution from Reserves	263,200	370,000	106,800	(40.6%)	2	
<b>Total Revenues</b>	<b>425,300</b>	<b>370,000</b>	<b>(55,300)</b>	<b>13.0%</b>		
<b>Expenditures</b>						
Labour	205,100	220,500	15,400	7.5%	3	
Purchases	473,400	540,942	67,542	14.3%	4	
Contracted Services	36,800		(36,800)	(100.0%)	5	
Contribution to Reserves	10,000	12,500	2,500	25.0%		
Interfunctional Adjustments	34,900	40,700	5,800	16.6%	6	
<b>Total Expenditures</b>	<b>760,200</b>	<b>814,642</b>	<b>54,442</b>	<b>7.2%</b>		
<b>Total Net Levy</b>	<b>(334,900)</b>	<b>(444,642)</b>	<b>(109,742)</b>	<b>(32.8%)</b>		
<b>Notes:</b>						
1	Modernization funding intake 3					
2	Physician Recruitment and One-time Expenses					
3	Payroll costs, Benefits, COLA					
4	Strategic plan initiatives					
5	Election					
6	IT charges allocation					

## CONSULTATION

This report has been completed in consultation with the Senior Analyst/Deputy Treasurer.

## FINANCIAL IMPACT/FUNDING SOURCE

No financial implications.

## CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- ☐ Lifestyle and amenities
- ☒ Customer service, communication and engagement
- ☐ Business attraction, retention and expansion
- ☐ Community growth
- ☐ Connectivity and transportation

☐ Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal** – The Town of Tillsonburg will strive for excellence and accountability in government, providing effective and efficient service, information, and opportunities to shape municipal initiatives.

**Strategic Direction** – N/A

**Priority Project** – N/A

**ATTACHMENTS**

N/A