

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT APRIL 30, 2022
(\$ 000's)

	2022 Approved Budget	2022 Actuals to April 22	Projected Actuals to Dec. 31	2022 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
PLANNING & ECONOMIC DEVELOPMENT						
General Manager	1,055	287	974	81	7.7%	Favourable variance due to \$53 K gapping savings, \$13 K savings in Meeting Expenses and small savings in other various accounts (Conferences, Training, Employee recognition, Contractual, Capital expenditures)
Transportation, Planning and Parking	2,874	1,802	3,038	(164)	(5.7)%	Pressure mainly attributed to unfavourable gapping (\$308 K) and other various costs totalling (\$51 K) (processing fee \$16 K, Internal Recoveries \$17 K, Material & Supply \$16 K); partially offset by savings from: revenues of \$90 K (increased On-Street Parking Fees \$65 K and Administration Fees \$3 K; and unbudgeted Processing Fees of \$22 K received due to higher online payments), Information Retrieval \$55 K due to lower APS ticket issuance, and Contractual Services \$50 K from lower staffing rates in Q1 for Imperial Parking Inc. contracted staff
Building	607	2,934	814	(206)	(34.0)%	\$(207 K) variance for budgeted Zoning Compliance revenues offset by \$1 K in net gapping savings
Economic Development	5,667	2,194	5,660	7	0.1%	\$151 K savings in Financial from interest expenses for loans not reaching 60% completion, \$24 K Advertising and Promotion, \$24 K Material and Supply offset by the \$(212 K) net gapping pressure
Growth Management	461	(4,760)	371	90	19.6%	Projected \$400 K additional revenues (\$300 K in Sub-Processing fees, \$100 K rent HIA), \$205 K gapping savings, \$98 K less transfers to Aiport reserve due to lower rent received from HIA in 2021, less \$600 K operating surplus to Development Fees Stabilization Reserve
Licensing & By-Law Services	6,942	2,505	7,058	(116)	(1.7)%	Pressure mainly attributed to unfavourable gapping (\$145 K), partially unfunded Cannabis costs (\$36 K); partially offset by unbudgeted realized revenues \$47 K and other various savings
Planning	4,298	(1,317)	4,016	282	6.6%	Projected \$1.7 M additional revenues (\$1 M Zoning application, \$160 K Plan of Subdivision Fees, \$100 K Misc Revenue, \$345 K Part Lot Control), \$171 K net gapping and other various small savings. \$1.6 M transfer to Development Fees Stabilization Reserve.
Tourism & Culture	9,717	2,390	9,606	111	1.1%	Savings attributed to gapping \$115 K (mainly from redeployment of staff to Public Health) and other various small savings; partially offset by pressure from increased security costs of \$29 K at Battlefield.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	31,621	6,035	31,536	85	0.3%	
HEALTHY AND SAFE COMMUNITIES						
HSC Administration	3,200	977	3,097	103	3.2%	\$103 K Favourable variance due to \$150 K savings from temporary vacancies and step differential, offset by (\$22 K) maternity leave top up (\$12 K) sick pay and (\$13 K) office furniture
Children's and Community Services	10,813	2,674	10,748	65	0.6%	\$65 K Favourable variance due to \$115 K Net Gapping (Net Levy portion of gapping), (\$25 K) To support meetings, materials, and facilitation expenses per the Landmarks & Monuments Review (HSC21025/PED21149/PW21038), (\$25 K) Inflationary increase for Joint Stewardship Board
Ontario Works	12,840	1,864	11,733	1,107	8.6%	\$1.1 M Favourable variance to \$781 K gapping, \$196 K due to maximizing available subsidies, \$97 K savings in rent fees, \$74 K in bus pass savings, \$48 K reduction in office costs due to the late return in April, \$1.7 K net of "other" savings/pressures offset by (\$65 K) pressure in translation fees related to Ukrainian newcomers and (\$26 K) bank fees
Housing Services	53,937	14,900	76,606	(22,669)	(42.0)%	A forecasted pressure of \$34.0M relating to the operation of isolation services, drop-ins, and hotel rooms for expanded temporary sheltering is partially offset by confirmed SSRF funding of \$11.3M resulting in a net funding deficit of \$22.7M. \$102 K projected underspending of Rent Supplements and Housing Allowances, \$132 K Gapping as a result of delays in filling vacant positions, \$6.2 K in Trustee Admin Fees and Recoveries (Youth Trustee Program), and \$1.3 K net of "other" savings/pressures offset by (\$212 K) Social Housing Provider (SHP) AIR shortfall, (\$16.3 K) in Residential Care Facilities (Homelessnes & shelters) transportation costs based on YTD average, and (\$13.6 K) SHP Property Tax Adjustment.
Long Term Care	11,771	2,369	12,360	(589)	(5.0)%	(\$589 K) Unfavourable variance due to (\$181 K) Employee Related costs, (\$14 K) Food inflationary increases offset by food purchasing rebates, (\$365.5 K) Prior year subsidy adjustment, and (\$144 K) in additional medication safety technology pressures. This is partially offset by \$68 K savings in training and equipment costs and \$47 K in revenue adjustments including preferred rate increases. A total of \$4.0 M in COVID-19 related pressures have been offset by Safe Restart Agreement - Long-Term Care funding allocations.
Recreation	36,271	10,668	36,556	(285)	(0.8)%	(\$285 K) Unfavorable variance due to (\$348 K) Net Gapping, (\$63 K) Bad Debts, (\$115 K) Other Employee Costs (Sick, Maternity, Gratuities & OT), (\$63 K) Building & Ground (Utilities & Security), (\$44 K) Operating Supplies, (\$21 K) Credit Card Charges (Moneris) offset by \$206 K Lower Fee Assistance, \$104 K Higher Revenues (Golf & Pools), \$59 K Savings due to Maintenance Closures. A (\$1.6 M) loss in net revenues from operations due to COVID-19 has been offset through COVID-19 Recovery Funding for Municipalities Program.
Hamilton Fire Department	96,124	34,270	97,717	(1,593)	(1.7)%	(\$1.6 M) Unfavourable variance due to unfunded COVID-19 employee related expenses, vehicle maintenance, fuel price increase, operating equipment due to supply chain issues, which have been partially offset by savings in employee related costs (gapping)
Hamilton Paramedic Service	29,113	8,355	32,340	(3,227)	(11.1)%	(\$3.2 M) Unfavourable variance due to \$2.8 M in unfunded COVID-19 related costs (overtime, medical supplies and equipment), as well as ancillary employee related costs including stat, vacation, and pay in lieu of benefits estimated based on historical averages, Other operating expenses such as vehicle fuel due to significant price increases, Operating equipment and medical supplies due to supply chain shortages, which have been partially offset by User fee revenues that are expected to be higher than budget.
Public Health Services	14,068	5,448	22,127	(8,059)	(57.3)%	(\$8.1 M) Unfavorable variance due to unfunded COVID-19 General and Vaccine programs. Additional (\$67 K) pressure in budgeted funding offset by \$50 K savings in pest control, and \$100 K savings in municipal Dental treatment
TOTAL HEALTHY AND SAFE COMMUNITIES	268,137	81,523	303,284	(35,146)	(13.1)%	

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PUBLIC WORKS						
PW-General Administration	655	310	657	(1)	(0.2)%	
Energy Fleet and Facilities	14,274	5,049	14,732	(458)	(3.2)%	The Energy, Fleet & Facilities Management division is forecasting an unfavourable variance of (\$458 K) mainly due to: • (\$260 K) unrealized gapping. • (\$200 K) Snow Removal for Winter major events at Stadium (identified in PED18234(g) & PED22141 Council Reports).
Engineering Services	0	238	(350)	350	0.0%	The Engineering Services division is forecasting a favourable surplus of \$350 K attributed to Road Cut Administrative Program fees and Permit Revenues along with other user fee revenues collected for various Corridor Management activities administered by this section.
Environmental Services	46,183	10,972	44,627	1,556	3.4%	The Environmental Services Division is forecasting a favorable variance of \$1.6 M mainly due to: Favorable variance of \$1.9 M largely due to: • \$700 K anticipated savings in utilities across Parks facilities. • \$600 K net gapping savings (\$44 K COVID-19) relating to difficulty hiring students and seasonal employees. Periodic vacancies throughout the year and step differential contribute to the overall gapping. • \$500 K savings in Parks operations for contractual and operating supplies. Offset by unfavourable variances of (\$280 K) mainly due to: • (\$140 K) in additional costs relating to the use of several extended use vehicles for Environmental Services. • (\$60 K) increased costs for diesel and unleaded fuel largely due to rising fuel costs.
Waste Management	46,369	14,205	46,808	(440)	(0.9)%	The Waste Management Division is forecasting an unfavorable variance of (\$400 K) mainly due to: Favourable variance of \$1.6 M largely due to: • \$1.5 M increased recycling commodity largely due to increase in market rates for commodities such as fibers, aluminum and plastic, partially offset by unrealized revenue for third party recycling revenues (\$320 K). • \$157 K savings in the Household Special Waste program resulting from contracts with producers of hazardous waste products which contributes to lower fixed costs to run the current program. • \$100 K savings in the Materials Recycling Facility (MRF) contract due to lower tonnage volume compared to budget offset by increased escalation cost compared to budget (2% budget versus 4.65% actual). Unfavourable variance of (\$2.0 M) mainly due to: • (\$1.1 M) deficit in waste collection program due to the escalation factor as it relates to higher than expected natural gas prices (2% budget versus 6.48%). • (\$270 K) deficit in fuel largely due to increased fuel rates. • (\$262 K) deficit in the Central Compost Facility (CCF) contract due to slightly increased tonnage compared to budget as well as increased escalation factor (2% budget versus 6.32% actual). • (\$127 K) deficit in Waste Collections due to fleet costs relating to the use of extended use vehicles. • (\$110 K) deficit in the TS/CRC Operations due to forecasted volume being higher than budgeted as well as increased escalation factor as a result of higher than expected diesel fuel prices (2% increase versus 4.5% actual).
Transit	86,785	42,709	86,740	45	0.1%	The Transit division is projecting a slightly favourable variance of \$45 K mainly due to: Favourable variance of \$15.4 M largely due to: • \$7.1 M in Safe Restart funding. • \$6.2 M savings due to \$5.8 M (COVID-19) DARTS contract savings due to fewer trips versus budget; \$441 K (COVID-19) savings in the PRESTO commissions due to lower ridership. • \$1.1 M savings in Taxi Contract. • \$564 K favourable net gapping variance in employee related costs (\$120 K COVID costs offset by \$1M non-COVID savings). • \$392 K favourable variance in Rebuilt Components and Tires and Tubes in Fleet Maintenance. Offset by unfavourable variance of (\$15.3 M) largely due to: • (\$11.8 M) (COVID-19) deficit in Fare Revenue as a result of the COVID-19 pandemic resulting in decreased ridership and revenue. Ridership projected to achieve 76% of full year budget by year end. • (\$1.9 M) impact in fuel costs, consisting of \$325 K favourable consumption variance (COVID-19) and (\$2.3 M) unfavourable fuel prices expected to be higher all year relative to the budgeted rate. • (\$1.0 M) (COVID-19) due to continued delays experienced in replacing fleet; therefore there has been a need to continue to employ older fleet increasing impact on maintenance costs. • (\$485 K) (COVID-19) shortfall in Taxi Scrip and Charter revenue due to lower utilization of Taxi Scrip and the various charter programs. • (\$164 K) (COVID-19) impact due to all enhanced bus cleaning due to COVID.
Transportation Operations & Maintenance	84,233	34,736	83,078	1,156	1.4%	The Transportation, Operations & Maintenance division is forecasting a surplus of \$1.2 M made up of the following: Favourable variance of \$1.9 M due to: • \$1.9 M net gapping savings due to seasonal staff due to hiring delays, staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, etc.). Partially offset by unfavourable variances of (\$700 K): • (\$700 K) mainly due to (\$489 K) of costs associated with increased Diesel Fuel and (\$215 K) for Unleaded Fuel.
TOTAL PUBLIC WORKS	278,499	108,219	276,291	2,208	0.8%	

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LEGISLATIVE						
Legislative General	(363)	348	(250)	(113)	31.1%	Gapping, savings in conferences and contracts offset by communication modules, membership fees and gapping target
Mayors Office	1,211	345	1,211	(0)	(0.0)%	
Volunteer Committee	121	4	121	0	0.0%	
Ward Budgets	4,314	1,309	4,314	0	0.0%	
TOTAL LEGISLATIVE	5,283	2,006	5,396	(113)	(2.1)%	
CITY MANAGER						
Office of the City Auditor	1,201	415	1,186	15	1.3%	Gapping offset by consulting costs for Roads Audit
CMO - Admin	233	250	323	(89)	(38.2)%	Temp staffing costs and membership fees
Communications and Strategic Initiatives	2,516	808	2,491	25	1.0%	Gapping due to temp vacancies
Digital and Innovation Office	243	(325)	466	(223)	(91.8)%	Shortfall in revenue and gapping target
Government & Community Relations	868	253	863	5	0.6%	Savings in contractual costs
Human Resources	8,587	2,362	8,316	271	3.2%	Gapping due to temp vacancies, savings in training costs offset by legal fees
TOTAL CITY MANAGER	13,649	3,763	13,645	4	0.0%	
CORPORATE SERVICES						
City Clerk's Office	3,213	1,106	3,437	(224)	(7.0)%	Temp over complement (\$156 K), Postage recovery lower than plan (\$100 K) and savings in material costs pricing issue persists, no agenda printing recovery (\$17 K). Savings in Legislative Support printing \$42 K
Customer Service, POA and Fin'l Integration	6,003	1,735	5,894	109	1.8%	Gapping savings of \$140 K and software overspend (\$17 K)
Financial Serv, Taxation and Corp Controller	4,283	1,008	4,091	192	4.5%	Gapping savings
Legal Services and Risk Management	4,010	1,919	3,793	217	5.4%	Gapping savings
Corporate Services - Administration	332	99	335	(3)	(1.0)%	Gapping pressure
Financial Planning, Admin & Policy	5,370	2,293	5,431	(61)	(1.1)%	Gapping pressure (\$33 K), Stelco Rent Increase (\$14 K), Questica Software (\$13 K)
Information Technology	16,457	3,530	15,835	621	3.8%	Gapping \$349 K, Motorola Contract Timing Savings \$240 K, Repairs and Maintenance savings \$112 K, Consulting services savings \$32 K. Increased Telecommunications Costs (\$76 K) and IT Architecture Consulting (\$50 K)
TOTAL CORPORATE SERVICES	39,667	11,690	38,816	851	2.1%	
CORPORATE FINANCIALS						
Corporate Pensions, Benefits & Contingency	4,256	1,960	5,834	(1,578)	(37.1)%	Insurance premium for Cyber and environmental driving increased costs. In addition, there are \$0.8 M in unfunded COVID-19 Emergency Event costs.
Corporate Initiatives	15,850	4,453	18,580	(2,730)	(17.2)%	Represents variance related to WSIB payments based on the projection of the year to date payouts on a pro rata basis for the whole year
TOTAL CORPORATE FINANCIALS	20,106	6,412	24,414	(4,308)	(21.4)%	
HAMILTON ENTERTAINMENT FACILITIES						
Operating	2,338	1,145	2,338	(0)	(0.0)%	\$365 K savings in Utilities, \$642 K revenue for agreement with HUPEG, offset by \$(509) K pressure from Direct recoveries for Facilities and Insurance costs, \$(222) K pressure in recoveries for CUP and shared services, \$(277) K Contractual pressures for Manager fees and Net Loss guarantee forecasted based on actuals paid and assuming 6 months of current agreement
TOTAL HAMILTON ENTERTAINMENT FACILITIES	2,338	1,145	2,338	(0)	(0.0)%	
TOTAL CITY EXPENDITURES	659,301	220,795	695,719	(36,419)	(5.5)%	

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CAPITAL FINANCING						
Debt-Healthy and Safe Communities	2,309	(314)	2,309	0	0.0%	Surplus in principal and interest savings due to timing in the issuance of debt
Debt-Planning & Economic Development	1,169	0	1,169	0	0.0%	
Debt-Public Works	35,897	0	35,127	769	2.1%	
Debt-Corporate Financials	92,885	89,823	80,723	12,162	13.1%	
Infrastructure Renewal Levv	13,429	0	13,429	0	0.0%	
TOTAL CAPITAL FINANCING	145,688	89,509	132,757	12,932	8.9%	
BOARDS & AGENCIES						
Police Services						
Operating	182,369	61,729	182,369	0	0.0%	The March 31 variance report will be provided to the Hamilton Police Services Board on June 30th, 2022.
Capital Financing	1,174	0	1,174	0	0.0%	
Total Police Services	183,543	61,729	183,543	0	0.0%	
Other Boards & Agencies						
Library	32,710	10,242	31,427	1,283	3.9%	Mainly related to staff vacancies as well as savings from staff secondments for the first few months of the year
Conservation Authorities	8,651	4,623	8,651	0	0.0%	
Hamilton Beach Rescue Unit	6,980	45	6,980	0	0.0%	
Royal Botanical Gardens	133	216	133	0	0.0%	
MPAC	647	3,422	647	0	0.0%	
Farmers Market	242	67	236	6	2.7%	\$24 K gapping savings and favourable \$11 K additional sponsorship are offset by pressures in Building and Ground \$(19) K, Contractual \$(7 K), Equipment Repairs \$(2 K)
Total Other Boards & Agencies	49,363	18,616	48,074	1,289	2.6%	
Capital Financing - Other Boards & Agencies	166	0	166	0	0.0%	
City Enrichment Fund	6,088	636	6,088	0	0.0%	
TOTAL BOARDS & AGENCIES	239,160	80,980	237,870	1,289	0.5%	
TOTAL EXPENDITURES	1,044,149	391,284	1,066,347	(22,197)	(2.1)%	
NON PROGRAM REVENUES						
Slot Revenues	(5,200)	0	(3,700)	(1,500)	28.8%	The closure of casinos and racetrack slots by the Province of Ontario resulted in lost revenues.
Investment Income	(4,800)	(6,871)	(4,800)	0	0.0%	Assumed on budget for year-end
Hydro Dividend and Other Interest	(6,566)	(2,694)	(6,566)	0	0.0%	Assumed on budget for year-end
Tax Remissions and Write Offs	9,750	(4,060)	9,750	0	0.0%	Assumed on budget for year-end
Payment In Lieu	(17,108)	(58)	(17,108)	0	0.0%	Assumed on budget for year-end
Penalties and Interest	(11,400)	(3,446)	(11,400)	0	0.0%	Assumed on budget for year-end
Right of Way	(3,229)	0	(3,229)	0	0.0%	Assumed on budget for year-end
Senior Tax Credit	530	3	530	0	0.0%	Assumed on budget for year-end
Supplementary Taxes	(10,130)	28	(10,130)	0	0.0%	Assumed on budget for year-end
POA Revenues	(2,302)	(670)	(2,302)	0	0.0%	Assumed on budget for year-end
TOTAL NON PROGRAM REVENUES	(50,456)	(17,767)	(48,956)	(1,500)	0.0%	
TOTAL LEVY REQUIREMENT	993,693	373,517	1,017,391	(23,697)	(2.4)%	

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