

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 12, 2018

Item 5, Report No. 29, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on December 12, 2018.

**5. FISCAL HEALTH REPORT – FOR THE YEAR TO DATE PERIOD ENDING
SEPTEMBER 30, 2018**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, dated December 5, 2018:

Recommendations

1. That the Fiscal Health Report for the year to date period ending September 30, 2018 be received.

Item:



Committee of the Whole Report

DATE: Wednesday, December 05, 2018

WARD(S): ALL

**TITLE: FISCAL HEALTH REPORT – FOR THE YEAR TO DATE PERIOD
ENDING September 30, 2018**

FROM:

Michael Coroneos, Chief Financial Officer and City Treasurer

ACTION: FOR INFORMATION

Purpose

To report on the City's fiscal health for the year to date period ending September 30, 2018.

Recommendations

1. That the Fiscal Health Report for the year to date period ending September 30, 2018 be received.

Report Highlights

- The City's property tax supported operations ended the third quarter in a favorable position of approximately \$6.1 million.
- Combined, the rate supported operations ended the third quarter in a favorable position of \$5.9 million
- \$59.3 million has been spent on 296 capital projects during the first three quarters of the year, of which \$40.1 million was spent in the third quarter of 2018.

Background

The fiscal health report tracks actual spending performance of the City's calendarized financial plan. This report provides a snapshot of the City's financial health at a point in time and indicates areas for closer monitoring.

The attached fiscal health report compares actual city operating, water, wastewater and stormwater operations and capital results as of September 30, 2018, 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

City's property tax supported operations and rate supported operations both ended the third quarter in a favorable position.

The City's property tax supported operations ended the third quarter in a favorable position of approximately \$6.1 million, largely attributed to lower than expected expenditures, and in part due to timing differences between actual and budgeted expenditures.

Combined, the rate-based budgets ended the third quarter in a favourable position of \$5.9 million. Further discussion regarding the contributing factors that resulted in these third quarter results is contained within the body of this report.

During the 2018 budget process, \$147 million in additional capital funding was approved. Combined with the remaining \$243 million in open capital project funding at the end of 2017, the City began 2018 with 797 open projects and \$390 million in capital funding. There has been \$59.3 million spent on 296 capital projects during the first three quarters of the year, of which \$40.1 million was spent in the third quarter of 2018.

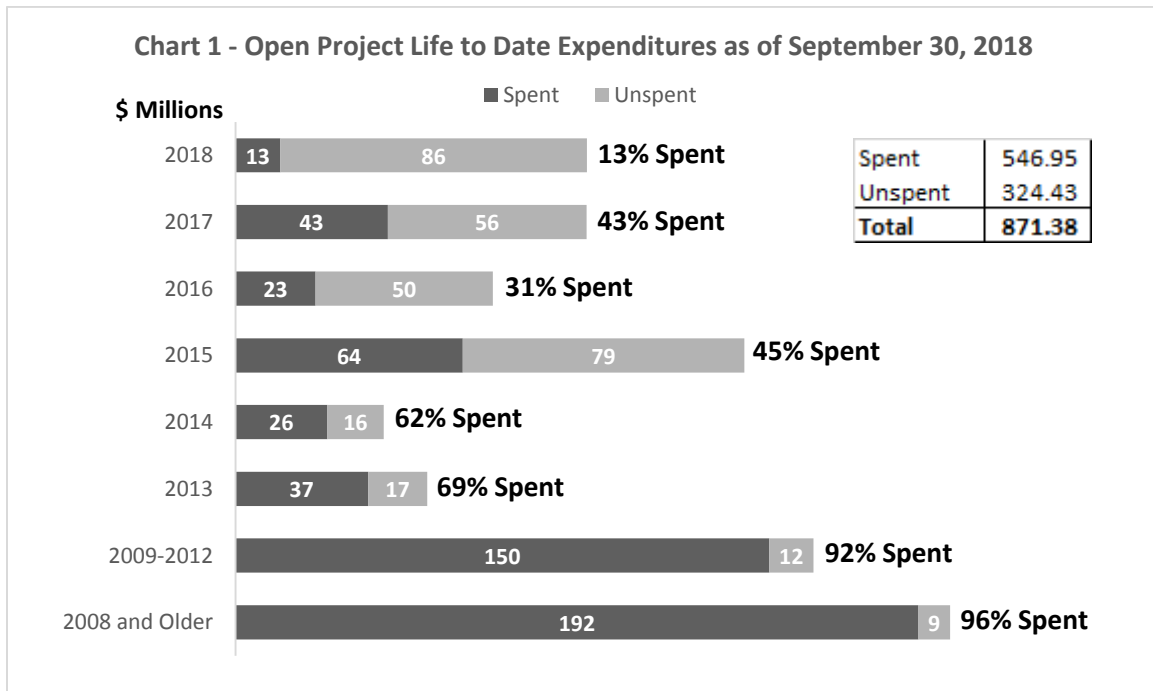
As of September 30, 2018, there were 684 open capital projects with \$324 million of available budget remaining. As construction season proceeds through late fall and early winter, capital expenditures are expected to increase through the remainder of the year.

Operating Results – Year to Date Ending September 30, 2018

	Budget \$million	Actual \$million	Variance \$million
Property Tax Based Budget			
Revenues	267.4	267.4	0.0
Expenditures	216.5	210.4	6.1
Net	\$50.8	\$57.0	6.1
Water Rate Based Budget			
Revenues	53.1	51.2	(1.9)
Expenditures	53.1	51.2	1.9
Net	\$0.0	\$0.0	\$0.0
Wastewater Rate Based Budget			
Revenues	62.0	60.7	(1.3)
Expenditures	62.0	60.7	1.3
Net	\$0.0	\$0.0	\$0.0
Stormwater Charge Based Budget			
Revenues	9.5	9.3	(0.2)
Expenditures	9.5	9.3	0.2
Net	\$0.0	\$0.0	\$0.0

Note – numbers may not add due to rounding

Capital Results – Year to Date Ending September 30, 2018



Note – chart above includes active projects

Discussion

OPERATING BUDGET RESULTS

Overall, City Revenues were inline to budget.

	Budget	Actual	Variance	Variance
	\$million	\$million	\$million	%
Department Revenues	43.9	46.2	2.3	5.2%
Corporate Revenues	16.4	18.5	2.1	12.8%
Reserve Transfers	12.8	8.4	(4.4)	-34.4%
Taxation	194.2	194.3	0.0	0.0%
Total Revenues	\$267.4	\$267.4	\$0.0	0.0%

Note – numbers may not add due to rounding

- Department Revenues were 5.2 percent greater than planned. Notable drivers in the third quarter that contributed to this result included higher than expected Development Planning revenues collected from site plan applications, subdivision applications and other related fees. The revenue increase in licenses and permits from Building Standards have been mostly offset by a corresponding transfer to the Building Standards Reserve.
- Corporate Revenues were 12.8 percent higher than planned. This is mainly attributable to revenue recognition timing difference associated with the transition from annual dividend declaration to a quarterly based dividend declaration from the City's investment holding company, Vaughan Holdings Inc. (VHI). The 2017 fourth quarter dividend was declared and received in 2018.
- Reserve transfers were 34.4 percent lower than planned. Transfers from Engineering and Building Standards Reserves were less than budgeted, as their overall department expenditures were less than planned in the first three quarters of 2018.

Overall, City expenditures were \$6.1 million lower than planned.

	Budget	Actual	Variance	Variance
	\$million	\$million	\$million	%
Labour	136.2	132.7	3.5	2.6%
Service Contracts & Materials	24.9	23.8	1.1	4.3%
Capital Related	24.7	24.7	0.0	0.1%
Other	16.7	18.0	(1.3)	(7.8%)
Utilities & Fuel	8.9	7.2	1.8	19.7%
Insurance	5.0	4.0	1.0	19.7%
Total Expenditures	\$216.5	\$210.4	\$6.1	2.8%

Note – numbers may not add due to rounding

- Labour costs were 2.6 percent lower than planned. This is primarily attributable to vacancies for positions approved in 2018 that are still in the recruitment process and

that have not yet been filled. Departments will continue to work with Human Resources to complete the recruitment of vacant positions.

- Insurance costs were 19.7 percent lower than budget mainly due to lower than budgeted insurance premiums and deductibles, partially offset by higher than budgeted insurance claims.
- Utilities & Fuel were 19.7 percent lower than budget mainly due to lower than expected hydro costs resulting in part from reduced consumption achieved through implementation of energy savings initiatives

Attachment 2 provides commentary at the Portfolio/Office level.

Risks and Pressures

The City's operating results for the three quarters ending September 30, 2018 were favorable and are expected to be on budget for 2018. Some internal reserve transfers were not realized as budgeted due to lower than budgeted related expenditures. Staff will continue to monitor revenue performance during the remainder of the year.

There are no material factors identified at the end of the third quarter to indicate that the City's financial position for the year will be unfavourable. Winter maintenance costs, specifically salt usage, may add pressure on the City's 2018 operating budget in Q4 based on recent trends experienced in the number and severity of salting events in the fourth quarter of previous years. Staff will be monitoring winter maintenance operating results throughout Q4 and seek opportunities to mitigate the pressure on the city's budget.

Operating Transfers Authorized by the Chief Financial Officer/City Treasurer

There were no operating budget transfers completed during the second and third quarter 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).

Water, Wastewater and Stormwater Results

Third Quarter Water Operating Results

Water Operations gross margin was \$3.9 million greater than budget.

	Budget \$million	Actual \$million	Variance \$million	Variance %
Residential Billings	31.0	30.0	(1.0)	(3.2%)
Commercial Billings	20.4	19.3	(1.1)	(5.4%)
Other	0.4	0.4	0.0	0.0%
Purchases/Treatment Charges	32.0	28.6	3.4	10.6%
Non-Revenue Water	4.8	2.3	2.6	53.1%
Gross Margin	\$14.9	\$18.8	\$3.9	26.2%
Other Revenues	\$1.3	\$1.5	\$0.2	15.4%

- Residential and commercial water sales for the third quarter ended lower than budget by 3.2% and 5.4% respectively due to wetter than normal weather.
- York Region deviated from the posted budgeted wholesale rates for water and wastewater, increasing the treatment costs for wastewater and decreasing the costs for water resulting in lower than expected water purchase costs.
- Non-Revenue Water (NRW) was lower than budgeted due to a decrease in charges on the Region bill. The City and Region are investigating to determine reasons for the lower than expected NRW.

Water Operations expenditures before Lifecycle Contributions were \$2.7 million less than budgeted.

	Budget \$million	Actual \$million	Variance \$million	Variance %
Maintenance and Installation Cost	5.0	3.0	2.0	40.0%
General Administration	4.2	3.5	0.7	16.7%
Joint Service Costs	0.5	0.5	0.0	0.0%
Lifecycle Contribution	6.5	13.3	(6.8)	(104.6%)
Total	\$16.2	\$20.3	(\$4.1)	(25.3%)

- Maintenance and Installation Costs ended lower by 40.0% due to timing of activities such as water service repairs and meter installations and lower than expected water main breaks to date.
- General Administration costs were lower by 16.7% due to a timing delay in planned training, professional fees and gapping associated with the Project Manager (Hydraulics) and Business Analyst (AMI) positions.

City's net lifecycle contribution was \$6.8 million greater than budgeted at the end of the third quarter.

Third Quarter Wastewater Operating Results

Wastewater Operations gross margin was \$2.2 million greater than budget.

	Budget \$million	Actual \$million	Variance \$million	Variance %
Residential Billings	36.7	35.7	(1.0)	(2.7%)
Commercial Billings	24.3	23.8	(0.5)	(2.1%)
Other	0.3	0.3	0.0	0.0%
Purchases/Treatment Charges	44.6	44.6	0.0	0.0%
Non-Revenue Water	6.7	3.0	3.7	55.2%
Gross Margin	\$10.0	\$12.2	\$2.2	22.0%
Other Revenues	\$0.7	\$0.9	\$0.2	28.6%

- Residential and commercial billings for the third quarter are trending 2.7% and 2.1% respectively lower than budget due to wetter than normal weather. Wastewater billing is calculated based on water consumption and therefore trends similar to water consumption.
- The City and Region are investigating to determine reasons for the lower than expected Non-Revenue Water.

Wastewater Operations expenditures before Lifecycle Contributions were \$0.3 million less than budgeted.

	Budget \$million	Actual \$million	Variance \$million	Variance %
Maintenance and Installation Cost	2.8	2.8	0.0	0.0%
General Administration	2.1	1.8	0.3	14.3%
Joint Service Costs	0.3	0.3	0.0	0.0%
Lifecycle Contribution	5.5	8.2	(2.7)	(49.1%)
Total	\$10.7	\$13.1	(\$2.4)	(22.4%)

- General Administration costs were lower by 14.3% due to timing delay in planned training and professional fees and gapping associated with the Business Analyst (AMI) position.

City's net lifecycle contribution was \$2.7 million greater than budgeted at the end of the third quarter.

Third Quarter Stormwater Operating Results

Stormwater Operations gross margin was \$0.2 million less than budgeted.

	Budget \$million	Actual \$million	Variance \$million	Variance %
Residential Billings	4.0	4.0	0.0	0.0%
Commercial Billings	5.2	5.0	(0.2)	(3.8%)
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%
Gross Margin	\$9.2	\$9.0	(\$0.2)	(2.2%)
Other Revenues	\$0.3	\$0.3	\$0.0	0.0%

- Total annual billing for stormwater charges was completed in the third quarter.

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

	Budget \$million	Actual \$million	Variance \$million	Variance %
Maintenance and Installation Cost	2.9	2.2	0.7	24.1%
General Administration	2.8	2.0	0.8	28.6%
Joint Service Costs	0.3	0.2	0.1	33.3%
Lifecycle Contribution	3.5	4.9	(1.4)	(40.0%)
Total	\$9.5	\$9.3	\$0.2	2.1%

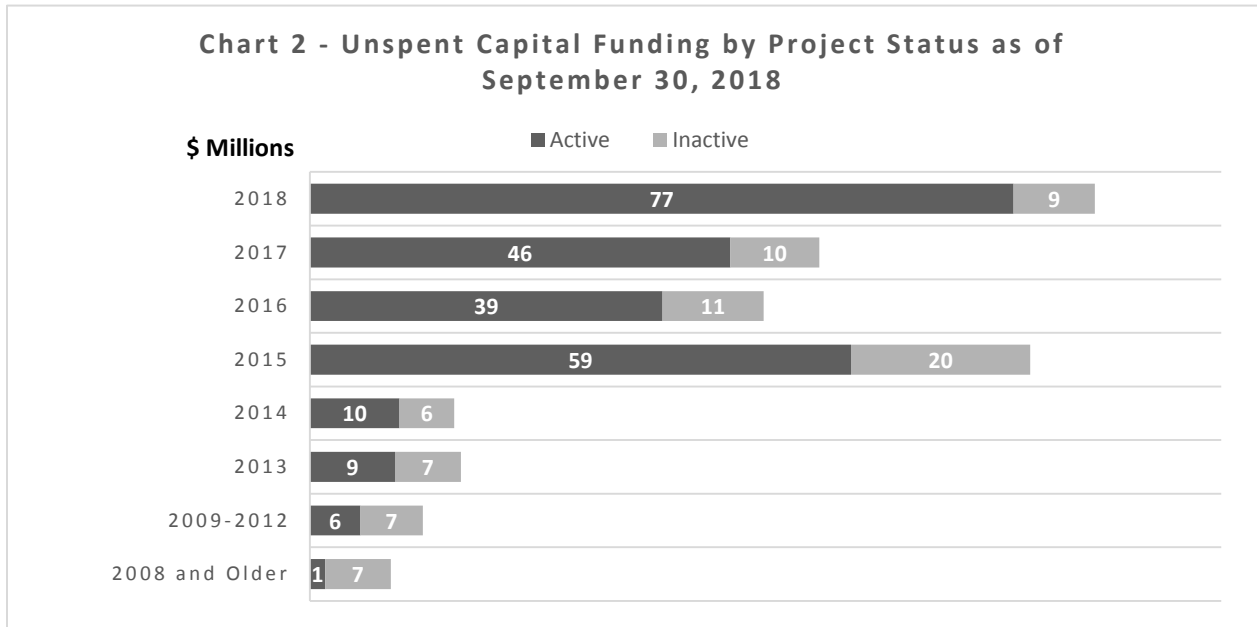
- Maintenance and Installation costs were lower by 24% due to the timing of the CCTV program as the contract expired during the year. The value of the contract will be weighted more to year-end with a new contractor. Also contributing to the positive variance are: timing in pond management as there were delays in release of Ministry of Environment (MOE) requirements; and timing in catch basin cleaning as contractors began the work in mid-September.
- General Administration costs were lower by 29% mainly due to deferral of debenture payment, representing 64% of the total variance (\$0.5 million), timing of spending in professional fees and gapping associated with temporary vacancy.

City's net lifecycle contribution was \$1.4 million higher than budgeted at the end of the third quarter due to lower than expected expenditures.

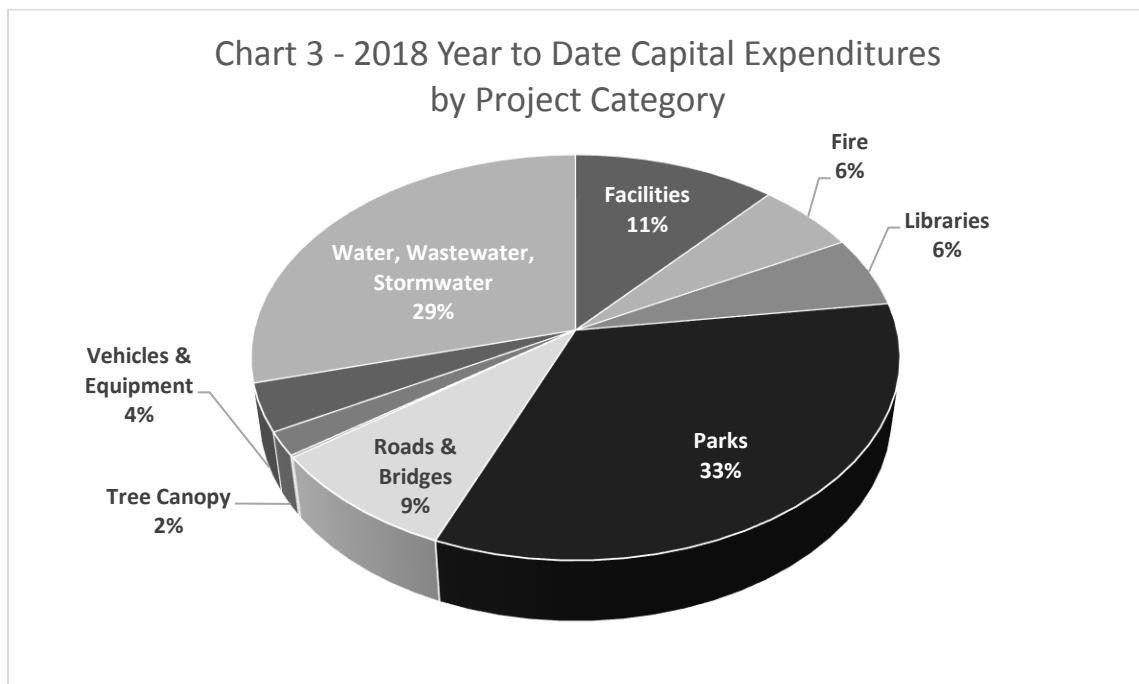
Capital Budget Results

As at September 30, 2018, there were 684 open capital projects with \$324 million of available budget remaining. The open projects were made up of 553 active projects and 131 inactive projects (refer to next page). The open project unspent funding breakdown by year is illustrated in the chart 2 below.

Further information about the inactive projects can be found in the next section of the report.



During the first three quarters of 2018, \$59.3 million was spent on 296 capital projects. Chart 3 below illustrates the breakdown of funds spent by project category as of Q3 2018.



In the 2018 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2018. At the end of the third quarter, approximately 38 percent of the forecasted spend was accomplished. As construction season continues through the fall and winter 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 tracking of future results.

The following projects were considered substantially completed as of September 30, 2018 with budget overages as permitted under Section 8 of the Capital Project Financial Administration and Reporting policy.

Project # & Title	Budget	Actual	Variance (\$)	Variance (%)
LI-4541-16 Vellore Village South BL 36 - Furniture and Equipment	262,500	267,611	(5,111)	-2%
FL-5519-17 Building Standards - 4 vehicle Purchase	254,624	259,316	(4,692)	-2%

Inactive Projects and Closed Projects

Of the 684 open capital projects, there are 131 projects that are considered inactive. Inactive projects comprise 19 per cent of the total number of open projects, equating to 24 per cent of the total unspent funds of \$324 million. Approximately two thirds of the inactive projects are substantially complete but are required to remain open until a future event occurs while one third of the inactive projects are on hold or have not started for a variety of reasons such as project scope and estimated costs being revalued and project reprioritization due to resourcing capacity. The breakdown of the classification of the 131 open inactive projects is as follows:

Classification	Number of Projects	Amount (\$million)
Completed-to be closed	44	\$6.8
Completed-Under Warranty or Maintenance	21	\$4.6
Completed-Waiting for Final Invoices	10	\$5.1
DC Repayment in Place	28	\$38.8
In-progress	2	\$0.3
Not Started	7	\$1.4
Project on Hold	12	\$3.7
Work Ongoing	7	\$15.9
Grand Totals	131	\$76.6

Of the total \$76.6 million in unspent funds from inactive projects, \$38.8 million (representing 51%) is held for projects that have development charge repayment agreements in place and will be paid out and closed in accordance with those agreements. 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 38 projects in the third quarter of 2018, returning \$14.6 million to Reserves

During the third quarter, departments closed 38 capital projects, bringing the total capital projects closed in 2018 to 113 projects. The table below provides a breakdown of projects closed during the third quarter.

Portfolios	Number of Projects Closed in Q3 2018	Amount Returned to Reserve (\$million)
Community Services	5	\$0.4
Corporate Services	1	\$0.3
Library Services	2	\$0.0
Office of Transformation & Strategy	4	\$0.3
Planning and Growth Management	6	\$9.3
Public Works	20	\$4.3
Grand Total	38	\$14.6

Capital Budget Amendments

For capital projects where a budget amendment is required, departments are required to bring a report to Finance, Administration and Audit Committee outlining the request for the amendment.

The following capital budget amendments were processed during Q2 and Q3, 2018:

From	To	Supporting Document/Report	Amount
BF-8618-18 AI Palladini Refrigeration Plant Upgrades	BF-8463-15 AI Palladini Community Centre Refrigeration Plant Equip. Replacement	April 11, 2018 FAA R4 I9	\$854,224.00
B&F Infrastructure Reserve & BF-8641-18 Replacement of Cooling Towers	BF-8463-15 AI Palladini Community Centre Refrigeration Plant Equip. Replacement	April 11, 2018 FAA R4 I9	\$145,644.00
Building Standards Reserve	BS-1008-18 Modernization of Sign Permit System	March 20, 2018 FAA R3 I2	\$200,000.00
Building Standards Reserve	BS-1009-18 Mobility & Digital Transformation of Building Inspection Services	May 23, 2018 FAA R5 I11	\$260,000.00
DE-7158-15 Concord GO Secondary Plan Feasibility Study & DE-7169-16 Concord GO Station Business Case Development	DE-7169-16 Concord GO Centre Secondary Plan Comprehensive Transportation Study	June 19, 2018 FAA R6 I6	\$221,500.00

City Wide DC - Engineering	DE-7169-16 Concord GO Centre Secondary Plan Comprehensive Transportation Study	June 19, 2018 FAA R6 I6	\$325,000.00
Vehicle Reserve	FL-5425-18 Replace Unit #1094 with Tandem Dump Truck	May 23,2018 FAA R5 I9	\$46,000.00
Vehicle Reserve	FL-5427-18 Replace Unit #1159 with Tandem Dump Truck	May 23,2018 FAA R5 I9	\$46,000.00
City Wide DC – Fire & B&F Infrastructure Reserve	FR-3582-16 Reposition Stn 7-4 Kleinburg Build and Design	February 21, 2018 FAA R2 I3	\$1,881,000.00
Gas Tax Reserve	PK-6632-18 Slope Stabilization Cherry Hills	May 23,2018 FAA R5 I6	\$75,000.00
City Wide DC – Management & Capital from Taxation	PL-9023-11 Weston Rd and Hwy 7 Secondary Plan	April 11, 2018 FAA R4 I8	\$100,000.00
Gas Tax Reserve (AM-2528-17, AM-2529-17, EN-1851-14, EN-1843-11, EN-1696-08)	Capital from Taxation (AM-2528-17, AM-2529-17, EN-1851-14, EN-1843-11, EN-1696-08)	May 23,2018 FAA R5 I4	\$1,924,000.00
Gas Tax Reserve (CD-2015-15)	Debenture Financing (CD-2015-15)	May 23,2018 FAA R5 I4	\$4,118,368.75
DT-7121-13 VMC Edgeley Pond	DE-7175-17 Edgeley Pond and Park Construction	April 11, 2018 FAA R4 I7	\$3,255,025.73
Black Creek Financial Strategy & Debenture Financing	DE-7175-17 Edgeley Pond and Park Construction	April 11, 2018 FAA R4 I7	\$4,968,586.00
City Wide DC - Engineering	DP-9542-15 Islington Streetscape Phase #1	Sept 27, 2018 FAA R27 I15	\$296,902.00
Municipalities for Climate Innovation Program (MCIP)	EV-2122-18 Stormwater Climate Change Mitigation Measures	June 06, 2018 FAA Communication	\$299,900.00

Capital Transfers Authorized by the Chief Financial Officer/City Treasurer

As outlined in the section above, *Operating Transfers Authorized by the Chief Financial Officer/City Treasurer*, the Chief Financial Officer/City Treasurer has the delegated authority to approve any operating or capital realignments between departments, provided they are fiscally neutral. A summary of these changes is incorporated into the quarterly reporting process.

The following capital transfers were authorized by the CFO during Q2 and Q3, 2018:

From	To	Amount
BF-8520-16 Woodbridge Pool Liner Replacement	BF-8321-12 Al Palladini Community Centre Pool Dehumidifier Replacement	\$80,000.00
BF-8476-15 Building Upgrades to Meet AODA	ID-2043-17 Vellore Village C.C. – Main Entrance Improvements	\$25,000.00
BF-8482-16 Vellore Village C.C. – Renovations	ID-2043-17 Vellore Village C.C. – Main Entrance Improvements	\$40,000.00
Clean Water & WasteWater Fund (Provincial & Federal Grant)	Multiple Grant-Eligible Projects	\$20,855,724.00
1361-2-04 Water Filling System	WW-2536-17 Bulk Water Stns (4)	\$58,451.19
BF-8346-13 JOC – Work Yards Dumping Ramp	BF-8364-14 Woodbridge Operations Centre Ramp Improvements	\$33,483.41
BF-8363-14 East District Park – Works Yard Dumping Ramp	BF-8364-14 Woodbridge Operations Centre Ramp Improvements	\$31,383.41
SE-0082-16 Leadership Alignment	CM-2526-16 Service Excellence Strategic Initiatives	\$100,000.00
SE-0077-16 Digital Strategy	CM-2526-16 Service Excellence Strategic Initiatives	\$114,155.11
SE-0081-16 Recognition PR for Service Excellence	CM-2526-16 Service Excellence Strategic Initiatives	\$30,000.00
SP-0010-15 Update to Vaughan Vision Strategic Plan	CM-2526-16 Service Excellence Strategic Initiatives	\$8,805.81
EV-2103-17 City of Vaughan – Smart Meter	EV-2124-18 Smart Water Metering – City Wide Advanced Metering Infrastructure Implementation	\$344,500.42

WW-2546-17 Rehabilitation of 4 SW Ponds	EV-2112-17 SW Pond Cleaning – Fossil Hill Pond	\$35,000.00
FL-5192-17 PKS-Replace Unit #1434	FL-5200-17 BYLAW-Replace Unit #1448	\$3,750.00
FL-5468-16 WATER-Replace Unit #1563	FL-5551-18 Replace Unit #1594	\$7,500.00
FL-5466-17 WATER-Replace Unit #1665	FL-5551-18 Replace Unit #1594	\$7,500.00
PK-6424-17 Block 61W Neighbourhood Park and Greenway Development	PK-6401-16 Block 61W Neighbourhood Park Design and Construction	\$192,000.00
PK-6424-17 Block 61W Neighbourhood Park and Greenway Development	PK-6431-14 Block 61E Neighbourhood Park Design and Construction	\$174,000.00
PK-6566-18 Playground Replacement Program	PK-6543-17 Playground Surfacing Replacement Program	\$40,000.00
RP-6700-15 Tree Planting Program – Regular	RP-6755-15 Ice Storm Tree Replacement	\$13,722.32

Continuity Schedule of Reserves and Reserve Funds

\$ million	Opening Balance	Revenues	Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
Obligatory Reserves						
City-Wide Development Charges	287.95	243.64	34.05	497.53	124.26	373.27
Area Specific Development Charges	1.92	1.22	-6.55	9.69	16.48	-6.79
Restricted Grant	27.81	4.96	-0.82	33.59	37.29	-3.71
Other	91.20	26.14	13.11	104.24	3.87	100.37
Obligatory Subtotal	408.88	275.95	39.79	645.04	181.90	463.14
Discretionary Reserves						
Infrastructure	193.22	18.51	17.49	194.23	52.11	142.13
Capital from Taxation	17.19	7.51	4.18	20.52	17.26	3.26
Corporate	15.11	0.39	0.06	15.44	0.12	15.32
Special Purpose	7.04	0.25	0.18	7.12	12.99	-5.88
Sustainability	41.82	4.90	5.03	41.70	0.29	41.41
Discretionary Subtotal	274.38	31.56	26.93	279.01	82.77	196.24
Grand Totals	\$683.26	\$307.52	\$66.72	\$924.06	\$264.67	\$659.38

Note – numbers may not add due to rounding.

At the end of the third quarter, the reserve balance before commitments was \$924 million. A net reserve activity of \$265 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of September 30, 2018 was \$659 million, of which \$463 million was for obligatory reserves and \$196 million was in discretionary reserves.

Development Charges (DCs) collected in the first three quarters of 2018 equated to \$239 million, with interest earned on reserve balances making up the difference in revenues. As part of the 2018 DC By-laws review, Council authorized delegated authority to the City Treasurer and City Solicitor to execute Development Charge Pre-Payment Agreements under Section 27 of the Development Charge Act. The City collected approximately \$175 million in DCs in the third quarter of 2018, of which \$167 million were directly related to the DC prepayment agreements.

The Detailed Reserve 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 positively comparing to the budget. Staff is forecasting 2018 year-end actual to be in a favourable position, however winter events in late 2018 are uncertain and will need to be monitored for their potential impact on the final year end position of the City.

Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. 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, quarterly updates advising of changes in the City's financial landscape will be brought forth to Council.

For more information, please contact:

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Attachments

1. City Operating – Third Quarter Financial Summary
2. City Operating – Portfolio/Office Summary

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CITY OF VAUGHAN

2018 City Operating Budget

Property Tax Based Budget Fiscal Position as of September 30, 2018

CITY OF VAUGHAN
2018 City Operating Budget
Fiscal Position as of September 30, 2018

REVENUE / EXPENDITURE SUMMARY

	2018 ANNUAL BUDGET	2018 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$ %	
TAXATION	191,650,052	191,650,052	191,635,608	-14,444	0.0%
SUPPLEMENTAL TAXATION	3,200,000	0	0	0	0.0%
GRANT / PAYMENT IN LIEU	2,725,200	2,580,000	2,629,456	49,456	1.9%
RESERVES AND OTHER TRANSFERS	18,904,415	12,799,893	8,400,740	-4,399,153	-34.4%
FEES AND SERVICE CHARGES	56,308,935	43,902,888	46,191,232	2,288,344	5.2%
CORPORATE	20,329,735	16,417,504	18,518,272	2,100,768	12.8%
TOTAL REVENUES	293,118,337	267,350,337	267,375,307	24,970	0.0%
EXPENDITURES:					
DEPARTMENTAL	262,795,736	192,949,472	180,919,649	12,029,823	6.2%
RESERVE CONTRIB. & CORP. EXP.	11,382,012	11,571,042	17,432,318	-5,861,276	-50.7%
LONG TERM DEBT	9,455,751	4,769,950	4,769,950	0	0.0%
CONTINGENCY	2,255,700	0	19,172	-19,172	0.00%
CAPITAL FROM TAXATION	7,229,138	7,229,138	7,229,138	0	0.0%
TOTAL EXPENDITURES	293,118,337	216,519,602	210,370,227	6,149,375	2.8%

CITY OF VAUGHAN
2018 City Operating Budget
Fiscal Position as of September 30, 2018
September 30, 2018

REVENUE BY MAJOR SOURCE

	2018 ANNUAL BUDGET	2018 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
TAXATION					
Tax Levy	191,650,052	191,650,052	191,635,608	-14,444	0.0%
Supplementals	3,200,000	0	0	0	0.0%
GRANT					
Library Grant	145,200	0	38,297	38,297	0.0%
PAYMENT IN LIEU / OTHER					
Payment In Lieu / Other	2,580,000	2,580,000	2,591,159	11,159	0.4%
RESERVES AND OTHER TRANSFERS				0	#DIV/0!
Engineering Reserve	8,769,988	6,575,891	4,547,312	-2,028,579	-30.8%
Election Cost	1,200,000	1,162,934	267,769	-895,165	-77.0%
CIL Recreation Land Reserve	1,281,000	960,750	960,750	0	0.0%
Administrative Recovery from Capital	1,500,000	1,125,000	1,572,910	447,910	39.8%
Building Standards Service Continuity Reserve	3,749,215	2,790,528	1,052,000	-1,738,528	-62.3%
Tax Rate Stabilization Reserve	1,289,948	0	0	0	0.0%
Other Reserves	514,264	184,790	0	-184,790	-100.0%
Debenture Payment Reserve	600,000	0	0	0	0.0%
TOTAL RESERVES	18,904,415	12,799,893	8,400,740	-4,399,153	-34.4%
CITY MANAGER	0	0	0	0	0.00%
TOTAL OFFICE OF CHIEF CORPORATE INITIATIVES & INTERGOV. RELATIONS	88,725	88,725	42,500	-46,225	0.0%
OFFICE OF TRANSFORMATION & STRATEGY	141,732	141,732	318,730	176,998	124.9%
Chief Human Resources Officer	0	0	156	156	0.00%
Chief Information Officer	263,064	194,448	0	-194,448	-100.0%
Office of the City Clerk - Clerks	1,539,278	1,205,113	852,908	-352,205	-29.2%
TOTAL DEPUTY CITY MANAGER CORPORATE SERVICES	1,802,342	1,399,561	853,064	-546,497	-39.0%
Financial Services	1,097,445	739,479	946,508	207,029	28.0%
Financial Planning & Development Finance	518,517	381,252	306,893	-74,359	-19.5%
Procurement Services	58,200	31,370	45,954	14,584	46.5%
TOTAL OFFICE OF THE CFO/CITY TREASURER	1,674,162	1,152,101	1,299,355	147,254	12.8%
OFFICE OF THE CITY SOLICITOR	841,406	631,702	173,722	-457,980	-72.5%
Recreation Services	18,739,484	16,219,197	16,883,992	664,795	4.1%
Community Development & Events	700,000	609,677	859,790	250,113	41.0%
Facility Maintenance Services	561,922	397,351	253,346	-144,005	-36.2%
Fire And Rescue Services	1,007,298	594,264	684,705	90,441	15.2%
By-Law, Compliance, Licensing and Permits	4,135,982	3,127,097	3,022,288	-104,809	-3.4%
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	25,144,686	20,947,586	21,704,121	756,535	3.6%
Development Planning	8,746,833	6,571,639	9,357,572	2,785,933	42.4%
Development Engineering	499,209	385,014	330,986	-54,028	-14.0%
Policy Planning & Environmental Sustainability	760,466	595,763	199,967	-395,796	-66.4%
Parks Development	453,453	336,767	0	-336,767	-100.0%
Building Standards - Licenses/Permits	9,372,538	6,597,744	7,762,635	1,164,891	17.7%
- Plumbing Permits	786,532	561,946	449,417	-112,529	-20.0%
- Service Charges	778,177	598,302	643,514	45,212	7.6%
TOTAL DEPUTY CITY MANAGER PLANNING & GROWTH MANAGEMENT	21,397,208	15,647,175	18,744,090	3,096,915	19.8%
Infrastructure Planning and Corporate Asset Management	1,305,756	979,323	597,386	-381,937	-39.0%
Infrastructure Delivery	1,208,803	906,597	512,270	-394,327	-43.5%
Environmental Services	1,472,464	1,110,147	1,104,357	-5,790	-0.5%
Trans Serv and Parks & Forestry Ops	804,301	581,995	556,679	-25,316	-4.3%
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	4,791,324	3,578,062	2,770,691	-807,371	-22.6%
VAUGHAN PUBLIC LIBRARIES	427,350	316,244	284,958	-31,286	-9.9%
TOTAL FEES / SERVICE CHARGES	56,308,935	43,902,888	46,191,232	2,288,344	5.2%
TOTAL CORPORATE REVENUES	20,329,735	16,417,504	18,518,272	2,100,768	12.8%
TOTAL REVENUE	293,118,337	267,350,337	267,375,307	24,970	0.0%

CITY OF VAUGHAN
2018 City Operating Budget

September 30, 2018

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY

	2018 ANNUAL BUDGET	2018 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
COUNCIL	1,721,267	1,280,003	1,144,128	135,875	10.6%
OFFICE OF THE INTEGRITY COMMISSIONER	509,944	377,737	277,393	100,344	26.6%
INTERNAL AUDIT	690,746	492,970	459,119	33,851	6.9%
CITY MANAGER	608,108	448,050	457,896	-9,846	-2.2%
<i>Corporate and Strategic Communications</i>	1,390,469	1,020,308	1,025,999	-5,691	-0.6%
<i>Economic Development & Culture Services</i>	2,129,475	1,496,345	1,369,353	126,992	8.5%
<i>Office of the Chief Corporate Initiatives & Intergov Relations</i>	860,557	631,280	417,392	213,888	33.9%
OFFICE OF THE CHIEF CORPORATE INITIATIVES & INTERGOV. RELATIONS	4,380,501	3,147,933	2,812,743	335,190	41.8%
OFFICE OF TRANSFORMATION & STRATEGY	853,029	664,045	566,088	97,957	14.8%
<i>Office of the Chief Financial Officer/City Treasurer</i>	555,189	410,181	344,684	65,497	16.0%
Financial Services	3,883,015	2,884,599	2,444,340	440,259	15.3%
Financial Planning & Development Finance	3,802,696	2,817,789	2,258,775	559,014	19.8%
Procurement Services	2,666,366	1,978,363	1,516,956	461,407	23.3%
TOTAL OFFICE OF THE CFO/CITY TREASURER	10,907,266	8,090,932	6,564,755	1,526,177	18.9%
TOTAL OFFICE OF THE CITY SOLICITOR	4,517,628	3,335,214	2,717,127	618,087	18.5%
<i>Office of the Deputy City Manager Corporate Services</i>	716,013	566,106	96,734	469,372	82.9%
Office of the Chief Human Resources Officer	3,489,753	2,596,083	2,716,995	-120,912	-4.7%
Office of the Chief Information Officer	12,091,628	9,184,446	8,321,847	862,599	9.4%
<i>Office of the City Clerk</i>	12,296,512	10,257,755	8,662,837	1,594,918	15.5%
TOTAL DEPUTY CITY MANAGER CORPORATE SERVICES	28,593,906	22,604,390	19,798,413	2,805,977	12.4%
<i>Office of Deputy City Manager Community Services</i>	616,510	464,278	415,475	48,803	10.5%
Community Grants & Advisory Committees	45,004	34,657	29,105	5,552	16.0%
Access Vaughan	1,280,368	921,716	912,242	9,474	1.0%
Recreation Services	28,477,448	21,327,860	20,969,334	358,526	1.7%
Community Development & Events	1,910,649	1,450,474	1,429,064	21,410	1.5%
Facility Maintenance Services	14,576,030	10,007,378	10,264,456	-257,078	-2.6%
Fire and Rescue Services	49,520,337	35,824,560	36,759,948	-935,388	-2.6%
Emergency Planning	224,621	158,812	176,220	-17,408	-11.0%
By-Law, Compliance, Licensing & Permits	7,775,980	5,690,458	4,902,657	787,801	13.8%
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	104,426,947	75,880,193	75,858,501	21,692	0.0%
<i>Office of Deputy City Manager Planning & Growth Management</i>	587,089	431,465	338,441	93,024	21.6%
Development Planning	5,444,394	4,003,430	2,820,783	1,182,647	29.5%
Development Engineering	5,314,809	3,913,552	2,951,139	962,413	24.6%
Policy Planning & Environmental Sustainability	2,659,853	1,937,885	1,677,689	260,196	13.4%
Parks Development	2,367,364	1,757,375	1,542,944	214,431	12.2%
Building Standards	9,947,112	7,268,922	6,751,994	516,928	7.1%
TOTAL DEPUTY CITY MANAGER PLANNING & GROWTH MANAGEMENT	26,320,621	19,312,629	16,082,991	3,229,638	16.7%
<i>Office of Deputy City Manager Public Works</i>	513,561	377,528	409,729	-32,201	-8.5%
Infrastructure Planning and Corporate Asset Management	2,772,881	2,028,504	1,464,904	563,601	27.8%
Fleet Management	3,249,303	2,307,236	1,953,968	353,268	15.3%
Infrastructure Delivery	3,516,984	2,441,947	1,928,077	513,870	21.0%
Environmental Services	10,554,981	7,841,460	7,782,315	59,145	0.8%
Trans Serv and Parks & Forestry Ops	39,500,588	27,751,352	27,244,789	506,563	1.8%
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	60,108,298	42,748,027	40,783,783	1,964,244	4.6%
VAUGHAN PUBLIC LIBRARIES	19,157,475	14,567,349	13,396,710	1,170,639	8.0%
TOTAL DEPARTMENTAL EXPENDITURES	262,795,736	192,949,472	180,919,649	12,029,823	6.2%
RESERVE CONTRIBUTIONS & CORP. EXP.	11,382,012	11,571,042	17,432,318	-5,861,276	-50.7%
LONG TERM DEBT	9,455,751	4,769,950	4,769,950	0	0.0%
CONTINGENCY	2,255,700	0	19,172	-19,172	0.00%
CAPITAL FROM TAXATION	7,229,138	7,229,138	7,229,138	0	0%
TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES	293,118,337	216,519,602	210,370,227	6,149,375	2.8%

Portfolio: Community Services

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	20.95	21.70	0.76
Labour	62.10	62.22	(0.12)
Other Expenditures	13.78	13.64	0.14
Total Expenditures	75.88	75.86	0.02
Net	54.93	54.15	0.78

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	38	10.77
2017	47	8.58
2016	24	3.48
2015	8	2.68
2014	15	0.79
2004-2013	13	1.20
Total	145	\$27.50

Community Services' net operating result is tracking positive to budget driven mainly by:

- Greater than anticipated revenues from program registrations and sponsorship revenues generated from City-wide events (Recreation Services)
- Lower than budgeted hydro costs due to energy saving initiatives and lower gas costs from reduced consumption (Facility Services)
- Lower than budgeted labour expenditures as a result of vacancies (By-Law & Compliance, Licensing & Permit Services)

These positive variances were partially offset by:

- Higher than budgeted labour expenditures due to increased overtime for coverage of long-term absences (Fire and Rescue Services),
- Higher than anticipated vehicle repair expenses due to major engine repairs on fire trucks (Fire and Rescue Services)
- Increased part-time staffing to support higher program registrations (Recreation Services)
- Increased spending in General Maintenance due to emergency repairs (Facility Services)

Work continued in Q3 on numerous capital projects including implementation of energy conservation improvements to multiple City-owned facilities, as well as renovations and replacements at the City's Community Centres.

There were 5 project closures across Community Services during the quarter.

2018 Q3 Fiscal Health Report

Portfolio: Corporate Services

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	1.40	0.85	(0.55)
Labour	11.95	10.99	0.96
Other Expenditures	10.69	8.84	1.86
Total Expenditures	22.64	19.82	2.82
Net	21.24	18.97	2.27

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	3	0.36
2017	2	0.71
2016	7	2.77
2014	1	0.39
Total	13	\$4.23

Corporate Services' net operating results have a favourable variance at Q3 driven mainly by:

- Lower than budgeted labour costs as a result of vacancies. These positions are being actively recruited.
- Lower negotiated insurance premiums and deductibles (Office of the City Clerk)
- Deferred office space renovations (Deputy City Manager Corporate Services)
- Lower than anticipated spending on Professional fees due to timing of projects that are expected to occur in Q4 (OCIO)
- Anticipated spending on Service Contracts that are expected to occur in Q4 (OCIO)

These positive variances were partially offset by timing of internal recovery of Computer Hardware costs (OCIO), higher than expected Professional Fees for legal and human resources' related issues (Office of the Chief Human Resources Officer), and an increase in internal and external city claims (Office of the City Clerk).

Work continued in Q3 on several large ongoing capital projects such as Central Computing Infrastructure, Personal Computer (PC) Assets Renewal and AV Infrastructure renewal. In addition, projects related to audio/visual infrastructure renewal and equipment continued to progress (OCIO). For Q3, the project to enhance the City's agenda management system is substantially complete (Office of the City Clerk). There was 1 project closure during the quarter.

2018 Q3 Fiscal Health Report

Portfolio: Planning and Growth Management

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	15.65	18.74	3.10
Labour	18.26	15.68	2.58
Other Expenditures	1.05	0.40	0.65
Total Expenditures	19.31	16.08	3.23
Net	3.67	(2.66)	6.33

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	32	19.48
2017	31	17.34
2016	28	14.92
2015	23	27.04
2014	20	2.57
2013	20	7.66
2011-2012	20	5.04
2003-2010	22	10.48
Total	196	\$104.53

Planning and Growth Management has a positive operating variance for the period of Q3 year to date driven mainly by:

- Higher than expected revenue from an influx of planning and building permit applications related to DC pre-payment agreements.
- Lower than budgeted labour expenditures resulting from vacancies and timing of recruitment in Development Planning, Development Engineering, Building Standards and Policy Planning. These positions are being actively recruited.
- Less than budgeted other expenditures are mainly due to the timing in receiving office furniture, computer hardware and software, and training.

Work will continue in Q4 on capital projects such as Construction for North Maple Regional Park Phase I, comprehensive review on new City-wide consolidated Zoning By-law, and preliminary design of VMC Edgeley Pond.

There was a total of 6 projects closed in the quarter, including Bass Pro Mills interchange, Huntington Road reconstruction and Steeles West Station Infrastructure.

2018 Q3 Fiscal Health Report

Portfolio: Public Works

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	3.58	2.79	(0.79)
Labour	20.69	20.26	0.43
Other Expenditures	22.05	20.52	1.53
Total Expenditures	42.75	40.78	1.96
Net	39.17	37.99	1.17

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	65	54.10
2017	72	28.52
2016	32	27.69
2015	43	48.94
2014	43	11.73
2013	16	8.02
2012	7	3.44
2007-2011	21	3.91
Total	299	\$182.35

Public Works has a positive operating variance Q3 year to date, driven mainly by:

- Contracts within the Transportation Services, Parks and Forestry Operations department that have been executed later in the season and have not been paid yet (\$0.8M);
- Hydro cost lower in summer months with more daylight hours (\$0.4M).
- Lower than budgeted labour expenditures as a result of vacancies within the portfolio

These positive variances were partially offset by lower than budgeted revenues driven by lower than expected recoveries from capital due to vacancies.

Work continues in Q3 on capital projects such as Road Rehabilitation, Humber Bridge Trail Bridge Removal, and Watermain Replacement on Centre Street.

There was a total of 20 projects closed in the quarter, including Portage Parkway Extension, North Thornhill Branch Library, and Al Palladini Community Centre Roof Replacement.

2018 Q3 Fiscal Health Report

Office: Corporate Initiatives and Intergovernmental Relations

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.09	0.04	(0.05)
Labour	2.69	2.40	0.29
Other Expenditures	0.45	0.41	0.04
Total Expenditures	3.15	2.81	0.34
Net	3.06	2.77	0.29

Corporate Initiatives and Intergovernmental Relations' net operating result is tracking positive mainly due to lower than budgeted labour expenditures as a result of vacancies.

Work completed in Q3 for VMC Development Implementation capital project.

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	1	0.14
2015	1	0.00
Total	2	\$0.14

Office: Chief Financial Officer

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	1.15	1.30	0.15
Labour	7.75	6.47	1.29
Other Expenditures	0.34	0.10	0.24
Total Expenditures	8.09	6.56	1.53
Net	6.94	5.27	1.67

The net operating results for the Office of Chief Financial Officer net operating result is tracking positive to budget driven mainly by labour savings due to vacancies and timing of taxation and property assessment revenues.

Work continued in Q3 on various capital projects, including Growth Related Financial Analysis and Long Range Fiscal Planning.

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	5	0.93
2017	1	0.39
2016	2	0.14
2011	1	0.09
Total	9	\$1.55

2018 Q3 Fiscal Health Report

Office: Chief Financial Officer – Corporate Revenues & Expenditures

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Corporate Revenue	16.42	18.52	2.10
Reserve Transfers	12.80	8.40	(4.40)
Taxation (net)	194.23	194.27	0.04
Total Revenues	223.45	221.19	(2.26)
Corporate Expenditures	18.80	24.68	(5.88)
Long Term Debt	4.77	4.77	0
Total Expenditures	23.57	29.45	(5.88)
Net	\$199.88	\$191.74	(\$8.14)

Net results are tracking negative to budget driven mainly by:

- Lower than budgeted transfers from the Engineering and Building Standards Reserves as their overall department expenditures were less than planned in the first three quarters of 2018.

This negative variance was partially offset by:

- Higher than budgeted Corporate Revenues, mainly attributable to revenue recognition timing differences caused by a transition from annual dividend declaration to a quarterly based dividend declaration from the City's investment holding company, Vaughan Holdings Inc. (VHI). The 2017 fourth quarter dividend was declared and received in 2018
- Corporate expenditures tracked negatively, largely due to the fact that it includes the corporate-wide gapping budget.

Office: City Solicitor

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.63	0.17	(0.46)
Labour	2.86	2.05	0.81
Other Expenditures	0.48	0.67	(0.19)
Total Expenditures	3.34	2.72	0.62
Net	2.70	2.54	0.16

The Office of the City Solicitor has an unfavourable variance at Q3 driven mainly by an increase in Professional Fees for complex legal issues and Local Planning Appeal Tribunal hearings that required external counsel expertise.

This is partially offset by lower than budgeted labour expenditures as a result of vacancies. The positive labour variance was offset by lower than budgeted revenues as a result of lower than anticipated labour recovery from capital projects

The majority of capital project activity is related to real estate; specifically land acquisition activities which can result in varied spending from quarter to quarter.

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	2	0.00
2013	1	0.03
2012	1	1.16
2007	1	0.23
Total	5	\$1.42

2018 Q3 Fiscal Health Report

Office: Transformation & Strategy

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.14	0.32	0.18
Labour	0.60	0.55	0.05
Other Expenditures	0.07	0.02	0.05
Total Expenditures	0.66	0.57	0.10
Net	0.52	0.25	0.27

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	1	0.05
2017	1	0.21
2016	2	0.45
Total	4	\$0.70

The Office of Transformation and Strategy is currently tracking positive to budget driven by labor recoveries from Service Excellence strategic initiatives and labor gapping due to director vacancy in the first half of the year.

Work continues to progress on open capital projects. There were 4 project closures during the quarter.

Office: Vaughan Public Libraries

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.32	0.28	(0.03)
Labour	10.55	9.82	0.73
Other Expenditures	4.02	3.58	0.44
Total Expenditures	14.57	13.40	1.17
Net	14.25	13.11	1.14

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2018	2	0.44
2016	5	0.32
2013-2015	4	1.27
Total	11	\$2.03

Vaughan Public Libraries has a favourable variance at Q3 driven mainly by:

- Lower than budgeted labour costs as a result of vacancies.
- Reduced expenses for utilities
- Increase in Service Charges and Fines & Penalties Fees

This is partially offset by increases in expenditures related to computer hardware, same-day courier services, and advertising.

Work continued in Q3 on a number of ongoing city-wide capital projects relating to resource purchases, furniture and equipment for the Civic Centre Resource Library as well as technology upgrades. In addition, furniture and equipment and communications and hardware occurred for Vellore Village South Library which opened in Q3. There were 2 project closures during the quarter.

2018 Q3 Fiscal Health Report

City Council

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.98	0.94	0.04
Other Expenditures	0.30	0.20	0.10
Total Expenditures	1.28	1.14	0.14
Net	1.28	1.14	0.14

Integrity Commissioner & Lobbyist Registrar

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.24	0.24	0.00
Other Expenditures	0.13	0.04	0.10
Total Expenditures	0.38	0.28	0.10
Net	0.38	0.28	0.10

The Office of the Integrity Commissioner & Lobbyist Registrar is currently tracking positive to budget largely driven by unspent Computer Software funds which are expected to be spent in Q4.

Internal Audit

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.44	0.45	(0.01)
Other Expenditures	0.06	0.01	0.04
Total Expenditures	0.49	0.46	0.03
Net	0.49	0.46	0.03

The Internal Audit operating budget is on track for 2018.

City Manager

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	-	-	-
Labour	0.37	0.37	0.01
Other Expenditures	0.07	0.09	(0.02)
Total Expenditures	0.45	0.46	0.01
Net	0.45	0.46	(0.01)

The City Manager's operating budget is on track for 2018.