

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT AS AT JULY 31, 2023
(\$ 000's)

	2023 Approved Budget	2023 Actuals to July 31	Projected Actuals to Dec. 31	2023 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
PLANNING & ECONOMIC DEVELOPMENT						
General Manager	1,627	719	1,505	122	7.5%	\$83 K gapping including less membership and conference costs, \$21 K Material and Supply with lower admin expenses & meetings, \$11 K Recoveries - budgeted space allocation savings for Climate Change Office where actuals will be charged in 2024, \$7 K Contractual savings in marketing and computers.
Transportation, Planning and Parking	3,234	1,531	3,183	51	1.6%	\$699 K increased revenues Admin fees, Fines, Parking revenue, Processing fees, Tow Fees, On-Street Parking Fees, On-Street Meter Revenue), \$330 K Gapping Partially offset by: (\$418 K) Reduced COVID reserve funding due to higher parking revenue (\$255 K) Current Year Property Taxes, Processing Fees, Credit Card Charges (\$184 K) Contractual: Imperial Parking staffing (\$81 K) Ticketing software & ticket expense
Building	1,203	(757)	1,243	(40)	(3.3)%	\$36 K net gapping. \$1.93 M excess Building permit fees will be transferred to reserve.
Economic Development	5,615	4,335	5,565	49	0.9%	\$230 K decrease in loan applications and decrease in Title Fees, \$80 K net gapping, \$53 K Grants and Subsidies - Starter Company Plus (SCP) Provincial Funding program spread across different fiscal period than City, \$41 K decrease in cost allocations for streetscape maintenance and staffing allocation from other divisions, \$12 K decrease in contractual in Corporate Real Estate Office (CREO) for property maintenance and cell phones, partially offset by \$367 K decrease in airport property tax revenue.
Growth Management	932	(3,537)	845	87	9.3%	\$689 K net gapping, \$100 K Legal recoveries not realized, \$60 K Consulting for peer review not anticipating to be used \$22 K Training and Memberships, \$2.6 M in surplus revenues. Partially offset by; \$3.4 M revenue deferral/reserve transfer.
Licensing & By-Law Services	7,227	3,914	7,211	16	0.2%	\$414 K net gapping; partially offset by \$255 K Unrealized Budgeted Covid reserve funding not required due to gapping savings, \$141 K reduced Licensing fees revenues.
Planning	3,788	(1,550)	3,455	333	8.8%	\$620 K net gapping, \$43 Professional memberships, \$1.4 M revenues higher than budget. Partially offset by; \$1.7 M reserve transfer.
Tourism & Culture	10,460	5,722	10,483	(23)	(0.2)%	\$78 K pressures in Security costs, \$72 K decreased Film revenues partially offset by \$64 K Savings in Building Repairs and Materials, \$56 K increased revenues in Rental, Admissions and Recoverable Services.
TOTAL PLANNING & ECONOMIC DEVELOPMENT	34,087	10,377	33,492	595	1.7%	
HEALTHY AND SAFE COMMUNITIES						
HSC Administration	3,074	1,905	3,293	(219)	(7.1)%	Unfavourable variance due to \$89 K COVID related Encampment Program costs, \$104 K due to additional temporary positions offset by step differential due to backfilling vacant positions and \$25 K due to software, consulting fees, direct and indirect costs
Children's and Community Services	11,278	3,364	8,450	2,828	25.1%	Favorable variance due to provincially funded transitional grant \$2.3 M and gapping \$516 K.
Ontario Works	13,539	6,410	13,767	(228)	(1.7)%	Unfavorable variance of \$228 K due to a \$549 K pressure in client benefits to find employment, \$145 K pressures in benefits for low income clients, offset by \$310 K of gapping due to vacancies, \$86 K through maximizing available subsidies, and \$70 K as a result of electronic data management net with other costs.
Housing Services	70,135	43,920	76,073	(5,938)	(8.5)%	Unfavorable variance due to \$4.8 M is a result of unfunded COVID costs to support Drop-Ins, Dorothy Day program supports and a temporary womens emergency shelter, \$4.4 M pressure in the family system and related emergency hotel costs, \$356 K pressure in payments to support client arrears to prevent evictions, offset by \$3.4 M in savings related to social housing provider annual reconciliation recoveries and \$256 K other program related costs.
Affordable Housing Secretariat	6	0	6	(0)	(0.1)%	Affordable Housing Secretariat is projecting no pressure in 2023.
Long Term Care	12,972	5,134	13,127	(155)	(1.2)%	Unfavorable variance due to \$146 K staffing costs, work accommodation, overtime, LTD, sick pay, cohorting, and \$430 K supply and support services costs. This is offset partially by \$421 K in revenue received greater than anticipated including increased level of care funding.
Recreation	37,935	19,069	38,508	(573)	(1.5)%	Unfavorable variance due to projected lost revenue in Food Services of \$691 K from program review resulting from Covid restrictions, as well as higher building costs \$844 K offset by savings in Employee Related due to Gapping of \$967 K from challenges in recruitment of required staff. This is mainly attributable to market conditions resulting from COVID.
Hamilton Fire Department	101,180	60,797	101,726	(546)	(0.5)%	Unfavorable variance due to overtime costs of COVID absences with no available funding assumption to offset the expenses, \$229 K, vehicle parts and repairs, \$214 K, and other contractual and operating costs \$103 K.
Hamilton Paramedic Service	35,874	19,141	35,769	105	0.3%	Favorable variance due to Provincial funding increase of \$935 K, lower than expected vehicle costs including fuel \$274K, and higher than expected user fee revenue \$125 K. Offset by pressures due to employee related costs including backfill costs and overtime (\$726 K), Operating costs including operating supplies, medical equipment, and prescription medication due to increases in prices (\$368 K), and unfunded COVID costs for enhanced cleaning (\$135 K).
Public Health Services	15,363	10,062	15,163	200	1.3%	Favourable variance primarily due to gapping.
TOTAL HEALTHY AND SAFE COMMUNITIES	301,355	169,802	305,881	(4,525)	(1.5)%	

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PUBLIC WORKS						
PW-General Administration	(222)	5	0	(222)	100.0%	The General Administration Division is forecasting an unfavourable variance of (\$222 K) due to: • (\$222 K) gapping
Corporate Asset Management	2,379	1,065	2,811	(432)	(18.2)%	The Corporate Asset Management Division is forecasting an unfavourable variance of (\$432 K) due to: • (\$432 K) net variance due to temporary staff in CAM section offset by approved PW and Corporate wide gapping.
Corporate Facilities & Energy Management	14,685	8,681	16,171	(1,486)	(10.1)%	The Corporate Facilities and Energy Management Division is forecasting an unfavourable variance of (\$1.5 M) due to: • (\$500 K) Grey Cup anticipated unbudgeted expenses for snow removal, stadium preparations & game day costs • (\$100 K) Parks unbudgeted repairs and winterization • (\$272 K) Security guard costs vacant buildings due to increased vandalism • (\$258 K) Gapping not realized due to the amount of Cost Recovery for the Division • (\$120 K) Parks patrols, washroom assistance and other client driven security guard services • (\$115 K) Unrealized rent revenue
Engineering Services		(320)	(300)	300	0.0%	The Engineering Services division is forecasting a favourable surplus of \$300 K attributed to: • \$300 K surplus due 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	48,205	27,582	47,427	778	1.6%	The Environmental Services Division is forecasting a variance of \$778 K due to: • \$778 K gapping savings, above the gapping target, from known difficulties in hiring students and seasonal workers, rate differentials and periodic vacancies throughout the year.
Waste Management	48,650	27,210	51,356	(2,706)	(5.6)%	The Waste Management Division is projecting an unfavourable variance of (\$2.7 M) mainly due to: • (\$1.2 M) lower forecasted revenues on commodities based on tonnages, year-to-date activities and actual vs. budgeted commodity prices • (\$1.1 M) higher forecasted contractual costs mainly due from 2023 escalation factors calculating higher than budgeted. • (\$250 K) higher forecasted costs for site security at the Transfer Stations. To be included in the 2024 budget. • (\$78 K) higher forecasted Scale House contractual costs due to current contractor issues and needing to get an emergency contract in place. Tender to follow. • (\$63 K) Court Ordered Fine for odor issues at the Central Composting Facility
Transit	93,597	69,503	97,564	(3,967)	(4.2)%	The Transit Division is forecasting an unfavourable variance of (\$4.0 M) due to: Favourable variance of \$10.5 M driven by: • \$6.7 M Salaries and wages • \$1.5 M DARTS contract • \$829 K Taxi Contract (TransCab and Taxi Scrip) • \$634 K PRESTO commissions • \$484 K Fuel - positive Diesel price variance, negative natural gas fuel variance • \$152 K BRINKS charges and Other Fees and Services • \$139 K Tires and Tubes • \$109 K Ticket and Pass expenses Unfavourable variance of (\$14.5 M) driven by: • (\$7.9 M) Gapping targets not met from (\$4.0 M) in additional Overtime; (\$3.1 M) in Sick time and (\$762 K) in Stat Holiday and Vacation Pay. • (\$3.0 M) Fare Revenue • (\$2.1 M) Safe Restart Agreement Funding unrealized due to Provincial request to return funds • (\$1.3 M) Vehicle Parts - increased costs • (\$241 K) Taxi Scrip revenue
Transportation Operations & Maintenance	87,167	53,546	86,616	551	0.6%	The Transportation Division is forecasting a surplus of \$550 K mainly due to: Favourable variance of \$1.8 M due to: • \$1.8M net gapping savings due to seasonal staff due to hiring delays, staff vacancies attributed to normal staff turnover (retirements, job transfers, seasonal hiring, etc.). Unfavourable variances of (\$1.25 M) due to: • (\$933 K) in Roadway Snow Clearing - Hired Equipment for Winter Operations • (\$217 K) in Diesel Fuel and Unleaded Fuel • (\$104 K) in Consulting Services related to Snow Plow Route Optimization and Excess Soil
TOTAL PUBLIC WORKS	294,461	187,271	301,644	(7,183)	(2.4)%	

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LEGISLATIVE						
Legislative General	(282)	(24)	(240)	(42)	15.0%	Gapping target not met, higher legal and membership fees, offset by savings in contingency, communications & contractual budgets.
Mavors Office	1,271	684	1,271	(0)	(0.0)%	
Volunteer Committee	121	13	121	(0)	(0.0)%	
Ward Budgets	4,486	2,273	4,486	0	0.0%	
TOTAL LEGISLATIVE	5,596	2,945	5,639	(42)	(0.8)%	
CITY MANAGER						
Auditor General	1,275	688	1,275	0	0.0%	Gapping savings due to vacancies offset by consulting costs.
CMO - Admin	276	279	459	(183)	(66.5)%	Temporary staffing to support Council transition and City Manager's Office government relations function; recruitment costs for City Manager
Communications and Strategic Initiatives	2,946	1,732	3,025	(79)	(2.7)%	Employee leave backfill costs.
Digital and Innovation Office	486	50	586	(100)	(20.7)%	Consulting costs for Term of Council priorities; temp staffing related to Our Citizen survey.
Government & Community Relations	1,367	673	1,260	107	7.8%	Vacant positions; unspent budget related to Government Relations external vendors.
Human Resources	9,075	4,936	9,261	(186)	(2.1)%	Additional costs related to recruitment and retention efforts (senior project manager) to be funded by corporate surplus; offset by savings in leadership development budget
TOTAL CITY MANAGER	15,423	8,357	15,865	(442)	(2.9)%	
CORPORATE SERVICES						
City Clerk's Office	3,697	2,494	3,668	28	0.8%	\$66 K Employee cost net of Gapping; partially offset by: (\$33 K) Marriage license costs, (\$5 K) Advertising; (\$5 K) Computer software
Customer Service, POA and Fin'l Integration	6,416	3,220	6,216	200	3.1%	\$149 K Employee cost net of Gapping, \$75 K Computer Software, \$28 K Operating cost, \$14 K Training; partially offset by: (\$67 K) Consulting costs
Financial Serv, Taxation and Corp Controller	4,668	2,053	4,402	266	5.7%	\$299 K Employee cost net of Gapping; partially offset by: (\$26 K) Consulting Services, (\$10 K) Tax Fee Revenue
Legal Services and Risk Management	4,950	4,502	4,632	318	6.4%	\$352 K Employee cost net of Gapping; partially offset by: (\$12 K) Training and Professional/Memberships/Dues, (\$12 K) Operating Costs, (\$10 K) Recoveries
Corporate Services - Administration	347	230	326	21	6.0%	\$12 K Training, \$5 K Contractual Services, \$3 K Membership Fees
Financial Planning, Admin & Policy	5,826	4,033	5,494	333	5.7%	\$350 K Employee cost net of Gapping, \$19 K in Facilities, \$10 K Training, \$6 K Union Fees; partially offset by: (\$32 K) Earned Interest, (\$21 K) Software and Services Purchases
Information Technology	19,643	10,072	18,034	1,609	8.2%	\$1.5 M Employee cost net of Gapping, \$196 K Software costs, \$57 K Facilities Costs; partially offset by: (\$124 K) Training and Conference costs, (\$50 K) Consulting Services, (\$17 K) Cell Phones
TOTAL CORPORATE SERVICES	45,548	26,605	42,772	2,775	6.1%	
CORPORATE FINANCIALS						
Corporate Initiatives	4,017	3,801	4,991	(974)	(24.2)%	Unfavourable variance as a result of higher insurance premiums.
Corporate Pensions, Benefits & Contingency	15,637	(2,085)	15,983	(346)	(2.2)%	Unfavourable variance as a result of higher WSIB expenditures, slightly offset by lower retiree benefits.
TOTAL CORPORATE FINANCIALS	19,654	1,715	20,974	(1,320)	(6.7)%	
HAMILTON ENTERTAINMENT FACILITIES						
Operating	150	3,065	0	150	100.0%	Insurance recoveries budgeted and projected to be recovered from HUPEG.
TOTAL HAMILTON ENTERTAINMENT FACILITIES	150	3,065	0	150	100.0%	
TOTAL CITY EXPENDITURES	716,274	410,138	726,267	(9,992)	(1.4)%	
CAPITAL FINANCING						
Debt-Healthy and Safe Communities	1,169	(549)	660	509	43.5%	
Debt-Planning & Economic Development	1,304	0	25	1,279	98.1%	
Debt-Public Works	33,165	0	19,553	13,612	41.0%	
Debt-Corporate Financials	105,911	101,597	105,187	724	0.7%	
Infrastructure Renewal Levy	13,429	13,429	13,429	(0)	(0.0)%	
TOTAL CAPITAL FINANCING	154,977	114,477	138,854	16,123	10.4%	Surplus in principal and interest savings due to timing in the issuance of debt.

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BOARDS & AGENCIES						
Police Services						
Operating	192,361	108,042	192,361	0	0.0%	The June 30, 2023 variance report will be provided to the Hamilton Police Services Board on September 28, 2023.
Capital Financing	1,235	0	1,235	0	0.0%	
Total Police Services	193,596	108,042	193,596	0	0.0%	
Other Boards & Agencies						
Library	33,956	10,242	33,753	203	0.6%	Due to favourable gapping.
Conservation Authorities	8,930	6,371	8,930	0	0.0%	
Hamilton Beach Rescue Unit	6,833	50	6,833	0	0.0%	(\$47 K) decrease in rental revenue, (\$13 K) Utility increase, (\$12 K) expected bad debt expense; partially offset by \$32 K Gapping savings.
Royal Botanical Gardens	143	438	143	0	0.0%	
MPAC	660	5,125	660	0	0.0%	
Farmers Market	251	34	300	(49)	(19.5)%	
Total Other Boards & Agencies	50,774	22,260	50,619	154	0.3%	
Capital Financing - Other Boards & Agencies	198	0	198	(0)	(0.0)%	
City Enrichment Fund	6,575	3,448	6,575	(0)	(0.0)%	
TOTAL BOARDS & AGENCIES	251,143	133,750	250,988	154	0.1%	
TOTAL EXPENDITURES	1,122,395	658,365	1,116,109	6,285	0.6%	
NON PROGRAM REVENUES						
Slot Revenues	(5,695)	(2,623)	(5,695)	0	0.0%	Assumed on budget for year-end.
Investment Income	(4,800)	(29,072)	(4,800)	0	0.0%	Assumed on budget for year-end.
Hydro Dividend and Other Interest	(6,568)	(2,236)	(6,126)	(442)	6.7%	Based on 2023 experience.
Tax Remissions and Write Offs	8,818	(570)	8,078	740	8.4%	Based on 2023 actuals.
Payment In Lieu	(17,519)	(18,736)	(18,291)	773	0.0%	Based on 2023 experience.
Penalties and Interest	(11,500)	(8,122)	(13,000)	1,500	(13.0)%	Based on 2023 experience.
Riight of Way	(3,230)	(3,229)	(3,229)	0	0.0%	Assumed on budget for year-end.
Senior Tax Credit	534	595	549	(14)	(2.7)%	Based on 2023 experience.
Supplementary Taxes	(10,130)	30	(11,830)	1,700	(16.8)%	Based on 2023 experience.
POA Revenues	(2,698)	(1,213)	(2,698)	0	0.0%	Assumed on budget for year-end.
TOTAL NON PROGRAM REVENUES	(52,787)	(65,177)	(57,043)	4,256	0.0%	
TOTAL LEVY REQUIREMENT	1,069,608	593,188	1,059,067	10,542	1.0%	

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