



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

Audit, Finance & Administration Committee – July 11, 2019

- 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 Approved Budget	2019 Year-End Forecast	2019 Variance (Forecast vs Budget)	
			\$	%
<u>TAX SUPPORTED</u>				
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

CITY DEPARTMENT VARIANCES

(\$000's)

TAX SUPPORTED

	2019 Approved Budget	2019 Year-End Forecast	2019 Variance (Forecast vs Budget)	
			\$	%
PLANNING & ECONOMIC DEVELOPMENT	29,672	29,046	626	2.1%
HEALTHY & SAFE COMMUNITIES	245,134	246,176	(1,042)	(0.4%)
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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 Budget	2019 Year-End Forecast	Variance (2019 Forecast vs Budget)	
			\$	%
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%

* Anomalies due to rounding

() Denotes unfavourable variance

Rate Supported Operating Budget Variance Forecast

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

	2019 Approved Budget	2019 Projected To Year End	2019 Projected Variance	
			\$	%
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