

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning and Policy Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: July 8, 2013	
SUBJECT/REPORT NO: Tax and Rate Operating Budget Variance Report as of April 30, 2013 – Budget Control Policy Transfers (FCS13053) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Tom Hewitson (905) 546-2424 x4159 Victoria Terella (905) 546-2424 x4169
SIGNATURE:	

RECOMMENDATION

- (a) That, in accordance with the “Budget Control Policy”, the 2013 budget restatements, transferring budget from one department/division to another with no impact on the levy, as outlined in Appendix C to Report FCS13053, be approved;
- (b) That, in accordance with the “Budgeted Complement Control Policy”, the 2013 complement transfer, transferring complement from one department/division to another with no impact on the levy, as outlined in Appendix D to Report FCS13053, be approved.

EXECUTIVE SUMMARY

Staff have committed to provide Council with three variance reports for the Tax and Rate Operating Budget during the fiscal year (Spring/Fall/Year-End). This is the first submission for 2013 based on the operating results as of April 30, 2013.

Tax supported operations are projecting an unfavourable variance of -\$1.485 million. Primary contributors to this negative variance are the projected deficit in Risk Management of -\$2.8 million and -\$3.0 million in Council approvals for 2013 based on the motions approving additional expenditures (such as Ontario Works (OW) Phase-in and Discretionary Benefits). Offsetting these are the savings in Capital Financing of \$3.0 million and \$1.3 million mostly related to employee-related gapping savings in non-winter programs (Public Works). Based on the current projected corporate unfavourable variance, about \$1.485 million may be needed from the approved reserve transfers for in-year items. Staff will continue to monitor and provide an update in the next variance report.

Rate supported operations are projecting a favourable variance of \$2.2 million for the 2013 fiscal year, primarily due to debt charge savings of \$4.6 million and \$0.86 million in savings from employee-related costs. Partially offset by an unfavourable variance in rate revenues of -\$2.9 million based on current 2013 water consumption trends.

The following table summarizes the projected corporate results:

**CITY OF HAMILTON
2013 Projected Year-End Variance
(\$000's)**

	2013	2013	Variance	
	Final Budget	Year-End Forecast	\$	%
<u>TAX SUPPORTED</u>				
Planning & Economic Development*	22,731	24,087	(1,357)	(6.0)%
Public Health Services	10,500	10,555	(55)	(0.5)%
Community & Emergency Services*	224,407	225,013	(607)	(0.3)%
Public Works*	194,435	193,125	1,310	0.7%
Legislative	4,096	3,857	239	5.8%
City Manager	10,177	10,299	(122)	(1.2)%
Corporate Services	20,160	19,647	512	2.5%
Corporate Financials/ Non Program Revenues	(37,157)	(32,751)	(4,406)	(11.9)%
TOTAL CITY EXPENDITURES	449,348	453,832	(4,485)	(1.0)%
Police Services	140,415	140,415	0	0.0%
HECFI	3,247	3,247	0	0.0%
Library	28,039	28,039	0	0.0%
Other Boards & Agencies	14,418	14,418	0	0.0%
Community Grants	3,212	3,212	0	0.0%
TOTAL BOARDS & AGENCIES	189,331	189,331	0	0.0%
CAPITAL FINANCING	88,600	85,600	3,000	3.4%
TOTAL TAX SUPPORTED	727,278	728,763	(1,485)	(0.2)%
TOTAL RATE SUPPORTED	0	(2,217)	2,217	0.0%
TOTAL CITY	727,278	726,546	732	0.1%

() - Denotes unfavourable variance

* - Includes expenditures approved by Council to be funded from department or corporate surplus, or reserve. The reserve transfer has not been reflected. Based on the above \$1.485 million in reserve transfer would be required.

Appendix A to report FCS13053 summarizes the tax supported budget year-end variances by department and division and Appendix B to report FCS13053 summarizes the rate budget results by program.

2013 Budget Transfers

In accordance with the new “Budget Control Policy” & “Budgeted Complement Control Policy”, approved by Council in February 2012, staff are submitting two items recommended for transfer. The tax budget restatements, identified in Appendix C to Report FCS13053, simply move budget from one department/division to another or one cost category to another to more accurately reflect their cost type and the actual

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expense that is occurring. Completing these transfers simplifies the budget review process for the following year by ensuring comparable budget data. The complement transfers, identified in Appendix D to Report FCS13053, move budgeted complement from one department/division to another to accurately reflect where the staff complement is allocated within the department/division for the purpose of delivering programs and services at desired levels. The complement transfer identified will amend the 2013 budget with no impact on the levy.

Alternatives for Consideration – Departments will continue to monitor the operating results and will report any significant changes in their projections in the next variance report.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: The financial information is provided in the analysis sections of this report.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

Staff have committed to provide Council with three variance reports on the Tax and Rate Operating Budget during the fiscal year (Spring/Fall/Final). This is the first submission for 2013 based on the operating results as of April 30.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

This report is based on information provided from all the departments.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The following provides an overview of the more significant issues affecting the 2013 projected operating surplus:

TAX SUPPORTED BUDGET

The tax supported budget is forecasting a deficit of -\$1.485 million for year-end. The major drivers are the projected deficit in Risk Management of -\$2.8 million and Council Approvals of -\$3.0 million, offset by savings in Corporate Financials of \$3.0 million and the surplus in Public Works of \$1.3 million.

Council Approvals

For 2013, Council has approved -\$3.0 million in enhancements/pressures that are to be funded, first from department/corporate surplus and then by reserve, if required, these include:

- \$230K On-Street Parking (PED11104)
- \$480K Business Licenses (PED01104)
- \$1.008M Discretionary Benefits
- \$1.215M OW Phase-in 2/3 Staffing
- \$100K Centennial Parkway Transit Pilot
- \$15.4K Cootes to Escarpment Park System PED08009(b)/PW12082

Based on projections, to date, there will be insufficient departmental and corporate surplus and approximately \$1.485 million may be required from reserves as approved by Council.

Departmental details are as follows:

Planning & Economic Development

Overall, the department is projected to have a negative variance of -\$1.4 million for year-end.

Building Services is showing an unfavourable variance of -\$31,000 as a result of decreased Property Reports Revenue (-\$9K) and reduced Illegal Grow-Op fees due to lower activity levels (-\$28k), partially offset by gapping.

The Economic Development Division is projecting a positive variance of \$66,000, due to an unbudgeted donation (\$25K) and higher projected rent revenues, for Hamilton Incubator of Technology.

Parking and By-Law Services has forecasted a negative variance of -\$1.4 million. This is largely attributable to the following Council approved items: -\$230K On-Street Parking (PED11104); -\$480K Business Licenses (PED1104); and -\$61K Tow Truck Licencing (PED13095). The remaining variance is a result of unfavourable gapping (-\$122K), due to backfilling requirements, reduction in activity for Nevada/Bingo Licencing (-\$190K) and miscellaneous increased expenses, offset slightly by increased parking lot revenues (\$72K).

Public Health Services

Public Health Services is expecting an unfavourable variance in 2013 of -\$55,000. The main driving factors are an anticipated reduction in Influenza program revenues due to pharmacy-offered flu vaccines and unbudgeted overtime/standby pay-outs.

Community & Emergency Services

The Community and Emergency Services Department is projecting a negative variance of -\$607,000.

The Benefit Eligibility Division is forecasting an unfavourable variance of -\$831,000 mainly due to in-year discretionary benefit approvals (-\$942K) and OW Phase 2/3 staffing (-\$126K). Council has approved the use of reserves to fund these items, if required, at year end. These variances are partially offset by gapping due to vacancies/timing of hires and favourable variances in Low Income and mandatory dental benefits.

Employment and Income Support Division is projecting an unfavourable variance of -\$1.1 million mainly due to staffing requirements related to OW Phase 2/3 (-\$1M). In addition, there are unfavourable client costs (i.e. bus tickets and discretionary benefits) that have been partially offset by gapping due to vacancies/timing of hires. Council has approved the use of reserves to fund the OW Phase 2/3 staffing if required at year end.

In Housing Services, a favourable variance of \$1.7 million is expected. The Housing Stability Benefit uptake is lower than budgeted and there are favourable mortgage renewals/housing subsidy prior year adjustments.

Macassa and Wentworth Lodges are showing a combined positive variance of \$158,000 as a result of employee-related gapping and unanticipated supplier rebate offset by unbudgeted LTD benefit costs and unforeseen building/equipment repairs.

In Recreation, an unfavourable variance of -\$988,000 is expected, mainly due to reduced ice rentals, reduced aquatic/adult programming (i.e. Westmount and Stoney Creek), general repairs/maintenance at various facilities, offset by favourable field rental revenues.

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Social Development & Early Childhood Services is forecasting a surplus of \$177,000 from gapping due to vacancies/timing of hires, in addition to, maximizing subsidies in levy funded programs.

The Fire Department is not expecting a year end variance. Employee-related costs (i.e. unanticipated retirements offset by overtime backfill pressures) will fluctuate throughout the year and will stabilize by year end when 2013 recruitment processes are complete.

Paramedic Service projects a favourable variance of \$332,000 due to employee-related gapping.

Public Works

Public Works is forecasting a favourable variance of \$1.31 million.

Corporate Assets & Strategic Planning has projected to be on budget as favourable gapping savings (\$500K) offset unfavourable rent (-\$500K) for McMaster University - Old Court House.

The Operations Division is projecting a \$1.3 million positive variance mostly from employee-related gapping savings in non-winter programs. At this time, the Winter Season is projected to be on budget with any gapping savings being offset by other winter related expenditures.

Overall, Transit is projecting to finish the year on budget. A much newer fleet and the 12-year bus life policy continue to have a positive effect on fleet parts. Enhancements continue to be phased-in which is resulting in projected favourable employee-related and other fees and service variances. The overall Transit favourable variance has resulted in a reduced requirement for 2013 Provincial Gas Tax (PGT) transfer to Operating, further reinforcing the sustainability of this reserve.

Legislative

Legislative is expecting a surplus of \$239,000 for 2013. The driver for this positive variance is the surplus in the Mayor's Office as a result of reduced employee-related costs due to vacancies.

City Manager

City Manager projects an unfavourable variance of -\$122,000. Pressures arising from legal fees (HR), mediation/arbitration costs, Expert Planning Witness Fees and contractual costs contribute to the expected deficit. Partially offsetting the deficit are savings in gapping and recovery from other Departments.

Corporate Services

Corporate Services is forecasting a favourable variance of \$512,000 for the 2013 fiscal year based on year-to-date spending patterns. Gapping savings from staff vacancies (\$536K), and higher than expected procurement contract document sales (\$15K) are the contributing factors behind this budget surplus. The only unfavourable variance of significance was the use of outside temporary help (-\$35K) in an effort to find efficiencies and cost-savings in the City's Bell contract.

Corporate Financials

Corporate Financials is projecting a \$4.4 million deficit, contributing factors are identified as follows:

Corporate Pensions / Benefits & Contingency

The positive variance of \$300,000 is attributable to savings in corporate salary contingency.

Gapping

For 2013, the City has budgeted \$4.54 million in gapping savings corporately. As of April, 2013, departments have identified \$1.9 million in projected savings for the year. The following table summarizes the projection by department.

NET GAPPING BY DEPARTMENT	(\$000's)
Planning & Ec. Development	\$ (189)
Public Health Services	\$ -
Community Services	\$ 466
Public Works	\$ 796
Legislative	\$ 239
City Manager	\$ 58
Corporate Services	\$ 536
Consolidated Corporate Savings/ (Deficit)	\$ 1,906

Council will note that the budget savings of \$4.54 million resides in the Corporate Financials and the \$1.9 million actual savings projection is identified within the department projections. The remaining amount required to achieve the target is \$2.64 million and is identified in the Corporate Financials. If this does not materialize, a variance could result. Historically, gapping savings have been achieved, however, Council will recall that this budget was increased by about \$400,000 during the 2013 process.

Risk Management

The Risk Management claim / premium costs are forecast to be in a -\$2.8 million unfavourable variance position at year-end. Claims costs continue to exceed budget but are expected to be about \$500,000 less than in 2012. Staff continue to review the program for opportunities to mitigate costs and will report back during the 2014 budget process on a plan to address the chronic unfavourable variances.

Non-Program Revenues

HUC has identified a one-time additional dividend payment which could result in an additional \$4.0 million; this dividend is being reviewed as a potential funding source as part of the 2014 capital financing plan and has not been included as surplus in the variance forecast.

Capital Financing

Due to delay in debt issuance, principal and interest savings of \$5.0 million are projected. However, a \$2.0 million transfer to the unallocated capital reserve during the year-end process has been assumed (aligning with the 2015 capital forecast).

Boards & Agencies

In Boards & Agencies, no significant variances are anticipated at this time.

RATE SUPPORTED BUDGET

The Rate supported budget is projecting a favourable variance of \$2.217 million for 2013, representing 1.2 % of the gross operating budget. An unfavourable variance in operating revenues of -\$2.925 million is being forecasted based on current 2013 water consumption trends. Projected savings in program expenditures of \$5.142 million by year-end is expected which would mitigate the expected shortfall in revenues.

Revenues

The projected unfavourable variance in revenues is the result of a declining trend in water and sewer billing revenue collected from the Institutional / Commercial / Industrial (ICI) sector – it should be noted that the “ICI” sector classification does include multi-residential customers with larger size meters exceeding 20mm.

Summarized below are the major revenue variances.

	<u>\$ (000's)</u>
General Fees and Recoveries	(50)
Water / Sewer Billings	(2,875)
Total	(2,925) Unfavourable

The ICI sector's water consumption is 4.5% below budget or a shortfall of -0.436 million cubic meters relative to budget. Should the YTD consumption trend continue for the balance of the year, a potential -\$3.0 million deficit in ICI revenues could be realized. Over the last several years, the ICI sector has experienced significant revenue shortfalls that resulted in a plan that reduced ICI budgeted consumption over a 3 year period (2011-2013) to consumption levels realized for the ICI sector in 2009-10. This acknowledged that consumption would not rebound to pre-recession levels. There has been widespread increased water efficiency measures undertaken by major industrial and institutional customers, as well as, the loss of some large users. It was expected that by 2013, budgeted consumption would more closely reflect the actual consumption. However, the sector still has not rebounded to even the 2009/10 levels. This could improve once the new Maple Leaf Foods facility begins operations. This sector will continue to be closely monitored as staff develop the 2014 Rate Budget.

Residential rate revenue is currently forecast to be on par with the budget at year end. Despite an increase in new residential customers, this consumption is largely offset by the continued conservation efforts of existing residential customers on the part of property owners.

The 2013 Rate supported revenue projections are based on prevailing economic conditions and climate norms. There is always a risk that these two factors could change in a significant way which would have a corresponding impact on the Water / Wastewater budget variance projections.

Expenditures

Program spending for 2013 is projected to be a favourable variance of \$5.142 million by year-end. The driving factors behind this favourable expenditure variance are as follows:

	<u>\$ (000's)</u>
Debt Charges	4,570
Employee Related Costs	856
Contractual	(316)
3P Program	(252)
All others (net)	(32)
Total	5,142 Favourable

The Rate operating program budgets annually for debt servicing costs on new and existing debt based on debenture financing needs for approved capital projects. The

favourable variance in Debt Charges of \$4.570 million is due to a delay in debt being issued as the existing capital projects are adequately funded.

Savings in Employee-related Costs of \$856K are mainly on account of gapping realized from staff vacancies.

Contractual cost category negative variance of -\$316K include Contracted Services at a negative variance of -\$407K; Advertising & Promotion -\$64K; and others (net) of \$27K.

Protective Plumbing Program (3P) has a forecasted negative variance of -\$252K (budget of \$2.5 million) due to more demand than anticipated.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

N/A

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES / SCHEDULES

- Appendix A to report FCS13053 Tax Operating Budget Variance Report to April 30, 2013
- Appendix B to report FCS13053 Rate Operating Budget Variance Report to April 30, 2013
- Appendix C to report FCS13053 Budget Restatement Schedule
- Appendix D to report FCS13053 Budgeted Complement Transfer Schedule

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO APRIL 30, 2013
(\$ 000's)

	2013 Approved Budget	2013 Actuals to April 30	Projected Actuals to Dec. 31	2013 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>PLANNING & ECONOMIC DEVELOPMENT</u>						
GM, Finance & Support Services	1,347	494	1,356	(8)	(0.6)%	Backfilling requirements.
Building Services	942	(1,574)	974	(31)	(3.3)%	Decreased Property Reports Revenue (-\$9K) and reduced Illegal Grow-Op fees (-\$28K). Projected surplus in Building Permit revenue results in a forecasted transfer to the reserve of \$1.8 million.
Economic Development	5,793	1,604	5,727	66	1.1%	Unbudgeted donation (\$25K) and higher rent revenues for HIT.
Growth Management	(349)	(145)	(349)	0	0.0%	
Parking & By-law Services	4,732	2,163	6,127	(1,395)	(29.5)%	55% (-771K) is attributable to unbudgeted Council Approved items and the remaining from backfilling requirements (-\$122K), reduction in activity for Nevada/Bingo Licensing (-\$190K), offset by increased parking lot revenues (\$72K).
Planning	3,060	415	3,049	11	0.4%	
Tourism & Culture	7,205	2,415	7,203	1	0.0%	
TOTAL PLANNING & ECONOMIC DEVELOPMENT	22,731	5,373	24,087	(1,357)	(6.0)%	
<u>PUBLIC HEALTH SERVICES</u>						
Medical Officer of Health	2,313	793	2,313	0	0.0%	
Clinical & Preventive Services	2,210	731	2,235	(25)	(1.1)%	Unfavourable variance due to anticipated reduction in Influenza program revenues due to pharmacy-offered flu vaccines.
Family Health	1,190	422	1,190	0	0.0%	
Health Protection	2,187	743	2,217	(30)	(1.4)%	Unfavourable variance due to unbudgeted overtime/standby payouts.
Healthy Living	1,850	641	1,850	0	0.0%	
Planning & Business Improvement	750	263	750	0	0.0%	
TOTAL PUBLIC HEALTH SERVICES	10,500	3,593	10,555	(55)	(0.5)%	

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO APRIL 30, 2013
(\$ 000's)

	2013 Approved Budget	2013 Actuals to April 30	Projected Actuals to Dec. 31	2013 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
COMMUNITY & EMERGENCY SERVICES						
Administration - Community & Emergency Services	2,194	720	2,181	13	0.6%	
Benefit Eligibility	7,582	2,296	8,412	(831)	(11.0)%	Reserve transfer not reflected for Discretionary benefits (-\$924K) and OW Phase 2/3 staffing (-\$126K), offset by gapping and favourable variances in low Income and mandatory dental benefits.
Employment & Income Support	20,237	6,962	21,351	(1,114)	(5.5)%	Reserve transfer not reflected for OW Phase 2/3 staffing (-\$1M) and unfavourable client costs offset by gapping.
Housing Services	50,195	12,107	48,520	1,675	3.3%	Housing Stability Benefit uptake lower than budgeted and favourable mortgage renewals/housing subsidy prior year adjustments.
Macassa Lodge	5,893	974	5,820	73	1.2%	Gapping and unanticipated supplier rebate offset by unbudgeted LTD benefit costs and unforeseen building/equipment repairs.
Wentworth Lodge	4,302	813	4,217	85	2.0%	Gapping and unanticipated supplier rebate offset by unbudgeted LTD benefit costs and unforeseen equipment repairs.
Recreation	27,186	7,595	28,174	(988)	(3.6)%	Reduced ice rentals and aquatic/adult programming (i.e. Westmount, Stoney Creek), general repairs/maintenance, offset by favourable field rental revenues.
Social Development & Early Childhood Services	7,387	2,371	7,210	177	2.4%	Gapping due to vacancies/timing of hires in addition to allowing available subsidies to offset levy funded costs.
Strategic Services	1,624	554	1,666	(42)	(2.6)%	Employee related pressures due to temporary staffing.
Hamilton Farmers Market	190	(7)	177	13	6.7%	Gapping.
Fire Department	80,375	27,386	80,375	0	0.0%	No year end variance expected. Employee related costs will fluctuate throughout the year and will stabilize by year end when 2013 recruitment processes are complete.
Paramedic Service	17,241	4,554	16,910	332	1.9%	Gapping.
TOTAL COMMUNITY & EMERGENCY SERVICES	224,407	66,326	225,013	(607)	(0.3)%	
PUBLIC WORKS						
PW-General Administration	0	492	0	0	0.0%	
Corporate Assets & Strategic Planning	21,700	6,976	21,700	0	0.0%	Gapping (\$500K) offset by unfavourable rent for McMaster University - Old Court House (-\$500K)
Engineering Services	5,697	1,607	5,697	0	0.0%	No variance is anticipated at this time
Environmental Services	36,148	8,360	36,148	0	0.0%	No variance projected.
Operations	78,782	28,095	77,472	1,310	1.7%	Gapping savings in non-winter programs.
Transportation	52,109	18,790	52,109	0	0.0%	Newer fleet and the 12-year bus life policy, continue to have a positive effect and enhancements continue to be phased in resulting in favourable employee related and other fees & services variances
TOTAL PUBLIC WORKS	194,435	64,320	193,125	1,310	0.7%	
LEGISLATIVE						
Legislative General	(285)	(93)	(285)	0	0.0%	
Mayors Office	996	220	758	239	23.9%	Reduced employee related costs due to vacancies.
Volunteer Committee	101	16	101	0	0.0%	
Ward Budgets	3,284	976	3,284	0	0.0%	
TOTAL LEGISLATIVE	4,096	1,118	3,857	239	5.8%	

- () Denotes unfavourable variance

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO APRIL 30, 2013
(\$ 000's)

	2013 Approved Budget	2013 Actuals to April 30	Projected Actuals to Dec. 31	2013 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>CITY MANAGER</u>						
Administration - City Manager	1,237	296	1,237	0	0.0%	
Audit Services	954	302	924	30	3.1%	Gapping
Human Resources	5,076	1,740	5,076	0	0.0%	Contractual costs for Succession Development Program, Performance Management Training & Mediation/Arbitration costs are being offset by gapping. Legal fees & Mediation/Arbitration costs will be recovered from the operating departments.
Legal	2,910	1,819	3,062	(152)	(5.2)%	Unbudgeted Expert Planning Witness Fees are partially offset by gapping.
TOTAL CITY MANAGER	10,177	4,158	10,299	(122)	(1.2)%	
<u>CORPORATE SERVICES</u>						
Corporate Services - Administration	258	89	258	0	0.0%	No significant variances anticipated at this time.
City Clerk	2,049	604	2,049	0	0.0%	POA Fine Revenue (\$8K) to fund over expenditures in the POA program (-\$8K).
Customer Service	4,410	1,311	4,410	0	0.0%	No significant variances anticipated at this time.
Enterprise Mgt & Revenue Generation	0	1	0	0	0.0%	Gapping (\$29K) and cost recovery from Hamilton Entertainment Facilities contract administration activity (-\$29K).
F&A and Special Projects	746	199	661	85	11.4%	Gapping (\$85K) and other employee related expenses.
Financial Planning & Policy	569	913	506	63	11.1%	Gapping (\$68K) and other employee related expenses (-\$5K).
Financial Services	3,548	1,554	3,520	28	0.8%	Procurement sales have exceeded YTD estimates (\$15K) and gapping (\$13).
Information Technology	7,892	2,457	7,556	336	4.3%	Gapping (\$370K), Canon Canada printers no longer required (\$4K), other employee related expenses (-\$3K) and temporary staffing (-\$35K).
Taxation	689	332	689	0	0.0%	No significant variances anticipated at this time.
TOTAL CORPORATE SERVICES	20,160	7,459	19,647	512	2.5%	
<u>CORPORATE FINANCIALS</u>						
Corporate Pensions / Benefits & Contingency	6,482	1,835	6,182	300	4.6%	Savings in corporate salary contingency.
Gapping Reductions/Initiatives	(4,540)	0	(2,634)	(1,906)	(42.0)%	Actual gapping savings realized in program budgets.
Senior Tax Credit	540	1	540	0	0.0%	
Risk Management Premiums	(390)	2,500	2,410	(2,800)	(718.5)%	Claims costs continue to exceed budget, but are expected to be about \$500,000 less than in 2012.
TOTAL CORPORATE FINANCIALS	2,092	4,336	6,498	(4,406)	(210.6)%	
TOTAL CITY EXPENDITURES	488,596	156,683	493,081	(4,485)	(0.9)%	

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO APRIL 30, 2013
(\$ 000's)

	2013 Approved Budget	2013 Actuals to April 30	Projected Actuals to Dec. 31	2013 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>CAPITAL FINANCING</u>						
Debt-Planning and Development	750	(20)	750	0	0.0%	
Debt-Community & Emergency Services	3,869	(298)	3,869	0	0.0%	
Debt-Public Health	192	29	192	0	0.0%	
Debt-PW-Tax	41,900	(1,356)	41,900	0	0.0%	
Debt-Corporate Financials	41,888	9,161	38,888	3,000	7.2%	Projected principal and interest savings due to delay in debt issuance.
TOTAL CAPITAL FINANCING	88,600	7,515	85,600	3,000	3.4%	
<u>POLICE SERVICES</u>						
Police	139,702	45,757	139,702	0	0.0%	
Capital Financing	713	0	713	0	0.0%	
TOTAL POLICE SERVICES	140,415	45,757	140,415	0	0.0%	
<u>BOARDS & AGENCIES</u>						
HECFI	3,247	2,529	3,247	0	0.0%	
Library	28,039	8,407	28,039	0	0.0%	
Conservation Authorities	4,510	1,785	4,510	0	0.0%	
AGH	910	327	910	0	0.0%	
Boris Brott Music Festival	90	11	90	0	0.0%	
Hamilton Beach Rescue Unit	127	10	127	0	0.0%	
Hamilton Philharmonic Orchestra	114	47	114	0	0.0%	
HWCA - Festival of Friends	85	36	85	0	0.0%	
Opera Hamilton	127	53	127	0	0.0%	
Royal Botanical Gardens	599	250	599	0	0.0%	
Hamilton Waterfront Trust	155	83	155	0	0.0%	
Theatre Aquarius	74	9	74	0	0.0%	
Westfield Village Contract Services	547	273	547	0	0.0%	
MPAC	6,217	1,554	6,217	0	0.0%	
Total Operating	44,839	15,373	44,839	0	0.0%	
Capital Financing	864	173	864	0	0.0%	
TOTAL BOARDS & AGENCIES	45,704	15,546	45,704	0	0.0%	
COMMUNITY PARTNERSHIP PROGRAM	3,212	48	3,212	0	0.0%	
TOTAL EXPENDITURES	766,527	225,550	768,012	(1,485)	(0.2)%	

- () Denotes unfavourable variance

CITY OF HAMILTON
TAX OPERATING BUDGET VARIANCE REPORT TO APRIL 30, 2013
(\$ 000's)

	2013 Approved Budget	2013 Actuals to April 30	Projected Actuals to Dec. 31	2013 Projected Actuals vs Approved Budget		Comments/Explanations
				\$	%	
<u>NON PROGRAM REVENUES</u>						
Taxation-Penalty & Interest	(9,250)	(2,696)	(9,250)	0	0.0%	
Payment In Lieu	(14,668)	0	(14,668)	0	0.0%	
Right of Way Taxes	(3,202)	0	(3,202)	0	0.0%	
Taxes-Municipal Supplementary	(8,500)	0	(8,500)	0	0.0%	
Taxation Capping and Phase-Ins	150	(1)	150	0	0.0%	
Tax Remissions / Write Offs	10,040	3,114	10,040	0	0.0%	
HUC Dividends	(5,300)	(7,189)	(5,300)	0	0.0%	
Interest Income	(4,100)	(3,128)	(4,100)	0	0.0%	
Provincial Offences Act	(4,419)	(1,424)	(4,419)	0	0.0%	
TOTAL NON PROGRAM REVENUES	(39,249)	(11,324)	(39,249)	0	0.0%	
TOTAL LEVY REQUIREMENT	727,278	214,226	728,763	(1,485)	(0.2)%	

CITY OF HAMILTON
COMBINED WATER AND WASTEWATER AND STORM SYSTEMS
BUDGET VARIANCE REPORT AS OF APRIL 30, 2013
(\$ 000'S)

	2013 APPROVED BUDGET	2013 ACTUALS TO APRIL 30	PROJECTED ACTUALS TO DEC. 31	2013 PROJECTED ACTUALS .VS APPROVED BUDGET		2013 PROJECTED % SPENT
				\$	%	

EXPENDITURES:

Environmental Services

Divisional Administration & Support	2,187,020	124,281	2,087,921	99,099	4.5%	95.5%
Customer Service & Community Outreach	1,379,390	273,843	1,370,291	9,099	0.7%	99.3%
Service Co-ordination	2,815,140	709,356	2,774,626	40,514	1.4%	98.6%
Engineering Systems & Data Collection	1,431,780	635,414	1,095,521	336,259	23.5%	76.5%
Compliance & Regulations	701,400	223,949	701,400	-	0.0%	100.0%
Laboratory Services	2,949,895	1,075,342	2,949,895	-	0.0%	100.0%
Environmental Monitoring & Enforcement	1,581,480	456,356	1,581,480	-	0.0%	100.0%
Water Distribution & Wastewater Collection	15,844,580	4,166,856	15,738,285	106,295	0.7%	99.3%
Plant Operations & Maintenance	33,899,790	7,694,617	33,720,194	179,596	0.5%	99.5%
Water & Wastewater Engineering	2,407,500	728,498	2,407,500	-	0.0%	100.0%
Infrastructure & Source Water Planning	2,247,250	687,524	2,247,250	-	0.0%	100.0%
Hydro Billing Contract	4,307,000	883,683	4,304,774	2,226	0.1%	99.9%
Corporate & Departmental Support Services	6,039,720	3,296,711	6,039,720	-	0.0%	100.0%
Utilities Arrears Program	350,000	16,502	339,385	10,615	3.0%	97.0%
Hamilton Harbour Remedial Action Plan	210,000	59,710	182,768	27,232	13.0%	87.0%
Protective Plumbing Program 3P	2,500,000	917,260	2,752,000	(252,000)	(10.1)%	110.1%
Financial Charges	372,000	557,752	358,857	13,143	3.5%	96.5%
Capital and Reserve Recoveries	(6,333,680)	(1,278,166)	(6,333,680)	-	0.0%	100.0%
Sub-Total Environmental Services	74,890,265	21,229,490	74,318,186	572,079	0.8%	99.2%

Capital and Reserve Impacts on Operating

Contributions to Capital

Water Quality Initiatives	36,930,000	4,296,060	36,930,000	-	0.0%	100.0%
Wastewater	30,110,000	3,502,690	30,110,000	-	0.0%	100.0%
Stormwater	10,460,000	1,216,810	10,460,000	-	0.0%	100.0%
Sub-Total Contributions to Capital	77,500,000	9,015,560	77,500,000	-	0.0%	100.0%

CITY OF HAMILTON
COMBINED WATER AND WASTEWATER AND STORM SYSTEMS
BUDGET VARIANCE REPORT AS OF APRIL 30, 2013
(\$ 000'S)

	2013 APPROVED BUDGET	2013 ACTUALS TO APRIL 30	PROJECTED ACTUALS TO DEC. 31	2013 PROJECTED ACTUALS .VS APPROVED BUDGET		2013 PROJECTED % SPENT
				\$	%	
<u>Contributions for DC Exemptions</u>						
Water Quality Initiatives	3,559,445	-	3,559,445	-	0.0%	100.0%
Wastewater	2,395,253	-	2,395,253	-	0.0%	100.0%
Stormwater	3,045,302	-	3,045,302	-	0.0%	100.0%
Sub-Total Contributions for DC Exemptions	9,000,000	-	9,000,000	-	0.0%	100.0%
<u>Debt Charges</u>						
Water Quality Initiatives	6,317,464	-	3,000,000	3,317,464	52.5%	47.5%
Wastewater	5,772,342	-	2,500,000	3,272,342	56.7%	43.3%
Stormwater	2,279,463	-	165,000	2,114,463	92.8%	7.2%
Debt Payment Recoveries	(4,251,074)	-	(117,000)	(4,134,074)	(97.2)%	2.8%
Sub-Total Debt Charges	10,118,195	-	5,548,000	4,570,195	45.2%	54.8%
Sub-Total Water, Wastewater & Stormwater	96,618,195	9,015,560	92,048,000	4,570,195	4.7%	95.3%
Transfer to Reserves	463,310	-	463,310	-	0.0%	100.0%
Sub-Total Capital and Reserve Impacts on Operating	97,081,505	9,015,560	92,511,310	4,570,195	4.7%	95.3%
TOTAL EXPENDITURES	171,971,770	30,245,050	166,829,496	5,142,274	3.0%	97.0%

CITY OF HAMILTON
COMBINED WATER AND WASTEWATER AND STORM SYSTEMS
BUDGET VARIANCE REPORT AS OF APRIL 30, 2013
(\$ 000'S)

	2013 APPROVED BUDGET	2013 ACTUALS TO APRIL 30	PROJECTED ACTUALS TO DEC. 31	2013 PROJECTED ACTUALS .VS APPROVED BUDGET		2013 PROJECTED % SPENT
				\$	%	
REVENUES:						
Rate Revenue						
Residential	77,366,596	23,454,507	77,366,596	-	0.0%	100.0%
ICI	82,941,070	24,869,005	79,941,070	(3,000,000)	(3.6)%	96.4%
Haldimand / Halton	2,643,984	700,240	2,643,984	-	0.0%	100.0%
Non-Metered	594,000	165,643	594,000	-	0.0%	100.0%
Private Fire Lines	400,000	149,150	525,000	125,000	31.3%	131.3%
Hauler / 3rd Party Sales	1,040,550	212,300	1,040,550	-	0.0%	100.0%
Wastewater Abatement Program	(440,000)	(38,820)	(440,000)	-	0.0%	100.0%
Overstrength Agreements	1,600,000	-	1,600,000	-	0.0%	100.0%
Sewer Surcharge Agreements	3,200,000	1,600	3,200,000	-	0.0%	100.0%
Sub-Total Utility Rates	169,346,200	49,513,625	166,471,200	(2,875,000)	(1.7)%	98.3%
Non-Rate Revenue						
Subdivider Contributions	129,000	-	129,000	-	0.0%	100.0%
Local Improvement Recoveries	271,010	-	271,010	-	0.0%	100.0%
Permits / Leases / Agreements	1,320,960	370,890	1,320,960	-	0.0%	100.0%
General Fees and Recoveries	904,600	197,120	854,720	(49,880)	(5.5)%	94.5%
Sub-Total Non-Rate Revenue	2,625,570	568,010	2,575,690	(49,880)	(1.9)%	98.1%
TOTAL REVENUES	171,971,770	50,081,635	169,046,890	(2,924,880)	(1.7)%	98.3%
NET EXPENDITURES	-	(19,836,585)	(2,217,394)	2,217,394	N/A	N/A

**CITY OF HAMILTON
 BUDGET RESTATEMENT SCHEDULE**

BUDGET RESTATEMENT

Budget Transfer to another division or department

ITEM #	TRANSFER FROM			TRANSFER TO		
	<u>Department</u>	<u>Division</u>	<u>Amount</u>	<u>Department</u>	<u>Division</u>	<u>Amount</u>
1.1	Community Services	Fire	\$27,310.00	Planning & Economic Development	GM, Finance and Support Servs	\$27,310.00
Explanation: Due to the restructuring of HES, the recovery of a portion of PED F&A Manager salary & benefits from HES is no longer required.						

Note - Above budget transfers remain in the same cost category.

CITY OF HAMILTON BUDGETED COMPLEMENT TRANSFER SCHEDULE

STAFF COMPLEMENT CHANGE

Complement Transfer to another division or department ⁽¹⁾

ITEM #	TRANSFER FROM				TRANSFER TO			
	<u>Department</u>	<u>Division</u>	<u>Position Title (2)</u>	<u>FTE</u>	<u>Department</u>	<u>Division</u>	<u>Position Title (2)</u>	<u>FTE</u>
1.2	Public Health Services	OMOH	Social Determinants of Health Staff	3.0	Public Health Services	PBI	Social Determinants of Health Staff	3.0
Explanation: Transfer of Social Determinants of Health (SDOH) program and FTE from Office of Medical Officer of Health (OMOH) to Planning & Business Improvement (PBI) given: SDOH is a foundational standard (similar to other PBI programs), alignment with neighbourhood work done by Applied Research & Evaluation (ARE) (housed in PBI)								

Note (1) - All other budgeted complement changes that require Council approval per Budgeted Complement Control Policy must be done through either separate report or the budget process (ie. Increasing/decreasing budgeted complement, changing budgeted complement type).

Note (2) - If a position is changing, the impact of the change must be within 1 pay band or separate Council approval is required.