

CITY OF HAMILTON

TAX OPERATING BUDGET VARIANCE REPORT AS OF DECEMBER 31, 2013

(\$ 000's)

	2013 Approved Budget	2013 Actuals Dec 31	2013 Actuals vs. 2013 Approved Budget		Comments/Explanations
			\$	%	
PLANNING & ECONOMIC DEVELOPMENT					
GM, Finance & Support Services	1,347	1,584	(237)	(17.6)%	Sick pay and backfilling requirements as well as unbudgeted recruitment costs.
Building	942	1,119	(176)	(18.7)%	Higher than budgeted overtime & standby costs, wages for students & temp agency costs, shortfalls in Zoning Compliance & admin fee revenues and reduced Illegal Grow-Op revenues due to lower activity levels. Partially offset by savings in other accounts.
Economic Development	5,793	5,693	100	1.7%	Gapping and savings in other employee related costs partially offset by lower rental revenues for Hamilton Incubator of Technology.
Growth Management	(349)	557	(906)	(259.5)%	Lower than budgeted Subdivision Fees (\$657k) and a lower than budgeted recovery from Capital (\$680k) partially offset by gapping.
Parking & By-law Services	4,732	5,805	(1,073)	(22.7)%	\$662k is attributed to unbudgeted Council Approved items, another \$1m in revenue shortfalls for bingo, animal tags/shelter pound/surrender, parking enforcement fines, signs, inspection fees and admin fees. Partially offset by gapping.
Planning	3,060	2,967	94	3.1%	Gapping and other employee related savings.
Tourism & Culture	7,205	7,201	3	0.0%	
TOTAL PLANNING & ECONOMIC DEVELOPMENT	22,731	24,927	(2,196)	(9.7)%	

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PUBLIC HEALTH SERVICES					
Medical Officer of Health	2,155	1,942	213	9.9%	Underspending in other subsidized programs, subsidy was applied to levy funded cost allocations.
Clinical & Preventive Services	2,210	2,114	96	4.3%	Gapping in Dental program as there were several vacancies that were difficult to fill. Partially offset by staffing pressures in Vaccine Preventable Disease due to vacancies and work related to flu campaigns and increased inspection of pharmacies. In addition, Sexual health had increased demand for needles and disposal.
Family Health	1,190	1,219	(29)	(2.5)%	Pressures included an unbudgeted position, less Public Health Nurse turnover than anticipated in some areas, and vacation payouts related to retirement.
Health Protection	2,187	2,185	1	0.1%	Gapping offset by pressures due to standby/overtime requirements, sick time, and staffing increases to meet service demands, as well as costs for Administrative Review.
Healthy Living	1,850	1,798	52	2.8%	Gapping offset by pressures due to an unbudgeted position, increased staffing to meet service demands, and communications to support tobacco by-law implementation.
Planning & Business Improvement	908	885	23	2.5%	Gapping and purchase of service as changes made during the review of the surveillance program. Partially offset by overstaffing to address priorities such as downtown consolidation, website redevelopment, Panorama implementation.
TOTAL PUBLIC HEALTH SERVICES	10,500	10,144	356	3.4%	

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COMMUNITY & EMERGENCY SERVICES					
Administration - Community & Emergency Services	2,700	2,724	(24)	(0.9)%	Higher than anticipated Lister Block facility costs.
Benefit Eligibility	7,582	7,341	240	3.2%	Gapping and favourable variances in Special Supports low income and mandatory benefits.
Employment & Income Support	20,237	20,245	(8)	(0.0)%	Gapping offset by unfavourable client caseload costs.
Children's and Home Management Services	6,667	6,536	130	2.0%	Gapping and available subsidies applied to levy funded costs, offset by higher than anticipated Lister facility costs and fewer subsidies/recoveries at Red Hill day care.
Housing Services	50,195	49,040	1,154	2.3%	Housing Stability Benefit uptake lower than budgeted. Favourable mortgage renewals, prior year adjustments for social housing and rent supplement costs partially offset by higher property tax costs than budgeted for social housing. Partially offset by emergency food vouchers and Council approved one-time YWCA funding.
Macassa Lodge	5,893	6,164	(270)	(4.6)%	Unbudgeted employee related costs, unforeseen building/equipment repairs and increased utilities partially offset by favourable variances due to gapping and additional revenues.
Wentworth Lodge	4,302	4,357	(54)	(1.3)%	Unbudgeted employee related costs and unforeseen housekeeping costs offset by favourable variances due to gapping.
Neighbourhood and Community Initiatives	1,100	1,089	11	1.0%	Gapping offset by various operating line expenditures.
Recreation	27,172	28,746	(1,574)	(5.8)%	Increased facility maintenance costs due to unexpected and emergency repairs at various facilities, various revenue shortfalls (e.g. ice rentals) and increased utilities. Partially offset by favourable variance in employee related costs at arenas, food services and rec centres due to reduced programming and efficiencies and pool closures at Rosedale & Green Acres.
Strategic Services	1,624	1,782	(158)	(9.8)%	Employee related pressures including temporary staffing.
Hamilton Fire Department	79,869	79,869	1	0.0%	Higher than anticipated equipment and vehicle repairs/maintenance costs and facility recoveries for repairs/maintenance costs, offset by increased revenues.
Hamilton Paramedic Service	17,241	17,746	(505)	(2.9)%	Overtime costs, increased vehicle maintenance and inventory write-off, partially offset by approved subsidy higher than budgeted.
Hamilton Farmers' Market	190	164	26	13.5%	Lower than expected staffing and facility operating costs and reductions to community programming partially offset by unrealized monthly rental revenue.
TOTAL COMMUNITY & EMERGENCY SERVICES	224,772	225,803	(1,031)	(0.5)%	

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PUBLIC WORKS					
PW-General Administration	0	0	0	0.0%	
Corporate Assets & Strategic Planning	21,714	22,517	(804)	(3.7)%	Facilities unfavourable -\$1.5m from insufficient funding for inspection and critical maintenance of old and deteriorating infrastructure. Partially offset by a favourable variance of \$700k in Strategic Planning. Energy, Fleet and Traffic had a minimal favourable variance \$46k from gapping savings in Traffic and energy savings in CUP offset by an unfavourable variance in Fleet.
Engineering Services	5,697	6,152	(455)	(8.0)%	Street lighting energy program costs.
Environmental Services	36,148	33,740	2,408	6.7%	Gapping \$1.9m and surpluses in contractual services \$1.1m, caused by reduced tonnages processed, and in provincial grants \$1.0m. Partially offset by an overage in storm related costs \$1.0m and less than budgeted reserve withdrawals \$700k.
Operations	78,782	79,264	(483)	(0.6)%	Roads Winter program -\$5.8M partially offset by positive variances in Summer programs of \$5.3M.
Transportation	52,109	50,285	1,823	3.5%	Savings in Fleet parts, also Fuel is showing a better than anticipated outcome. Enhancements, including AODA requirements, continue to be phased in. Transit favourable variance has resulted in a reduced requirement for 2013 Provincial Gas Tax transfer to Operating.
TOTAL PUBLIC WORKS	194,449	191,959	2,490	1.3%	
LEGISLATIVE					
Legislative General	(285)	(338)	53	18.5%	Savings in communication, hosting & reception budgets offset by office modifications and repairs.
Mayors Office	996	678	318	31.9%	Gapping, savings in consulting, office supplies and mementos.
Volunteer Committee	101	94	7	6.6%	Remaining balances are amounts not transferred to reserves because they exceed the policy transfer limit.
Ward Budgets	3,284	3,018	266	8.1%	Unspent Ward budgets.
TOTAL LEGISLATIVE	4,096	3,453	643	15.7%	

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CITY MANAGER					
City Manager's Office	858	851	7	0.8%	Savings in Consulting offset by Employee Related Expenses.
Audit Services	954	819	135	14.1%	Gapping.
Human Resources	5,076	5,042	34	0.7%	Gapping and recoveries from reserves offset by unfavourable variance in Legal fees and Mediation/Arbitration costs.
Legal Services	2,910	3,035	(125)	(4.3)%	Contractual obligations partially offset by gapping.
TOTAL CITY MANAGER	9,798	9,746	52	0.5%	
CORPORATE SERVICES					
Corporate Services - Administration	258	248	10	3.8%	Savings in employee related expenses and gapping offset by facility cost allocations.
City Clerk	2,049	1,817	233	11.4%	Registration/license revenue, gapping, lease & service contracts, printing savings and HRPI recovery. Partially offset by facility cost allocations, temporary staffing and advertising.
Customer Service, Access & Equity	4,410	4,314	96	2.2%	Savings in consulting services, supplies, gapping and other expenses. Partially offset by capital recoveries, office furniture/equipment costs, other employee related costs and computer software/hardware costs.
Finance, Administration & Revenue Generation	746	561	184	24.7%	Gapping and savings in office supplies.
Financial Planning & Policy	569	511	57	10.1%	Savings in legal fees, gapping, investment fees and other employee related expenses. Offset by interest earned/investment income, capital recoveries and subdivision/development agreement fees.
Financial Services	3,548	3,082	466	13.1%	Gapping, tender/proposal process fees, printing & postage and other savings. Partially offset by capital recoveries.
Information Technology	7,892	6,987	905	11.5%	Savings in gapping, computer hardware & accessories, equipment repairs, supplies, IT support and other employee related expenses. Partially offset by computer software costs, cable rentals, temporary staffing and rent for off site data storage.
Taxation	689	484	205	29.8%	Tax registrations, printing, tax certificates, tax transfer fees and gapping, partially offset by postage costs.
TOTAL CORPORATE SERVICES	20,160	18,004	2,156	10.7%	

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CORPORATE FINANCIALS					
Corporate Pensions, Benefits & Contingency	9,793	9,325	468	4.8%	Contingency savings.
Corporate Wage Gapping Target	(4,540)	0	(4,540)	(100.0)%	Actual gapping savings realized in program budgets.
Corporate Initiatives	1,544	1,442	102	6.6%	Slightly lower Sundry expenses.
Risk Management Program	(390)	1,905	(2,295)	(588.9)%	Claims significantly exceed budget.
TOTAL CORPORATE FINANCIALS	6,407	12,672	(6,265)	(97.8)%	
<u>HAMILTON ENTERTAINMENT FACILITIES</u>					
Operating	3,247	3,593	(346)	(10.6)%	
Capital Financing	800	800	0	0.0%	
TOTAL HAMILTON ENTERTAINMENT FACILITIES	4,047	4,393	(346)	(8.5)%	
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TOTAL CITY EXPENDITURES	496,959	501,100	(4,141)	(0.8)%	
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CAPITAL FINANCING					
Debt-Planning & Economic Development	750	452	299	39.8%	
Debt-Community & Emergency Services	3,869	3,845	24	0.6%	
Debt-Public Health Services	192	86	106	55.3%	
Debt-Public Works	41,900	37,391	4,510	10.8%	
Debt-Corporate Financials	41,888	41,405	483	1.2%	
TOTAL CAPITAL FINANCING	88,600	83,178	5,422	6.1%	Delayed debt issuance.
BOARDS & AGENCIES					
<u>Police Services</u>					
Operating	139,702	139,098	604	0.4%	Higher than anticipated Police clearance revenue (Police checks) and paid duty revenue.
Capital Financing	713	713	0	0.0%	
Total Police Services	140,415	139,810	604	0.4%	

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Other Boards & Agencies					
Library	28,039	27,685	354	1.3%	Gapping is the driver for the favourable variance.
Conservation Authorities	4,510	4,510	(0)	(0.0)%	
AGH	910	910	0	0.0%	
Boris Brott Music Festival	90	90	0	0.0%	
Hamilton Beach Rescue Unit	127	127	(0)	(0.0)%	
Hamilton Philharmonic Orchestra	114	114	0	0.0%	
HWCA - Festival of Friends	85	85	0	0.0%	
Opera Hamilton	127	127	0	0.0%	
Royal Botanical Gardens	599	599	0	0.0%	
Theatre Aquarius	74	74	0	0.0%	
Westfield Village Contract Services	547	548	(2)	(0.3)%	
MPAC	6,217	6,217	0	0.0%	
Total Other Boards & Agencies	41,437	41,085	352	0.8%	
Capital Financing - Other Boards & Agencies	64	64	0	0.0%	
Community Partnership Program	3,212	3,212	0	0.0%	
TOTAL BOARDS & AGENCIES	185,128	184,172	956	0.5%	
TOTAL EXPENDITURES	770,687	768,451	2,237	0.3%	

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NON PROGRAM REVENUES					
Payment In Lieu	(14,668)	(14,542)	(126)	(0.9)%	
Penalties and Interest	(9,250)	(9,896)	646	7.0%	2013 actuals are higher than expected due to higher than anticipated tax arrears.
Right of Way	(3,202)	(3,203)	1	0.0%	
Senior Tax Credit	540	548	(8)	(1.6)%	
Supplementary Taxes	(8,455)	(9,330)	875	10.4%	Higher than anticipated new construction due to building permit activity being higher than normal in the last few years.
Tax Remissions and Write Offs	10,145	13,657	(3,512)	(34.6)%	Higher write-offs (ARB decisions, minutes of settlement) - continue to see a large volume of appeals being settled. Additional amount required in allowance to account for some larger properties and groups of properties, expected to be settled in 2014.
Hydro Dividend and Other Interest	(5,300)	(7,384)	2,084	39.3%	Additional HUC dividend.
Investment Income	(4,100)	(4,100)	0	0.0%	
Slot Revenues	(4,700)	(5,072)	372	7.9%	Impact of new formula.
POA Revenues	(4,419)	(3,938)	(480)	(10.9)%	Decrease in large fine payments and the need for an additional courtroom which has resulted in delaying the hearings and case resolutions.
TOTAL NON PROGRAM REVENUES	(43,409)	(43,260)	(149)	(0.3)%	
TOTAL LEVY REQUIREMENT	727,278	725,191	2,087	0.3%	