

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO JULY 31, 2015
(\$ 000's)

	2015 Approved Budget	2015 Actuals Jul YTD	Projected Actuals to Dec. 31	2015 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>PLANNING & ECONOMIC DEVELOPMENT</u>						
GM, Finance & Support Services	1,572	915	1,570	3	0.2%	
Building	867	(956)	914	(47)	(5.5)%	Lower than budgeted revenues for Illegal Grow Operations program.
Economic Development	6,349	3,217	6,353	(4)	(0.1)%	
Growth Management	915	(1,555)	253	662	72.3%	Positive gapping of \$540k and higher than budgeted revenue of \$120k .
Parking & By-law Services	7,024	4,921	7,797	(773)	(11.0)%	Budget pressures due to shortfall in revenues (-\$1.7m); Business licensing (PED01104) (-\$250k), Animal Tags (-\$260k), Sign Fees (-\$90k), Lottery (-\$155k), Inspection Fees (-\$285k), Fines (-\$620k) (Parking Enforcement (-\$585k) PED10184 & Animal Services (-\$35k)), (-\$50k) non-compliance fees for vacant buildings. Deficit in non budgeted overtime costs (-\$85k) and property tax expenses (-\$40k) . Unfavourable variance is offset by increased Parking Revenue (\$290k), and net gapping (\$755k).
Planning	3,422	410	2,212	1,209	35.3%	Favourable variance due to net gapping of (\$753k), increase in revenues for Part Lot Control Fee (\$133k), Plan of Subdivision Fees (\$32k), Official Plan Application Fees (\$160k), Zoning Application Fees (\$125k), Condominium Fees (\$95k), offset by decrease in Site Plan Control revenues (-\$118k) .
Tourism & Culture	7,650	4,811	8,021	(370)	(4.8)%	Gapping (-\$285k) attributed to backfilling of extended sick absences, DIR_Facility Recovery over budget (-\$32k), and the remainder is due to snow removal expenses over budget due to five additional cultural facilities added to the contract.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	27,800	11,763	27,119	681	2.4%	

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<u>PUBLIC HEALTH SERVICES</u>						
Medical Officer of Health	5,700	2,780	5,623	76	1.3%	Gapping and maximizing 100% subsidies to offset levy costs.
Clinical & Preventive Services	6,492	3,883	6,539	(47)	(0.7)%	Increased demand in needle exchange program offset by gapping.
Family Health	4,192	2,169	4,287	(95)	(2.3)%	Pressures from maternity leave absences and unfunded Project Manager.
Health Protection	6,862	3,906	6,902	(40)	(0.6)%	Pressures due to unbudgeted standby/overtime costs and increased part time employee hours to meet OPHS targets and increased demand work.
Healthy Living	7,007	3,988	6,879	127	1.8%	Variance related to staff gapping due to recruitment delays.
Planning & Business Improvement	4,769	2,694	4,621	148	3.1%	Various gapping due to administrative review implementation mid-year offset by implementation of key records and information initiatives.
Mandatory Public Health Subsidy	(23,926)	(13,401)	(23,457)	(469)	(2.0)%	Provincial funding allocation announcement resulting in approved funding levels lower than budgeted.
TOTAL PUBLIC HEALTH SERVICES	11,096	6,019	11,394	(298)	(2.7)%	

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COMMUNITY & EMERGENCY SERVICES						
Administration - Community & Emergency Services	3,062	1,700	2,999	63	2.1%	Gapping due to timing of vacancies and hires.
Benefit Eligibility	7,194	3,809	6,946	248	3.4%	Favourable variances due to revised funding formula for Mandatory Children's Dental (eff. 8/1/15) and gapping offset by OW Business Transformation team costs.
Employment & Income Support	14,700	8,633	14,543	157	1.1%	Favourable variance due to gapping and maximizing subsidies available offset by OW organizational review costs and client cost pressure due to increase in caseload and cost per case.
Childrens and Home Management Services	6,723	3,193	6,584	139	2.1%	Favourable variance due to gapping and maximizing subsidies available.
Housing Services	52,757	28,775	52,841	(83)	(0.2)%	Unfavourable variances due to pressure from CityHousing Hamilton Operational Review. Partially offset by savings due to gapping, available funding for Dom Transportation, and rent supplement savings. Social Housing pressures offset by assumed funding from the newly created Social Housing Stabilization Reserve.
Macassa Lodge	6,821	4,321	6,617	204	3.0%	Favourable variances due to unanticipated provincial subsidy increases, gapping, and savings in incontinence supplies offset by sick costs, HVAC replacement, and unbudgeted work accommodation and LTD costs.
Wentworth Lodge	4,354	2,702	4,517	(164)	(3.8)%	Unfavourable variances due to sick costs, unbudgeted work accommodation and LTD costs and required building maintenance/repairs partially offset by unanticipated provincial subsidy increases and gapping .
Neighbourhood and Community Initiatives	2,424	1,303	2,365	59	2.4%	Gapping due to timing of vacancies and hires.
Recreation	30,233	17,627	30,865	(632)	(2.1)%	Unfavourable variance in utilities based on YTD actuals. Unfavourable revenues based on YTD actuals, temporary closures and programming changes, partially offset by gapping due to vacancies and programming changes.
Hamilton Fire Department	83,634	47,867	83,497	138	0.2%	Favourable variance due to temporary vacancies and unscheduled firefighter retirements as well as savings in maintenance contracts and license fees due to lower negotiated contracts for 2015.
Hamilton Paramedic Service	18,953	13,484	19,399	(447)	(2.4)%	Unfavourable variance due to employee related costs (overtime shift replacement and benefits), uniforms due to timing of received goods and medications due to new contract with higher costs.
TOTAL COMMUNITY & EMERGENCY SERVICES	230,856	133,414	231,174	(318)	(0.1)%	

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<u>PUBLIC WORKS</u>						
PW-General Administration	184	101	184	0	0.0%	
Corporate Assets & Strategic Planning	18,656	11,493	19,196	(540)	(2.9)%	Tim Hortons Field - Revenues from TiCats are unfavourable as 2015 is the stub year of the agreement.
Engineering Services	7,290	2,923	7,290	0	0.0%	
Environmental Services	33,259	18,457	33,259	0	0.0%	
Operations	98,618	57,716	103,199	(4,581)	(4.6)%	Negative variances in Roads Winter Control (-\$5.0m) and in the Waste programs (-600k) are mainly caused by the severe weather conditions and declining prices of recycling commodities. Partially offsetting the negative variance is higher than anticipated WDO funding (\$900k).
Transit	57,399	38,477	57,613	(214)	(0.4)%	The agreement with the Metrolinx contracted supplier of parts was not renewed by the province, so Transit has gone back to purchasing from numerous vendors. Without the economies of scale offered in the previous contract, vehicle parts are driving the variance in Transit.
TOTAL PUBLIC WORKS	215,406	129,168	220,741	(5,335)	(2.5)%	
<u>LEGISLATIVE</u>						
Legislative General	(275)	(172)	(275)	0	0.0%	
Mayors Office	1,008	409	1,008	0	0.0%	
Volunteer Committee	111	32	111	0	0.0%	
Ward Budgets	3,445	1,848	3,445	0	0.0%	
TOTAL LEGISLATIVE	4,288	2,117	4,288	0	0.0%	
<u>CITY MANAGER</u>						
City Managers Office	1,206	706	1,206	0	0.0%	
Audit Services	989	486	914	74	7.5%	Gapping offset by External Auditor expenses, and Recruitment costs for Director of Audit Services.
City Clerk	2,134	1,128	2,035	99	4.6%	Gapping due to vacancies and savings in Lease/service contracts.
Human Resources	5,567	3,151	5,624	(57)	(1.0)%	Meeting fees related to Collective Bargaining (\$17k) and Mediation/Arbitration Fees to be recovered from Operating areas (\$40K).
Legal Services	3,169	2,045	3,169	0	0.0%	
TOTAL CITY MANAGER	13,064	7,515	12,948	117	0.9%	

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<u>CORPORATE SERVICES</u>						
Corporate Services - Administration	301	187	322	(21)	(6.8)%	Unfavourable variances in Salaries, Wages & Benefits (-\$28k) and Material & Supplies (-\$3k). Favourable variance in HRPI Cost Recovery (\$11k).
Customer Service, Access & Equity	4,652	2,857	4,926	(274)	(5.9)%	Unfavourable variance in Salaries, Wages & Benefits (-\$409k) due to 3 unbudgeted Knowledge Management Liaison positions. Partially offset by favourable variances in Consulting (\$64k); Capital Recoveries (\$30k); Materials & Supplies (\$27k).
Finance, Administration & Revenue Generation	1,274	759	1,304	(30)	(2.4)%	Unfavourable variance due to Facilities Chargeback (-\$26k), utilities (-\$20k), Materials & Supplies (-\$8k) and Temp Agencies costs (-\$6k). Partially offset by Sponsorship and Other Revenues (\$12k), Mileage, Travel, Conferences & Training (\$11k) and HRPI Cost Recovery (\$8k).
Financial Planning & Policy	610	1,673	497	112	18.4%	Gapping savings in Salaries, Wages & Benefits.
Financial Services	3,682	3,381	3,461	221	6.0%	Gapping savings in Salaries, Wages & Benefits (\$224k) and savings in Risk Management Recoveries (\$30k), partially offset by Temp Agencies costs (-\$40k).
Information Technology	8,874	4,517	8,782	92	1.0%	Gapping savings (\$199k) partially offset by higher than anticipated Consulting Services (-\$100k) and Conferences (-\$9k).
Taxation	735	299	468	267	36.4%	Favourable variance due to Tax Certificate Revenue (\$200k), Tax Transfer Fees (\$49k) and Salaries, Wages & Benefits (\$23k).
TOTAL CORPORATE SERVICES	20,127	13,673	19,760	367	1.8%	
<u>CORPORATE FINANCIALS</u>						
Corporate Pensions, Benefits & Contingency	13,124	8,002	12,836	288	2.2%	Savings in corporate salary contingency.
Corporate Wage Gapping Target	(4,540)	0	(1,932)	(2,608)	(57.4)%	Gapping realized in departments.
Corporate Initiatives	1,989	565	(715)	2,705	136.0%	Favourable variance due to one-time grant revenue related to 2013/2014 Ice Storm.
Risk Management Program	2,036	1,619	2,688	(652)	(32.0)%	Unfavourable variance due to higher than anticipated Corporate Claims Expenses and added Cyber and Terrorism policies.
TOTAL CORPORATE FINANCIALS	12,609	10,186	12,876	(267)	(2.1)%	

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<u>HAMILTON ENTERTAINMENT FACILITIES</u>						
Hamilton Entertainment Facilities	4,050	2,569	4,064	(14)	(0.4)%	Carmen's revenue adjusted for change in HST.
Debt-Hamilton Entertainment	800	800	800	0	0.0%	
TOTAL HAMILTON ENTERTAINMENT FACILITIES	4,850	3,369	4,864	(14)	(0.3)%	
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TOTAL CITY EXPENDITURES	540,096	317,223	545,165	(5,069)	(0.9)%	
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<u>CAPITAL FINANCING</u>						
Debt-Planning & Economic Development	716	(61)	716	0	0.0%	Projected principal and interest savings due to delay in debt issuance.
Debt-Community & Emergency Services	3,851	143	3,851	0	0.0%	
Debt-Public Health Services	390	172	390	0	0.0%	
Debt-Public Works	42,094	(3,132)	42,094	0	0.0%	
Debt-Corporate Financials	46,013	45,062	42,513	3,500	7.6%	
Special Capital Re-Investment	13,429	13,429	13,429	0	0.0%	
TOTAL CAPITAL FINANCING	106,493	55,613	102,993	3,500	3.3%	
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<u>BOARDS & AGENCIES</u>						
<u>Police Services</u>						
Operating	148,377	84,032	148,377	0	0.0%	
Capital Financing	715	(310)	715	0	0.0%	
Total Police Services	149,092	83,722	149,092	0	0.0%	
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<u>Other Boards & Agencies</u>						
Library	28,514	16,577	28,514	0	0.0%	Library staff indicate that no variance is expected.
Conservation Authorities	5,164	5,164	5,164	0	0.0%	Potential unfavourable NPCA levy of -\$780k pending appeal.
Hamilton Beach Rescue Unit	127	127	127	0	0.0%	
Royal Botanical Gardens	599	399	599	0	0.0%	
MPAC	6,228	3,114	6,228	0	0.0%	
Total Other Boards & Agencies	40,632	25,381	40,632	0	0.0%	
Capital Financing - Other Boards & Agencies	62	(281)	62	0	0.0%	
City Enrichment Fund	5,333	3,852	5,312	21	0.4%	
TOTAL BOARDS & AGENCIES	195,118	112,674	195,098	21	0.0%	
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TOTAL EXPENDITURES	841,708	485,510	843,256	(1,548)	(0.2)%	

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<u>NON PROGRAM REVENUES</u>						
Payment In Lieu	(14,866)	(15,965)	(15,463)	597	4.0%	Favourable variance reflecting increased revenues in 2015.
Penalties and Interest	(10,500)	(6,792)	(11,800)	1,300	12.4%	Favourable variance reflecting increased revenues in 2015.
Right of Way	(3,203)	(3,202)	(3,201)	(2)	(0.1)%	
Senior Tax Credit	560	634	560	0	0.0%	
Supplementary Taxes	(8,925)	8	(10,925)	2,000	22.4%	Favourable variance reflecting increased revenues in 2015.
Tax Remissions and Write Offs	11,020	6,989	11,420	(400)	(3.6)%	Unfavourable variance due to projected grants to be paid relating to the LEED Grant Program.
Hydro Dividend and Other Interest	(5,300)	(4,653)	(5,300)	0	0.0%	Additional \$1.5m in dividends to be transferred to unallocated Capital Reserve.
Investment Income	(4,100)	(9,285)	(4,100)	0	0.0%	
Slot Revenues	(5,100)	(2,374)	(4,900)	(200)	(3.9)%	Expected deficit in revenue based on first and second quarter payments.
Other Revenue	0	(63)	0	0	0.0%	
POA Revenues	(3,675)	(3,050)	(4,120)	445	12.1%	Favourable variance forecasted due to POA fines revenue increase, partially offset by lower than anticipated Red Light Camera revenues and increased bank fees.
TOTAL NON PROGRAM REVENUES	(44,089)	(37,753)	(47,829)	3,740	8.5%	
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TOTAL LEVY REQUIREMENT	797,618	447,757	795,427	2,192	0.3%	