

TAX AND RATE OPERATING BUDGET VARIANCE REPORT AS OF JULY 31, 2019 FCS19055(a)

Audit, Finance & Administration Committee – Oct 17, 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	29,355	317	1.1%
HEALTHY & SAFE COMMUNITIES	245,134	241,228	3,906	1.6%
PUBLIC WORKS	242,414	243,280	(866)	(0.4%)
LEGISLATIVE	5,019	5,019	0	0.0%
CITY MANAGER	11,759	11,484	275	2.3%
CORPORATE SERVICES	30,207	29,831	376	1.2%
CORP FINANCIALS/ NON PROG REVENUES	(25,500)	(25,138)	(362)	(1.4%)
HAMILTON ENTERTAINMENT FACILITIES	3,912	4,078	(166)	(4.2%)
TOTAL CITY DEPARTMENTS	542,617	539,137	3,480	0.6%
TOTAL BOARDS & AGENCIES	214,201	216,748	(2,548)	(1.2%)
CAPITAL FINANCING	129,969	125,115	4,854	3.7%
TOTAL TAX SUPPORTED	886,787	881,000	5,786	0.7%
TOTAL RATE SUPPORTED	0	(9,220)	9,220	4.1%

() Denotes unfavourable variance

Tax Supported Operating Budget Variance Forecast

CITY DEPARTMENT VARIANCES

(\$000's)

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			\$	%
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DEPARTMENT VARIANCES EXPLANATION SUMMARY

Main Drivers for Variance:

Planning and Economic Development:

\$317 K departmental surplus

- \$431 K favourable in Transportation Planning & Parking division attributed to revenue
- (\$199 K) unfavourable in Licensing & By-Law Services due to gapping pressures, unbudgeted consultant fees, pressures for vehicle retrofits, material and supplies and training

Healthy and Safe Communities:

\$3.9 M departmental surplus

- \$3.4 M favourable in Housing Services due to prior year reconciliations (AIRs), gapping and housing allowances and rent supplements
- \$629 K favourable in Ontario Works due to gapping and maximizing available subsidies; partially offset by reductions in Provincial funding of (\$1.2 M)
- \$400 K favourable in Hamilton Fire Department due to employee related costs; partially offset by pressures in maintenance and operating costs
- (\$706 K) unfavourable in Hamilton Paramedics due to the expected (\$1.1 M) shortfall in Ministry funding and higher than expected operating costs; offset partially by a favourable variance in employee related costs.

DEPARTMENT VARIANCES EXPLANATION SUMMARY

Public Works:

\$866 K departmental deficit

- (\$1.9 M) unfavourable in Transit
 - Unfavourable gapping of (\$3.0 M)
 - DARTS contract unfavourable of (\$880 K) due to more trips delivered than budgeted
 - Partially offset by \$1.1 M in transit fare revenue due to continued ridership uptake and \$757 K positive fuel costs
- \$841 K favourable Environmental Services variance due to \$1.4 M gapping savings partially offset by contractual obligations
- \$785 K favourable Transportation Operations & Maintenance
 - \$1.7 M gapping savings
 - Partially offset by a (\$1.0 M) reduction in capital recoveries
- (\$578 K) unfavourable variance in Energy Fleet and Facilities due to gapping and the cost of holding (unbudgeted) vacant buildings

City Manager's Office:

\$274 K departmental surplus

- Favourable variance primarily related to gapping

DEPARTMENT VARIANCES EXPLANATION SUMMARY

Corporate Services:

\$376 K departmental surplus

- \$321 K favourable Financial Services variance mainly due to gapping and Taxation revenues
- \$169 K favourable City Clerks variance due to gapping
- (\$150 K) unfavourable Information Technology variance due to additional software support and unfavourable gapping

Corporate Financials / Non Program Revenues:

(\$362 K) departmental deficit

- (\$2.3 M) unfavourable variance (Corporate Financials) due to increased insurance premiums and unbudgeted legal expenses that have been incurred
- \$1.9 M favourable variance (Non Program Revenues)
 - Favourable \$1.5 M year-to-date trending in Penalties and Interest,
 - Favourable \$435 K variance in Tax Remissions and Write Offs
 - Surplus \$300 K in Payment In Lieu
 - Partially offset by unfavourable \$353 K in Hamilton Utilities Corporation (HUC) Dividend

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	15,643	(2,548)	(19.5%)
CITY ENRICHMENT FUND	6,116	6,116	0	0.0%
TOTAL BOARDS & AGENCIES	214,201	216,749	(2,548)	(1.2%)
CAPITAL FINANCING	129,969	125,115	4,854	3.7%
TOTAL OTHER NON- DEPARTMENTAL	344,170	341,864	2,307	0.7%

* Anomalies due to rounding

() Denotes unfavourable variance

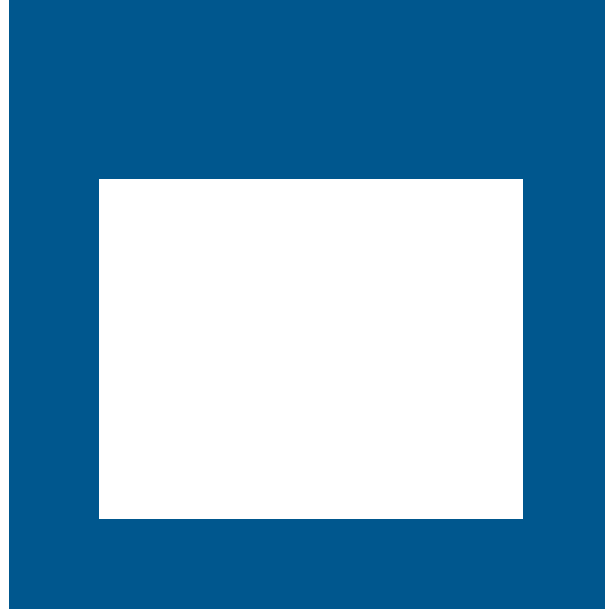
Rate Supported Operating Budget Variance Forecast

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

	2019 Approved Budget	2019 Projected To Year End	2019 Projected Variance	
			\$	%
TOTAL EXPENDITURES	222,260	217,179	5,081	2.3%
TOTAL REVENUES	(222,260)	(226,399)	4,139	(1.9%)
NET	-	(9,220)	9,220	4.1%

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THANK YOU