

CITY OF HAMILTON

TAX OPERATING BUDGET VARIANCE REPORT AS OF DECEMBER 31, 2015

(\$ 000's)

	2015 Approved Budget	2015 Actuals Dec-31	2015 Actuals .vs 2015 Approved Budget		Comments/Explanations
			\$	%	
<u>PLANNING & ECONOMIC DEVELOPMENT</u>					
GM, Finance & Support Services	1,572	1,593	(21)	(1.3)%	Unfavourable gapping in the Finance & Administration Section.
Building	867	925	(58)	(6.7)%	Unfavourable variance is due to lower activity levels for Zoning Compliance, Inspection Fees and Re-Occupancy fees, offset by increase in property reports revenue.
Economic Development	6,349	6,296	52	0.8%	Favourable variance due to net gapping.
Growth Management	915	919	(4)	(0.4)%	
Parking & By-law Services	7,024	7,596	(571)	(8.1)%	Unfavourable variance due to revenue variances offset by gapping.
Planning	3,422	2,922	500	14.6%	The favourable variance is due to net Gapping (\$877k) and increase in planning revenues over budget (\$865k), offset by transfer to the Development Fee Stabilization Reserve (-\$1.22m) .
Tourism & Culture	7,650	7,814	(164)	(2.1)%	Unfavourable variance due to charges from Facilities (-\$56k), Snow Removal (-\$51k), contractual obligations (-\$260) partially offset by reduced expenditures.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	27,800	28,066	(265)	(1.0)%	
<u>PUBLIC HEALTH SERVICES</u>					
Medical Officer of Health	5,700	5,626	74	1.3%	Gapping and maximizing 100% subsidies to offset levy costs.
Clinical & Preventive Services	6,411	6,515	(104)	(1.6)%	Unfavourable variance related to insufficient funding for Panorama staffing response and transitioning to new CINOT funding model.
Family Health	4,192	4,163	30	0.7%	Favourable variance related to staff gapping. To partially mitigate departmental funding pressure, intentional delays in recruitment were implemented if possible.
Health Protection	6,862	6,870	(8)	(0.1)%	
Healthy Living	7,007	6,806	201	2.9%	Variance related to staff gapping and unbudgeted SFOA subsidies.
Planning & Business Improvement	4,851	4,747	104	2.1%	Variance related to staff gapping. To partially mitigate departmental funding pressure, intentional delays in recruitment were implemented if possible.
Mandatory Public Health Subsidy	(23,926)	(23,502)	(424)	(1.8)%	Provincial funding allocation announcement resulting in approved funding levels lower than budgeted offset by assumed one time funding to mitigate costs of transitioning to new CINOT funding model.
TOTAL PUBLIC HEALTH SERVICES	11,096	11,225	(129)	(1.2)%	

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COMMUNITY & EMERGENCY SERVICES					
Administration - CES	3,062	2,973	90	2.9%	Gapping due to timing of vacancies and hires.
Benefit Eligibility	7,194	6,952	242	3.4%	Favourable variance due to revised funding formula for Mandatory Children's Dental (eff. 8/1/15), unbudgeted subsidies available and gapping, partially offset by OW Business Transformation team costs.
Employment & Income Support	14,700	15,395	(695)	(4.7)%	Unfavourable variance in client cost pressures due to increase in caseload, Phase 2/3 reserve funding not utilized and OW organizational review costs partially offset by gapping and maximizing subsidies available.
Childrens & Home Management Services	6,723	6,589	135	2.0%	Favourable variance due to gapping and maximizing subsidies available.
Housing Services	52,757	52,784	(26)	(0.1)%	Social Housing pressures mainly due to property taxes which was partially mitigated by transfer from Social Housing Stabilization Reserve and City Housing Hamilton Operational Review costs partially offset by favourable variance in Affordable Housing due to fluctuating tenant activity, tenant income and market rents in addition to unbudgeted subsidies available.
Macassa Lodge	6,821	6,798	23	0.3%	Favourable variances due to unanticipated provincial subsidy increases and gapping, offset by food costs, HVAC and main entrance doors replacement, and consultant costs for call bell and lighting (MOH compliance)
Wentworth Lodge	4,354	4,494	(140)	(3.2)%	Unfavourable variance due to employee related costs (overtime, sick costs, nursing and dietary wages) and unanticipated building maintenance/repairs (HVAC) partially offset by unanticipated provincial subsidy increases.
Neighbourhood & Community Initiatives	2,424	2,376	48	2.0%	Gapping due to timing of vacancies and hires.
Recreation	30,233	29,937	296	1.0%	Favourable variance due to gapping, vacancies and temporary facility closures offset by pressures in hydro costs and unfavourable revenues based on actuals.
Hamilton Fire Department	83,634	83,754	(120)	(0.1)%	Unfavourable variance due to vacation payouts for retirements, overtime and acting pay costs related to contractual limitations, and unexpected major repairs for vehicles. Offset partially by a favourable variance in maintenance contracts due to contract negotiations, various equipment repairs and supplies, and reduced facility maintenance costs.
Hamilton Paramedic Service	18,953	19,985	(1,033)	(5.4)%	Unfavourable variance due to employee related costs (overtime shift replacements, over-runs, benefits), increased costs for prescription medication supplies and linen services. Offset partially by a favourable variance in revenues (cross border billings, Ebola outbreak) and lower vehicle fuel costs.
TOTAL COMMUNITY & EMERGENCY SERVICES	230,856	232,037	(1,181)	(0.5)%	

- () Denotes unfavourable variance.

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PUBLIC WORKS					
PW-General Administration	184	80	104	56.7%	Favourable variance from expenditure control of various miscellaneous items.
Corporate Assets & Strategic Planning	18,656	19,772	(1,116)	(6.0)%	Unfavourable revenue at Tim Hortons Field coupled with supplies and repair expenditures partially offset by employee related savings in Policy and Strategic Programs.
Engineering Services	7,290	7,660	(369)	(5.1)%	Deficit mainly related the Streetlighting program.
Environmental Services	33,259	33,020	238	0.7%	Cautionary spending in Parks resulted in gapping and contractual surpluses which was partially offset by deficits in Forestry's Emerald Ash Borer and Tree Planting programs.
Operations	98,618	94,767	3,851	3.9%	The surplus in the Operations Division was a result of vacancies in the roads section held to accommodate introduction of District South, reduced contractual escalations predominately fuel and vehicle savings and increased WDO funding.
Transit	57,399	59,020	(1,621)	(2.8)%	Deficit resulting from revenues short falls (-\$1.2m) and employee related costs driven by sick costs (-\$1.7m). Fleet costs partially mitigated overall unfavourable variance.
TOTAL PUBLIC WORKS	215,406	214,319	1,087	0.5%	
LEGISLATIVE					
Legislative General	(275)	(377)	101	36.8%	Favourable variance due to unspent contingency, meeting expenses and contractual costs for IC/Lobbyist Registrar.
Mayors Office	1,008	835	173	17.2%	Gapping for various positions and savings in contractual services partially offset by renovation costs.
Volunteer Committee	111	88	23	20.9%	Unspent budgets for various committees.
Ward Budgets	3,445	3,178	267	7.8%	Unspent budgets for various wards.
TOTAL LEGISLATIVE	4,288	3,724	565	13.2%	
CITY MANAGER					
City Managers Office	1,206	1,243	(36)	(3.0)%	Unfavourable variance due to transfer of Digital Communications Team and employee related expenses.
Audit Services	989	799	189	19.1%	Gapping due to various vacancies.
City Clerk's Office	2,134	1,985	149	7.0%	Gapping and increased revenues from Marriage Licenses and Death Certificates.
Human Resources	5,567	5,437	130	2.3%	Favourable variance due to gapping and unspent contractual budgets, partially offset by consulting fees for HR Administrative Review, Legal & Mediation/Arbitration fees.
Legal Services	3,169	3,169	0	0.0%	
TOTAL CITY MANAGER	13,064	12,633	432	3.3%	

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<u>CORPORATE SERVICES</u>					
Corporate Services - Administration	301	393	(92)	(30.6)%	Unfavourable gapping as well as consulting, meeting expenses and facilities recovery.
Customer Service, Access & Equity	4,652	4,927	(275)	(5.9)%	Unbudgeted positions associated with the implementation of the call handling project and employee-related costs partially offset by savings in consulting due to project delays.
Finance, Administration & Revenue Generation	1,274	1,325	(52)	(4.0)%	Unfavourable variance in Hamilton Farmers' Market pressures including facilities charges, free parking program and reduced revenues partially offset by Revenue Generation HRPI recovery and sponsorship revenues.
Financial Planning & Policy	610	895	(285)	(46.7)%	Unfavourable variance primarily relates to costs relating to Call Handling and Web Redevelopment projects.
Financial Services	3,682	3,168	514	14.0%	Favourable variance due to gapping, increased cash discounts in AP, increased procurement revenues, cheque fee revenue for Payroll/Pensions, HRPI recovery and printing savings.
Information Technology	8,874	8,066	808	9.1%	Favourable variance from gapping recognized in Q1-Q3, savings in computer software/hardware, communication cable rental and recovery of IT Services partially offset by spending in contractual.
Taxation	735	362	372	50.7%	Favourable gapping, savings in printing and postage, increased revenues including tax certificates/tax arrears processing/tax transfer fees/tax registrations.
TOTAL CORPORATE SERVICES	20,127	19,136	991	4.9%	
<u>CORPORATE FINANCIALS</u>					
Corporate Pensions, Benefits & Contingency	13,124	10,867	2,257	17.2%	Actuals related to contingencies realized in departments.
Corporate Wage Gapping Target	(4,540)	0	(4,540)	(100.0)%	Gapping realized in departments.
Corporate Initiatives	1,989	160	1,829	92.0%	Favourable variance due to unbudgeted GST refund (\$1.3m) and additional interest earnings (\$694k).
Risk Management Program	2,036	2,886	(851)	(41.8)%	Unfavourable variance due to higher Corporate claims (-\$523k) and insurance premiums (-\$295k) than anticipated.
TOTAL CORPORATE FINANCIALS	12,609	13,913	(1,304)	(10.3)%	
<u>HAMILTON ENTERTAINMENT FACILITIES</u>					
Operating	4,050	4,212	(162)	(4.0)%	Heat and other utilities over budget.
Capital Financing	800	800	0	0.0%	
TOTAL HAMILTON ENTERTAINMENT FACILITIES	4,850	5,012	(162)	(3.3)%	
TOTAL CITY EXPENDITURES	540,096	540,063	33	0.0%	

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CAPITAL FINANCING					
Debt-Planning & Economic Development	716	592	125	17.4%	
Debt-Community & Emergency Services	3,851	3,955	(103)	(2.7)%	
Debt-Public Health Services	390	269	122	31.1%	
Debt-Public Works	42,094	41,440	654	1.6%	
Debt-Corporate Financials	46,013	45,968	45	0.1%	
Infrastructure Renewal Levy	13,429	13,429	0	0.0%	
TOTAL CAPITAL FINANCING	106,493	105,652	841	0.8%	
BOARDS & AGENCIES					
<u>Police Services</u>					
Operating	148,377	144,696	3,681	2.5%	Greater than anticipated grant funding relating to Pan Am games, favourable variances in police clearances and fees as well as savings in employee related expenses, investigative and fuel.
Capital Financing	715	715	0	0.0%	
Total Police Services	149,092	145,411	3,681	2.5%	
<u>Other Boards & Agencies</u>					
Library	28,514	27,889	625	2.2%	Favourable variance due to unanticipated funding and gapping.
Conservation Authorities	5,164	5,949	(785)	(15.2)%	Unfavourable due to NPCA levy.
Hamilton Beach Rescue Unit	127	127	0	0.0%	
Royal Botanical Gardens	599	599	0	0.0%	
MPAC	6,228	6,228	0	0.0%	
Total Other Boards & Agencies	40,632	40,791	(160)	(0.4)%	
Capital Financing - Other Boards & Agencies	62	62	0	0.0%	
City Enrichment Fund	5,333	5,332	1	0.0%	
TOTAL BOARDS & AGENCIES	195,118	191,596	3,522	1.8%	
TOTAL EXPENDITURES	841,708	837,311	4,397	0.5%	

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NON PROGRAM REVENUES					
Payment In Lieu	(14,866)	(15,467)	601	4.0%	Reflects actual billings.
Penalties and Interest	(10,500)	(11,302)	802	7.6%	Positive variance mainly attributed to three large industrial properties.
Right of Way	(3,203)	(3,202)	(1)	(0.0)%	
Senior Tax Credit	560	576	(16)	(2.9)%	
Supplementary Taxes	(8,925)	(14,979)	6,054	67.8%	Three supplementary billings in 2015 and higher than anticipated new construction due to building permit activity being higher than normal in the last few years.
Tax Remissions and Write Offs	11,020	13,646	(2,626)	(23.8)%	Unfavourable variance due to higher appeals with a larger amount required to be transferred to the allowance to offset potential write offs that may occur in 2016 or later.
Hydro Dividend and Other Interest	(5,300)	(6,247)	947	17.9%	HUC dividend true up higher than budgeted.
Investment Income	(4,100)	(4,100)	0	0.0%	
Slot Revenues	(5,100)	(4,998)	(102)	(2.0)%	Lower realization of Slot Revenue.
POA Revenues	(3,675)	(3,795)	119	3.2%	
Provincial Funding	0	(671)	671	100.0%	Ice Storm Assistance.
TOTAL NON PROGRAM REVENUES	(44,089)	(50,538)	6,448	14.6%	
TOTAL LEVY REQUIREMENT	797,618	786,773	10,845	1.4%	