

**2. 2021 OPERATING AND CAPITAL BUDGET – Q2 STATUS REPORT
BUDGET DE FONCTIONNEMENT ET D'IMMOBILISATIONS 2021 –
RAPPORT D'ÉTAPE DU T2**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Receive the Q2 Operating and Capital Statuses and 2021 Year-end Forecast for information as detailed in Documents 1, 2, and 3;**
- 2. Receive the budget adjustments in Document 4 undertaken in accordance with the *Delegation of Authority By-law 2020-360*, as amended, as they pertain to capital works;**
- 3. Approve the budget adjustments as detailed in Document 5; and**
- 4. Authorize staff to perform the necessary financial adjustments as detailed in Documents 5.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil ce qui suit :

- 1. Prenne connaissance des dépenses de fonctionnement et d'immobilisations du T2 et des prévisions de fin d'exercice 2021, exposées dans les documents 1, 2 et 3;**
- 2. Prenne connaissance des ajustements budgétaires exposés dans le document 4, effectués en vertu du Règlement municipal sur la délégation de pouvoirs (n° 2020-360) dans sa dernière version, en ce**

qui concerne les travaux d'immobilisations;

- 3. Approuve les ajustements budgétaires exposés dans le document 5;
et**
- 4. Autorise le personnel à effectuer les ajustements comptables
nécessaires indiqués dans le document 5.**

DOCUMENTATION/DOCUMENTATION

1. Deputy City Treasurer's report, Corporate Finance, Finance Services Department, dated August 26, 2021 (ACS2021-FSD-FIN-0021)

Rapport de la Trésorière municipale adjointe, Service des finances municipales, Direction générale des services des finances, daté le 26 août 2021, (ACS2021-FSD-FIN-0021)

**Report to
Rapport au:**

**Finance and Economic Development Committee
Comité des finances et du développement économique
7 September 2021 / 7 septembre 2021**

**and Council
et au Conseil
22 September 2021 / 22 septembre 2021**

**Submitted on August 26, 2021
Soumis le 26 août 2021**

**Submitted by
Soumis par:**

**Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, Finance Services
Department / Trésorière municipale adjointe, Service des finances municipales,
Direction générale des services des finances**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA
VILLE**

File Number: ACS2021-FSD-FIN-0021

SUBJECT: 2021 OPERATING AND CAPITAL BUDGET – Q2 STATUS REPORT

**OBJET: BUDGET DE FONCTIONNEMENT ET D'IMMOBILISATIONS 2021 –
RAPPORT D'ÉTAPE DU T2**

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend that Council:

1. Receive the Q2 Operating and Capital Statuses and 2021 Year-end Forecast for information as detailed in Documents 1, 2, and 3;
2. Receive the budget adjustments in Document 4 undertaken in accordance with the *Delegation of Authority By-law 2020-360*, as amended, as they pertain to capital works;
3. Approve the budget adjustments as detailed in Document 5; and
4. Authorize staff to perform the necessary financial adjustments as detailed in Documents 5.

RECOMMANDATIONS DU RAPPORT

Que le Comité des finances et du développement économique recommande au Conseil ce qui suit :

1. Prendre connaissance des dépenses de fonctionnement et d'immobilisations du T2 et des prévisions de fin d'exercice 2021, exposées dans les documents 1, 2 et 3;
2. Prendre connaissance des ajustements budgétaires exposés dans le document 4, effectués en vertu du Règlement municipal sur la délégation de pouvoirs (n° 2020-360) dans sa dernière version, en ce qui concerne les travaux d'immobilisations;
3. Approuver les ajustements budgétaires exposés dans le document 5; et
4. Autoriser le personnel à effectuer les ajustements comptables nécessaires indiqués dans le document 5.

EXECUTIVE SUMMARY

The purpose of this report is to present the June 30, 2021 (Q2) year-to-date operating and capital results for citywide tax-supported programs and rate-supported programs along with providing a year-end forecast. A significant portion of the 2021 Q2 results and forecast to the end of the year includes the additional costs and revenue due to COVID-19. Included in this report is a summary of the forecasted COVID-19 costs in 2021 for the tax and rate-supported business areas.

The Q2 results indicate a surplus of \$12.5 million in the tax-supported program areas and a surplus of \$865 thousand in the rate-supported programs, resulting in an overall surplus of \$13.4 million. These results include COVID-19 budget pressures, offset by COVID-19 funding and the costs associated with the vaccination program rollout for both the tax and rate-supported business areas.

The overall year-end forecast for the tax-supported programs is a projected surplus of \$6.1 million and a surplus of \$2.1 million for the rate-supported programs, resulting in an overall expected surplus of \$8.1 million. The projected surplus includes \$136 million in costs relating to COVID-19 which, is offset by \$135.2 million of Safe Restart Agreement (SRA), Social Services Relief Fund (SSRF) and other funding from senior levels of government. The forecasted expenditures for the City's portion of the COVID-19 vaccination program of \$11.8 million will be recovered from the Ministry of Health.

RÉSUMÉ

Le présent rapport a pour objet de présenter les résultats de fonctionnement et d'immobilisations cumulatifs du deuxième trimestre, qui couvrent la période allant du début de l'exercice au 30 juin 2021, relativement aux programmes à l'échelle de la ville financés par les recettes fiscales et à ceux financés par les redevances, ainsi que les prévisions pour la fin de l'exercice. Ces chiffres tiennent compte des coûts et recettes supplémentaires dus à la COVID-19, une importante portion des résultats et prévisions. Est compris dans ce rapport un résumé des coûts découlant de la COVID-19 prévus en 2021 pour les secteurs d'activité financés par les recettes fiscales et les redevances.

Les résultats du T2 indiquent un excédent de 12,5 millions de dollars pour les programmes financés par les recettes fiscales et un excédent de 865 000 dollars pour

ceux financés par les redevances, ce qui donne un excédent global de 13,4 millions de dollars. Ces chiffres tiennent compte pour les deux secteurs – celui financé par les recettes fiscales et celui financé par les redevances – de la pression budgétaire exercée par la COVID-19, compensée par l'aide financière correspondante, ainsi que des coûts associés au déploiement du programme de vaccination.

Quant aux prévisions pour la fin de l'exercice, il y a un excédent projeté de 6,1 millions de dollars pour les programmes financés par les recettes fiscales et de 2,1 millions de dollars pour ceux financés par les redevances; l'excédent total s'élève à 8,1 millions de dollars. Ces chiffres tiennent compte des 136 millions de dollars en coûts liés à la COVID-19, qui sont compensés par 135,2 millions de dollars provenant de l'Accord sur la relance sécuritaire, du Fonds de secours pour les services sociaux (FSSS) et d'autres mesures d'aide accordées par les paliers de gouvernement supérieurs. Les dépenses prévues pour la partie municipale du programme de vaccination contre la COVID-19, soit 11,8 millions de dollars, seront couvertes par le ministère de la Santé.

BACKGROUND

Quarterly operating and capital status reports are prepared as part of the reporting framework approved by Council. Operating reports present actual year-to-date revenues and expenditures against the amounts previously budgeted for in the corresponding period. Year-end forecasts are also presented in the second quarter report. Capital reports provide a listing of the capital projects / programs, the authorized expenditure budgets, actual expenditures, and commitments incurred to date and the remaining amount to be spent.

The purpose of this report is to present the June 30, 2021 year-to-date operating and capital results for citywide tax-supported programs and rate-supported programs along with providing a year-end forecast. Results for boards and commissions are not included with this report, specifically the results for Ottawa Police Services, Ottawa Public Library, Ottawa Public Health and Transit Services will be presented in separate reports to their respective Boards/Commissions.

Document 1 provides operating budget details on year-to-date results and the 2021 forecast for the various departments and branches.

Document 2 provides a detailed listing of the capital works in progress and their status.

Document 3 provides compensation information, showing the actual salary, benefit and the overtime costs incurred by departments and branches for the first six months versus the full year budget.

Document 4 provides a listing of the capital budget adjustments processed under delegated authority.

Document 5 provides a listing of the capital budget adjustments that require Council approval as they exceed the *Delegation of Authority By-law* limits.

DISCUSSION

June 30, 2021 Year-to-Date Results

The year-to-date budget figures are prepared on a “calendarized” basis. Departments have allocated their 2021 budgets on a monthly and quarterly basis established primarily on historic spending patterns. Programs such as winter maintenance and recreational programs (outdoor pools and beaches) have seasonal spending patterns. Other program expenditures or revenues are not seasonal in nature but also may not occur evenly throughout the year. These expenditures are more difficult to allocate to a specific month, or months, so historical spending patterns are used. These types of program costs or revenues may occur at specific periods during the year. For example, a maintenance contract may be expected to be paid by the end of June; therefore, the budget is reflected in June.

A high-level corporate summary of the operating results for each City department, as shown in Document 1, is summarized in Tables 1 and 2. Table 1 summarizes the Q2 operating results for all tax and rate-supported service areas. Table 2 summarizes all tax and rate-supported service area’s year-end forecast. Table 1 and 2 provide a summary of the COVID-19 impacts, COVID-19 funding, COVID-19 vaccination program funding and non-COVID surpluses/deficits.

Document 1 shows the second quarter actual expenditures and revenues compared to the budget for the same period and the year-end forecast. For reference purposes, the annual budget for the department or program area is provided.

Table 1: Operating Results as at June 30, 2021 (in thousands of dollars)

	2nd Quarter		Year-to-Date Net Surplus / (Deficit)				
	Net Budget	Net Actual	COVID	COVID Vaccination Program	COVID Funding	Non-COVID	Total
Tax-Supported Programs							
Elected Officials	6,493	6,193	0	0	0	300	300
Office of the Auditor General	887	785	0	0	0	102	102
Office of the City Clerk	8,975	9,498	(301)	(66)	0	(156)	(523)
Transportation Services	33,825	32,901	300	0	0	624	924
Community and Social Services	114,561	109,122	(35,407)	0	34,701	6,145	5,439
Public Works and Environmental Services	111,517	107,089	(4,968)	(43)	0	9,439	4,428
City Manager's Office	1,039	977	0	0	0	62	62
Emergency and Protective Services	117,598	119,576	(9,763)	(3,724)	9,714	1,794	(1,979)
Recreation, Cultural and Facility Services	77,749	69,495	(2,024)	(1,041)	5,382	5,937	8,254
Finance Services Department	14,156	13,188	0	0	0	968	968
Planning, Infrastructure and Economic Development	19,705	16,224	(164)	(1)	165	3,482	3,482

	2nd Quarter		Year-to-Date Net Surplus / (Deficit)				
	Net Budget	Net Actual	COVID	COVID Vaccination Program	COVID Funding	Non-COVID	Total
Innovative Client Services	68,217	67,036	(2,392)	(1,109)	1,979	2,703	1,181
Non-Departmental - All Services	(1,857,377)	(1,847,265)	(6,831)	0	0	(3,282)	(10,113)
Total Tax-Supported Programs	(1,282,657)	(1,295,182)	(61,550)	(5,984)	51,941	28,118	12,525
Water	37,616	35,691	(51)	(118)	0	2,093	1,924
Wastewater	28,434	30,496	(50)	0	0	(2,012)	(2,062)
Stormwater	8,907	7,905	(17)	0	0	1,019	1,002
Total Rate-Supported Programs	74,957	74,092	(118)	(118)	0	1,100	865
Total Tax and Rate-Supported Programs	(1,207,700)	(1,221,090)	(61,668)	(6,102)	51,941	29,218	13,389

The property tax-supported component of the City's budget ended Q2 with a surplus of \$12.5 million and the rate-supported services (water, sewer, and stormwater) ended Q2 with a surplus of \$865 thousand. These results include COVID-19 budget pressures, offset by COVID-19 funding and the costs associated with the vaccination program rollout for both the tax and rate-supported business areas.

The 2020 Disposition report to Council ([ACS2021-FSD-FIN-0004](#)) summarized the federal and provincial funding allocated to the City of Ottawa to address the 2021 COVID-19 pressures. At that time, \$103 million was identified as unused funding that was allocated in 2020 and was available for use in 2021. The Transit stream accounted for \$62 million of this amount and will be reported in the 2021 Transit Operating and Capital Budget Q2 Status Report. The remaining \$41 million of unused 2020 funds

available for use in 2021 were mostly eligible to end in Q1 or Q2. To date, the federal and provincial COVID-19 funding available for tax-supported programs in 2021 is \$135.2 million. In addition to the COVID-19 funding, a provincial commitment to fund all eligible costs incurred for the vaccination program, school-focused nurses and extraordinary COVID-19 costs are assumed.

New funding received in 2021 includes \$54.3 million from the Safe Restart Agreement (SRA), \$22.3 million from the Social Services Relief Fund (SSRF), \$8.3 million from the federal Reaching Home Program, \$6.3 million for Long Term Care and \$3.2 million for Paramedics.

The overall tax and rate-supported year-to-date surplus for the second quarter is \$13.4 million. This includes \$61.6 million in increased expenditures related to COVID-19 for tax and \$118 thousand for rate, which is offset by \$51.9 million of SRA, SSRF and other federal/provincial program funding allocated to date for COVID-19. Total expenditures in Q2 for the City's expenditures related to the COVID-19 vaccination program, excluding Ottawa Public Health, is \$6.1 million which will be recovered from provincial funding from the Ministry of Health.

The total non-COVID-19 surplus for tax-supported programs is \$28.1 million and for rate-supported programs there is non-COVID-19 surplus of \$1.1 million.

All departments and service areas were asked to review their second quarter results to ensure that their respective spending and revenue results were not indicative of any underlying issues needing to be highlighted or addressed at this time. Additional information on specific program areas, where there was a significant variance from budget that should be highlighted, is provided in the next section.

Highlights of 2021 Q2 Results

Office of the City Clerk (OCC) – Deficit of \$523 thousand

The deficit in OCC is mainly due to increased expenditures related to COVID-19 translation and interpretation French language services.

Transportation Services Department (TSD) – Surplus of \$924 thousand

The surplus is mainly in Traffic Services from compensation savings due to vacancies and decreased costs from the Adult School Crossing Guard program due to COVID-19.

Community and Social Services Department (CSSD) – Surplus of \$5.4 million

The surplus of \$5.4 million is due to lower demand for some Employment and Social Service benefits due to federal COVID-19 response benefits and a delay in program expenditures in Housing Services and in Children’s Services to later in 2021. These surpluses were partially offset by deficits in emergency shelters where demand continues to remain high and in long-term care due to the COVID-19 response.

Public Works and Environmental Services Department (PWESD) – Surplus of \$4.4 million

PWESD saw a reduction in expenditures mainly due to Roads Services’ requiring less winter road maintenance due to mild winter and receiving higher revenues from the Rideau Valley Conservation Authority for the Rideau River Flood Control. Solid Waste Services saw an increase in revenues from higher tonnage of soils received at the Trail Road landfill, increased revenues from recycling markets as well as increased funding from the Resource Productivity and Recovery Authority (RPRA) and per household revenues. The surplus was partially offset by increased expenditures in recycling and organics processing as well as garbage/recycling collection caused by a higher number of residents staying at home. Forestry Services saw a reduction in expenditures due to vacancies and reduced tree maintenance required. As a result of business closures and residents staying at home due to COVID-19, Parking Services experienced lower revenues due to reduced on-street and off-street parking, with a partial offset in decreased maintenance costs in various city parking lots. Parks experienced increased expenditures for water costs at splash pads, fleet costs and maintenance costs with a partial offset in compensation savings due to summer student vacancies.

Emergency and Protective Services Department (EPSD) – Deficit of \$2.0 million

The deficit in EPSD was mainly driven by Paramedic Services due to increased compensation, materials, and equipment expenditures to support the COVID-19 vaccination distribution, increased inter-facility transport service coverage costs, and one-time contract costs related to the Defense Research and Development Canada

project. This deficit was partially offset by funding received by the Province for the Community Paramedicine programs. The funding will be spent as outstanding orders are fulfilled. Provincial funding was also provided for the Inter-Facility Transports program and for the Central Ambulance Communication Centre.

Recreation, Cultural and Facility Services (RCFS) – Surplus of \$8.3 million

In response to the COVID-19 pandemic, the surplus is mainly attributed to the reduction in operating expenditures in recreation and cultural programming and facility rentals due to the facility closures and program cancellations. These savings will reduce the SRA funding allocated to these services reducing the surplus to a net effect of zero due to COVID-19. The SRA funding allocated in Q2 was recorded to recover the vaccination program costs and lost revenues from arena rentals, programming revenues and membership and registration fees due to COVID-19.

Finance Services Department (FSD) – Surplus of \$968 thousand

The surplus in FSD was mainly driven by Revenue Services due to an increase in various revenues such as new account fees, change in ownerships fees, reminder notice fees, and tax and water certificates largely related to the increase in real estate sales in the City.

Planning, Infrastructure and Economic Development (PIED) – Surplus of \$3.5 million

The expenditure surplus is mainly attributed to savings from vacancies. The revenue surplus is due to increased development revenues and one-time revenues from the Carp Airport land sales allocated to Rural Affairs to fund rural initiatives, in accordance with Council directive.

Innovative Client Services Department (ICSD) – Surplus of \$1.2 million

Additional COVID-19 and vaccine distribution costs were offset by savings in professional and legal services, conferences, and training expenditures.

Non-Departmental (ND) - All Services – Deficit of \$10.1 million

As result of COVID-19, the deficit is primarily due to a decline in revenues from investment income, the Red Light Camera program, the Automated Speed Enforcement system, and the Rideau Carleton Raceway. There were also revenue losses in Payment-in-Lieu of Taxes (PILT) and increased tax rebates and remissions expenditures.

Rate-Supported Services – Surplus of \$865 thousand

The water and sewer bill revenue deficit is driven by a shift in consumption from the higher tier 4 rate that mainly consists of industrial, commercial, and institutional (ICI) properties to the lower tier 2 rate, mainly consisting of residential properties.

Sanitary Services experienced an increase in expenditures due to increased sewer and catch basin maintenance which was partially offset by Drinking Water Services' savings in compensation due to vacancies.

Stormwater Services saw a surplus due to reduced maintenance requirements and an increase in the number of newly assessed properties which generated higher revenues.

Table 2: Year-End Forecast (In Thousand of Dollars)

	YTD Net Surplus/ (Deficit)	Forecast Surplus / (Deficit)				
		Covid	Covid Vaccination Program	Covid Funding	Non-Covid	Total
Tax-Supported-Programs						
Elected Officials	300	0	0	0	300	300
Office of the Auditor General	102	0	0	0	0	0
Office of the City Clerk	(523)	(600)	(132)	732	680	680
Transportation Services	924	600	0	0	643	1,243
Community and Social Services	5,439	(78,054)	0	64,889	(1,987)	(15,152)

	YTD Net Surplus/ (Deficit)	Forecast Surplus / (Deficit)				
		Covid	Covid Vaccination Program	Covid Funding	Non- Covid	Total
Public Works and Environmental Services	4,428	(10,189)	(117)	10,306	9,738	9,738
City Manager's Office	62	0	0	0	25	25
Emergency and Protective Services	(1,979)	(13,850)	(8,840)	22,690	(945)	(945)
Recreation, Cultural and Facility Services	8,254	(23,778)	(1,560)	25,338	(324)	(324)
Finance Services Department	968	0	(403)	403	1,500	1,500
Planning, Infrastructure and Economic Development	3,482	(460)	(1)	461	5,800	5,800
Innovative Client Services	1,181	(2,925)	(500)	3,425	3,210	3,210
Non-Departmental - All Services	(10,113)	(6,500)	0	6,500	0	0
Total Tax-Supported- Programs	12,525	(135,756)	(11,553)	134,744	18,640	6,075
Water	1,924	(109)	(229)	338	3,498	3,498
Wastewater	(2,062)	(103)	0	103	(2,828)	(2,828)
Stormwater	1,002	(30)	0	30	1,449	1,449
Total Rate-Supported Programs	865	(242)	(229)	471	2,119	2,119
Total Tax and Rate- Supported Programs	13,389	(135,998)	(11,782)	135,215	20,759	8,194

2021 Forecast Highlights – Tax-Supported Services

A tax-supported services surplus of \$6.1 million is projected for 2021. This expected surplus includes \$135.8 million of tax-supported services pressures relating to COVID-19 which, is offset by \$134.7 million of SRA, SSRF, vaccination funding, and other senior levels of government funding. The forecasted expenditures for the City's portion of the COVID-19 vaccination program of \$11.6 million will be recovered from the Ministry of Health. There is a non-COVID surplus of \$18.6 million expected by year-end.

The projected tax-supported services surplus includes the following:

Office of the City Clerk (OCC) – Surplus of \$680 thousand

The Office of the City Clerk forecasts a non-COVID surplus of \$680 thousand due a lower number of protocol events and reduced non-COVID translation requests.

Transportation Services Department (TSD) – Surplus of \$1.2 million

Transportation Services forecasts an overall surplus of \$1.2 million due to compensation savings and decreased expenditures for the Adult School Crossing Guard program.

Community and Social Services Department (CSSD) – Deficit of \$15.2 million

Community and Social Services forecasts an overall deficit of \$15.2 million. The expected deficit is due to COVID-19 response costs in Long-Term Care and deficits in emergency shelters where demand continues to remain high. These deficits are partially offset by lower demand for some Employment and Social Service benefits due to federal COVID-19 response benefits.

Public Works and Environmental Services Department (PWESD) – Surplus of \$9.7 million

Public Works and Environmental Services forecast a surplus of \$9.7 million. Business Services' expected surplus is due to compensation savings and increased capital recoveries. Parks Services is expecting an increase in costs to maintain Parks with a partial offset in compensation savings. Forestry Services expects savings due to

reduced maintenance following weather events and increased tree permit revenues. Solid Waste Services has an expected surplus due to increase revenues from recycling markets and funding for the Blue/Black Box Program, slightly offset by increased collection and processing costs due to increased tonnage. Parking Services expects a continued reduction in on-and-off street parking revenues due to COVID-19 earlier lockdowns and closures, which will result in a reduced contribution to the Parking Reserve Fund. Roads Services' expected surplus is due to reduced winter maintenance costs because of the mild winter and less winter events.

Emergency and Protective Services Department (EPSD) – Deficit of \$945 thousand

Emergency and Protective Services forecasts a deficit of \$945 thousand mainly due to COVID-19 and vaccination distribution costs and increased projected staffing, materials, maintenance, and equipment expenditures in Paramedics Services and Fire Services.

Recreation, Cultural and Facility Services (RCFS) – Deficit of \$324 thousand

Recreation, Cultural and Facility Services forecast a deficit of \$324 thousand due to revenue losses because of recreation program cancellations due to COVID-19 closures and lockdowns and reduced program offerings during re-opening. The projected deficit in revenues is expected to be partially offset by savings from staffing and programming costs from the temporary closures.

Finance Services Department (FSD) – Surplus of \$1.5 million

The Finance Services Department forecasts a surplus of \$1.5 million due to an expected surplus in fee revenue in the Revenue Branch.

Planning, Infrastructure and Economic Development (PIED) – Surplus of \$5.8 million

Planning, Infrastructure and Economic Development forecasts a surplus of \$5.8 million. The forecasted expenditure surplus is mainly attributed to savings from vacancies and deferred initiatives (employment survey, Bayview Yards project). The forecasted revenue surplus is due to increased development revenues and one-time revenues from

the Carp Airport land sales allocated to fund rural initiatives, in accordance with Council directive.

Innovative Client Services Department (ICSD) – Surplus of \$3.2 million

The Innovative Client Services Department forecasts a surplus of \$3.2 million. Discretionary expenditure savings are anticipated to continue to year-end with partial offset in additional COVID-19 and vaccine distribution costs.

2021 Forecast – Rate-Supported Services – Surplus of \$2.1 million

Water Services: The surplus is mainly due to vacancies, less maintenance requirements due to reduced watermain breaks, and increased cost recovery revenues. The surplus is partially offset by increased expenditures related to COVID-19 costs for personal protection equipment (PPE) and vaccination distribution.

Wastewater Services: The deficit mainly is due to increased sewer cleaning and catch basin maintenance activities as well as reduced water bill revenues due to a shift in consumption from Tier 4 to Tier 2.

Stormwater Services: The surplus is mainly due to reduced maintenance requirements and an increase in the number of billable properties.

2021 Q2 Compensation Results

Document 3 provides compensation information showing the actual salary, benefits and overtime costs incurred by departments for Q2 versus the full year budget. The overall total actual compensation costs for the first half of 2021 were 51 per cent of the full year 2021 compensation budget which is considered normal.

Actual overtime costs as a percentage of the annual budget are 69 per cent spent. Additional overtime costs were incurred due to COVID-19 related support mainly in Community and Social Services, Emergency and Protective Services, Finance Services, and the Innovative Client Services Department. Additional overtime cost was also incurred in Public Works and Environmental Services where overtime usage is reflective of the seasonal nature of this service.

Budget Adjustments and Transfers

A summary of the budget adjustments and transfers made in the second quarter of 2021, either through the delegated authority given to the Chief Financial Officer/City Treasurer or through Council approved reports is provided in the following table.

Table 3 summarizes the intra-department budget adjustments and transfers and the adjustments made that have changed the overall expenditure which are funded from external revenues.

Table 3: Intra-departmental Budget Adjustments and Transfers and Budget Adjustment and Transfers Impacting Overall Expenditures (In Millions of Dollars)

Nature of Budget Adjustment	Amount	Funding Source	Net Effect on Budget Revenues and Expenditures
Move Position 10127078 from Water Services to Wastewater Services	0.90	N/A	N/A
To recognize the updated budget for the Provincial Program: Skills Advanced Ontario. Program contract from April 1, 2021 to March 31, 2022; expenses and revenues entered for the 2021 calendar year. Program is 100 per cent Provincially funded.	3.259	Provincial Funding	Increase in revenues and increase in expenses

Capital Projects and Programs

Document 3 provides a list of citywide tax and rate-supported capital projects. The list identifies the lead department, ward, financial status (approved budget versus actual results) and anticipated completion date. The total for capital works in progress is \$11.8 billion, of which \$2.1 billion is uncommitted to date. Separate Q2 Status Reports will be provided to the Transit Commission and to the Boards of the Ottawa Police Service, Ottawa Public Library and Ottawa Public Health Boards, and include a status on projects that are under their respective mandates.

Capital Budget Adjustments Processed Under Delegated Authority

Those capital budget adjustments processed between May 11, 2021 to July 30, 2021 under the authority delegated to the Chief Financial Officer/Treasurer as per the *Delegation of Authority By-law* are provided in Document 4 for the information of FEDCo and Council.

Capital Budget Adjustments Requiring Council Approval

Document 5 provides a listing of capital budget adjustments that require Council approval as they exceed the delegated authority limits. An explanation for each adjustment is also provided. These adjustments result in a net zero budget impact.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Not applicable

COMMENTS BY THE WARD COUNCILLOR(S)

This is a citywide report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk impediments to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

The financial implications are outlined in the report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

This report supports the City's on-going commitment to financial sustainability and transparency.

SUPPORTING DOCUMENTATION

Document 1 – Operating Results as at June 30, 2021 and 2021 Forecast

Document 2 - 2021 Q2 Capital Works-In-Progress

Document 3 – Compensation Summary as at June 30, 2021

Document 4 – Budget Adjustments Processed Under Delegated Authority

Document 5 – Capital Budget Adjustments Requiring Council Approval

DISPOSITION

Upon approval of this report, Finance staff will process the necessary financial adjustments.