

**CITY OF HAMILTON**  
**TAX OPERATING BUDGET VARIANCE REPORT AS AT AUGUST 31, 2022**  
**(\$ 000's)**

	2022 Approved Budget	2022 Actuals to August 31	Projected Actuals to Dec. 31	2022 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>						
General Manager	1,055	523	855	200	19.0%	Favourable variance attributed to net gapping savings of \$140 K and other savings in Meeting expenses \$25 K, Conferences \$9 K, and other smaller variances totalling \$24 K
Transportation, Planning and Parking	2,874	2,400	2,316	558	19.4%	Favourable variance mainly attributed to a favourable net gapping of \$293 K, increased On-Street Parking Fees \$104 K, settlement with previous bike share operator \$100 K, Site Rental - Movie Shoot \$56 K, Processing Fees \$56 K, and administration fees \$30 K and other various fees totalling \$40 K, Contractual totalling \$158 K due to reduced Imperial Parking staffing; information retrieval due to lower ticket issuance; Partially offset by increased financial costs of \$141 K, increased various material and supply \$70 K mainly for new batteries for printers & cellphones and Repair & maintenance of fire equipment for two lots.
Building	607	(829)	959	(352)	(58.0)%	\$2.97 M Excess Building permits due to increased Construction Activity in the City and \$300 K gapping savings in Building Enterprise are partially offset by \$120 K pressures in Consulting for Amanda system, \$96 K Financial costs, \$ 24 K Contractual with the projected surplus being transferred to Building Fees Stabilization Reserve. The negative variance is caused by Zoning revenues budgeted in Building while activity was transferred to Planning, restated later in year after budget approval.
Economic Development	5,667	3,813	5,667	0	0.0%	\$643 K favourable variance from grants committed for this year and delayed is offset by unfavorable variance in funding from reserves, intended for funding of these grants. Part of the surplus opportunity costs in Urban Renewal (\$365 K) are transferred to Downtown Hamilton Residential Loan Program Reserve 108036, per report PED12220/FCS12090, approved by council on Nov 28, 2012. \$69 K Surplus remaining in the Ec Dev Investment Fund Program is transferred to the Ec Dev Investment Fund Reserve (112221), per PED07306, approved at COW Dec 10, 2007, item 7.5 (IU).
Growth Management	461	(5,085)	(452)	913	197.9%	Favourable variance due to gapping savings \$627 K, cost allocations \$99 K, lower than budget transfers to reserve for reduced Airport revenues \$98 K, computer software and office supplies \$77 K, training \$32 K. Additional projected revenues of \$1.9 M transferred to Development Fees Stabilization Reserve not included in the variance.
Licensing & By-Law Services	6,942	4,765	7,015	(74)	(1.1)%	Unfavourable variance attributed from unfavourable net gapping \$252 K partially offset by increased revenues \$201 K (mainly for Administration Fees \$143 K, APS Penalties \$39 K & Business Licences \$21 K) and other various savings totalling \$19 K
Planning	4,298	(1,271)	3,313	985	22.9%	Favourable variance is mainly attributed to gapping net savings. Excess projected revenues of \$4.2 M are transferred to Development Fees Stabilization Reserve and are not included in the variance.
Tourism & Culture	9,717	5,706	9,415	302	3.1%	Favourable variance mainly attributed to savings in Building Repairs \$182 K and Electrical repairs \$31 K in Administration-Heritage & Museums, gapping \$104 K, and various savings due to cancellation of Battle event in 2022 \$46 K; partially offset by pressures in recoveries for services from other departments, increased membership fees and honorariums.
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b>	<b>31,621</b>	<b>10,022</b>	<b>29,089</b>	<b>2,533</b>	<b>8.0%</b>	
<b>HEALTHY AND SAFE COMMUNITIES</b>						
HSC Administration	3,067	2,110	3,138	(71)	(2.3)%	Unfavourable variance due to unbudgeted Housing Sustainability Initiative program cost, Ukrainian visitor accommodation expenses, staffing costs of unbudgeted position offset by gapping vacancies, step differentials and ancillary cost savings due to work from home.
Children's and Community Services	10,946	4,908	10,907	39	0.4%	Favourable variance due to program saving and gapping. Offset partially by inflationary increases and catch up contribution for Joint Stewardship Board.
Ontario Works	12,840	5,751	11,219	1,621	12.6%	Favourable variance due to \$1.2 M gapping as a result of delays in the hiring process for vacant positions, \$172 K through maximizing available subsidies, \$141 K savings in building operating costs, \$35 K Other employee related costs due to an April return to the office, and \$40 K other net program savings
Housing Services	53,937	34,446	75,159	(21,222)	(39.3)%	Favourable variance due to Social Housing Provider reconciliation recoveries, underspending in levy rent supplements and portable housing benefits due to provincial funding received. Offset by \$22.5 M in unfunded COVID pressures. Report HSC20020(f) was approved in August 2022 allowing continuation of an interim homelessness system plan from January to March 2023 and additional pressures approved through the end of 2022.
Long Term Care	11,771	7,278	12,700	(929)	(7.9)%	Unfavourable variance mostly due to prior year subsidy adjustments in year and staffing costs of unbudgeted positions, work accommodation, overtime, sick, vacation pay, cohorting. In addition there is \$558 K in unfunded COVID pressures. This is slightly offset by staffing industry shortages, gapping vacancies and ministry funding for food purchases.
Recreation	36,271	21,646	35,793	477	1.3%	Favourable variance primarily due to savings in Employee Related, higher than expected Revenues & Maintenance Closures offset by higher than expected Building, Materials & Financing costs.
Hamilton Fire Department	96,124	66,227	98,511	(2,387)	(2.5)%	Unfavourable variance due to vehicle expenses for fuel, repairs, and parts, facilities and utilities, and higher than expected costs for overtime. There is also \$1.3 M in unfunded COVID pressures contributing to the unfavourable variance. Offset partially with a favourable variance in other operating costs such as computer software and general repairs and maintenance.
Hamilton Paramedic Service	29,113	18,909	34,835	(5,722)	(19.7)%	Unfavourable variance due to COVID pressures (\$3 M) including overtime and material and supply costs due to price increases and supply chain issues, and higher than budget vehicle fuel costs. Offset partially by user fees.
Public Health Services	14,068	10,200	22,698	(8,630)	(61.3)%	Unfavourable variance due to unfunded COVID-19 General and Vaccine programs (\$8.8 M). Slightly offset by favourable variance primarily due to lower spending in municipal Dental treatment and Residential Care Facility.
<b>TOTAL HEALTHY AND SAFE COMMUNITIES</b>	<b>268,137</b>	<b>171,474</b>	<b>304,962</b>	<b>(36,825)</b>	<b>(13.7)%</b>	

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<b>PUBLIC WORKS</b>						
PW-General Administration	655	441	840	(185)	(28.2)%	\$185 K in expenditures resulting from audits performed by Internal Audit
Energy Fleet and Facilities	14,274	10,329	14,926	(653)	(4.6)%	The Energy, Fleet & Facilities Management division is forecasting an unfavourable variance of (\$653 K) mainly due to: • (\$265 K) unfavourable gapping. • (\$388 K) Snow Removal & other non-recovered expenses for Winter major events at Stadium (identified in PED18234(g) & PED22141 Council Reports).
Engineering Services	0	271	(325)	325	0.0%	The Engineering Services division is forecasting a favourable surplus of \$335 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	30,721	43,960	2,223	4.8%	The Environmental Services Division is forecasting a favourable variance of \$2.2 M mainly due to: Favourable variance of \$2.5 M mainly due to: • \$1.3 M net gapping savings (including \$77 K COVID-19) relating to difficulty hiring students and seasonal employees. Periodic vacancies throughout the year and step differential also contribute to the overall gapping savings. • \$700 K savings in utilities across Parks facilities. • \$500 K savings in Parks and Forestry operations for contractual and operating supplies.  Offset by unfavourable variances of (\$200 K) mainly due to: • (\$140 K) in additional costs relating to the use of several extended use vehicles for Environmental Services. • (\$60 K) for diesel and unleaded fuel largely due to rising fuel costs.
Waste Management	46,369	29,137	45,684	684	1.5%	The Waste Management Division has a favourable variance of \$680 K mainly due to: Favourable variance of \$2.7 M mainly due to: • \$1.2 M net increase in recycling commodities from increase in market commodity rates for Fibers, Aluminum and Plastic. Included in the net is unrealized third party recycling revenues (\$320 K) • \$950 K increased TS/CRC revenue from increased tonnage and visits at the 3 TS/CRC's • \$430 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 (\$2.1 M) mainly due to: • (\$1.2 M) deficit in Waste Collection Program due to higher than budgeted escalation factor as it relates to higher than expected natural gas prices (2% budget versus 6.48%). • (\$314 K) net negative gapping resulting from temporary unbudgeted positions partially offset by savings resulting from staff seconded to MLE (\$84K) relating to COVID-19. • (\$270 K) deficit in Fuel due to increased fuel commodity rates. • (\$127 K) deficit in Waste Collections due the use of extended use vehicles not accounted for in the budget. Of this, one vehicle is due to COVID-19 with an annual estimated cost of (\$5.7 K). • (\$128 K) comprised of (\$68 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) and (\$60 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% budget versus 4.5% actual).
Transit	86,785	76,832	87,406	(621)	(0.7)%	The Transit division is forecasting an unfavourable variance of (\$621 K) mainly due to: Favourable variance of \$16.5 M mainly due to: • \$6.6 M in Safe Restart funding. • \$7.8 M savings due to \$6.8M (COVID-19) DARTS contract savings from fewer trips versus budget; \$1.0 M (COVID-19) savings in the PRESTO commissions due to lower ridership. • \$1.0 M savings in Taxi Contract. • \$416 K favourable variance in Rebuilt Components and Tires and Tubes in Fleet Maintenance. • \$354 K Materials and Supplies (Printing and Reproduction, NGV Station Maintenance, Tickets & Transfer Expense, Repairs Equipment) • \$545 K Financial (Other Fees and Services, BRINKS pick-ups) • \$105 K Contractual (Advertising & Promotion, Lease and Service Contracts)  Offset by unfavourable variance of (\$17.1 M) mainly due to: • (\$12.6 M) (COVID-19) deficit in Fare Revenue from decreased ridership and revenue. Ridership projected to achieve 80% of full year budget by year end. • (\$1.6 M) unfavourable variance in fuel costs, consisting of \$325K favourable consumption variance to the end of March (COVID-19) and (\$1.9M) unfavourable fuel prices. • (\$1.3 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. • (\$1.3 M) employee related costs [\$600K unfavourable due to sick time needing OT replacement (COVID-19), (\$700K) unfavourable driven by other Sick and OT costs offset by favourable projections to Salaries and Wages]. • (\$456 K) (COVID-19) shortfall in Taxi Scrip and Charter revenue from lower utilization of programs.
Transportation Operations & Maintenance	84,233	57,925	83,604	629	0.7%	Overall TOM Division is forecasting a favourable variance of \$629 K mainly due to: Favourable variance of \$2.3 M mainly due to: • \$2.3 M Net gapping savings due staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, difficulties recruiting etc.  Offset by unfavourable variances of \$1.7 M mainly due to: • (\$1.49 M) in the Winter Season Roads Program due to heavier than typical winter season requiring additional in house and contracted equipment, material usage, and overtime to meet the level of service. • (\$150 K) in Streetlighting costs due to General Maintenance/Repair contract and Utility Locates contract increases.
<b>TOTAL PUBLIC WORKS</b>	<b>278,499</b>	<b>205,655</b>	<b>276,096</b>	<b>2,403</b>	<b>0.9%</b>	

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<b>LEGISLATIVE</b>						
Legislative General	(363)	(160)	(281)	(82)	22.6%	Savings in IC contract costs, contingency, emp costs, and conferences, offset by gapping target, membership fees and communication costs
Mayors Office	1,211	731	1,211	(0)	(0.0)%	
Volunteer Committee	121	(8)	121	0	0.0%	
Ward Budgets	4,314	2,613	4,314	0	0.0%	
<b>TOTAL LEGISLATIVE</b>	<b>5,283</b>	<b>3,177</b>	<b>5,365</b>	<b>(82)</b>	<b>(1.6)%</b>	
<b>CITY MANAGER</b>						
Office of the City Auditor	1,201	993	1,160	41	3.4%	Gapping offset by consulting costs for Roads Audit
CMO - Admin	233	270	312	(79)	(33.8)%	Temp staffing costs and membership fees
Communications and Strategic Initiatives	2,516	1,655	2,491	25	1.0%	Gapping due to temp vacancies
Digital and Innovation Office	243	59	497	(254)	(104.5)%	Shortfall in revenue and gapping target
Government & Community Relations	868	575	784	84	9.7%	Savings in contractual costs
Human Resources	8,587	4,955	8,169	418	4.9%	Gapping due to temp vacancies, savings in training costs offset by legal fees
<b>TOTAL CITY MANAGER</b>	<b>13,649</b>	<b>8,507</b>	<b>13,414</b>	<b>236</b>	<b>1.7%</b>	
<b>CORPORATE SERVICES</b>						
City Clerk's Office	3,213	2,411	3,416	(203)	(6.3)%	Temp over complement (\$156 K), Postage recovery lower than plan (\$120 K) and savings in material costs pricing issue persists, no agenda printing recovery (\$17 K). Savings in Legislative Support printing \$43 K
Customer Service, POA and Fin'l Integration	6,003	3,307	6,106	(103)	(1.7)%	\$43 K in gapping savings, \$28 K in training savings, (\$160 K) internal debt charge, and \$(17 K) software
Financial Serv, Taxation and Corp Controller	4,283	1,672	3,810	473	11.0%	Gapping savings
Legal Services and Risk Management	4,010	4,238	3,861	150	3.7%	Gapping savings
Corporate Services - Administration	332	196	332	0	0.0%	Gapping pressure
Financial Planning, Admin & Policy	5,370	4,547	5,323	47	0.9%	\$32 K in gapping savings, \$7 K in operating savings, \$4 K in Union Billing Revenue
Information Technology	16,457	8,121	15,294	1,163	7.1%	\$491 K in gapping savings, \$351 K software savings, \$240 K in Motorola savings, \$210 K in hardware and repair savings, (\$78 K) internet costs, (\$50 K) Consulting
<b>TOTAL CORPORATE SERVICES</b>	<b>39,667</b>	<b>24,492</b>	<b>38,142</b>	<b>1,525</b>	<b>3.8%</b>	
<b>CORPORATE FINANCIALS</b>						
Corporate Pensions, Benefits & Contingency	4,205	1,952	4,446	(241)	(5.7)%	Insurance premium for Cyber and environmental driving increased costs.
Corporate Initiatives	15,745	4,700	15,743	3	0.0%	
<b>TOTAL CORPORATE FINANCIALS</b>	<b>19,950</b>	<b>6,652</b>	<b>20,189</b>	<b>(239)</b>	<b>(1.2)%</b>	
<b>HAMILTON ENTERTAINMENT FACILITIES</b>						
Operating	2,338	3,736	2,338	0	0.0%	
<b>TOTAL HAMILTON ENTERTAINMENT FACILITIES</b>	<b>2,338</b>	<b>3,736</b>	<b>2,338</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL CITY EXPENDITURES</b>	<b>659,145</b>	<b>433,716</b>	<b>689,595</b>	<b>(30,450)</b>	<b>(4.6)%</b>	

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<b>CAPITAL FINANCING</b>						
Debt-Healthy and Safe Communities	2,309	(628)	2,309	0	0.0%	
Debt-Planning & Economic Development	1,169	0	1,169	0	0.0%	
Debt-Public Works	35,897	0	38,997	(3,100)	(8.6)%	
Debt-Corporate Financials	92,885	89,823	80,585	12,300	13.2%	
Infrastructure Renewal Levy	13,429	0	13,429	0	0.0%	
<b>TOTAL CAPITAL FINANCING</b>	<b>145,688</b>	<b>89,195</b>	<b>136,488</b>	<b>9,200</b>	<b>6.3%</b>	Surplus in principal and interest savings due to timing in the issuance of debt
<b>BOARDS &amp; AGENCIES</b>						
<b>Police Services</b>						
Operating	182,369	89,072	181,909	460	0.3%	Projection is based on the June 30, 2022 Budget Variance Report presented to the Hamilton Police Services Board on September 23, 2022.
Capital Financing	1,174	0	1,174	0	0.0%	
<b>Total Police Services</b>	<b>183,543</b>	<b>89,072</b>	<b>183,083</b>	<b>460</b>	<b>0.3%</b>	
<b>Other Boards &amp; Agencies</b>						
Library	32,710	20,509	31,110	1,600	4.9%	Mainly related to staff vacancies as well as savings from staff secondments for the first few months of the year
Conservation Authorities	8,651	7,404	8,651	0	0.0%	
Hamilton Beach Rescue Unit	133	68	133	0	0.0%	
Royal Botanical Gardens	647	432	647	0	0.0%	
MPAC	6,980	5,134	6,980	0	0.0%	
Farmers Market	242	123	174	69	28.3%	Attributable to gapping savings
<b>Total Other Boards &amp; Agencies</b>	<b>49,363</b>	<b>33,669</b>	<b>47,695</b>	<b>1,669</b>	<b>3.4%</b>	
<b>Capital Financing - Other Boards &amp; Agencies</b>	<b>166</b>	<b>0</b>	<b>166</b>	<b>0</b>	<b>0.0%</b>	
<b>City Enrichment Fund</b>	<b>6,088</b>	<b>3,967</b>	<b>6,088</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL BOARDS &amp; AGENCIES</b>	<b>239,160</b>	<b>126,708</b>	<b>237,031</b>	<b>2,129</b>	<b>0.9%</b>	
<b>TOTAL EXPENDITURES</b>	<b>1,043,994</b>	<b>649,619</b>	<b>1,063,115</b>	<b>(19,121)</b>	<b>(1.8)%</b>	
<b>NON PROGRAM REVENUES</b>						
Slot Revenues	(5,200)	(2,731)	(5,200)	0	0.0%	The closure of casinos and racetrack slots by the Province of Ontario resulted in lost revenues.
Investment Income	(4,800)	(14,523)	(4,800)	0	0.0%	Assumed on budget for year-end
Hydro Dividend and Other Interest	(6,566)	(5,418)	(6,566)	0	0.0%	Assumed on budget for year-end
Tax Remissions and Write Offs	9,750	(1,503)	9,670	80	0.8%	Based on 2021 Actuals
Payment In Lieu	(17,108)	(17,669)	(17,519)	410	0.0%	Based on Final Billing for 2022 per Federal/Provincial rates
Penalties and Interest	(11,400)	(7,751)	(11,900)	500	(4.4)%	Based on year to date trends
Right of Way	(3,229)	(3,230)	(3,230)	0	0.0%	Assumed on budget for year-end
Senior Tax Credit	530	575	524	6	1.2%	Assumed on budget for year-end
Supplementary Taxes	(10,130)	(4,639)	(10,130)	0	0.0%	Assumed on budget for year-end
POA Revenues	(2,302)	(1,032)	(3,983)	1,681	0.0%	Based on year to date trends
<b>TOTAL NON PROGRAM REVENUES</b>	<b>(50,456)</b>	<b>(57,919)</b>	<b>(53,134)</b>	<b>2,677</b>	<b>0.0%</b>	
<b>TOTAL LEVY REQUIREMENT</b>	<b>993,538</b>	<b>591,700</b>	<b>1,009,981</b>	<b>(16,444)</b>	<b>(1.7)%</b>	

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