



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	November 21, 2016
SUBJECT/REPORT NO:	Parking and By-law Services Division Budget Variance Reduction Strategy (PED15121(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Marty Hazell (905) 546-2424 Ext. 4588
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Council Direction:

On October 13, 2015 staff reported to the Audit, Finance & Administration Committee (Report PED15121) with a number of actions being taken to reduce the historic and on-going unfavourable variance in the Parking and By-Law Services Division to a more manageable situation for 2016.

The Audit, Finance and Administration Committee referred Report PED15121 to the 2016 Budget Process and, in approving the 2016 Budget, Council approved a budget revenue reduction of \$768K because some revenue expectations were historically overstated (e.g. Signs) and some targets could no longer be achieved (e.g. Lottery Licensing).

Information:

In October 2015 (Report PED15121) staff identified a number of actions being taken to reduce the on-going unfavourable variance in the Parking and By-Law Services Division to a more manageable situation for 2016. At that time, the Division was anticipating a \$1.7M shortfall in revenues for:

- Business Licensing (\$250K);
- Animal Tags (\$260K);
- Sign Fees (\$90K);

SUBJECT: Parking and By-law Services Division Budget Variance Reduction Strategy (PED15121(a)) (City Wide) - Page 2 of 2

- Lottery (Bingo \$110K/Nevada \$45K);
- Inspection Fees (\$285K); and,
- Fines (\$620K).

It was also noted that the Parking and By-Law Services Division has demonstrated effectiveness in terms of achieving compliance with municipal by-laws, as compliance rates have increased from 59% in 2008 to about 95% in recent years. Therefore, relying on fines and inspection fees to achieve revenue targets will be difficult to sustain.

The purpose of this report is to inform Committee that as a result of the changes made in the 2016 Budget, as well as efficiencies achieved, the Parking and By-Law Services Division is forecasting a positive variance of \$78K for 2016, as can be seen in the Tax and Rate Operating Budget Variance Report (FCS160859(a)).

Part of the focus on minimizing/eliminating the negative variance situation in the Parking and By-Law Services Division has been senior management expending greater effort to mentor and ensure that Managers/Supervisors understand and are providing adequate attention to the financial aspect of their jobs. Also, staff shifted to more proactive monitoring of variances with monthly reviews and discussions of budget exception reports.

A number of specific actions/initiatives were responsible for reducing the negative variance position including:

- a significant increase in the number of dog licences sold;
- an increase in the number of business licences issued;
- the Division returned to a base level of legal service for 2016, resulting in savings of \$130K; and,
- gapping for the Division is projected at approximately \$325K for 2016.

In summary, the Parking and By-Law Services Division has demonstrated significant results in addressing the long-standing negative budget variance situation and will ensure that efforts at improving the Divisional bottom-line continue.

MH:lm