

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 21, 2020**

Item 2, Report No. 47, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on October 21, 2020.

---

**2.     2020 MID-YEAR FISCAL HEALTH REPORT – FOR THE YEAR-TO-  
DATE PERIOD ENDING JUNE 30, 2020**

**The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Corporate Services and Chief Financial Officer dated October 14, 2020:**

**Recommendations**

1.     That the 2020 Mid-Year Fiscal Health Report as at June 30, 2020 be received.

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, September 22, 2020

**WARD(S):** ALL

**TITLE: 2020 MID-YEAR FISCAL HEALTH REPORT – FOR THE YEAR-TO-DATE PERIOD ENDING JUNE 30, 2020**

**FROM:**

Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

**ACTION:** FOR INFORMATION

---

### **Purpose**

To report on the City's fiscal health for the year-to-date period ending June 30, 2020.

### **Report Highlights**

- The City's property tax supported operations ended the second quarter in an unfavorable position of approximately \$77.7 million, largely attributed to deferral of property tax billings from June to August.
- In the first six months of the year, capital expenditures were \$32.4 million, or 20% of annual forecast expenditures. The variances are largely due to timing of projects.
- Combined, the rate supported operations for the second quarter ended in an unfavorable position of \$9.8 million mainly due to deferral of stormwater billing.

### **Recommendation**

1. That the 2020 Mid-Year Fiscal Health Report as at June 30, 2020, be received.

## **Background**

The Mid-Year Fiscal Health Report provides a snapshot of the City's overall financial health for the first six months of the year and indicates areas requiring further monitoring and corrective actions.

The Report summarizes actual city operating, capital, water, wastewater and stormwater results as of June 30, 2020, relative to approved budgets and on the same basis as the budget. It should be noted the full amortization of tangible capital assets and post-retirement benefits are excluded, while transfers to and from reserves and net debenture financing requirements are included.

## **Analysis and Options**

### ***Executive Summary***

**At mid-year, the City's property tax-supported Operating Budget and rate-supported operations report unfavorable results, as summarized in Table 1.**

The City's property tax supported operations ended the second quarter in an unfavorable position of approximately \$77.7 million, largely attributed to deferral of property tax billings from June to August and lost fees and charges revenue due to facility closures, program cancellations and lower demand for services as a result of the COVID-19 pandemic.

Combined, the rate supported operations ended the second quarter with reserve contributions below budget. Lower commercial water sales were offset with reduced water purchases from York Region and lower than expected spending on maintenance and installations. Lower commercial wastewater billings were offset by reduced York Region treatment costs and lower than expected spending on maintenance and installations. Both the City and the Region cancelled the 2020 rate increases for water and wastewater, which is impacting both sales and purchase variances. The stormwater charge was postponed as a result of the COVID pandemic, with the charge process starting in July and finishing in September. Overall, the rate supported operation ended the second quarter with combined contributions to reserves of \$4.7 million which was \$9.8 million less than expected, mostly due to the deferral of the stormwater billing. These reserve funds are necessary for future infrastructure replacements as these assets near the end of their useful life.

The 2020 Approved Capital budget included \$173.6 million in new capital projects. As of June 30, 2020, after all post-budget capital amendments, there were 752 open capital projects with \$512.6 million of available budget remaining. Chart 1 illustrates inception-to-date expenditures on all open projects. As construction season proceeds through

summer and early fall, capital expenditures are expected to remain steady through the remainder of the year.

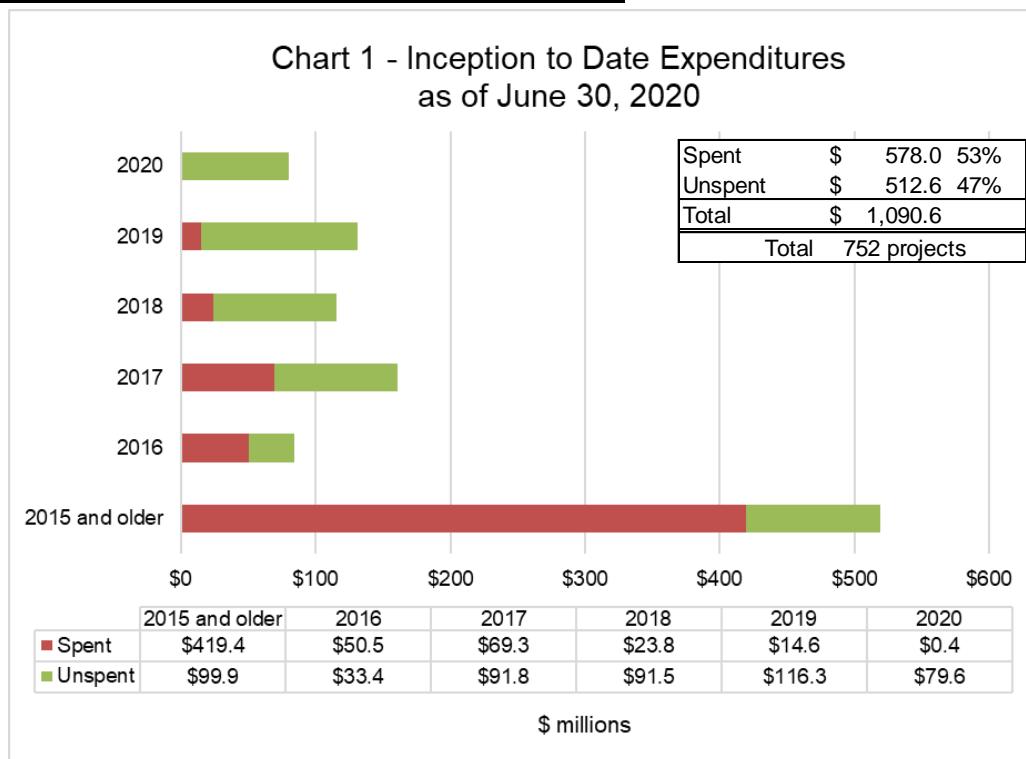
### **Tax-Levy and Rate Supported Operating Results as of June 30, 2020**

Table 1

\$ millions	YTD Budget	YTD Actuals	Variance Fav./Unfav.)
<b>Property Tax Based Budget</b>			
Revenues	234.0	146.1	(88.0)
Expenditures	172.2	162.0	10.3
<b>Net</b>	<b>\$ 61.8</b>	<b>\$ (15.9)</b>	<b>\$ (77.7)</b>
<b>Water Rate Based Budget</b>			
Revenues	36.0	33.1	(2.9)
Expenditures	31.3	28.1	3.2
<b>Lifecycle Contribution</b>	<b>\$ 4.7</b>	<b>\$ 5.0</b>	<b>\$ 0.3</b>
<b>Wastewater Rate Based Budget</b>			
Revenues	44.0	39.7	(4.3)
Expenditures	40.3	37.0	3.3
<b>Lifecycle Contribution</b>	<b>\$ 3.7</b>	<b>\$ 2.7</b>	<b>\$ (1.0)</b>
<b>Stormwater Charge Based Budget</b>			
Revenues	10.9	0.2	(10.7)
Expenditures	4.8	3.2	1.6
<b>Lifecycle Contribution</b>	<b>\$ 6.1</b>	<b>\$ (3.0)</b>	<b>\$ (9.1)</b>

Note: numbers may not add due to rounding

### **Capital Expenditure Results as of June 30, 2020**



## Discussion

### OPERATING BUDGET RESULTS

**Overall, City revenues at June 30<sup>th</sup> were \$146.1 million, an unfavourable variance of \$88.0 million as shown in Table 2.**

Table 2

\$ millions	Q2 2020 YTD		Variance Fav./(Unfav.)	
	Budget	Actual	\$	%
Corporate Revenues	11.6	16.5	4.9	42.2%
Department Revenues	30.8	25.5	(5.3)	-17.2%
Reserve Transfers	9.0	3.3	(5.7)	-63.3%
Taxation	182.7	100.8	(81.9)	-44.8%
<b>Net</b>	<b>\$ 234.1</b>	<b>\$ 146.1</b>	<b>\$ (88.0)</b>	<b>-37.6%</b>

Note: numbers may not add due to rounding

Mid-Year revenues for the City were \$88.0 million under-budget, primarily due to the impacts of the COVID-19 pandemic and the decision to delay property tax billings to August. As a result of the delay, property tax collections were 55.2% of the budget at the end of the second quarter but are expected to be collected within the year.

Operationally, departmental fees and charges were under-budget largely due to COVID-19, which resulted in lower recreation fees, license, permit and application revenues.

Corporate revenues were \$4.9 million over-budget at mid-year, resulting from the timing of investment income as the City is still benefitting from the pre-pandemic rates, and higher than expected dividends received from the City's investment holding company, Vaughan Holdings Inc.

Department revenues associated with transfers from reserves for recoverable expenses can fluctuate with the level of expenses and non-tax revenues.

**Overall, City expenditures had a favourable variance of \$10.3 million below budget as shown in Table 3.**

Table 3

\$ millions	Q2 2020 YTD		Variance Fav./(Unfav.)	
	Budget	Actual	\$	%
Labour	101.5	94.3	7.2	7.1%
Service Contracts & Materials	21.5	18.4	3.1	14.4%
Insurance	5.2	4.3	0.9	17.3%
Capital Related	26.9	26.4	0.5	1.9%
Utilities & Fuel	4.7	4.4	0.3	6.4%
Other	12.4	14.1	(1.7)	-13.7%
<b>Net</b>	<b>\$ 172.2</b>	<b>\$ 161.9</b>	<b>\$ 10.3</b>	<b>6.0%</b>

Note: numbers may not add due to rounding

The most significant mid-year under-expenditure for the City was labour related costs. As of June 30<sup>th</sup>, cost of labour was \$7.2 million under-budget. This is primarily attributed to vacancies and implementation of workforce re-balancing measures in response to the impacts of COVID-19, including a hiring freeze and temporary layoffs of non-essential staff. In addition, the timing of expenditures related to contractors and materials, and lower than planned expenditures in utilities, fuel, and insurance contribute further to the \$10.3 million under-expenditure.

[Attachment 2](#) provides commentary at the Portfolio/Office level.

## Risks and Pressures

The City's operating results for the first half of the year were unfavorable, with overall expenditures exceeding revenues. Although, deferred property tax revenues from the first six months of the year will be reflected in third-quarter results, lower revenues from recreation; development applications; and, By-law Compliance, Permits, and Licencing will likely continue. At the same time, investment income will also decline as financial assets in the City's portfolio mature and are re-invested at lower rates.

## Operating Budget Transfers

Table 4 summarizes in-year operating budget transfers between departments completed during the first half of the year for which the Chief Financial Officer/City Treasurer has the delegated authority as granted by Council at the Special Council meeting of December 15, 2015 (Finance, Administration and Audit Committee, Report 16, Item 1).

Table 4

Departments		Description	Budget Transferred
From:	To:		
DCM Public Works	Parks, Forestry & Horticulture Operations	Restatement of budget and FTE resulting from internal reorganization to align with business objectives.	\$ 142,084
Infrastructure Delivery	Facilities Management	Budget and FTE transfer resulting from organizational realignment.	\$ 807,863
Facilities Management	Real Estate	Budget and FTE transfer resulting from organizational realignment.	\$ 145,613
Office of Chief Information Officer	Infrastructure Development	Budget and FTE transfer resulting from organizational realignment.	\$ 159,989

## **WATER, WASTEWATER AND STORMWATER RESULTS**

### **Second Quarter Water Operating Results**

**Water Operations gross margin was \$0.4 million less than budget.**

	Budget \$million	Actual \$million	Variance \$million	Variance %
Residential Billings	20.8	21.1	0.3	1.4%
Commercial Billings	13.7	11.1	(2.6)	(19.0%)
Other	0.2	0.2	(0.0)	(0.0%)
Purchases/Treatment Charges	21.3	18.8	2.5	11.7%
Non-Revenue Water	3.2	3.8	(0.6)	(18.8%)
<b>Gross Margin</b>	<b>10.2</b>	<b>9.8</b>	<b>(0.4)</b>	<b>(3.9%)</b>
<b>Other Revenues</b>	<b>1.3</b>	<b>0.7</b>	<b>(0.6)</b>	<b>(46.2%)</b>

- Residential water sales for the second quarter ended higher than budget by 1.4% whereas commercial water sales ended lower than budget by 19.0%. These results are a combination of the impact of COVID-19 and the 2020 rate freeze directed by Council to provide relief to businesses and citizens.
- As a result of decreased commercial sales, Regional water purchases (direct cost) were lower than budgeted. Further, York Region cancelled the 2020 water and wastewater rate increases resulting in lower than expected water purchase costs.
- Non-Revenue Water (NRW) was higher than budgeted. Several initiatives, including meter replacements, are underway to find and reduce NRW.

**Water Operations expenditures before Lifecycle Contributions were \$1.3 million less than budgeted.**

	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million	<b>Variance</b> %
Maintenance and Installation Cost	3.5	2.5	1.0	28.6%
General Administration	2.9	2.6	0.3	10.3%
Joint Service Costs	0.4	0.4	0.0	0.0%
<b>Total Expenditures</b>	<b>6.8</b>	<b>5.5</b>	<b>1.3</b>	<b>19.1%</b>
<b>Lifecycle Contribution</b>	<b>4.7</b>	<b>5.0</b>	<b>0.3</b>	<b>6.4%</b>

- Maintenance and Installation Costs were lower by 28.6%. Federal and Provincial grants for meter installations, recalibrating the AMI program, and temporary vacancies resulted in lower expenses.
- General Administration costs were lower by 10.3% mainly due to postponed hiring while assessing vacancies against needs.

**The City's net lifecycle contribution was \$0.3 million greater than budgeted at the end of the second quarter.**

### **Second Quarter Wastewater Operating Results**

**Wastewater Operations gross margin was \$2.4 million less than budget.**

	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million	<b>Variance</b> %
Residential Billings	25.7	25.3	(0.4)	(1.6%)
Commercial Billings	17.0	13.7	(3.3)	(19.4%)
Other	0.3	0.2	(0.1)	(33.3%)
Purchases/Treatment Charges	31.0	28.7	2.3	7.4%
Non-Revenue Water	4.6	5.5	(0.9)	(19.6%)
<b>Gross Margin</b>	<b>7.4</b>	<b>5.0</b>	<b>(2.4)</b>	<b>(32.4%)</b>
<b>Other Revenues</b>	<b>1.0</b>	<b>0.5</b>	<b>(0.5)</b>	<b>(50.0%)</b>

- Residential and commercial billings for the second quarter are trending 1.6% and 19.4% respectively lower than budget. These results are a combination of the impact



of COVID-19 and the 2020 rate freeze directed by Council to provide relief to businesses and citizens.

- Wastewater billing is based on water consumption and therefore trends similar to water consumption.
- As a result of decreased billings, treatment charges (direct cost) were lower than budgeted. Further, York Region cancelled the 2020 water and wastewater rate increases resulting in lower than expected wastewater treatment costs.
- Non-Revenue Water (NRW) was higher than budgeted. Since wastewater collection and treatment are based on water volumes, these costs are affected by NRW. Several initiatives, including meter replacements, are underway to find and reduce NRW.

**Wastewater Operations expenditures before Lifecycle Contributions were \$1.9 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Maintenance and Installation Cost	2.4	0.9	1.5	62.5%
General Administration	1.9	1.5	0.4	21.1%
Joint Service Costs	0.4	0.4	0.0	0.0%
<b>Total Expenditures</b>	<b>4.7</b>	<b>2.8</b>	<b>1.9</b>	<b>40.4%</b>
<b>Lifecycle Contribution</b>	<b>3.7</b>	<b>2.7</b>	<b>(1.0)</b>	<b>(27.0%)</b>

- Maintenance and Installation Costs ended lower by 62.5% due to postponed hiring while assessing vacancies against needs, time to set up contracts for flow monitoring and flood monitoring activities, lower than expected CCTV work and lateral repairs and timing of spending in flushing and cleaning activities.
- General Administration costs were lower by 21.1% mainly due to postponed hiring while assessing vacancies against needs.

**City's net lifecycle contribution was \$1.0 million lower than budgeted at the end of the second quarter.**

### **Second Quarter Stormwater Operating Results**

**Stormwater Operations gross margin was \$10.5 million less than budgeted due to the deferral of stormwater charges billing.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Residential Billings	4.2	0.0	(4.2)	(100.0%)
Commercial Billings	6.3	0.0	(6.3)	(100.0%)
Other	0.0	0.0	0.0	0.0%
Purchases/Treatment Charges	0.0	0.0	0.0	0.0%
Non-Revenue Water	0.0	0.0	0.0	0.0%
<b>Gross Margin</b>	<b>10.5</b>	<b>0.0</b>	<b>(10.5)</b>	<b>(100.0%)</b>
<b>Other Revenues</b>	<b>0.4</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(50.0%)</b>

- Total annual billing for stormwater charges began in July and will be completed in September.

**Stormwater Operations expenditures before Lifecycle Contributions were \$1.6 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Maintenance and Installation Cost	2.7	1.8	0.9	33.3%
General Administration	2.0	1.5	0.5	25.0%
Joint Service Costs	0.1	(0.1)	0.2	200.0%
<b>Total Expenditures</b>	<b>4.8</b>	<b>3.2</b>	<b>1.6</b>	<b>33.3%</b>
<b>Lifecycle Contribution</b>	<b>6.1</b>	<b>(3.0)</b>	<b>(9.1)</b>	<b>(149.2%)</b>

- Maintenance and Installation costs were lower by 33.3% mainly due to delay in contract award for stormwater pond maintenance and cleaning, timing of street sweeping activities and lower than expected repairs for storm mains and catch basins.
- General Administration costs were lower by 25.0% mainly due to timing of spending on professional fees and postponed hiring while assessing vacancies against needs.
- Joint services fee with Alectra were lower than expected due to adjustment in previous year billing.

**The City's net lifecycle contribution was \$9.1 million lower than budgeted at the end of the second quarter due to deferral of stormwater charges billing.**

## Capital Budget Results

As at June 30, 2020, there were 752 open capital projects with \$512.6 million of budget remaining. Open projects include 626 active projects, and 126 inactive or on-hold projects. The open project unspent funding breakdown by year is illustrated in Chart 2.

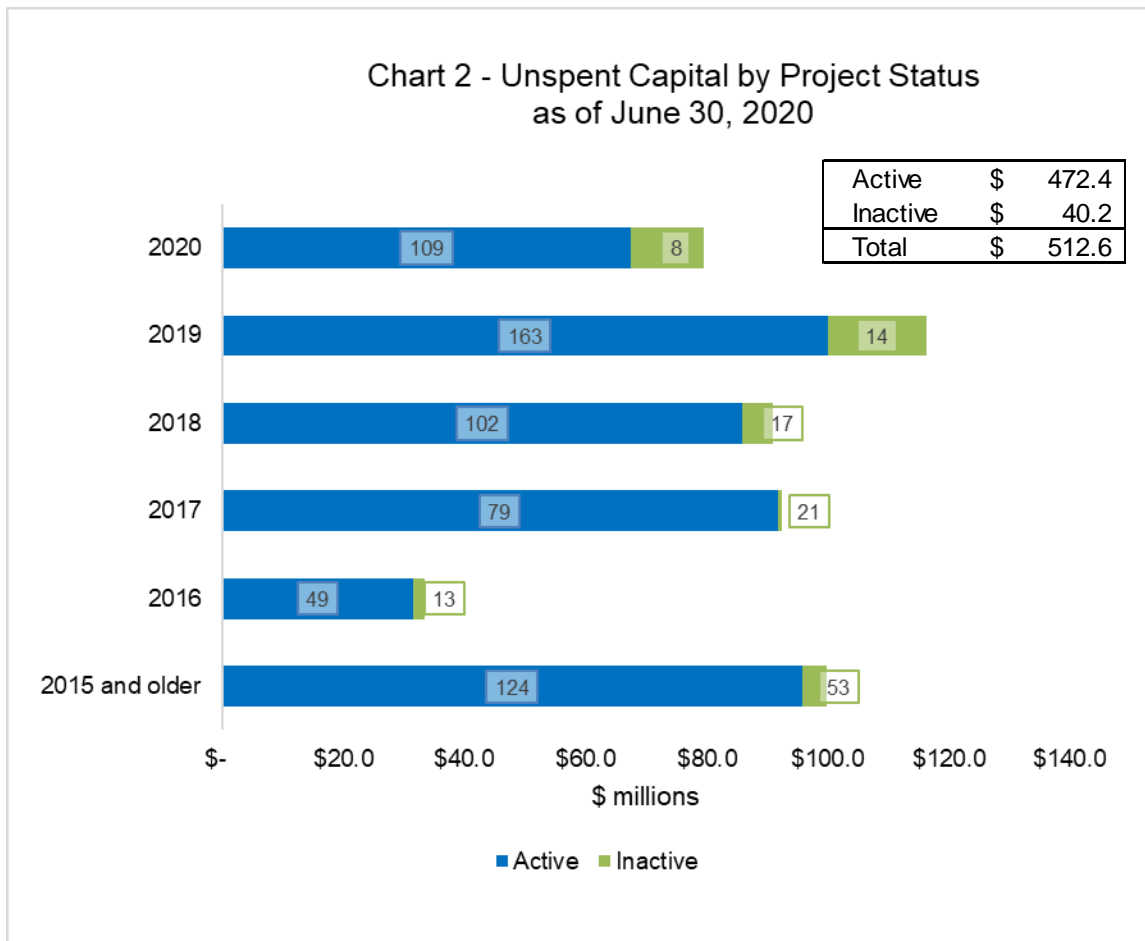
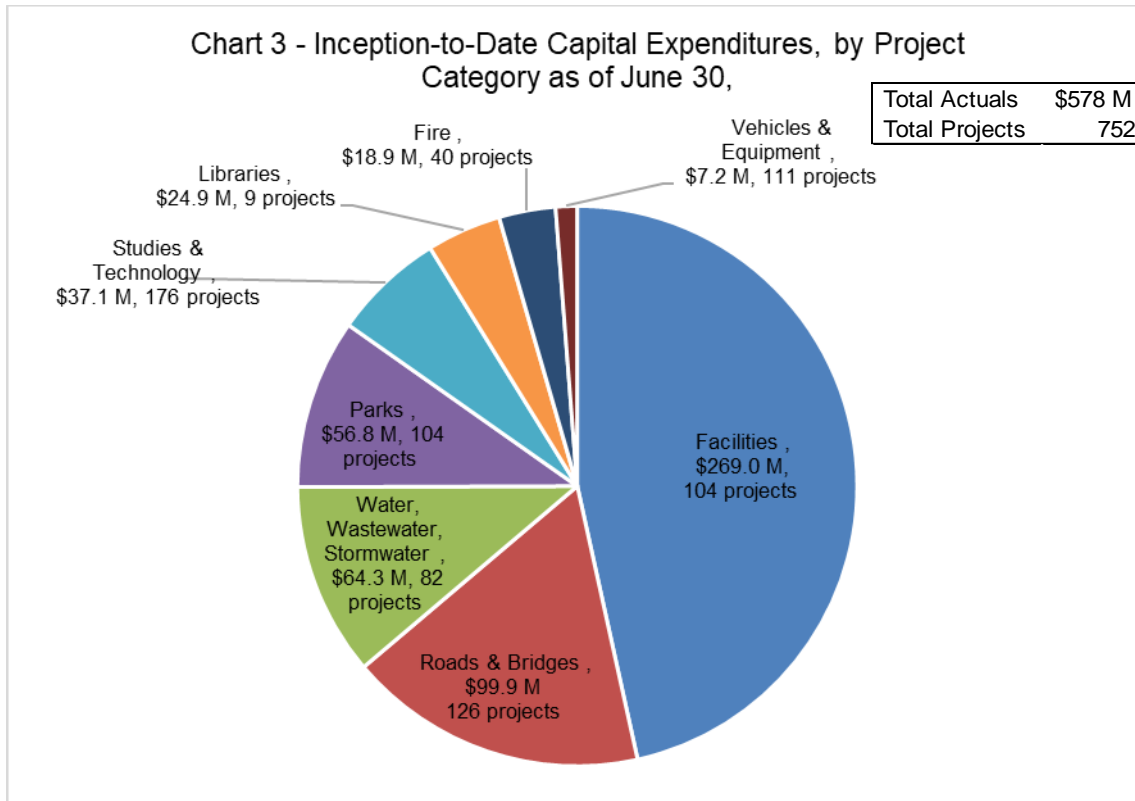


Chart 3 illustrates the breakdown of year-to-date capital expenditures by project category as of June 30, 2020.



In the 2020 capital budget, departments indicated that \$165.8 million in capital expenditures would be processed throughout 2020. At the end of the second quarter, \$32.4 million or approximately 20 percent of the forecasted amount has been spent. As construction season continues through the summer and fall months, and more billing from the summer is processed, it is expected that capital expenditure will rise. Departments are continuing to enhance the robustness of their capital cash flow spend forecasts which will improve the tracking of future results.

### **Inactive Projects and Closed Projects**

Of the 752 open capital projects, there are 126 projects that are considered inactive. Inactive projects comprise 17 per cent of the total number of open projects, equating to eight per cent of the total unspent funds of \$512.6 million. Approximately 27 per cent of the inactive projects are considered near completion but are required to remain open until a future event occurs. Twenty-four per cent of the inactive projects are on hold or have not started for a variety of reasons, such as: project scope changes, reevaluation of estimated project costs, and reprioritization of projects due to resource constraints. The breakdown of project classifications of the 126 inactive projects is as follows:

<b>Classification</b>	<b>Number of Projects</b>	<b>Amount (\$million)</b>
<b>Completed-to be closed</b>	57	\$3.8
<b>Completed-Under Warranty or Maintenance</b>	26	\$8.6
<b>Completed-Waiting for final invoices</b>	8	(\$7.5)
<b>DC Repayment in Place</b>	3	\$15.3
<b>Not Started</b>	19	\$15.5
<b>Project on Hold</b>	11	\$4.1
<b>Work On-going</b>	2	\$0.4
<b>Total</b>	<b>126</b>	<b>\$40.2</b>

Of the total \$40.2 million in unspent funds from inactive projects, \$8.6 million is held for projects that are under warranty or maintenance. Staff continue to review the status of projects on hold and projects deferred, and accordingly will develop action plans to return funding commitments back to the funding sources, to repurpose the project scope, or to advance the project.

A complete list of Inactive Projects can be found [online](#).

**Departments closed 71 projects in the first half of 2020, releasing \$11.0 million of reserves.**

During the second quarter, departments closed 17 capital projects, bringing the total capital projects closed in 2020 to 71 projects. The table below provides a breakdown of projects closed as of second quarter 2020, with funding available.

<b>Portfolios</b>	<b>Number of Projects Closed as of Q2 2020</b>	<b>Amount of Reserves Released (\$ million)</b>
Environmental Services	3	\$0.1
Infrastructure Delivery	1	\$0.5
Infrastructure Planning & Corporate Asset Management	11	\$9.2
Parks Delivery	4	\$0.2
Transportation & Fleet Management	38	\$0.2
Development Engineering	3	\$0.7
Library Services	2	\$0.1
Other	9	\$ -
<b>Total</b>	<b>71</b>	<b>\$11.0</b>

### Continuity Schedule of Reserves and Reserve Funds

\$ million	Opening Balance	Year to Date Revenues	Year to Date Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
<b>Obligatory Reserves</b>						
City-Wide Development Charges	473.32	8.01	5.90	475.42	249.86	225.56
Area Specific Development Charges	9.20	0.08	0.53	8.75	18.88	(10.13)
Restricted Grant	36.67	9.56	0.47	45.75	43.67	2.09
Other	100.00	7.55	2.23	105.32	6.58	98.74
<b>Obligatory Subtotal</b>	<b>619.18</b>	<b>25.19</b>	<b>9.13</b>	<b>635.24</b>	<b>318.98</b>	<b>316.26</b>
<b>Discretionary Reserves</b>						
Infrastructure	223.35	18.49	10.20	231.64	76.91	154.73
Capital from Taxation	21.60	8.15	2.10	27.65	23.47	4.19
Corporate	18.08	(0.03)	-	18.05	0.01	18.04
Special Purpose	8.20	0.58	0.14	8.65	14.29	(5.64)
Sustainability	49.44	2.87	2.04	50.27	1.34	48.93
<b>Discretionary Subtotal</b>	<b>320.68</b>	<b>30.06</b>	<b>14.48</b>	<b>336.26</b>	<b>116.02</b>	<b>220.25</b>
<b>Grand Totals</b>	<b>\$939.86</b>	<b>\$55.25</b>	<b>\$23.61</b>	<b>\$971.51</b>	<b>\$435.00</b>	<b>\$536.50</b>

Note – numbers may not add due to rounding.

At the end of the second quarter, the reserve balance before commitments was \$971.51 million. Net reserve activity of \$435.0 million is committed against these reserves and reserve funds. After this activity is accounted for, the total reserves and reserve funds balances as of June 30, 2020 was \$536.50 million, of which \$316.26 million was for obligatory reserves and \$220.25 million was in discretionary reserves.

Total Development Charges (DCs) revenues in the first two quarters of 2020 of \$8.1 million is comprised of \$4.8 million in DC collections and \$3.3 million investment income. Collections are lower than typical due to a decrease in development applications most likely resulting from the DC Pre-payment agreements that were offered in September 2018 and uncertainty in the market. Compared to the first half of

2019, DC collections have increased 247% or by \$2.8 million as a result of new development applications outside of the DC pre-payment agreements.

The Detailed Continuity Schedule can be found [online](#).

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

**The report is consistent with the priorities set in the Service Excellence Strategic Initiatives under Operational Performance: Financial Sustainability.**

The City's tax and rate based operating results are tracking negatively compared to the budget. Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. An update on the expected financial impact of COVID-19 in 2020 and 2021 will be provided at the Ready, Resilient, Resourceful Committee on September 29, 2020.

The Fiscal Health Report will continue to evolve to ensure it continues to provide relevant information that assists in ensuring the financial sustainability of the City. Consistent with current practices, regular updates advising of changes in the City's financial landscape will be brought forth to Council.

**For more information**, please contact:

Michael Marchetti, Director, Financial Planning & Development Finance, Ext. 8271  
Dean Ferraro, Director, Financial Services, Ext. 8272

### **Attachments**

1. [City Operating – Financial Summary, June 2020](#)
2. [City Operating – Portfolio/Office Summary, June 2020](#)

### **Prepared by**

Kenneth Quan, Manager, Corporate Financial Planning & Analysis Ext. 8029  
Sean Skinkle, Finance Manager, Water, Wastewater and Stormwater Ext. 8486  
Kelly Sutton, Senior Financial Analyst, Ext. 8252

With Contributions from:

Lisa-Marie Russo, Manager Financial Planning & Analysis, Ext. 8438  
Varant Khatchadourian, Manager Financial Planning & Analysis, Ext. 8338

James Siu, Senior Corporate Financial Analyst, Ext. 8066  
Tiziana Scrocco, Financial Analyst, Ext. 8724

**Approved by**

Insert Digital Signature here

A handwritten signature in blue ink, appearing to read "Michael Coroneos".

Michael Coroneos, Deputy City Manager

**Reviewed by**

A handwritten signature in blue ink, appearing to read "Jim Harnum".

Jim Harnum, City Manager





# **CITY OF VAUGHAN**

## **2020 City Operating Budget**

### **Property Tax Based Budget Fiscal Position as of June 30, 2020**

**CITY OF VAUGHAN**  
**2020 City Operating Budget**  
**Fiscal Position as of June 30, 2020**  
**REVENUE / EXPENDITURE SUMMARY**

	2020	Q2 2020 YTD		VARIANCE	
	ANNUAL BUDGET	BUDGET	ACTUAL	FAV. / (UNFAV.) \$ %	
<b>TAXATION</b>	209,880,682	182,722,158	100,761,539	(81,960,619)	-44.9%
<b>SUPPLEMENTAL TAXATION</b>	3,200,000	-	-	-	0.0%
<b>PAYMENT IN LIEU</b>	2,580,000	750,000	-	(750,000)	-100.0%
<b>RESERVES AND OTHER TRANSFERS</b>	17,359,940	8,209,118	3,312,686	(4,896,432)	-59.6%
<b>FEES AND SERVICE CHARGES</b>	63,847,378	30,752,137	25,498,506	(5,253,631)	-17.1%
<b>CORPORATE</b>	23,969,735	11,611,115	16,517,514	4,906,399	42.3%
<b>TOTAL REVENUES</b>	320,837,735	234,044,528	146,090,245	(87,954,283)	-37.6%
<b>EXPENDITURES:</b>					
<b>DEPARTMENTAL</b>	283,690,304	145,570,462	134,482,308	11,088,154	7.6%
<b>RESERVE CONTRIB. &amp; CORP. EXP.</b>	13,813,228	15,571,829	16,386,978	(815,149)	-5.2%
<b>LONG TERM DEBT</b>	10,523,420	3,264,091	3,147,948	116,143	3.6%
<b>CONTINGENCY</b>	4,800,000	(134,520)	281	(134,801)	100.2%
<b>CAPITAL FROM TAXATION</b>	7,943,313	7,943,313	7,943,313	-	0.0%
<b>TOTAL EXPENDITURES</b>	320,770,265	172,215,175	161,960,828	10,254,347	6.0%
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	67,470	61,829,353	(15,870,583)	(77,699,936)	

**CITY OF VAUGHAN**  
**2020 City Operating Budget**  
**Fiscal Position as of June 30, 2020**  
**June 30, 2020**

**REVENUE BY MAJOR SOURCE**

	2020 ANNUAL BUDGET	Q2 2020 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
<b>TAXATION</b>					
Tax Levy	209,880,682	182,722,158	100,761,539	(81,960,619)	-44.9%
Supplementals	3,200,000	-	-	-	0.0%
<b>GRANT</b>					
Library Grant	145,200	-	-	-	0.0%
<b>PAYMENT IN LIEU / OTHER</b>					
Payment In Lieu / Other	2,580,000	750,000	-	(750,000)	-100.0%
<b>RESERVES AND OTHER TRANSFERS</b>					
Engineering Reserve	8,447,021	4,223,508	1,954,969	(2,268,539)	-53.7%
CIL Recreation Land Reserve	1,082,000	541,000	541,000	-	0.0%
Administrative Recovery from Capital	1,500,000	750,000	(709,686)	(1,459,686)	-194.6%
Building Standards Service Continuity Reserve	5,037,807	2,518,904	1,526,403	(992,501)	-39.4%
Tax Rate Stabilization Reserve	(45,561)	-	-	(175,706)	-100.0%
Innovation Reserve	351,410	175,706	-	-	0.00%
Insurance Reserve	842,063	-	-	-	0.00%
<b>TOTAL RESERVES</b>	<b>17,214,740</b>	<b>8,209,118</b>	<b>3,312,686</b>	<b>(4,896,432)</b>	<b>-59.6%</b>
<b>FEES/SERVICE CHARGES</b>					
<b>ECONOMIC &amp; CULTURE DEVELOPMENT</b>	<b>737,537</b>	<b>543,492</b>	<b>64,731</b>	<b>(478,761)</b>	<b>-88.1%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>162,621</b>	<b>81,312</b>	<b>244,810</b>	<b>163,498</b>	<b>201.1%</b>
Deputy City Manager Corporate Services & Chief Financial Officer	-	-	-	-	0.00%
Financial Planning & Development Finance	506,239	253,118	139,552	(113,566)	-44.9%
Financial Services	1,205,281	621,281	475,442	(145,839)	-23.5%
Office of the Chief Human Resources Officer	-	-	47	47	0.00%
Office of the Chief Information Officer	316,263	159,924	115,317	(44,607)	-27.9%
Procurement Services	100,000	45,414	47,057	1,643	3.6%
<b>TOTAL DEPUTY CITY MANAGER CORPORATE SERVICES &amp; CHIEF FINANCIAL OFFICER</b>	<b>2,127,783</b>	<b>1,079,737</b>	<b>777,415</b>	<b>(302,322)</b>	<b>-28.0%</b>
Deputy City Manager Administrative Services & City Solicitor	100,000	-	-	-	0.00%
Legal Services	713,761	356,877	110,521	(246,356)	-69.0%
Office of the City Clerk	1,377,429	780,675	259,879	(520,796)	-66.7%
<b>TOTAL ADMINISTRATIVE SERVICES &amp; CITY SOLICITOR</b>	<b>2,191,190</b>	<b>1,137,552</b>	<b>370,400</b>	<b>(767,152)</b>	<b>-67.4%</b>
Access Vaughan	-	-	3,656	3,656	0.00%
Recreation Services	20,263,542	9,206,356	4,058,008	(5,148,348)	-55.9%
Community Development & Events	941,972	597,633	392,618	(205,015)	-34.3%
Fire and Rescue Service	1,079,440	323,863	205,630	(118,233)	-36.5%
By-Law, Compliance, Licensing and Permits	6,119,763	2,915,968	1,807,468	(1,108,500)	-38.0%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>28,404,717</b>	<b>13,043,820</b>	<b>6,467,380</b>	<b>(6,576,440)</b>	<b>-50.4%</b>
Deputy City Manager Infrastructure Development	-	-	-	-	0.00%
Infrastructure Delivery	1,151,152	575,570	404,349	(171,221)	-29.7%
Infrastructure Planning and Corporate Asset Management	2,230,623	1,115,312	887,744	(227,568)	-20.4%
Parks Delivery	217,105	108,554	110,477	1,923	1.8%
Real Estate	142,381	69,174	5,805	(63,369)	-91.6%
Facilities Management	477,975	262,947	537,832	274,885	104.5%
<b>TOTAL DEPUTY CITY MANAGER INFRASTRUCTURE DEVELOPMENT</b>	<b>4,219,236</b>	<b>2,131,557</b>	<b>1,946,207</b>	<b>(185,350)</b>	<b>-8.7%</b>
Deputy City Manager Planning & Growth Mgmt	39,842	19,922	49,046	29,124	146.2%
Development Planning	10,305,397	5,156,099	3,406,474	(1,749,625)	-33.9%
Development Engineering	520,996	252,134	106,930	(145,204)	-57.6%
Policy Planning & Environmental Sustainability	488,587	244,298	159,034	(85,264)	-34.9%
Parks Planning	223,213	111,606	31,499	(80,107)	-71.8%
Building Standards - Licenses/Permits	9,943,325	4,729,269	9,806,921	5,077,652	107.4%
- Plumbing Permits	834,432	390,206	310,510	(79,696)	-20.4%
- Service Charges	709,821	366,302	336,104	(30,198)	-8.2%
Vaughan Metropolitan Centre Program	227,676	113,838	60,058	(53,780)	-47.2%
<b>TOTAL DEPUTY CITY MANAGER PLANNING &amp; GROWTH MANAGEMENT</b>	<b>23,293,289</b>	<b>11,383,674</b>	<b>14,266,577</b>	<b>2,882,903</b>	<b>25.3%</b>
Deputy City Manager Public Works	-	-	-	-	0.0%
Environmental Services	1,589,780	801,051	733,264	(67,787)	-8.5%
Transportation & Fleet Management Services	353,566	182,278	279,712	97,434	53.5%
Parks, Forestry & Horticulture Operations	329,639	149,891	261,668	111,777	74.6%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>2,272,985</b>	<b>1,133,220</b>	<b>1,274,644</b>	<b>141,424</b>	<b>12.5%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>438,020</b>	<b>217,773</b>	<b>86,343</b>	<b>(131,430)</b>	<b>-60.4%</b>
<b>TOTAL FEES / SERVICE CHARGES</b>	<b>63,847,378</b>	<b>30,752,137</b>	<b>25,498,506</b>	<b>(5,253,631)</b>	<b>-17.1%</b>
<b>TOTAL CORPORATE REVENUES</b>	<b>23,969,735</b>	<b>11,611,115</b>	<b>16,517,514</b>	<b>4,906,399</b>	<b>42.3%</b>
<b>TOTAL REVENUE</b>	<b>320,837,735</b>	<b>234,044,528</b>	<b>146,090,245</b>	<b>(87,954,283)</b>	<b>-37.6%</b>

**CITY OF VAUGHAN**  
**2020 City Operating Budget**

June 30, 2020

**DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY**

	2020 ANNUAL BUDGET	Q2 2020 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
<b>COUNCIL</b>	1,819,292	936,586	757,578	179,008	19.1%
<b>OFFICE OF THE INTEGRITY COMMISSIONER</b>	517,246	259,683	174,564	85,119	32.8%
<b>INTERNAL AUDIT</b>	947,340	436,503	373,230	63,273	14.5%
<b>CITY MANAGER</b>	642,125	322,145	749,906	(427,761)	-132.8%
<b>CORPORATE &amp; STRATEGIC COMMUNICATIONS</b>	2,373,683	1,178,951	1,126,687	52,264	4.4%
<b>ECONOMIC &amp; CULTURAL DEVELOPMENT</b>	2,626,016	1,305,394	1,017,327	288,067	22.1%
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	1,829,669	915,996	956,684	(40,688)	-4.4%
Office of the Chief Financial Officer/City Treasurer	577,775	290,700	297,106	(6,406)	-2.2%
Financial Services	4,695,033	2,675,443	1,889,284	786,159	29.4%
Financial Planning & Development Finance	3,900,516	1,968,488	1,746,733	221,755	11.3%
Office of the Chief Human Resources Officer	3,439,894	1,738,531	1,644,169	94,362	5.4%
Office of the Chief Information Officer	13,950,056	8,169,968	8,146,226	23,742	0.3%
Procurement Services	2,777,421	1,377,719	1,302,926	74,793	5.4%
<b>TOTAL DEPUTY CITY MANAGER CORPORATE SERVICES &amp; CHIEF FINANCIAL OFFICE</b>	<b>29,340,695</b>	<b>16,220,849</b>	<b>15,026,444</b>	<b>1,194,405</b>	<b>7.4%</b>
Deputy City Manager Administrative Services & City Solicitor	576,540	292,207	294,913	(2,706)	-1%
Legal Services	4,116,576	2,057,713	1,850,332	207,381	10.1%
Office of the City Clerk	12,677,929	8,623,155	7,464,358	1,158,797	13.4%
<b>TOTAL ADMINISTRATIVE SERVICES &amp; CITY SOLICITOR</b>	<b>17,371,045</b>	<b>10,973,075</b>	<b>9,609,604</b>	<b>1,363,471</b>	<b>12.4%</b>
Office of Deputy City Manager Community Services	638,063	332,080	179,475	152,605	46.0%
Community Grants & Advisory Committees	44,185	22,093	19,856	2,237	10.1%
Access Vaughan	1,402,121	685,041	632,404	52,637	7.7%
Recreation Services	30,686,391	13,954,672	11,079,795	2,874,877	20.6%
Community Development & Events	2,070,078	1,069,182	974,398	94,784	8.9%
Fire and Rescue Service	52,902,075	26,079,260	25,529,496	549,764	2.1%
Emergency Planning	229,346	115,042	97,192	17,850	15.5%
By-Law, Compliance, Licensing & Permits	8,735,265	4,332,170	4,012,678	319,492	7.4%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>96,707,524</b>	<b>46,589,540</b>	<b>42,525,294</b>	<b>4,064,246</b>	<b>8.7%</b>
Deputy City Manager Infrastructure Development	784,689	391,778	378,249	13,529	3.5%
Infrastructure Delivery	3,020,977	1,488,986	1,178,959	310,027	20.8%
Infrastructure Planning and Corporate Asset Management	3,257,059	1,646,439	1,202,739	443,700	26.9%
Parks Delivery	1,650,136	821,550	706,743	114,807	14.0%
Real Estate	738,195	368,916	367,633	1,283	0.3%
Facilities Management	14,682,873	6,546,389	6,457,900	88,489	1.4%
<b>TOTAL DEPUTY CITY MANAGER INFRASTRUCTURE DEVELOPMENT</b>	<b>24,133,929</b>	<b>11,264,058</b>	<b>10,292,224</b>	<b>971,834</b>	<b>8.6%</b>
Office of Deputy City Manager Planning & Growth Management	892,898	443,280	488,767	(45,487)	-10.3%
Development Planning	6,210,915	3,094,572	2,597,762	496,810	16.1%
Development Engineering	5,131,040	2,553,424	2,169,620	383,804	15.0%
Policy Planning & Environmental Sustainability	2,947,395	1,483,584	1,242,409	241,175	16.3%
Parks Planning	1,077,400	521,731	509,856	11,875	2.3%
Building Standards	10,487,881	5,280,763	10,111,764	(4,831,001)	-91.5%
Vaughan Metropolitan Centre Program	1,956,006	970,084	976,260	(6,176)	-0.6%
<b>TOTAL DEPUTY CITY MANAGER PLANNING &amp; GROWTH MANAGEMENT</b>	<b>28,703,535</b>	<b>14,347,438</b>	<b>18,096,439</b>	<b>(3,749,001)</b>	<b>-26.1%</b>
Office of Deputy City Manager Public Works	298,158	144,586	182,943	(38,357)	-26.5%
Transportation & Fleet Management Services	29,425,093	16,709,542	13,582,594	3,126,948	18.7%
Environmental Services	11,436,581	5,652,592	4,235,485	1,417,107	25.1%
Parks, Forestry & Horticulture Operations	14,763,601	6,973,584	6,473,760	499,824	7.2%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>55,923,433</b>	<b>29,480,304</b>	<b>24,474,781</b>	<b>5,005,523</b>	<b>17.0%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>20,754,772</b>	<b>11,339,940</b>	<b>9,301,546</b>	<b>2,038,394</b>	<b>18.0%</b>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<b>283,690,304</b>	<b>145,570,462</b>	<b>134,482,308</b>	<b>11,088,154</b>	<b>7.6%</b>
<b>RESERVE CONTRIBUTIONS &amp; CORP. EXP.</b>	<b>13,813,228</b>	<b>15,571,829</b>	<b>16,386,978</b>	<b>(815,149)</b>	<b>-5.2%</b>
<b>LONG TERM DEBT</b>	<b>10,523,420</b>	<b>3,264,091</b>	<b>3,147,948</b>	<b>116,143</b>	<b>3.6%</b>
<b>CONTINGENCY</b>	<b>4,800,000</b>	<b>(134,520)</b>	<b>281</b>	<b>(134,801)</b>	<b>100.2%</b>
<b>CAPITAL FROM TAXATION</b>	<b>7,943,313</b>	<b>7,943,313</b>	<b>7,943,313</b>	<b>-</b>	<b>0%</b>
<b>TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES</b>	<b>320,770,265</b>	<b>172,215,175</b>	<b>161,960,828</b>	<b>10,254,347</b>	<b>6.0%</b>

**Administrative Services & City Solicitor**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	1.14	0.37	(0.77)
Labour	4.61	4.21	0.40
Other Expenditures	6.30	5.37	0.93
Total Expenditures	10.91	9.58	1.33
<b>Net</b>	<b>9.77</b>	<b>9.21</b>	<b>0.57</b>

## Capital Results (\$M):

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2020	2	0.54
2019	2	0.18
2018	1	0.02
<b>Total</b>	<b>5</b>	<b>\$0.74</b>

Administrative Services & City Solicitor has a favourable variance at Q2 driven mainly by:

- Lower than budgeted Insurance Premiums, Settlements, and Internal City Claims (Office of the City Clerk)
- Lower than budgeted labour expenditures as a result of vacancies (Legal Services, Office of the City Clerk)

These are partially offset by:

- Substantially reduced revenues from Committee of Adjustment applications, marriage licences and marriage ceremonies primarily attributable to the pandemic (Office of the City Clerk)
- Higher than budgeted spending in Professional Fees for complex legal issues and Local Planning Appeal Tribunal hearings that required external counsel expertise (Legal Services)
- Lower than budgeted labour cost recoveries from capital funds due to vacancies and lower than anticipated work on capital projects (Legal Services)

In Q2, the enhancement of the City's agenda management system was completed (Office of City Clerk).

**Portfolio: Community Services**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	13.04	6.47	(6.58)
Labour	42.36	39.58	2.78
Other Expenditures	4.23	2.97	1.26
Total Expenditures	46.59	42.55	4.04
<b>Net</b>	<b>33.55</b>	<b>36.06</b>	<b>(2.51)</b>

## Capital Results (\$M):

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2020	18	1.76
2019	15	2.66
2018	10	4.70
2017	7	14.72
2016	7	1.02
2006-2015	6	0.29
<b>Total</b>	<b>63</b>	<b>\$25.16</b>

Community Services has an unfavourable variance at Q2 driven mainly by:

- Significantly reduced revenue due to closure of community centres and the City Playhouse as a result of COVID-19 (Recreation Services)
- Decreased licensing and permit revenues due to deferral of license renewals as a result of the pandemic (By-Law & Compliance, Licensing & Permit Services)

These were partially offset by:

- Reduced expenses related to programming, events and operations, including labour and other expenses (Recreation Services)
- Lower than budgeted labour expenditures as a result of vacancies (By-Law & Compliance, Licensing & Permit Services, and Deputy City Manager, Community Services)

Work continued in Q2 on numerous capital projects including fire equipment and truck replacements, CLASS system upgrade, as well as continued enhancements to Service Vaughan Citizen Service Standards.

**Portfolio: Corporate Services & Chief Financial Officer**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	1.08	0.78	(0.30)
Labour	11.63	10.67	0.95
Other Expenditures	4.61	4.35	0.25
Total Expenditures	16.24	15.03	1.21
<b>Net</b>	<b>15.16</b>	<b>14.25</b>	<b>0.91</b>

## Capital Results (\$M):

<b>Year (\$M)</b>	<b>Open</b>	
	<b>#</b>	<b>Unspent</b>
2020	3	1.89
2019	6	1.66
2018	5	2.66
2017	3	0.98
2016	5	3.35
2011-2014	2	0.58
<b>Total</b>	<b>24</b>	<b>\$11.13</b>

Corporate Services' has a favourable variance at Q2 driven mainly by:

- Lower than budgeted labour costs as a result of vacancies
- Lower than anticipated spending on Professional Fees, Computer Hardware, and Computer software due to procurement delays from the pandemic (Office of the Chief Information Officer)

These were partially offset by:

- Higher than budgeted Professional Fees for legal and human resources' related issues (Office of the Chief Human Resources Officer),
- Lower than budgeted Taxation and Property Assessment Revenue due to extended deadlines and delays due to the pandemic
- Higher than budgeted Service Contracts for the new tax system (Office of the Chief Information Officer),

Work continued in Q2 on several large ongoing capital projects such as

- Central Computing Infrastructure, Personal Computer (PC) Assets Renewal and Audio/Visual Infrastructure renewal. (Office of the Chief Information Officer).
- New Property Tax System (Financial Services)
- Finance Software Program (Financial Planning and Development Finance)
- Finance Modernization – multiple projects (Deputy City Manager, Corporate Services, City Treasurer, and Chief Financial Officer)
- Capital spend is on track across the Portfolio

**Portfolio: Infrastructure Development**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	2.13	1.95	(0.19)
Labour	7.82	6.96	0.86
Other Expenditures	3.45	3.33	0.11
Total Expenditures	11.26	10.29	0.97
<b>Net</b>	<b>9.13</b>	<b>8.34</b>	<b>0.79</b>

## Capital Results (\$M):

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2020	34	22.18
2019	63	40.49
2018	46	31.53
2017	53	70.57
2016	31	11.55
2003-2015	97	52.19
<b>Total</b>	<b>324</b>	<b>\$228.51</b>

Infrastructure Development has a favourable net variance at Q2 driven mainly by lower than budgeted costs in labour as a result of vacancies in approved positions.

Work progressed on open capital projects with some of the more significant expenditures in the year related to:

- Road Rehabilitation and Watermain Replacement
- Portage Parkway Extension
- Block 11 Carrville District Park

Several projects were completed and will be closed in Infrastructure Delivery, Facilities Management and Parks Delivery. Some of the work completed are related to:

- New Vellore Village Community Library in Block 39
- Vaughan Hospital Precinct Development
- Kleinburg United Church Renovations
- Fire Station # 7 - 4 Design and Construction
- Bathurst Clark Library Renovations
- North Maple Regional Phase 1
- Block 40 Chatfield District Park



**Portfolio: Planning and Growth Management**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	11.38	14.27	2.88
Labour	13.65	12.11	1.54
Other Expenditures	0.70	5.99	(5.29)
Total Expenditures	14.35	18.10	(3.75)
<b>Net</b>	<b>2.97</b>	<b>3.83</b>	<b>(0.87)</b>

## Capital Results (\$M):

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2020	27	38.49
2019	43	60.80
2018	19	7.01
2017	9	1.87
2016	11	16.01
2003-2015	44	37.57
<b>Total</b>	<b>153</b>	<b>\$161.76</b>

Planning and Growth Management has a favourable revenue variance at Q2 driven mainly by:

- \$5.1M Higher than budgeted Fees in Building Standards which was partially offset by lower fees in DP and DE (\$1.8M) and lower labour recoveries (\$3.0M)

At the end of Q2, Planning and Growth management has an unfavourable expenditure variance mainly driven by:

- (\$5.7M) higher than budgeted transfer to BS reserve due to revenue surplus
- \$1.5M lower departmental labour costs than budget in BSD, DP, DE and PP&ES
- \$0.4M lower departmental miscellaneous expenses due to pandemic

Work progressed on open capital projects with some of the more significant expenditures in the year related to Zoning By-law Review, Islington Avenue Streetscape Phase I & Official Plan Review.

There was a total of 3 projects closed during this quarter.

**Portfolio: Public Works**

## Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	1.14	1.29	0.15
Labour	11.53	9.71	1.82
Other Expenditures	17.95	14.76	3.19
Total Expenditures	29.48	24.47	5.01
<b>Net</b>	<b>28.34</b>	<b>23.19</b>	<b>5.16</b>

## Capital Results (\$M):

Year (\$M)	Open #	Unspent
2020	27	12.04
2019	41	8.07
2018	37	44.53
2017	25	3.45
2016	5	1.04
2009-2015	26	9.04
<b>Total</b>	<b>161</b>	<b>78.17</b>

Public Works has a favourable variance at Q2 driven mainly by:

- Reduction in Seasonal Labour (Parks, Forestry, Horticulture) aligned to the staged Provincial Reopening plan for COVID-19; there were deferrals in some operations e.g. tree maintenance, sportsfield and park maintenance and horticulture operations
- Lower than budgeted labour costs as a result of vacant positions remaining open to accommodate lay offs in Recreation Services
- Lower than budgeted Contractor & Contractor Materials due to timing of expenses and the pandemic

These were partially offset by

- Reduction in revenues from Green and Blue bins due to closure from the pandemic. (Environmental Services)
- Higher than budgeted expenses in General Vehicle Repairs and Automotic Parts (Transportation and Fleet Management Services)

Work progressed on open capital projects with some of the more significant expenditures in the year related to:

- Maplewood Booster Pumping Station
- Stormwater Pond Cleanout
- Curb and Sidewalk Repair and Replacement
- Fence Repair & Replacement Program
- Public Works and Parks Operations Yard Expansion and Upgrade Strategy

Note: A significant portion of the unspent amount was due to delays in spending from project rescoping of the Smart Water Metering pilot program

## 2019 Q4 Fiscal Health Report

### Vaughan Public Libraries

#### Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.22	0.09	(0.13)
Labour	7.76	6.15	1.60
Other Expenditures	3.58	3.15	0.44
Total Expenditures	11.34	9.30	2.04
<b>Net</b>	<b>11.12</b>	<b>9.22</b>	<b>1.91</b>

#### Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2019	4	2.18
2018	1	1.04
2016	1	0.00
2014	1	0.17
<b>Total</b>	<b>7</b>	<b>\$3.39</b>

Vaughan Public Libraries (VPL) has a favourable variance at Q2 driven by:

- The COVID-19 pandemic related closure of Libraries, resulting in lower part-time labour costs and lower other expenses such as hydro and joint service charges (e.g. maintenance) from the City of Vaughan.

This was partially offset by:

- Lower revenues from service charges, rents and concessions, and fines that were not collected due to the COVID-19 pandemic related closure of Libraries.

Work continued in Q2 on several ongoing city-wide capital projects related to resource purchases, furniture and equipment as well as technology upgrades. Capital projects for library services at the new Vaughan Hospital and the Vaughan Metropolitan Centre were also active and ongoing.

### Transformation & Strategy

#### Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.08	0.24	0.16
Labour	0.86	0.88	(0.02)
Other Expenditures	0.05	0.07	(0.02)
Total Expenditures	0.92	0.96	(0.04)
<b>Net</b>	<b>0.83</b>	<b>0.71</b>	<b>0.12</b>

#### Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2020	3	0.54
2019	1	0.09
2017	1	0.19
2016	1	0.38
<b>Total</b>	<b>6</b>	<b>\$1.20</b>

Overall, favourable net expenditure variance as Q2-YTD.

Favourable variance primarily driven by higher Revenue actuals vs. budget, partially offset by higher than expected Expenditures vs. budget (i.e. non-labour expenses). Given COVID the department has been prudent in its spending and has refrained from incurring expenses at this time.

## Corporate and Strategic Communications

### Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	1.12	1.07	0.05
Other Expenditures	0.06	0.05	0.01
Total Expenditures	1.18	1.13	0.05
<b>Net</b>	<b>1.18</b>	<b>1.13</b>	<b>0.05</b>

### Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	1	0.05
2016	1	0.03
<b>Total</b>	<b>2</b>	<b>\$0.08</b>

The favourable variance of \$52K is mainly driven by vacancy (Coordinator, Partner Communications and Engagement) which is anticipated to be filled in August 2020.

Capital projects related to Citizen Engagement Study and Service Excellence Communications Staff Forum are pending during 2020 Q1 and Q2 due to COVID-19.

## Economic and Cultural Development

### Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.54	0.07	(0.47)
Labour	1.01	0.93	0.08
Other Expenditures	0.30	0.09	0.21
Total Expenditures	1.31	1.02	0.29
<b>Net</b>	<b>0.76</b>	<b>0.95</b>	<b>(0.19)</b>

### Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2020	2	1.86
2019	2	0.20
2017	1	0.03
2013	1	0.03
<b>Total</b>	<b>6</b>	<b>\$2.12</b>

The overall budget combines that of the Municipal Partnership Office (MPO) and Economic and Cultural Development (ECD), which are funded from the Innovation Reserve and taxation, respectively. The overall variance of \$0.19M is mainly driven by the unfavorable MPO revenue variance. The revenue variance in MPO BU is \$0.4M, which is partially overcome by favorable expenditure variance in the department's expenses of \$0.3M. ECD would be at a favorable position of \$30K with Innovation Reserve transfer which is scheduled for Q4.

ECD recognizes the multi-year revenue forecast established in 2016 for the MPO program is not reflective of market pressures and opportunities and therefore the revenue forecast is not sustainable. Consequently, in 2019/2020 ECD management initiated a business program review process in association with the Financial Planning Department, that commenced with a third party peer review of the Sponsorship/Naming Right Program. This review is expected to be completed in conjunction with the 2021 corporate business plan and budget review approval process.

Work continued in Q2 on the Smart City project and the Feasibility Study on Economic Development Opportunities in the Vaughan Healthcare Centre Precinct.

## Corporate Revenues & Expenditures

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Corporate Revenue	11.61	16.35	(4.74)
Reserve & Other Transfers	8.21	3.48	4.73
Taxation (net)	183.47	100.76	82.71
<b>Total Revenues</b>	<b>203.29</b>	<b>120.59</b>	<b>82.70</b>
Corporate Expenditures	23.38	24.33	(0.95)
Long Term Debt	3.26	3.15	0.12
<b>Total Expenditures</b>	<b>26.64</b>	<b>27.48</b>	<b>(0.83)</b>
<b>Net</b>	<b>(176.65)</b>	<b>(93.11)</b>	<b>(83.53)</b>

Corporate Revenues & Expenditures ended Q2 2020 with a negative variance to budget driven mainly by:

- Lower than budgeted transfers from the Engineering and Building Standards Reserves as there was higher fee collection and their overall department expenditures were less than planned in 2020.
- Higher than budgeted Corporate Revenues, mainly attributable to higher than expected dividends received from the City's investment holding company, Vaughan Holdings Inc, and timing of investment income (at higher rates), partially offset by lower MAT revenue collection (\$1.4M)
- Taxation revenues are lower than budget mainly due to the deferral of tax billings to August 2020.
- Corporate expenditures are higher than budget as they include corporate labour gapping.
- Long-Term Debt was lower than budget due to timing of contributions to the reserve.

## City Council

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	0.01	0.01
Labour	0.68	0.65	0.03
Other Expenditures	0.25	0.10	0.15
<b>Total Expenditures</b>	<b>0.94</b>	<b>0.76</b>	<b>0.18</b>
<b>Net</b>	<b>0.94</b>	<b>0.76</b>	<b>0.18</b>

Favourable variance is due mainly to a reduction in newsletters and other communication expenditures.

## Integrity Commissioner & Lobbyist Registrar

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.17	0.16	0.01
Other Expenditures	0.09	0.02	0.07
<b>Total Expenditures</b>	<b>0.26</b>	<b>0.17</b>	<b>0.09</b>
<b>Net</b>	<b>0.26</b>	<b>0.17</b>	<b>0.09</b>

Favourable variance is due mainly to a freeze on discretionary expenditures (professional fees and technology).

## Internal Audit

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.39	0.36	0.03
Other Expenditures	0.04	0.01	0.03
<b>Total Expenditures</b>	<b>0.44</b>	<b>0.37</b>	<b>0.06</b>
<b>Net</b>	<b>0.44</b>	<b>0.37</b>	<b>0.06</b>

Favourable variance is due mainly to a freeze on discretionary expenditures (professional fees and training and development).

**City Manager**

## Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	-	-	-
Labour	0.27	0.70	(0.43)
Other Expenditures	0.06	0.05	0.00
Total Expenditures	0.32	0.75	(0.43)
<b>Net</b>	<b>0.32</b>	<b>0.75</b>	<b>(0.43)</b>

Unfavourable variance is due mainly to employee separation costs not budgeted.