

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS OF DECEMBER 31, 2016**  
**(\$ 000's)**

|  | 2016<br>Approved<br>Budget | 2016<br>Actuals<br>Dec YTD | 2016 Actuals .vs<br>2016 Approved Budget |             | Comments/Explanations   |
|--|----------------------------|----------------------------|--|-------------|---|
|  |                            |                            | \$                                       | %           |   |
| <b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>       |                            |                            |  |             |   |
| GM, Finance & Support Services                   | 1,696                      | 1,521                      | 175                                      | 10.3%       | Positive gapping.   |
| Building   | 903                        | 878                        | 25                                       | 2.8%        | Positive net gapping and higher than budgeted Admin Fees collected are offset by lower than budgeted Zoning Compliance revenue.   |
| Economic Development                             | 6,211                      | 6,421                      | (211)                                    | (3.4)%      | Unfavourable variance is the result of unfavourable gapping, unanticipated building repairs due to residual effects of water damage at Hamilton Technology Centre (HTC) and higher facilities and operating expenses. Higher than budgeted rental revenue at HTC was offset by low recoveries from the Self Employment Training Workshop. |
| Growth Management                                | 1,010                      | 535                        | 475                                      | 47.1%       | Positive gapping and higher than budgeted Processing Fees and Sewer Repair Permit Revenues as well as below budget software costs. Positive revenue variance was transferred to the Development Fee Stabilization Reserve.  |
| Parking & By-law Services                        | 8,145                      | 7,367                      | 777                                      | 9.5%        | Favourable variance is primarily due to positive gapping and favourable revenues.   |
| Planning   | 3,619                      | 3,216                      | 403                                      | 11.1%       | Favourable variance due to positive gapping and resulting efficiencies in employee related costs. A positive revenue variance has been transferred to the Development Stabilization Reserve (\$1.3 M).  |
| Tourism & Culture                                | 8,320                      | 8,305                      | 15                                       | 0.2%        | Higher revenues and Federal grants received, savings in operational supplies, building and property maintenance and agency support payments are offset by net unfavourable gapping and higher than budgeted office facilities cost.   |
| <b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b> | <b>29,904</b>              | <b>28,243</b>              | <b>1,661</b>                             | <b>5.6%</b> |   |

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|--------------------------------------|----------------------------|----------------------------|--|-------------|---|
|                                      |                            |                            | \$                                       | %           |   |
| <b><u>PUBLIC HEALTH SERVICES</u></b> |                            |                            |  |             |   |
| Medical Officer of Health            | 5,919                      | 5,813                      | 107                                      | 1.8%        | Variance due to maximizing available subsidies, underspent operating lines and gapping in timing of vacancies/hires offset by pressures in facilities costs for various locations and emergency response. |
| Clinical & Preventive Services       | 5,596                      | 5,555                      | 41                                       | 0.7%        | Favourable variance due to maximizing available subsidies in dental program funding model and gapping in timing of vacancies/hires offset by pressures in VPD program.                                    |
| Family Health                        | 4,235                      | 4,180                      | 55                                       | 1.3%        | Variance due to gapping in timing of vacancies/hires.   |
| Health Protection                    | 7,148                      | 7,001                      | 148                                      | 2.1%        | Favourable variance due to maximizing available subsidies and gapping in timing of vacancies/hires slightly offset by unbudgeted stand by/call out costs.   |
| Healthy Living                       | 7,208                      | 7,012                      | 196                                      | 2.7%        | Favourable variance due to maximizing available subsidies and gapping in timing of vacancies/hires.   |
| Planning & Business Improvement      | 5,139                      | 4,977                      | 161                                      | 3.1%        | Favourable variance due to maximizing available subsidies and gapping in timing of vacancies/hires.   |
| Mandatory Public Health Subsidy      | (22,860)                   | (22,651)                   | (209)                                    | (0.9)%      | Unfavourable variance due to Provincial funding allocation announcement resulting in approved funding levels lower than budgeted.   |
| <b>TOTAL PUBLIC HEALTH SERVICES</b>  | <b>12,385</b>              | <b>11,887</b>              | <b>498</b>                               | <b>4.0%</b> |   |

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|   |                            |                            | \$                                       | %           |   |
| <b>COMMUNITY &amp; EMERGENCY SERVICES</b>       |                            |                            |  |             |   |
| Administration - CES                            | 3,077                      | 3,092                      | (15)                                     | (0.5)%      | Unfavourable variance due to increases in facility related costs offset by gapping due to timing of vacancies/hires.  |
| Ontario Works                                   | 18,970                     | 18,574                     | 395                                      | 2.1%        | Favourable variance due to gapping and special supports low income benefit savings offset by OW Business Transformation team costs.   |
| Children's & Home Management Services           | 6,823                      | 7,169                      | (346)                                    | (5.1)%      | Unfavourable variance due to wage parity payments issued to OEYCFC's and facility related costs offset by gapping.  |
| Housing Services                                | 56,136                     | 54,796                     | 1,340                                    | 2.4%        | Favourable variance due to delay in implementation of the Housing Allowance Program, Social Housing mortgage renewal and property tax savings and maximizing available subsidies.   |
| Macassa Lodge                                   | 7,240                      | 7,643                      | (403)                                    | (5.6)%      | Unfavourable variance due to employee related costs (sick/overtime/work accommodation, LTD) and increases in utilities and food costs, offset by surplus due to unanticipated provincial subsidy and preferred accommodation increases.   |
| Wentworth Lodge                                 | 5,074                      | 5,045                      | 29                                       | 0.6%        | Favourable variances due to employee related costs (offset by unfavourable LTD/OT), preferred accommodation increases and savings in food costs, unanticipated building repairs, grounds maintenance and net pressure in utility costs.   |
| Neighbourhood & Community Initiatives           | 2,476                      | 2,632                      | (155)                                    | (6.3)%      | Unfavourable variance mainly in employee related costs due to unfunded NAS Manager, temp Sr. Project Manager for Syrian Refugee resettlement work, temp Sr. Project Manager for Indigenous Strategy and Hamilton Council on Agency consultancy costs are offset by savings in various other operating lines within the division . |
| Recreation                                      | 31,894                     | 31,221                     | 673                                      | 2.1%        | Favourable variance due to gapping and temporary vacancies and increased user fee volumes for ice rentals & programming changes offset by net pressure in utility costs.  |
| Hamilton Fire Department                        | 85,446                     | 85,462                     | (17)                                     | (0.0)%      | Unfavourable variance due to unexpected vehicle repairs and less shop labour recoveries, partially offset by favourable variance in various operating expense lines and higher than expected user fee revenues.   |
| Hamilton Paramedic Service                      | 20,712                     | 20,520                     | 192                                      | 0.9%        | Favourable variance in employee related costs (gapping offset by OT/vacation/stat pay), vehicle maintenance and fuel costs, special event revenue and unexpected extension of Community Paramedicine funding. Partially offset by overages for uniforms and clothing, medication supplies and equipment costs.                    |
| <b>TOTAL COMMUNITY &amp; EMERGENCY SERVICES</b> | <b>237,849</b>             | <b>236,154</b>             | <b>1,695</b>                             | <b>0.7%</b> |   |

## CITY OF HAMILTON

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(\$ 000's)

|                                       | 2016<br>Approved<br>Budget | 2016<br>Actuals<br>Dec YTD | 2016 Actuals .vs<br>2016 Approved Budget |             | Comments/Explanations   |
|---------------------------------------|----------------------------|----------------------------|--|-------------|---|
|                                       |                            |                            | \$                                       | %           |   |
| <b><u>PUBLIC WORKS</u></b>            |                            |                            |  |             |   |
| PW-General Administration             | 216                        | 216                        | 0  | 0.0%        |   |
| Corporate Assets & Strategic Planning | 20,255                     | 24,001                     | (3,746)                                  | (18.5)%     | The overall variance was due to higher operational costs (employee related, general maintenance and repairs, hydro and heating fuel) for Tim Hortons Field than expected (\$-2.0 M). In addition there was an unfavourable CUP variance related to HCE (-\$0.9 M) for capacity charges and operating costs. Partially offsetting the deficit was internal debt repayment savings and interest revenue on loan.  |
| Engineering Services                  | 7,091                      | 6,768                      | 323                                      | 4.6%        | Increase in revenues for various permit fees plus administrative fees associated with road cuts result in a surplus. These revenues in conjunction with the street light replacement program mitigate the impact of the higher Energy costs realized for street lighting.   |
| Environmental Services                | 34,895                     | 33,825                     | 1,070                                    | 3.1%        | The overall surplus is a result of gapping and contractual services due to fewer major storms which resulted in less contracted work.   |
| Operations                            | 102,266                    | 93,073                     | 9,194                                    | 9.0%        | Fewer winter events caused a surplus in winter control, but a deficit in the winter maintenance programs. This is a result of redeployment of staff to alternative works not related to snow and ice control. This was more than offset by the \$4.8 M surplus in non-winter related maintenance mainly relating to the delay in execution of the Capital Rehab group's contract for planned works in the non-winter programs. Recycling and Waste Disposal realized a surplus in contractual services and increased recycling revenues. The Waste Collection section saw a surplus as a result of CPI estimates coming in lower than forecasted. |
| Transit                               | 59,994                     | 61,575                     | (1,581)                                  | (2.6)%      | Accessible Transit is favourable at year end by (\$1.1 M), driven by the DARTS contract and the Taxi Scrip program. Transit Fare Revenues ended the year \$2.2 M unfavourable. Further driving the variance was sick time (\$2.1 M unfavourable). This is partially mitigated by favourable variances in salaries and wages as well as with Diesel, the Trans Cab Taxi Contract and uncommitted Run Time funds.   |
| <b>TOTAL PUBLIC WORKS</b>             | <b>224,717</b>             | <b>219,458</b>             | <b>5,259</b>                             | <b>2.3%</b> |   |
| <b><u>LEGISLATIVE</u></b>             |                            |                            |  |             |   |
| Legislative General                   | (279)                      | (367)                      | 88                                       | 31.7%       | Savings in meeting expenses, consulting and contingency budgets   |
| Mayors Office                         | 1,085                      | 989                        | 97                                       | 8.9%        |   |
| Volunteer Committee                   | 106                        | 84                         | 21                                       | 20.2%       |   |
| Ward Budgets                          | 3,884                      | 3,658                      | 226                                      | 5.8%        |   |
| <b>TOTAL LEGISLATIVE</b>              | <b>4,797</b>               | <b>4,364</b>               | <b>432</b>                               | <b>9.0%</b> |   |

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|   |                            |                            | \$                                       | %           |  |
| <b><u>CITY MANAGER</u></b>                  |                            |                            |  |             |  |
| Audit Services                              | 997                        | 960                        | 37                                       | 3.7%        | Gapping offset by Consulting expenses and Facility charges   |
| City Clerk's Office                         | 2,298                      | 2,095                      | 202                                      | 8.8%        | Gapping and revenues from death certificates, marriage licenses and HRPI recovery offset by Facility charges   |
| Human Resources                             | 6,132                      | 5,739                      | 393                                      | 6.4%        | Gapping, savings in consulting, training and legal budgets offset by software upgrade costs  |
| Legal Services                              | 3,301                      | 3,301                      | 0  | 0.0%        |  |
| Strategic Partnerships & Revenue Generation | 211                        | 285                        | (74)                                     | (35.1)%     | Revenues offset by temp staffing costs. The Division also generates revenues distributed to other City Departments therefore not reflected within this Division. |
| Communications, Corp Initiatives            | 1,488                      | 1,408                      | 79                                       | 5.3%        | Gapping offset by unbudgeted staffing costs and media production expenses  |
| CMO - Administration                        | 281                        | 253                        | 28                                       | 10.0%       | Unspent employee related budgets offset by Facility charges  |
| <b>TOTAL CITY MANAGER</b>                   | <b>14,706</b>              | <b>14,040</b>              | <b>666</b>                               | <b>4.5%</b> |  |

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|  |                            |                            | \$                                       | %              |  |
| <b><u>CORPORATE SERVICES</u></b>           |                            |                            |  |                |  |
| Corporate Services - Administration        | 322                        | 371                        | (49)                                     | (15.4)%        | Unfavourable gapping; partially offset by savings in consulting and unbudgeted HRPI revenue  |
| Customer Service                           | 4,529                      | 4,744                      | (215)                                    | (4.8)%         | Unfavourable gapping and unrealized advertising revenue; partially offset by savings in lease & service contracts, security, transportation of money and recoveries from capital.  |
| Financial Planning, Admin & Policy         | 974                        | 939                        | 35                                       | 3.6%           | Savings due to gapping partially offset by increased bank fees, unrealized HRPI revenue and contractual services   |
| Financial Services                         | 3,594                      | 3,287                      | 307                                      | 8.6%           | Savings from gapping, training, travel, printing, operating supplies, cash discounts, tender fees and HRPI revenue; partially offset by postage, accommodation costs, rent, consulting and contractual services  |
| Information Technology                     | 8,737                      | 8,279                      | 458                                      | 5.2%           | Savings from gapping, training, mileage, consulting, offsite security rent, hydro, hardware, operating expense and service to external customer revenue; partially offset by software and furniture & fixtures.  |
| Taxation                                   | 693                        | 378                        | 315                                      | 45.5%          | Savings due to higher than anticipated tax certificate and ownership change fees (property sales), arrears processing fees (net of increased postage cost), tax registration fees (net of cost of advertising), new tax roll accounts (new builds), tax transfer fees and savings in printing and computer software; partially offset by unfavourable gapping. |
| <b>TOTAL CORPORATE SERVICES</b>            | <b>18,849</b>              | <b>17,997</b>              | <b>851</b>                               | <b>4.5%</b>    |  |
| <b><u>CORPORATE FINANCIALS</u></b>         |                            |                            |  |                |  |
| Corporate Pensions, Benefits & Contingency | 14,548                     | 12,307                     | 2,240                                    | 15.4%          | Actuals related to contingencies realized in departments.  |
| Corporate Wage Gapping Target              | (4,540)                    | 0                          | (4,540)                                  | (100.0)%       | Gapping realized in departments.   |
| Corporate Initiatives                      | 2,399                      | 891                        | 1,507                                    | 62.8%          | Favourable variance due to additional interest earnings of \$1.1 M on Concessionary Loans and various financial adjustments of \$343 K.  |
| Risk Management Program                    | 0                          | 1,823                      | (1,823)                                  | (100.0)%       | Unfavourable variance due to higher Corporate claims and insurance premiums than budgeted.   |
| <b>TOTAL CORPORATE FINANCIALS</b>          | <b>12,406</b>              | <b>15,021</b>              | <b>(2,615)</b>                           | <b>(21.1)%</b> |  |

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|   |                            |                            | \$                                       | %             |   |
| <b><u>HAMILTON ENTERTAINMENT FACILITIES</u></b> |                            |                            |  |               |   |
| Operating                                       | 4,170                      | 4,114                      | 56                                       | 1.3%          | Utilities costs realized were lower than budget.  |
| Capital Financing                               | 0                          | 0                          | 0  | 0.0%          |   |
| <b>TOTAL HAMILTON ENTERTAINMENT FACILITIES</b>  | <b>4,170</b>               | <b>4,114</b>               | <b>56</b>                                | <b>1.3%</b>   |   |
| <hr/>   |                            |                            |  |               |   |
| <b>TOTAL CITY EXPENDITURES</b>                  | <b>559,782</b>             | <b>551,279</b>             | <b>8,503</b>                             | <b>1.5%</b>   |   |
| <hr/>   |                            |                            |  |               |   |
| <b><u>CAPITAL FINANCING</u></b>                 |                            |                            |  |               |   |
| Debt-Planning & Economic Development            | 711                        | 436                        | 275                                      | 38.6%         | Delayed debt issuance   |
| Debt-Community & Emergency Services             | 3,839                      | 3,937                      | (99)                                     | (2.6)%        |   |
| Debt-Public Health Services                     | 378                        | 273                        | 105                                      | 27.8%         |   |
| Debt-Public Works                               | 43,156                     | 39,038                     | 4,118                                    | 9.5%          |   |
| Debt-Corporate Financials                       | 50,016                     | 48,902                     | 1,115                                    | 2.2%          |   |
| Infrastructure Renewal Levy                     | 13,429                     | 13,429                     | 0  | 0.0%          |   |
| <b>TOTAL CAPITAL FINANCING</b>                  | <b>111,529</b>             | <b>106,015</b>             | <b>5,514</b>                             | <b>4.9%</b>   |   |
| <b><u>BOARDS &amp; AGENCIES</u></b>             |                            |                            |  |               |   |
| <b><u>Police Services</u></b>                   |                            |                            |  |               |   |
| Operating                                       | 152,534                    | 152,457                    | 77                                       | 0.1%          |   |
| Capital Financing                               | 716                        | 716                        | 0  | 0.0%          |   |
| <b>Total Police Services</b>                    | <b>153,250</b>             | <b>153,173</b>             | <b>77</b>                                | <b>0.1%</b>   |   |
| <b><u>Other Boards &amp; Agencies</u></b>       |                            |                            |  |               |   |
| Library   | 28,816                     | 28,675                     | 140                                      | 0.5%          | Favourable variance due mainly to gapping.  |
| Conservation Authorities                        | 5,225                      | 6,004                      | (778)                                    | (14.9)%       | Unfavourable variance relates to Niagara Peninsula Authority appeal.  |
| Hamilton Beach Rescue Unit                      | 128                        | 128                        | 0  | 0.0%          |   |
| Royal Botanical Gardens                         | 605                        | 605                        | 0  | 0.0%          |   |
| MPAC  | 6,251                      | 6,251                      | 0  | 0.0%          |   |
| Farmers Market                                  | 108                        | 259                        | (151)                                    | (140.8)%      | Unfavourable variance as a result of lost marketing contract (\$45K), vacant stalls, higher than budgeted employee related costs, and decreased parking revenues. |
| <b>Total Other Boards &amp; Agencies</b>        | <b>41,133</b>              | <b>41,923</b>              | <b>(790)</b>                             | <b>(1.9)%</b> |   |

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|   |                            |                            | \$                                       | %              |  |
| Capital Financing - Other Boards & Agencies | 137                        | 137                        | 0  | 0.0%           |  |
| City Enrichment Fund                        | 5,700                      | 5,700                      | 0  | 0.0%           |  |
| <b>TOTAL BOARDS &amp; AGENCIES</b>          | <b>200,220</b>             | <b>200,932</b>             | <b>(712)</b>                             | <b>(0.4)%</b>  |  |
| <b>TOTAL EXPENDITURES</b>                   | <b>871,532</b>             | <b>858,227</b>             | <b>13,305</b>                            | <b>1.5%</b>    |  |
| <b>NON PROGRAM REVENUES</b>                 |                            |                            |  |                |  |
| Payment In Lieu                             | (15,464)                   | (15,861)                   | 397                                      | 2.6%           | Reflects actual billings.  |
| Penalties and Interest                      | (10,500)                   | (11,616)                   | 1,116                                    | 10.6%          | Positive variance attributable to large industrial properties under appeal that are incurring P&I.   |
| Right of Way                                | (3,201)                    | (3,202)                    | 1  | 0.0%           |  |
| Senior Tax Credit                           | 576                        | 598                        | (22)                                     | (3.9)%         |  |
| Supplementary Taxes                         | (9,125)                    | (7,872)                    | (1,253)                                  | (13.7)%        | Supplementary taxes are down as a result of MPAC focusing on reassessment in 2016.   |
| Tax Remissions and Write Offs               | 11,946                     | 16,320                     | (4,374)                                  | (36.6)%        | Unfavourable variance due to higher appeals. In addition, in anticipation of a higher amount of appeals that may occur in 2017 or later, a higher allowance was established to offset potential future write-offs. |
| Hydro Dividend and Other Interest           | (5,300)                    | (5,529)                    | 229                                      | 4.3%           | Due to true-up of dividend which was not fully budgeted for, partially offset by a higher transfer to capital than what was expected.  |
| Investment Income                           | (4,100)                    | (4,100)                    | 0  | 0.0%           |  |
| Slot Revenues                               | (5,000)                    | (5,006)                    | 6  | 0.1%           |  |
| POA Revenues                                | (3,696)                    | (2,952)                    | (744)                                    | (20.1)%        | POA fines experienced a decrease. "Early Resolution" process is reducing fine revenues with fines being reduced for earlier payment.   |
| <b>TOTAL NON PROGRAM REVENUES</b>           | <b>(43,864)</b>            | <b>(39,220)</b>            | <b>(4,644)</b>                           | <b>(10.6)%</b> |  |
| <b>TOTAL LEVY REQUIREMENT</b>               | <b>827,668</b>             | <b>819,007</b>             | <b>8,661</b>                             | <b>1.0%</b>    |  |