

**Subject: DISPOSITION OF 2021 TAX AND RATE SUPPORTED OPERATING
SURPLUS/DEFICIT**

File Number: ACS2022-FSD-FIN-0003

**Report to Finance and Economic Development Committee on 5 April 2022
and Council 13 April 2022**

**Submitted on March 25, 2022 by Cyril Rogers, Deputy City Treasurer, Financial
Strategies, Planning and Client Services**

**Contact Person: Nouny Munelith, Program Manager (A), Planning and Budgeting,
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Ward: Citywide

**Objet : RÈGLEMENT DE L'EXCÉDENT/DU DÉFICIT DE 2021 DES
OPÉRATIONS FINANCÉES PAR LES RECETTES FISCALES ET LES
REDEVANCES**

Dossier : ACS2022-FSD-FIN-0003

Rapport au Comité des finances et du développement économique

le 5 avril 2022

et au Conseil le 13 avril 2022

**Soumis le 25 mars 2022 par Cyril Rogers, Trésorière adjointe municipale, Les
services financiers, la planification financière et la budgétisation et les stratégies
financières**

**Personne ressource : Nouny Munelith, Gestionnaire de Programme (T),
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATIONS

That the Finance and Economic Development Committee recommend Council approve:

- 1. That the \$23.114 million 2021 operating surplus in City-Wide be transferred to the Tax Stabilization Reserve.**
- 2. That the Ottawa Police Services deficit of \$8.085 million be fully funded by transferring \$5.238 million from the Police Reserve and \$2.846 million from the Tax Stabilization Reserve.**
- 3. That the \$15.060 million 2021 operating surplus in Transit Services be transferred to the Transit Operating Reserve.**
- 4. That the \$5.244 million 2021 operating surplus in Ottawa Public Library (OPL) be transferred as follows:**
 - a. \$1.244 million to the Library Reserve and;**
 - b. \$4 million to the OPL/City Portion of the OPL and Archives Canada Joint Facility Project;**
- 5. That the \$4.103 million 2021 operating surplus in Water Services be transferred to the Water Reserve.**
- 6. That the \$19 thousand 2021 operating surplus in Wastewater Services be transferred to the Wastewater Reserve.**
- 7. That the \$490 thousand 2021 operating surplus in Stormwater Services be transferred to the Stormwater Reserve.**
- 8. That \$170 thousand of the Committee of Adjustment's (COA) 2021 operating surplus in City-Wide be carried forward to 2022 to provide funding towards COA studies, the fee structure review, and client service initiatives.**
- 9. That \$55 thousand of unspent 2021 Heritage Grant Program funding be carried forward to 2022 to provide funding towards outstanding heritage grants.**
- 10. Receive Documents 1 to 4 for information and;**
- 11. Approve the capital budget adjustments as detailed in Document 5.**

RECOMMANDATIONS DU RAPPORT

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

- 1. Que l'excédent net d'exploitation de 23,114 millions de dollars enregistré pour l'ensemble de la Ville en 2021 soit transféré au fonds de réserve de stabilisation des taxes.**
- 2. Que le déficit d'exploitation de 8,085 millions de dollars du Service de police d'Ottawa soit entièrement financé en transférant 5,238 millions de dollars du fonds de réserve de la police et 2,846 millions de dollars du fonds de réserve de stabilisation des taxes.**
- 3. Que l'excédent net d'exploitation de 15,060 millions de dollars enregistré en 2021 par les Services de transport en commun soit transféré au Fonds de réserve pour le fonctionnement du transport en commun.**
- 4. Que l'excédent net d'exploitation de 5,244 millions de dollars enregistré en 2021 par la Bibliothèque publique d'Ottawa (BPO) soit transféré comme suit :**
 - a. 1,244 million de dollars au fonds de réserve de la bibliothèque;**
 - b. 4 millions de dollars à la part BPO/Ville du projet d'installation partagée de la Bibliothèque publique d'Ottawa et de Bibliothèques et Archives Canada;**
- 5. Que l'excédent net d'exploitation de 4,103 millions de dollars enregistré en 2021 par les Services d'eau soit transféré au fonds de réserve des services d'eau.**
- 6. Que l'excédent net d'exploitation de 19 000 dollars enregistré en 2021 par les Services de traitement des eaux usées soit transféré au fonds de réserve des services de traitement des eaux usées;**
- 7. Que l'excédent net d'exploitation de 490 000 dollars enregistré en 2021 par les Services de gestion des eaux pluviales soit transféré au fonds de réserve des services de gestion des eaux pluviales;**
- 8. Que 170 000 dollars de l'excédent net d'exploitation enregistré à l'échelle de la Ville par le comité de dérogation en 2021 soient reportés en 2022 pour financer des études du comité de dérogation, une révision de la tarification et des initiatives de service à la clientèle.**

- 9. Que 55 000 dollars non dépensés du financement du Programme de subventions au patrimoine de 2021 soient reportés en 2022 pour financer les attributions en suspens au patrimoine.**
- 10. Recevoir les documents 1 à 4 aux fins d'information;**
- 11. Approuver les rajustements du budget d'immobilisations comme le précise le document 5.**

EXECUTIVE SUMMARY

As part of the finalization of 2021 operations and the preparation of the 2021 financial statements, Council approval is required for the disposition of any surplus or funding of any deficit. This report provides an analysis of the results of 2021 operations for all tax and rate-supported City programs, and details regarding any COVID-19 support funding from the provincial and federal government that was applied to the 2021 operating results.

The City-Wide Tax-Supported services ended the year with a \$35.415 million surplus, and Rate Supported services ended the year with a \$4.611 million surplus. The Transit Services operating budget, which falls under the mandate of the Transit Commission, finished 2021 with a \$15.060 million surplus. The Ottawa Police Service (OPS) operating budget, which falls under the mandate of the Ottawa Police Services Board, finished 2021 with a \$8.085 million deficit. The Ottawa Public Library (OPL) operating budget, which falls under the mandate of the Ottawa Public Library Board, finished 2021 with a \$5.244 million surplus.

The total 2021 budget impact of COVID-19 was \$353.787 million in cost pressures, including Transit, OPS and Ottawa Public Health (OPH). A total of \$349.035 million of support funding from senior levels of government was applied to COVID-19 related expenditures in 2021, with an additional \$4.752 million expected to be received in 2022 for Paramedic Services. The remaining surplus reported for 2021 is due to other “non-COVID-19” cost savings initiatives, expenditure reductions, and increased revenues.

RÉSUMÉ

Dans le cadre de la finalisation des activités de 2021 et de la préparation des états financiers de 2021, il est nécessaire d'obtenir l'approbation du Conseil pour régler tout excédent ou déficit. Le présent rapport fournit une analyse des résultats des activités de 2021 relatives aux programmes municipaux financés par les recettes fiscales et les redevances, ainsi que des précisions concernant le financement provincial et fédéral à

l'appui de la réponse à la COVID-19 qui a été appliqué aux résultats d'exploitation de 2021.

À l'échelle de la Ville, les services financés par les taxes ont terminé l'année avec un excédent de 35,415 millions de dollars, tandis que les services financés par les redevances ont terminé l'année avec un excédent de 4,611 millions de dollars. Le budget de fonctionnement des Services de transport en commun, qui relève du mandat de la Commission du transport en commun, a terminé 2021 avec un excédent de 15,060 millions de dollars. Le budget de fonctionnement du Service de police d'Ottawa, qui relève du mandat de la Commission de services policiers d'Ottawa, a terminé 2021 avec un déficit de 8,085 millions de dollars. Le budget de fonctionnement de la Bibliothèque publique d'Ottawa, qui relève du mandat du Conseil d'administration de la Bibliothèque publique d'Ottawa, a terminé 2021 avec un excédent de 5,244 millions de dollars.

L'impact financier de la pandémie de COVID-19 sur le budget 2021 s'est élevé au total à 353,787 millions de dollars en pressions sur les coûts, y compris le Transport en commun, le Service de police d'Ottawa et Santé publique Ottawa. Un montant total de 349,035 millions de dollars en financement de soutien provenant des paliers supérieurs du gouvernement a été appliqué aux dépenses liées à la COVID-19 en 2021, et un montant supplémentaire de 4,752 millions de dollars devrait être versé en 2022 pour le Service paramédic d'Ottawa. Le solde de l'excédent reporté pour 2021 est dû à d'autres initiatives de réduction des coûts non liés à la pandémie de COVID-19, à des réductions des dépenses et à la hausse des recettes.

BACKGROUND

As part of the finalization of 2021 operations and the preparation of the 2021 financial statements, Council approval is required for the disposition of any surplus or funding of any deficit. This report provides an analysis of the results of 2021 operations for all tax and rate-supported City programs, and details regarding any COVID-19 support funding from the provincial and federal government that was applied to the 2021 operating results.

DISCUSSION

Year-End Results

The City of Ottawa has several operations funded from sources that cannot be commingled and/or require separate reporting. The year-end results are presented by business area. These business areas include City-Wide Tax-Supported services, Ottawa Police Services (OPS), Ottawa Public Library (OPL), Transit Services, and

Rate-Supported (Water, Wastewater and Stormwater Services). For services such as Transit and Police that have their own tax rate, these business area results include both the operating results and an allocation of the various taxation related revenue and expenditure accounts.

The City-Wide Tax-Supported services ended the year with a \$35.415 million surplus and Rate Supported ended the year with a \$4.611 million surplus. This is in comparison to the 2021 forecast of \$6.142 million surplus for Tax-Supported services and \$2.119 million surplus for Rate-Supported services that was provided in the 2022 Draft Operating and Capital Budgets report to Council on November 3, 2021 (ACS2021-FSD-FIN-0025).

Throughout the year, staff tracked all COVID-19 financial impacts. These included increased expenses such as enhanced cleaning, personal protective equipment (PPE), required retrofits and equipment, community and social services support; costs savings due to temporary closure of facilities and reduced service levels; and revenue reductions primarily for transit and recreational services. The total net impact of COVID-19 was \$353.787 million, including Transit, OPS and Ottawa Public Health (OPH). The full amount of this budget pressure was recovered from provincial and federal government COVID-19 support funding, including the Safe Restart Agreement (SRA), Social Services Relief Fund (SSRF), Ministry of Health COVID-19, Temporary Pandemic Pay, and various other service-specific funding allocations.

The remaining surplus reported for 2021 is due to all the other “non-COVID-19” cost savings initiatives implemented by senior leadership as a financial mitigation strategy to help mitigate any unfunded COVID-19 budget pressures. The savings can now be used to help offset any additional unfunded COVID-19 pressures in 2022, if required. Financial mitigation strategies implemented in 2020 and 2021 primarily included capital spending deferrals, discretionary spending, and hiring pauses. Document 1 presents a summary of the year-end operating results by business area.

The Transit Services operating budget, which falls under the mandate of the Transit Commission, finished 2021 with a \$15.060 million surplus. This is in comparison to the 2021 forecast of \$16.954 million deficit that was provided in the 2022 Draft Operating and Capital Budgets report to Council on November 3, 2021 (ACS2021-FSD-FIN-0025).

The OPS operating budget, which falls under the mandate of the Police Services Board, finished 2021 with a \$5.238 million deficit. This is in comparison to the 2021 forecast of maintaining a balanced budget position that was provided in the 2021 Third Quarter Financial Status Report to the Police Services Board on November 22, 2021. Once the

various Police taxation related accounts are allocated to the business areas, the result is an overall \$8.085 million deficit.

The Ottawa Public Library (OPL) operating budget, which falls under the mandate of the OPL Board, finished 2021 with a \$5.244 million surplus. This is in comparison to the 2021 forecast of \$4.541 million surplus that was provided in the 2022 Draft Operating and Capital Budget Estimates and Four-Year capital Forecast Report to the OPL Board on November 2, 2021 (OPLB-2021-1101).

The following provides a brief overview of the major City service areas that contributed to the 2021 year-end results. Additional information is provided in Document 2.

Tax-Supported City-Wide

Departmental Accounts

Community and Social Services \$14.919 million surplus:

One-time surpluses in Housing Services of \$7.5 million and in the Gender and Race Equity, Inclusion, Indigenous Relations and Social Development Services (GREIIRSD) of \$800 thousand are due to \$57 million of COVID-19 funding from senior levels of government to address community needs during the pandemic, resulting in less municipal funding requirements. The surplus of \$6.4 million in Employment and Social Services (ESS) was due to vacancies and lower demand for employment benefits and other benefits due to federal COVID-19 response benefits. In accordance with the *Housing Reserve By-law 2019-198*, the \$7.5 million surplus in Housing Services will be contributed to the Housing Reserve.

Public Works and Environmental Services \$17.849 million surplus:

The Roads surplus of \$3.99 million is primarily due to the lower cost of \$2.9 million in winter maintenance expenditures due to reduced snow removal costs and less salt usage because of below average snowfall/freezing rain events and higher revenues of \$478 thousand from the Rideau River Flood Control (RVCA). Traffic Services has a surplus of \$2.458 million due to vacancies, maintenance savings and savings from fewer red light camera installations. The Solid Waste surplus of \$11.502 million is mainly due to increased recycling revenues due to record high commodity prices as well as higher than planned funding for the Blue/Black Box Program. In accordance with the *Solid Waste Reserve By-law 2019-204*, the \$4.565 million surplus in Solid Waste Services will be contributed to the Solid Waste Reserve.

Emergency and Protective Services \$4.548 million deficit:

The department's net deficit is mainly attributable to Paramedic COVID-19 related expenditures. Anticipated funding for the COVID-19 related expenditures shortfall is

expected to be allocated in 2022. Additional deficits are related to increased departmental Workplace and Safety Insurance Board (WSIB) costs, partially offset by compensation and discretionary spending savings, and increased revenues for Community Paramedicine Agreements and other Provincial transfers.

Recreation, Cultural and Facility Services \$706 thousand surplus:

The surplus is due to savings in discretionary spending and utility costs.

Finance Services \$3.505 million surplus:

The surplus is driven by savings from vacancies and discretionary spending savings of \$1.5 million, plus additional revenues from water and tax billing services of \$2 million.

Planning, Infrastructure and Economic Development \$8.732 million surplus:

The departmental expenditure savings are due to gapping from vacancies and one-time financial mitigation strategies implemented in 2021 from the discretionary spending pause. The revenue surplus is largely from building permit, inspection, encroachment, pool enclosure and development fees, and deferred lease payments. The Building Code Services surplus was offset by a contribution to the Building Code Services Stabilization Reserve in accordance with the *Building Code Enforcement Revenue Stabilization Reserve Fund By-law 2006-4*.

Innovative Client Services \$886 thousand surplus:

The surplus is mainly attributed to savings in compensation due to vacancies, professional services, conferences, and training services partially offset by increased legal fee expenditures.

Non-Departmental Accounts

Corporate Common Expenditures and Revenues \$861 thousand surplus:

The surplus is attributed to lower financial charges in relation to the cost of new debt, merchant fees and bank charges. This is offset with deficits in the Automated Speed Enforcement program due to lower-than-expected revenues driven by lower traffic volumes as a result of the pandemic impacts and shutdowns, and additional deficits within investment income to lower rates of return on investments.

Payment-in-lieu of Taxation (PILT) \$5.780 million deficit:

The deficit is mainly due to corporations paying a reduced education rate and reduced Airport PILT revenue due to decreased passenger counts. Some of the federal corporations chose not to pay at the legislated PILT BET rate and paid their PILTs using the reduced rate that was approved to help support businesses during the COVID-19 pandemic.

Supplementary Assessment \$3.441 million surplus:

The surplus is due to high residential property growth and the City's joint effort to send electronic building plans to the Municipal Property Assessment Corporation (MPAC) to support growth, resulting in increased supplementary tax revenue.

Tax Rebates and Remissions \$6.238 million deficit:

The deficit is due to the settlement of multiple year high value property appeals that settled concurrently as part of the Assessment Review Board's (ARB) schedule resulting in higher tax remission expenditures.

Tax-Supported - Transit Services \$15.060 million surplus:

The Transit Services Department's operating budget, which falls under the Transit Commission's mandate, resulted in an \$18.154 million surplus in 2021. Once the various transit taxation related accounts are allocated to the business area, the result is an overall \$15.060 million surplus for the year. The surplus is mainly attributable to reduced compensation expenditures from vacancies and to lower O-Train service maintenance costs due to performance provisions outlined in the RTM Project Agreement. The savings were partially offset by reduced fare revenues during December 2021, the month when Council approved no charge fares. Provincial "Transit Safe Restart" funding covered COVID-19 related expenditures and fare revenue losses resulting from reduced system ridership during all of 2021.

Tax-Supported – Ottawa Police Services (OPS) \$8.085 million deficit:

The OPS deficit of \$5.238 million is mainly driven by the labour relations job evaluation settlement in the fourth quarter of 2021. OPS will self-fund the deficit through refinancing capital project 903447 South Facility with debt and returning reserve funding to the OPS General Reserve as detailed in Document 5. The OPS taxation related accounts result in a deficit of \$2.846 million due to increased remissions and rebates. The taxation related deficit will be funded by the Tax Stabilization Reserve.

Tax-Supported – Ottawa Public Library (OPL) Services \$5.244 million surplus:

The surplus is driven by savings in compensation and general expenditures as a result of facility closures due to COVID-19. Once the various Library taxation related accounts are allocated to the business areas, the result is an overall \$5.244 million surplus that will be contributed to the Library Reserve. As previously approved by the OPL Board, in the Ādisōke – Project Update and Funding Strategy Report (OPLB-2021-1001) on October 19, 2021, \$4 million of the \$5.244 million surplus will be contributed to the OPL/City Portion of the OPL and Archives Canada Joint Facility Project.

Rate-Supported Programs

Drinking Water Services \$4.103 million surplus:

The surplus is mainly due to savings from vacancies, savings in utility costs and reduced repair costs because of fewer water main breaks. This was partially offset with decreased revenues due to a shift of consumption between tiers.

Wastewater Services \$19 thousand surplus:

The surplus is mainly due to increased recoveries from Stormwater Services performed on the stormwater systems. This was partially offset by reduced revenues due to a shift of consumption between rate tiers.

Stormwater Services \$490 thousand surplus:

The surplus is mainly driven by higher revenues due to higher growth of the number of properties which was partially offset by increased maintenance on the stormwater system.

Disposition of Surplus and Deficits:

The surpluses and deficits in the various business areas are recommended to be allocated as outlined in Table 1.

Table 1 – Disposition of Surplus and Deficits
(In thousands of dollars)

| | Tax-Supported | | | | | Rate | Total |
|---|-----------------|----------------|---------------|--------------|---------------------|---------------------|-----------------|
| | City Wide | Police | Transit | Library | Total Tax Supported | Water/ Sewer/ Storm | |
| Overall City Surplus / (Deficit) per Document 1 | 35,415 | (8,085) | 15,060 | 5,244 | 47,634 | 4,611 | 52,246 |
| <u>1 - Disposition per existing by-laws / Council direction:</u> | | | | | | | |
| Transfer to Solid Waste Rate Reserve | (4,565) | 0 | 0 | 0 | (4,565) | 0 | (4,565) |
| Transfer to Housing Reserve | (7,512) | 0 | 0 | 0 | (7,512) | 0 | (7,512) |
| Total Disposition | (12,077) | 0 | 0 | 0 | (12,077) | 0 | (12,077) |
| Remaining Surplus / (Deficit) | 23,339 | (8,085) | 15,060 | 5,244 | 35,557 | 4,611 | 40,169 |
| <u>2 - Disposition of Surplus and Deficits</u> | | | | | | | |
| City Wide Reserve (COA & Heritage Grant carry forward) | (225) | 0 | 0 | 0 | (225) | 0 | (225) |
| Transit Operating Reserve | 0 | 0 | (15,060) | 0 | (15,060) | 0 | (15,060) |
| Library Reserve | 0 | 0 | 0 | (5,244) | (5,244) | 0 | (5,244) |
| Tax Stabilization | (23,114) | 2,846 | 0 | 0 | (20,267) | 0 | (20,267) |
| Police Reserve | 0 | 5,238 | 0 | 0 | 5,238 | 0 | 5,238 |
| Water Reserve | 0 | 0 | 0 | 0 | 0 | (4,103) | (4,103) |
| Wastewater Reserve | 0 | 0 | 0 | 0 | 0 | (19) | (19) |
| Stormwater Reserve | 0 | 0 | 0 | 0 | 0 | (490) | (490) |
| | (23,339) | 8,085 | (15,060) | (5,244) | (35,558) | (4,611) | (40,169) |
| Remaining Balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Additional Year-End Adjustments

Described below are two additional year-end adjustments that carry forward 2021 unspent funds into 2022 from the City-Wide reserve totaling \$225 thousand.

1. The Committee of Adjustment's (COA) 2021 operating surplus of \$170 thousand is to be carried forward to 2022 to provide funding towards COA studies, the fee structure review, and client service initiatives.
2. Funds provided in 2021 for the Heritage Grant Program were not fully spent due to delays caused by COVID-19. The recommendation to carry forward \$55 thousand of the unspent balance is required to fund the outstanding heritage grants.

2021 COVID-19 Deficit and Government Funding

The total COVID-19 deficit for 2021 was \$353.787 million compared to the estimated \$341.4 million reported in the 2022 Draft Operating and Capital Budgets report (ACS2021-FSD-FIN-0025) provided to Council on November 3, 2021.

To report the full impact of COVID-19 and all sources of government funding received, this report includes the total COVID-19 gross budget pressure for all service areas impacted as detailed in Table 2. The support funding received from the provincial and federal governments to offset this amount is detailed in Table 3.

Table 2 –Total 2021 COVID-19 Impacts
(in thousands of dollars)

| | Cost Increases | Cost Savings | Revenue Losses | Total Impact |
|--|---------------------------|-------------------------|---------------------------|-------------------------|
| Tax Supported Programs | | | | |
| Elected Officials | 0 | 0 | 0 | 0 |
| Office of the Auditor General | 0 | 0 | 0 | 0 |
| City Clerk & Solicitor | 422 | 0 | 0 | 422 |
| Transportation Services | 0 | 0 | 0 | 0 |
| Community and Social Services | 73,771 | (2,979) | 1,228 | 72,020 |
| Public Works & Environmental Services | 481 | (812) | 5,707 | 5,376 |
| City Manager's Office | 0 | 0 | 0 | 0 |
| Emergency and Protective Services | 16,676 | (106) | 7,333 | 23,903 |
| Recreation, Cultural and Facility Services | 5,683 | (32,891) | 36,432 | 9,224 |
| Finance Services Department | 623 | 0 | 0 | 623 |
| Planning, Infrastructure & Economic Development | 0 | 0 | 0 | 0 |
| Innovative Client Services Department | 7,245 | 0 | 362 | 7,607 |
| Non-Departmental - City Wide | 0 | 0 | 11,099 | 11,099 |
| Total Tax Supported Programs | 104,901 | (36,788) | 62,161 | 130,274 |
| Rate Supported Programs | 235 | 0 | 0 | 235 |
| External Boards, Commissions and Agencies | | | | 0 |
| Crime Prevention Centre | 0 | 0 | 0 | 0 |
| Committee of Adjustment | 0 | 0 | 0 | 0 |
| Public Health | 83,752 | 0 | 0 | 83,752 |
| Conservation Authority | 0 | 0 | 0 | 0 |
| Transit Services | 12,486 | (9,073) | 130,054 | 133,467 |
| Ottawa Police Services | 2,853 | 0 | 3,206 | 6,059 |
| Ottawa Public Library Services | 0 | 0 | 0 | 0 |
| Total External Boards, Commissions and Agencies | 99,091 | (9,073) | 133,260 | 223,278 |
| Grand Total | 204,227 | (45,861) | 195,421 | 353,787 |

Sufficient funding was received from the provincial and federal governments to support the recovery from the COVID-19 pandemic and its associated costs in 2021. Table 3 provides a listing of all the COVID-19 funding program allocations by upper levels of government for the City of Ottawa. A total of \$349.035 million was applied to cover deficits in 2021 and \$40.806 million will be eligible to be used in 2022 to mitigate against the ongoing financial impacts of the COVID-19 pandemic recovery. The SRA Municipal Stream funding allocated to the City in 2021 is eligible to carry over and to be allocated

against 2022 COVID-19 funding pressures and the SSRF 2021 funding allocation is eligible to the end March 31, 2022.

Table 3 – COVID-19 Funding from Senior Levels of Government

(In thousands of dollars)

| Source | Funding Program | Service | Funding Allocation | 2021 Funding Applied | Allocation/ Eligible to Use in 2022 |
|------------|--|-------------------------------------|--------------------|----------------------|-------------------------------------|
| Municipal | Safe Restart | City-wide | 67,502 | 42,590 | 24,912 |
| Municipal | Social Services Restart Fund (SSRF) | Housing | 52,794 | 39,201 | 13,593 |
| Provincial | Canada-Ontario Community Housing Initiative (COCHI) | Housing | 1,804 | 0 | 1,804 |
| Provincial | Children's Services | Children's Services | 521 | 521 | 0 |
| Provincial | IPAC - Personnel and Training | Long term Care | 273 | 205 | 68 |
| Provincial | COVID Prevention and Containment | Long term Care | 9,455 | 9,455 | 0 |
| Provincial | Testing Adherence Funding | Long term Care | 378 | 378 | 0 |
| Provincial | Temporary Pandemic Pay | LTC, Housing and Paramedic Services | 148 | 148 | 0 |
| Provincial | Paramedic* | Paramedic and Dispatch Services | 5,692 | 5,692 | 0 |
| Provincial | Temporary Wage Enhancement | Long term Care | 2,468 | 2,468 | 0 |
| Provincial | MHA from MMAH | Housing | 594 | 594 | 0 |
| Provincial | COVID-19 General | OPH | 28,263 | 28,263 | 0 |
| Provincial | Vaccination | OPH | 47,678 | 47,678 | 0 |
| Provincial | School Focused Nurses | OPH | 4,500 | 4,071 | 429 |
| Provincial | Vaccination - City Partners | City-wide | 13,088 | 13,088 | 0 |
| Provincial | Transit Safe Restart | Transportation | 133,467 | 133,467 | 0 |
| Provincial | Border Enforcement Transfer Payment Agreement | OPS | 824 | 824 | 0 |
| | Total Provincial Funding | | 369,449 | 328,643 | 40,806 |
| Federal | Reaching Home Program: COVID-19 Economic Response Plan | Homelessness | 16,652 | 16,652 | 0 |
| Federal | Safe Voluntary Isolation | OPH | 3,740 | 3,740 | 0 |
| | Total Federal Funding | | 20,392 | 20,392 | 0 |
| | Grand Total | | 389,841 | 349,035 | 40,806 |

*Note: Paramedics Services incurred \$4.752 million in COVID-19 costs in 2021, provincial funding for those costs is expected to be received and eligible for use in 2022.

Continuity of Reserves and Reserve Funds

Document 3 presents a continuity schedule of the City's reserves and reserve funds. The schedule reflects the impact on reserve balances as a result of the recommendations presented in this report.

Operating Budget Adjustments

Throughout the year, adjustments to budgets are made to better reflect the alignment of budget authority with spending needs. These transfers are made either through the delegated authority given to the Chief Financial Officer/Treasurer or through Council-approved reports. Document 4 shows the changes in budgets processed since July 1, 2021, that are greater than \$100 thousand.

Capital Budget Adjustment Requiring Council Approval

Detailed in Document 5 are capital budget adjustments requiring Council approval because they either involve debt financing or exceed the Chief Financial Officer/Treasurer's delegated authority limits.

FINANCIAL IMPLICATIONS

The financial implications are outlined in the report.

LEGAL IMPLICATIONS

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

COMMENTS BY THE WARD COUNCILLOR(S)

This is a citywide report.

CONSULTATION

Not applicable.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

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

RURAL IMPLICATIONS

There are no rural implications 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 – 2021 Operating Results Summary

Document 2 – Variance Analysis of 2021 Operating Results

Document 3 – Reserve Continuity Schedule

Document 4 – Operating Budget Adjustments and Transfers Impacting Overall Expenditures/ Revenues

Document 5 – Capital Budget Adjustments Requiring Council Approval

DISPOSITION

Staff will implement the report recommendations as outlined in the report.