

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2017
(\$ 000's)

	2017 Approved Budget	2017 Actuals July YTD	Projected Actuals to Dec. 31	2017 Projected Actuals .vs Approved Budget		Comments/Explanations
				\$	%	
<u>PLANNING & ECONOMIC DEVELOPMENT</u>						
GM, Finance & Support Services	1,938	1,237	1,991	(53)	(2.7)%	Variance is attributable to unfavourable staffing costs and costs associated with restructuring.
Building	944	(1,032)	946	(2)	(0.2)%	Unfavourable gapping.
Economic Development	6,079	2,767	5,978	101	1.7%	Positive gapping.
Growth Management	526	(1,604)	218	308	58.6%	Positive gapping of \$311 K and savings in vehicle repair costs due to newer vehicles (\$10 K) are offset by an increase in water sampling (\$9.5 K) and bank charges (\$4 K).
Planning	3,837	942	3,668	169	4.4%	Positive gapping of \$158 K, savings in various expenses \$10 K.
Tourism & Culture	8,760	5,298	8,529	231	2.6%	Positive gapping of \$107 K, increased revenues, sponsorship and federal grants of \$155 K and savings in cost allocations for horticulture, police and traffic of \$15 K are offset by a deficit in contractual and consulting expenses (\$47 K).
LRT Office	0	3,086	0	0	0.0%	
Parking/School Crossing	351	504	336	15	4.3%	The favourable variance is attributed to positive gapping in School Crossing. Unfavourable gapping and revenue shortfall in Parking is mitigated by a reduction in the transfer to the Parking Reserve.
Licensing & By-Law Services	6,805	3,491	6,624	181	2.7%	Positive gapping of \$261 K and favourable Animal Tag revenue of \$40 K is offset by pressures attributed to increased building maintenance costs (\$18 K), vehicle maintenance (\$30 K), unbudgeted AMANDA annual maintenance (\$23 K), increased financial charges (\$15 K), and postage and printing expenses for Animal Services notices (\$20 K).
TOTAL PLANNING & ECONOMIC DEVELOPMENT	29,240	14,689	28,290	950	3.2%	
<u>PUBLIC HEALTH SERVICES</u>						
Medical Officer of Health	5,834	3,350	5,778	56	1.0%	Favourable variance due to maximizing available subsidies.
Communicable Disease Control & Wellness	7,766	4,420	7,785	(19)	(0.2)%	Unfavourable variance largely driven by Vaccine Preventable Disease program and increased employee related costs to meet program requirements , offset by favourable variance by maximizing available subsidies.
Healthy Environments	8,335	4,779	8,243	92	1.1%	Favourable variance due to gapping in timing vacancies/hires.
Healthy Families	7,885	4,564	7,888	(3)	(0.0)%	Unfavourable variance due to redistribution of dental program costs based on clients served, offset by savings in various operating lines.
Planning & Business Improvement	5,267	3,137	5,205	62	1.2%	Favourable variance mainly due to gapping in timing vacancies/hires.
Mandatory Public Health Subsidy	(22,651)	(13,320)	(22,651)	0	0.0%	
TOTAL PUBLIC HEALTH SERVICES	12,436	6,930	12,248	188	1.5%	

- () Denotes unfavourable variance.

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COMMUNITY & EMERGENCY SERVICES						
Administration - CES	3,428	2,476	3,396	32	0.9%	Favourable variance due gapping offset by consulting costs for CES/PHS consolidation.
Ontario Works	15,068	6,469	14,497	571	3.8%	Favourable variances due to maximizing additional available subsidies and favourable variances in various OW administrative operating costs.
Childrens & Home Management Services	6,769	3,518	6,728	41	0.6%	Favourable variances due to additional unbudgeted parent recovery fees at Red Hill and underspent LEAP Program costs and various other minor operating expenses.
Housing Services	46,257	23,897	44,848	1,409	3.0%	Favourable variance in Social Housing related to prior year end reconciliation adjustments for Rent Geared to Income subsidy and underspent Community Homelessness Prevention Initiative program costs.
Macassa Lodge	7,353	4,335	7,487	(134)	(1.8)%	Unfavourable variance due to net employee related costs, decreased revenues and provincial subsidies offset by net favourable variances in various operating lines.
Wentworth Lodge	5,250	2,713	4,980	270	5.1%	Favourable variance due to net employee related costs offset by decreased revenues and provincial subsidies.
Neighbourhood & Community Initiatives	1,877	1,169	2,153	(276)	(14.7)%	Unfavourable variance mainly in employee related costs due to unfunded Neighbourhood Action Strategy Manager, temp Sr. Project Manager for wrap up of Syrian Refugee resettlement work and temp Sr. Project Manager for Indigenous Strategy.
Recreation	31,926	17,498	30,842	1,084	3.4%	Favourable variance due to temporary closures of recreational facilities, unanticipated revenues, and positive gapping.
Hamilton Fire Department	88,008	49,863	87,980	28	0.0%	Favourable variance in employee related costs and underspent operating lines offset partially by increased fire vehicle repairs and lower than anticipated shop recoveries.
Hamilton Paramedic Service	21,190	12,608	21,133	57	0.3%	Favourable variance in vehicle expenses and unanticipated revenues offset by unfavourable variance in employee related costs due to offload pressures and increased call volumes, in addition to increased medical supplies and other operating expenses due to changes in Ministry of Health standards.
TOTAL COMMUNITY & EMERGENCY SERVICES	227,126	124,546	224,044	3,082	1.4%	

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PUBLIC WORKS						
PW-General Administration	193	208	193	0	0.0%	
Engineering Services	7,075	3,751	7,075	0	0.0%	
Environmental Services	76,670	40,866	76,654	16	0.0%	Increased Resource Productivity & Recovery Authority (RPRA - formerly WDO) funding offset by unfavourable Landfill property taxes.
Operations	62,765	30,988	58,487	4,278	6.8%	Winter: \$3.5M favourable - Gapping due to inability to recruit seasonal plow operators as backfills for numerous vacancies; De-icing materials usage reduced due to weather conditions (\$1 M favourable); Hired equipment activation and snow disposal management savings in first part of 2017 season due to lower levels of snow accumulation and the requirement for snow plowing and snow removal activities (\$1.6 M favourable). Summer: \$700 K favourable - Gapping due to numerous vacancies caused by long-term disability and leave of absences (\$600 K); pumping station utilities favourable (\$100 K).
Transit	61,228	39,871	63,544	(2,316)	(3.8)%	Unfavourable employee related costs mainly related to overtime and sick costs (offset by savings in Salary and Wages). Transit fare revenues are unfavourable by \$1.8 M as well. A favourable variance in the Taxi Contract of \$245 K is providing a slight mitigation.
Energy Fleet and Facilities	10,568	7,328	12,195	(1,627)	(15.4)%	Unfavourable variance largely driven by Central Utilities Plant capacity charge, central fleet recoveries, and unrealized golf revenue.
Transportation	11,591	7,661	11,446	145	1.3%	Gapping savings.
TOTAL PUBLIC WORKS	230,090	130,673	229,594	496	0.2%	
LEGISLATIVE						
Legislative General	(310)	(160)	(310)	0	0.0%	
Mayors Office	1,104	573	1,104	0	0.0%	
Volunteer Committee	106	44	106	0	0.0%	
Ward Budgets	3,976	2,193	3,976	0	0.0%	
TOTAL LEGISLATIVE	4,875	2,650	4,875	0	0.0%	

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CITY MANAGER						
Audit Services	1,020	472	1,020	0	0.0%	
Human Resources	6,168	3,575	6,168	0	0.0%	
Strategic Partnerships & Revenue Generation	73	490	68	5	6.8%	
Communications, Corp Initiatives	1,474	977	1,474	0	0.0%	
CMO - Administration	214	115	214	0	0.0%	
TOTAL CITY MANAGER	8,949	5,629	8,944	5	0.1%	
CORPORATE SERVICES						
Corporate Services - Administration	322	202	318	4	1.2%	Savings in training and conference expenditures.
Customer Service	4,526	2,810	4,769	(243)	(5.4)%	Unfavourable gapping, material and supply, partially offset by savings in training & other employee related costs, security, consulting, advertising, and lease & service contracts.
Financial Planning, Admin & Policy	1,059	719	1,072	(13)	(1.2)%	Unfavourable gapping (\$8 K) and above budget training expenditures (\$7 K).
Financial Services	4,087	1,823	3,531	556	13.6%	Favourable gapping of \$357 K and favourable projections for tax certificate and tax transfer revenues of \$200 K.
Information Technology	8,432	5,096	8,019	413	4.9%	Favourable gapping of \$433 K, computer hardware savings (\$25 K) and hydro savings of \$10 K are offset by higher than expected security software maintenance costs (\$45 K) and higher than budgeted rental of off site data storage costs (\$8 K).
Legal Services	3,271	1,869	3,203	68	2.1%	Favourable net gapping of \$80 K is offset by higher than budgeted professional membership fees (\$8 K).
City Clerk's Office	2,353	1,101	2,448	(95)	(4.0)%	Unfavourable gapping and increased cost of printing supplies.
TOTAL CORPORATE SERVICES	24,050	13,620	23,360	690	2.9%	
CORPORATE FINANCIALS						
Corporate Pensions, Benefits & Contingency	16,074	7,548	16,004	70	0.4%	Retiree payments in the latter part of year are projecting to be lower as a result of some of the payments reaching expiration.
Corporate Wage Gapping Target	(4,540)	0	(1,874)	(2,666)	(58.7)%	Gapping realized in departments.
Corp Fin Clearing	0	(17)	0	0	0.0%	
Corporate Initiatives	3,723	2,409	3,964	(241)	(6.5)%	Unfavourable variance as a result of an unbudgeted risk management assistant position, as well as over budgeted insurance premiums.
TOTAL CORPORATE FINANCIALS	15,257	9,940	18,094	(2,837)	(18.6)%	
HAMILTON ENTERTAINMENT FACILITIES						
Operating	3,764	2,145	3,764	0	0.0%	
TOTAL HAMILTON ENTERTAINMENT FACILITIES	3,764	2,145	3,764	0	0.0%	
TOTAL CITY EXPENDITURES	555,787	310,822	553,213	2,574	0.5%	

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CAPITAL FINANCING						
Debt-Planning & Economic Development	567	(61)	523	44	7.8%	
Debt-Community & Emergency Services	3,301	(1,252)	3,297	4	0.1%	
Debt-Public Health Services	633	0	633	0	0.0%	
Debt-Public Works	41,666	(7,598)	37,685	3,981	9.6%	Due to delay in debt issuance, principal and interest savings.
Debt-Corporate Financials	55,883	51,260	54,912	971	1.7%	
Infrastructure Renewal Levy	13,429	13,429	13,429	0	0.0%	
TOTAL CAPITAL FINANCING	115,479	55,778	110,479	5,000	4.3%	
BOARDS & AGENCIES						
Police Services						
Operating	156,617	47,581	156,617	0	0.0%	
Capital Financing	717	(311)	717	0	0.0%	
Total Police Services	157,334	47,270	157,334	0	0.0%	
Other Boards & Agencies						
Library	29,339	17,145	29,109	230	0.8%	Due to new grants received in the year, additional fee revenues, and a decline in employee related costs.
Conservation Authorities	5,329	4,526	5,329	0	0.0%	
Hamilton Beach Rescue Unit	130	70	130	0	0.0%	
Royal Botanical Gardens	616	409	616	0	0.0%	
MPAC	6,417	4,813	6,417	0	0.0%	
Farmers Market	109	(143)	109	0	0.0%	
Total Other Boards & Agencies	41,940	26,820	41,710	230	0.5%	
Capital Financing - Other Boards & Agencies	187	(281)	187	0	0.0%	
City Enrichment Fund	6,040	4,170	6,040	0	0.0%	
TOTAL BOARDS & AGENCIES	205,501	77,979	205,271	230	0.1%	
TOTAL EXPENDITURES	876,767	444,579	868,963	7,804	0.9%	

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NON PROGRAM REVENUES						
Payment In Lieu	(15,047)	(17,026)	(15,602)	555	3.7%	Projected based on updated billings as of July 31, 2017.
Penalties and Interest	(10,500)	(6,604)	(11,700)	1,200	11.4%	Favourable variance projected (due to large industrial properties in arrears), which is partially offset by P&I adjustments which are not budgeted.
Right of Way	(3,202)	(3,210)	(3,209)	7	0.2%	
Senior Tax Credit	598	661	593	5	0.8%	
Supplementary Taxes	(9,125)	(3,732)	(9,125)	0	0.0%	
Tax Remissions and Write Offs	24,046	5,211	26,836	(2,790)	(11.6)%	Allowance set up at year end for significant appeals due to first year of reassessment.
Hydro Dividend and Other Interest	(5,300)	2,659	(5,300)	0	0.0%	
Investment Income	(4,100)	(9,293)	(4,100)	0	0.0%	
Slot Revenues	(5,000)	(2,619)	(5,000)	0	0.0%	
Other Revenue	0	(88)	0	0	0.0%	
POA Revenues	(3,745)	(1,597)	(3,154)	(591)	(15.8)%	Due to a net shortfall in POA revenue. This was slightly offset by certain POA expenditures being funded from reserves, reducing the unfavourable variance.
TOTAL NON PROGRAM REVENUES	(31,375)	(35,638)	(29,761)	(1,614)	(5.1)%	
TOTAL LEVY REQUIREMENT	845,392	408,941	839,203	6,190	0.7%	