

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS OF APRIL 30, 2019 FCS19055

Audit, Finance & Administration Committee – July 11, 2019

CORPORATE SERVICES FINANCIAL PLANNING, ADMIN & POLICY

Brian McMullen, Director Financial Planning, Administration and Policy



1. Summary of Tax and Rate Operating Budget Variance Forecasts

2. Tax Supported Operating Budget Variance Forecast

3. Rate Supported Operating Budget Variance Forecast



2019 PROJECTED YEAR END OPERATING BUDGET VARIANCES (\$000's)

	2019	2019	2019 Vari	
TAX SUPPORTED	Approved Budget	Year-End Forecast	(Forecast vs \$	Budget) %
			-	
PLANNING & ECONOMIC DEVELOPMENT	29,672	29,046	626	2.1%
HEALTHY & SAFE COMMUNITIES	245,134	246,176	(1,042)	(0.4%)
PUBLIC WORKS	242,414	242,302	112	0.0%
LEGISLATIVE	5,019	5,019	0	0.0%
CITY MANAGER	11,759	11,549	210	1.8%
CORPORATE SERVICES	30,207	30,138	70	0.2%
CORP FINANCIALS/ NON PROG REVENUES	(25,500)	(25,379)	(121)	(0.5%)
HAMILTON ENTERTAINMENT FACILITIES	3,912	3,912	0	0.0%
TOTAL CITY DEPARTMENTS	542,617	542,763	(146)	(0.0%)
TOTAL BOARDS & AGENCIES	214,201	216,737	(2,536)	(1.2%)
CAPITAL FINANCING	129,969	125,114	4,855	3.7%
TOTAL TAX SUPPORTED	886,787	884,614	2,173	0.2%
TOTAL RATE SUPPORTED	0	(4,566)	4,566	2.1%
() Denotes unfavourable variance				



Tax Supported Operating Budget Variance Forecast



CORPORATE SERVICES FINANCIAL PLANNING, ADMIN & POLICY

CITY DEPARTMENT VARIANCES (\$000's)

	2019	2019	2019 Variance	
	Approved	Year-End	(Forecast vs Budget)	
TAX SUPPORTED	Budget	Forecast	\$	%
PLANNING & ECONOMIC DEVELOPMENT	29,672	29,046	626	2.1%
HEALTHY & SAFE COMMUNITIES	245,134	246,176	(1,042)	(0.4%)
PUBLIC WORKS	242,414	242,302	112	0.0%
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TOTAL CITY DEPARTMENTS	542,617	542,763	(146)	(0.0%)

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DEPARTMENT VARIANCES EXPLANATION SUMMARY

Main Drivers for Variance:

Planning and Economic Development:

\$626 K departmental surplus

- \$440 K favourable projected in Transportation Planning & Parking division attributed to revenue
- \$100 K favourable projected in Planning division due mainly to gapping

Healthy and Safe Communities:

(\$1.0 M) departmental deficit

- (\$1.6 M) unfavourable Hamilton Paramedics Service variance
 - Relates to shortfall in Ministry funding and various operating costs. Offset partially by a favourable variance due to employee related costs
- (\$460 K) deficit in the Long Term Care division due to discontinuation of Ministry funding
- (\$390 K) unfavourable Hamilton Fire Department variance as a result of settled contract pressures and facilities costs
- \$1.0 M favourable Housing Services variance due to prior year reconciliations (AIRs), gapping and housing allowances and rent supplements
- \$280 K favourable in Recreation division



DEPARTMENT VARIANCES EXPLANATION SUMMARY

Public Works:

\$112 K departmental surplus

- \$1.2 M favourable Transportation Operations & Maintenance variance
 - \$1.0 M gapping savings
 - \$200 K attributed to Street Lighting review and Evaluation Fees
- \$880 K favourable Environmental Services variance due to \$1.5 M gapping savings partially offset by contractual obligations
- (\$1.5 M) unfavourable in Transit
 - Unfavourable gapping of (\$3.0 M) and various other unfavourable variances
 - Partially offset by \$1.5 M in transit fare revenue due to continued ridership uptake and positive fuel costs
- (\$460 K) unfavourable variance in Energy Fleet and Facilities due to gapping and the cost of holding (unbudgeted) vacant buildings

City Manager's Office:

\$210 K departmental surplus

• Favourable variance primarily related to gapping



DEPARTMENT VARIANCES EXPLANATION SUMMARY

Corporate Services:

\$70 K departmental surplus

- \$241 K favourable Financial Services variance mainly due to gapping and Taxation revenues
- (\$140 K) unfavourable Information Technology variance due to additional software support and unfavourable gapping
- (\$30 K) unfavourable variance in Customer Service and POA division
 - Call Handling loan repayment of (\$100 K) partially offset by gapping and savings in lease and service contracts

Corporate Financials / Non Program Revenues:

(\$121 K) departmental deficit

- (\$220 K) unfavourable variance (Corporate Financials)
 - Mainly due to unbudgeted legal expenses that have been incurred
- \$100 K favourable variance (Non Program Revenues)
 - Favourable variance expected in Tax Remissions and Write Offs as a result of rebates being lower than anticipated, partially offset by a projected unanticipated Alectra/HUC dividend administration fee



OTHER NON-DEPARTMENTAL VARIANCES (\$000's)

	2019 Approved	2019 Year-End	Variance (2019 Forecast vs Budget)	
	Budget	Forecast	\$	%
POLICE	164,290	164,290	0	0.0%
LIBRARY	30,700	30,700	0	0.0%
OTHER BOARDS & AGENCIES	13,095	15,631	(2,536)	(19.4%)
CITY ENRICHMENT FUND	6,116	6,116	0	0.0%
TOTAL BOARDS & AGENCIES	214,201	216,738	(2,536)	(1.2%)
CAPITAL FINANCING	129,969	125,114	4,855	3.7%

TOTAL OTHER NON- DEPARTMENTAL	344,170	341,852	2,319	0.7%
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* Anomalies due to rounding

() Denotes unfavourable variance





Rate Supported Operating Budget Variance Forecast



CORPORATE SERVICES FINANCIAL PLANNING, ADMIN & POLICY

2019 RATE OPERATING BUDGET PROJECTED YEAR-END VARIANCE (\$000's)

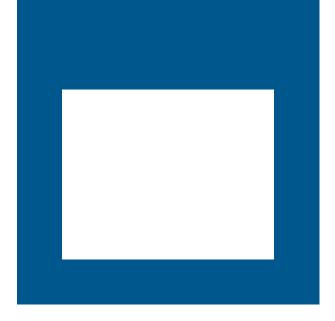
	2019 Approved	2019 Projected To	201 Projected \	-
	Budget	Year End	\$	%
TOTAL EXPENDITURES	222,259	217,593	4,666	2.1%
TOTAL REVENUES	(222,259)	(222,159)	(100)	0.0%
NET	-	(4,566)	4,566	2.1%

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THANK YOU

CORPORATE SERVICES FINANCIAL PLANNING, ADMIN & POLICY