

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 8, 2013

Item 1, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on October 8, 2013.

1 ENDING JUNE 30, 2013 – CONSOLIDATED QUARTERLY REPORT

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Acting Commissioner of Finance & City Treasurer and the Director of Financial Services, dated September 23, 2013:

Recommendation

The Acting Commissioner of Finance & City Treasurer and the Director of Financial Services recommend:

1. That the 2013 Consolidated Second Quarter Variance Report be received.

Contribution to Sustainability

Not applicable

Economic Impact

The quarterly variance report monitors actual spending performance to the City's calendarized financial plan. There is no economic impact as budgets and projects have been previously approved by Council. This information is intended for reporting purposes only.

Communication Plan

Not applicable

Purpose

To report on 2013 actual second quarter results, as of June 30, 2013 and compare them to the approved annual budgets. An update on grant activity within the second quarter is also provided.

Background – Analysis and Options

The attached second quarter variance report compares actual operating and capital results for the period ending June 30, 2013, relative to approved budgets. It is important to note, the combined position is not directly indicative of the City's final year-end position; it simply compares the City's actual financial position to the quarterly budget at a point in time. At this stage in the process it is too early to determine if the City's position will continue, as a number of events such as a shifting of trends, timing differences, or unforeseen activities in the second half of the year could change the current position.

The actual balances presented include all necessary entries and accruals. However, it should be noted, the full amortization of tangible capital assets and post retirement employee benefits are excluded and presented differently from the City's financial statements.

The quarterly results for City Operations, Water and Wastewater Operations, and Capital are presented together in one consolidated report. This action is intended to provide stakeholders with a more fulsome and complete view of the City's financial results. The item will provide a brief executive summary followed by summaries for City Operations, Water and Wastewater Operations, and Capital. Additional details will be provided as attachments.

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In addition, the April 23rd, 2013 *Grant Report Update* to Council stated that quarterly updates would be provided through the quarterly reporting and budgeting process. This information is now incorporated in the body of the report.

Second Quarter Overview – On Target

Overall, the City's financial performance is on target with the year-to-date (YTD) budget.

- The City's net operating position was on target, with optimistic potential for a positive Q3 & Q4. The overall department variance was favourable, which in turn resulted in less than planned reserve withdrawals. Unexpected variances occurred in Public Works due to increased storm activity and Fire resulting from increased overtime to backfill vacancies. It should be noted, the City has a Winter Reserve in place to mitigate the impacts of non-typical weather patterns. However, this transfer along with other planned transfers will not occur until year-end, when the City's final position is known.
- The City's Water and Waste Water Budget was ahead of target due to reduced non-revenue water purchases, reduced treatment charges, and other favourable expenses. This net favourable position was offset by additional lifecycle contributions.
- The overall capital position was on target. Most closed projects were completed on or below budget.

The below tables summarize the City's financial results, which are followed by a brief summary for each area.

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Table 1 - Summary of the City's Q2 2013 Financial Results

Operations (In millions)				
	City	Water	Wastewater/ Storm	Total
Revenue				
YTD Budget	103.0	20.6	22.7	146.3
YTD Actual	101.2	20.5	22.6	144.3
Variance	(1.8)	(0.1)	(0.1)	(2.0)
%	-1.7%	-0.5%	-0.4%	-1.4%
Expenditure				
YTD Budget	120.7	20.4	22.6	163.7
YTD Actual	118.9	19.2	22.2	160.3
Variance	1.8	1.2	0.4	3.4
%	1.5%	5.9%	1.8%	2.1%
Net fav./(unfav.) variance	0.0	1.1	0.3	1.4
Add'l Resv. Contributions	0.0	1.1	0.3	1.4
Surplus/ (Deficit)	0.0	0.0	0.0	0.0

Table 1

Capital

(In millions)

	Prior Years			2013					2013 Adjusted	
	Total Available Budget	Total Actual Spend	Variance Q4-12	2013 Budget	Available Budget (A)	Actual Spend	Variance Q1-13		Major Y/E 2012 Accrual Reversals (B)	Adjusted Variance Q1-13 (C)
							\$	%		
2013 Budget Projects - Closed	0.0	0.0	0.0	0.1	0.1	0.1	0.0	1%	0.0	0.0
2013 Budget Projects - Active	0.0	0.0	0.0	46.7	46.7	0.7	46.0	99%	0.0	46.0
Total 2013 Budget Projects	0.0	0.0	0.0	46.8	46.8	0.8	46.0	98%	0.0	46.0
Prior Budget Projects - Closed	28.0	25.4	2.5	(1.2)	1.3	0.4	0.9	68%	0.0	0.9
Prior Budget Projects - Active	526.1	390.2	135.9	13.3	149.2	6.9	142.4	95%	15.2	157.6
Total Prior Budget Projects	554.0	415.6	138.4	12.1	150.6	7.3	143.3	95%	15.2	158.5
Total	554.0	415.6	138.4	58.9	197.4	8.1	189.3	96%	15.2	204.5

Note: A) Above available budget balance includes in-year budget amendments

B) Y/E 2012 audit accrual reversals illustrated separately to focus on actual unspent values

C) Combined Active Adjusted Variance equals the Variance on Attachment 3, and combined Closed Adjusted Variance equals the Variance on Attachment 4 and Attachment 5

General Note: Capital project timing can span multiple years. The above chart aims to illustrate this occurrence and presents activity related to prior budgets separately.

City Operating Budget Results

The annual operating budget for the City is \$238.4M, of which 50.1% remains to be realized. At the end of the second quarter, the City experienced a very slight positive variance on the City's 2013 net operating budget. This relatively net neutral position was comprised of a \$1.8M favourable expenditure variance offset by a \$1.8M unfavourable revenue variance. The main areas that contributed to the net neutral position are summarized below:

City Revenue Variance Overview

Actual revenues were \$101.2M as of June 30, 2013, and represent a \$1.8M unfavourable variance when compared to the year-to-date revenue budget of \$103.0M. This variance stems from the following:

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- **Reserves & Other Transfers** - There were several transfers that were not required as originally planned which contributed \$1.5M to the City's overall position. The Major elements were:
 - \$1.2M of planned withdrawals that were not required for Engineering Services, Building Standards Service Continuity Reserve and DC Growth projects as a result of lower than expected department expenditures.
 - \$244K in Administration Recovery from Capital as a result of a reversal of a 2012 year end accrual. It is anticipated that activity will outpace the plan in the later quarters.
- **User Fees/Services Charges** – There was an unfavourable variance of \$0.1M. Unfavourable variances experienced in Building Standards revenues (\$728k) were mostly offset by favourable variances in Recreation and Culture (\$231k), Building and Facilities (\$162k) and Fire and Rescue Services (\$104k) department revenues that are explained in more detail in Attachment #2.
- **Corporate Revenue** – An unfavourable variance of \$124K was mainly due to lower than anticipated investment income, caused by continued low investment rates of return.

City Expenditure Variance Overview

Actual total expenditures were \$118.9M as of June 30, 2013, and represent a \$1.8M favourable variance to the year-to-date expenditure budget of \$120.7M. This variance stems from the following:

- **Department Expenses** - The largest favourable component driving the City's expenditure variance was total department expenses; approximately \$2.6M favourable. The following contributed to the overall City department variance:
 - A \$2.4M labour variance was attributable to general turnover vacancies and new complement vacancies in the recruitment process. A level of labour variance was anticipated and planned for corporately, but actual City performance was \$0.7M greater than the \$1.7M Q2 planned corporate balance.
 - In addition to the above, favourable variances totalling \$1.3M were experienced in other accounts such as materials and supplies, vehicle repairs, computer software etc. Some of the larger of these variances include \$250K savings in salt purchases, \$70K in pavement markings supplies/materials due to weather conditions, \$101K due to delay in Zoning By-Law review
 - Partially offsetting the above, was an unfavourable variance of \$1.16M experienced in the contractor account mostly a result of higher than anticipated winter activities caused by severe storms and wind damage, in Public Works (\$864K) and Parks & Forestry (\$148K) departments. This variance could be lessened by the end of the year dependant on 2013 Fall/Winter conditions. It should be noted, the City has a Winter Reserve in place to mitigate the impacts of non-typical weather patterns.

In general, variances were found throughout most departments, though the largest favourable variances were seen in City Clerk ((\$0.6M), ITM (\$0.6M), Building Standards (\$0.6M) and Development and Transportation Engineering (\$0.4M). The largest unfavourable variances were in Public Works (\$1.2M), Fire and Rescue Services (\$0.8M) and Human Resources (\$0.2M). More specific variance explanations are provided in Attachment # 2.

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- ***Corporate Expenses*** – There was a combined unfavourable variance of \$1.6M in corporate expenditures, mainly as a result of anticipated labour savings of \$1.7M. As illustrated in the above department expenses section, actual department performance was \$0.7M greater than the corporate balance planned for the quarter. The remaining corporate variance consists of minor net unfavourable variances in tax adjustments, professional fees, etc.

Variance Summary:

For quick reference purposes, a summary of the variances by major category is provided below. A more detailed financial summary is provided as Attachment #1. Further explanations on specific variances are provided as Attachment #2.

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**Table 2
City of Vaughan
2013 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

<u>Revenues</u>	Variance in \$mil (rounded)	
Reserves and Other Transfers		
Engineering Reserve	(0.4)	
Building Std Continuity Reserve	(0.6)	
Administration Recovery from Capital	(0.2)	
DC Growth Projects	(0.2)	
Other (under \$100K var.)	<u>(0.0)</u>	(1.5)
Fees & Service Charges		
Building & Facilities	0.2	
Recreation	0.2	
Fire and Rescue	0.1	
Culture	0.1	
Building Standards	(0.7)	
Other (under \$100K var.)	<u>(0.0)</u>	(0.1)
Corporate Revenue		
Investment Income	(0.2)	
Other (under \$100K var.)	<u>0.0</u>	(0.1)
Other		<u>(0.0)</u>
Total Revenues		(1.8)
<u>Expenditures</u>		
Departmental Expenses		
Information & Technology Management	0.6	
Building Standards	0.6	
Development & Transport. Engineering	0.4	
City Clerk - Insurance	0.4	
Engineering Services	0.3	
Development Planning	0.3	
Vaughan Public Libraries	0.2	
Innov. & Cont. Improvement	0.2	
Econ. & Bus. Development	0.2	
City Clerk - Admin	0.2	
Parks Development	0.2	
Human Resources	(0.2)	
Fire and Rescue	(0.8)	
Public Works	(1.2)	
Other-(various departments under \$200k var.)	<u>1.2</u>	2.6
Corporate Expenditures		
Major OMB Hearing	0.2	
Anticipated Labour Savings	(1.7)	
Other (under \$100K var.)	<u>0.0</u>	(1.6)
Long Term Debt		0.8
Other		<u>0.0</u>
Total Expenditures		<u>1.8</u>
Net Variance (Fav/(Unfav))		\$ 0.0

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Water and Wastewater/Storm Operating Budget Results

The water/wastewater system in York Region operates as a two-tier system. The Region of York is responsible for the supply of water and wastewater services and the lower tier municipalities are responsible for the water and wastewater distribution systems within the local municipality. The net revenues that are generated annually by the City of Vaughan from the operations of the water and wastewater/storm utilities fund costs associated with the purchase of water supply and wastewater services from the Region of York, as well as the City's administration, financing costs, system operational and maintenance costs and most importantly funding to build the reserves for future infrastructure renewal.

Water Operations

Year to date (YTD) actual water revenues for the period ending June 30, 2013 were slightly favourable by \$33K or 0.1% which was comprised of favourable commercial revenue of \$149K due to higher consumption, despite new account activity trending below budget. This was partially offset by unfavourable residential revenue \$59K and other revenue \$57K due to lower than budgeted consumption levels as a result of increased precipitation, up 60% from last year. Actuals trended at 3.3 cubic meters per household lower than budget and new account activity trended under budget.

Purchases are favourable by \$165K or 1% as a result of favourable non-revenue water (NRW) consumption of \$270K which trended somewhat lower than expected. This is partially offset by higher metered water purchases (\$105) primarily due to increased commercial sales.

The gross margin indicates the City's position after the Region of York water purchases, typically 20% of revenues. The overall gross margin was favourable by \$198K or 5%.

Other revenues consist primarily of installation and service fees and were slightly unfavourable by \$114K, actual activity was based on demand which is lower than expected.

Water expenses are favourable by \$1.0M as a result of favourable maintenance and installations expenditures of \$513K and favourable general administration of \$504K. The favourable variances are largely due to **fewer customer service requests and lower than expected activity levels in contracted works at this point in the year and temporary vacancies.**

As a result of the above, the quarterly water lifecycle contribution of \$1.3M is favourable by \$1.1M. Overall water is on target.

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Table 3

City of Vaughan
Statement of Operations
Water Division
For the period ending June 30, 2013

	2013 Budget	2013 YTD Budget	2013 YTD Actual	2013 YTD Variance
Water Revenues				
Residential Billings	29,658,660	12,419,510	12,360,716	(58,794)
Commercial Billings	18,753,720	7,527,500	7,676,363	148,863
Other	293,430	135,745	78,752	(56,993)
	\$48,705,810	\$20,082,755	\$20,115,831	\$33,076
Water Purchases				
Metered Water Purchases	29,871,880	12,486,290	12,590,792	(104,502)
Non-Revenue Water	4,450,000	3,487,500	3,217,787	269,713
	\$34,321,880	\$15,973,790	\$15,808,579	\$165,211
Gross Margin	\$14,383,930	\$4,108,965	\$4,307,252	\$198,287
Other Revenues	\$1,106,000	\$542,100	\$427,860	(\$114,240)
Expenses				
Maintenance and Installation	5,530,365	2,067,380	1,554,468	512,913
General Administration	3,932,215	1,965,990	1,461,837	504,153
Joint Service Costs	776,490	381,662	370,059	11,603
	\$10,239,070	\$4,415,032	\$3,386,364	\$1,028,668
Net Water Operations	\$5,250,860	\$236,033	\$1,348,749	\$1,112,716
Budgeted Lifecycle Contribution	\$5,250,860	\$236,033	\$236,033	\$0
Additional Reserve Contribution	\$0	\$0	\$1,112,716	\$1,112,716
Surplus	\$0	\$0	\$0	\$0

Wastewater/Storm Operations

Wastewater billing is based on water consumption; therefore trending is very similar to water revenues. Wastewater YTD billings are favourable by \$22K or .01% for the period ending June 30, 2013 which is comprised of slightly unfavourable residential billings \$17K offset by favourable commercial revenue of \$38K. Wastewater revenue is billed based on water consumption.

The favourable regional treatment charge variance of \$210K is a combination of unfavourable treatment charges due to higher commercial sales offset by favourable non-revenue treatment charges. This relates directly to the favourable non-revenue water variance.

The gross margin indicates the City's position after the Region of York treatment charges, typically 14% of revenues. The gross margin was \$232K or 7% favourable.

Other revenues are unfavourable by \$135K due to lower than expected activity and expenses are favourable by \$161K due to favourable maintenance and installation at \$38K as a result of less than expected activity such as contracted work related to repairs. General administration is favourable at \$92K due to timing of discretionary spending. All other expenses are on budget. As a result of the above, the quarterly wastewater/storm lifecycle contribution of \$379K is favourable by \$258K. Overall wastewater is on target.

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Table 4
City of Vaughan
Statement of Operations
Wastewater/Storm Division
For the period ending June 30, 2013

	2013 Budget	2013 YTD Budget	2013 YTD Actual	2013 YTD Variance
Wastewater Revenues				
Residential Billings	32,743,180	13,544,070	13,527,427	(16,643)
Commercial Billings	21,746,480	8,703,890	8,742,185	38,295
	\$54,489,660	\$22,247,960	\$22,269,612	\$21,652
Wastewater Expense				
Regional Treatment Charges	\$41,344,290	\$19,088,465	\$18,878,578	\$209,887
Gross Margin	\$13,145,370	\$3,159,495	\$3,391,034	\$231,539
Other Revenues	\$738,200	\$470,020	\$335,240	(\$134,780)
Expenses				
Maintenance and Installation	3,611,240	1,505,830	1,467,860	37,970
General Administration	2,103,925	973,045	881,067	91,978
Storm Sewer Maintenance	1,697,825	775,385	751,847	23,538
Joint Service Costs	517,665	254,423	246,706	7,717
	\$7,930,655	\$3,508,683	\$3,347,480	\$161,203
Net Wastewater Operations	\$5,952,915	\$120,832	\$378,794	\$257,962
Budgeted Lifecycle Contribution	\$5,952,915	\$120,832	\$120,832	\$0
Additional Reserve Contribution	\$0	\$0	\$257,962	\$257,962
Surplus	\$0	\$0	\$0	\$0

Capital Budget Results

Overall, the Capital Budget performance is favourable, with the majority of projects coming in under assigned budget. This section is intended to provide an update on quarterly activity for the following:

- *Open Capital Project Spend Performance*
- *Closed Capital Projects Budget vs. Actual*
- *Reserve and Reserve Fund positions*

Open Capital Project Spend Report (Attachment #3)

Staff reviewed the Open Capital Project Spend Report and general highlights are provided below:

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- As of Quarter 2-2013, 527 projects with a budgeted valued of \$586M are open.
 - ✓ 549 capital projects were open in Quarter 1-2013
 - ✓ 23 projects were closed in Quarter 2-2013
 - ✓ 1 net new capital project added in Quarter 2-2013
- The above open projects were approved as follows
 - ✓ 30% 2013
 - ✓ 55% 2009-2012
 - ✓ 10% 2006-2008
 - ✓ 5% 2005 and older approvals
- As of June 30 2013, 65% of the available budgets were spent
- Capital projects substantially complete and nearing closing
 - ✓ 15 projects are substantially complete
 - 1 open project is complete and should be closed next quarter
 - 14 open projects are complete, awaiting final invoicing and approval
 - ✓ The Block 11 Community Centre Land project with a budget value of \$12M is complete, of which \$1M is awaiting debt issuance. Debentures of \$1M representing the 10% co-funding on this growth project will be issued in Q3 2013.
 - ✓ 6 Engineering projects are completed and awaiting outstanding invoices from the Region.
 - ✓ 41 open engineering projects are substantially complete and potentially coming in under budget by \$13.7. Once closed, commitments will be reduced freeing up unused project funding in the original funding source. These items are on maintenance and closing is contingent on a timeframe to determine outstanding invoices and settlement issues.
- Unfavourable variances (> \$10K) from budget include:
 - ✓ OPA 620 East West Collector EA (Capital Project DT-7011-07) over budget by \$149K as a result of increase in scope of the project from the addition of work funded by the TTC regarding the extension of the Spadina Subway. This has a zero effect on the net budget and Committee/Council is advised of this change by way of this report.

Individual Capital Project Detail - In addition to the above, budget to actual financial status and comments for currently approved and open capital projects are provided in Attachment 3. It is important to note this information is compiled at a point in time and the reader is cautioned on the following:

- A completed capital project will remain active or open until all invoices are paid and funding is complete. Projects are not closed until approved by the department. As a result, projects that are substantially funded will reside on the Open Capital Project Spend Report. It is important to note this report represents projects from current and prior budget years and total balances are the combined value.
- Projects that are debenture financed, as approved by Council, are not closed until debenture financing is acquired. Furthermore, project financing is not typically requested until the project is substantially complete, which is contingent on a timeframe to

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determine outstanding invoices and settlement issues. In the case of Engineering Projects, this may take up to several years.

- Capital work is continuously underway and current information will vary from this report.

Capital projects added during the 2nd Quarter

- Accessible Swing – 4 parks (Capital Project PK-6454-13 for \$96,145) was added to the 2013 Capital Budget in response to the Committee of the Whole Report No. 32, Item 56 that was adopted at the June 25th 2013 meeting of Council. This project is for the retrofitting of accessible swing systems at four parks.

Capital projects closed during the 2nd Quarter

Staff together with City departments reviewed all active capital projects listed as of June 30th, 2013 to determine which capital projects could be consolidated and/or closed. Overall, 23 capital projects totalling a budget of \$5.2M were closed in the 2nd quarter of 2013. Total actual project costs came in at 92% of budget, freeing up \$573K in the original funding sources for future project consideration. The drivers behind the \$573K are as follows:

- Approximately 76% or \$434K of the above project savings are related to Engineering Services projects. Of these savings, 53% or \$303K is attributed to the closing of Capital Project 1558-0-05 Hwy7 Sidewalk Pine Valley which reached the end of its maintenance period.
- Approximately \$84K of the above project savings are related to 7 Building and Facilities projects, which on average closed at 82% of the project budget.
- The remaining balance is spread over 5 departments and 8 projects.

A complete list of closed capital projects is provided as Attachment 5.

Continuity Schedule of Reserves and Reserve Funds

A continuity schedule of reserves and reserve funds as at June 30, 2013 is provided as Attachment 6. This schedule provides information on the individual and aggregate reserve balances. It also provides information on outstanding financial commitments and payment estimates required in future periods to fund approved projects. Forecasting commitments is intended to provide a proactive view of the reserve position and should not be interpreted as the year-end position due to the fact that commitments are not incorporated into financial statements until the actual expenses have incurred. In addition, reserve revenues are not included in the continuity forecast, due to variability and changing economic conditions.

Reserve positions before commitments are all in a positive position, with the exception of development charge management studies, Fire development charges and Uplands. Adding commitments to the schedule reveals that 8 reserves are in a future negative position. Below is a brief description for positioning of these 8 reserves:

Sale of Public Lands – Future obligations are currently greater than the balance on hand. Dedicated surplus land is authorized for sale to cover this obligation but is pending.

Uplands Capital Improvement – As a result of the approved chairlift replacement, this reserve will be in a negative position until recovered over time through Uplands revenue.

CWDC Fire – A Council commitment to move forward with fire station 7-10 will temporarily place this reserve into a negative position, which will be replenished through future growth based development charges. This position may impact the timing of future projects.

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CWDC Management Studies – Due to timing of events, this reserve is permitted to be in a deficit position. Growth related studies are incurred in advance of growth and recovered through subsequent development charges.

Special Charges and Area Development Charges (Developer Build Reserves) – These reserves relate to projects generally built by developers. Essentially, the developer has agreed to develop a structure, which will be funded by the City once funds are collected and available. Although, the continuity schedule illustrates a negative position after commitments, these reserves will never be in a deficit cash position as payments will only occur when funds are on hand. Reserves with a negative balance after commitments in this category are as follows:

- D15 PD#5 Woodbridge Water
- D18 PD#6 Maj. Mac Water
- D19 PD#6 E. Rutherford Water
- D25 Zenway/Fogal Sub-Trunk

Grants Update

The following provides an overview of the grant portfolio's Second Quarter results with respect to government Annual Grant Programs, an update on the CIIF approved projects and recently announced potential funding opportunities.

Annual Grants Program Submissions: Awarded, Pending Award and Not Awarded

During the second quarter 8 submission packages were developed for Annual Funding Programs equating to approximately \$3,848,771 in potential grant revenue as summarized below:

Annual Grant Programs:

- Four (4) submissions were notified of awards to be received (\$36,962);
- Four (4) submissions are currently pending notification of award (\$3,804,309);
- One (1) submission was not awarded funding (\$7,500).

The following details the results of these submissions to date:

Table 5

SECOND QUARTER GRANT SUBMISSION RESULTS			
GRANT PROGRAM SUBMISSION: FUNDING AWARDED			
PROGRAM	TOTAL PROJ. COST	AMT AWARDED	USE OF FUNDS
Celebrate Canada	93,110	6,500	Canada Day Event
Canada Summer Jobs	2,462	2,462	Approved for 1 Summer Student
COSTI	35,000	14,000	Approved for 20 Summer Student
Job Start	21,000	14,000	Approved for 20 Summer Student
TOTALS	151,572	36,962	

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GRANT PROGRAM SUBMISSION: AWARD PENDING			
PROGRAM	TOTAL PROJ. COST	AMT PENDING DECISION	USE OF FUNDS
Green Municipal Fund	45,000	22,500	Hire Consultant to develop the GHG Community Reduction Plan
* Can. Cultural Spaces Fund	9,574,929	3,725,000	Pierre Berton Discovery Centre Construction Costs
Save on Energy Funding	32,000	32,000	(2 applications) City Energy Audit
2014 New Horizons for Seniors	24,809	24,809	Seniors Program
TOTALS	9,676,738	3,804,309	

NOT AWARDED			
PROGRAM	TOTAL PROJ. COST	ANTICIPATED AMOUNT	RATIONAL
Canada Summer Jobs	779,958	7,500	Two departments submitted with the lower request being granted.
TOTALS	779,958	7,500	

Note:

*The Pierre Berton Discovery Centre application was submitted to the Canada Cultural Spaces Fund in June 2013. Per the process of the fund, the City submitted a draft application for the Department of Canadian Heritage's review and feedback. The result of their analysis was provided on July 16 and indicated that additional information, as well as a project business plan, would be required to be added to the final submission. Recreation to develop an update report for Council and move forward as directed.

Sector and Term Specific Grant Programs

As noted in previous reports, the City is eligible to claim up to \$436,765 from the CIIF fund for 15 approved capital projects. These projects are now underway, per the table below, with the claims process to commence in September 2013 through to June 2014.

Table 6

COMMUNITY IMPROVEMENT INVESTMENT FUND AWARDED PROJECTS				
	COST ESTIMATE	CIIF @33.3%	EXPENSED TO DATE	STATUS
Ainsley Grove Library (AODA Standards @ Front Counter)	100,000	33,333	0	Design Phase
Dufferin District Park: Tennis Court Rehabilitation	139,300	46,433	92	Tender Stage
Dufferin Clark C.C. Relocate Seniors Room To The Ground Floor	50,600	16,866	0	Planning Stage
Dufferin Clark C.C. Seniors Accessible Washrooms	51,500	17,166	0	Planning Stage
Mackenzie Glen Park Replace Splash Pad Surfacing	61,800	20,600	49,013	Complete
Mackenzie Glen Play Ground Rehabilitation	201,500	67,167	115	Tender Stage
McClure Meadows Park-Splash Pad	25,800	8,600	4,336	Scope Review
Maple Lion Park Splash Pad	25,800	8,600	17,878	Scope Review
Father Ermanno CC: Out Door Rink	113,300	37,766	0	Tender Stage

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Garnet A. Williams CC - Floor Replacement	36,100	12,033	0	Tender Stage
Glen Shield Park-Playground Replacement & Safety Surfacing	248,000	82,667	115	Tender Stage
Vaughan Crest Park Bocce Court Re-development	137,000	45,667	92	Const. Q3/13
York Hill Park-Tennis Court Replacement	56,700	18,900	75	Tender Stage
Maple Baseball Diamond Fencing Replacement	32,000	10,667	75	Const. Q3/13
Sonoma Heights Park - Fencing Extension	30,900	10,300	75	Const. Q3/13
TOTAL AMOUNT ALL PROJECTS	1,310,300	436,765	71,866	

Attachment #7 of this report provides a Year-to-Date summary of all grant program submissions as of June 30 2013.

Potential Funding Opportunities:

1. Culture Development Program

The Ministry of Tourism, Culture and Sports announced its new Culture Development Fund program. The program's mandate is to develop a stronger and more stable culture sector by providing assistance to eligible organizations in the following priority areas:

- Develop stronger boards and advisory committees
 - Create more effective collaborations and partnerships
 - Improve planning, financial and digital capabilities
 - Make strategic use of emerging new media and social media
- Single applicant organizations can apply for up to 50% to a maximum of \$25,000
 - Umbrella organizations and consortia can apply for up to 50% to a maximum of \$75,000

2. FCM Green Municipal Fund: for Transportation and/or Energy Studies & Tests

Grants available for studies and that assess or test the technical and financial feasibility of transportation projects, such as those that promote a modal shift and for projects which reduce energy consumption such as municipal facilities, direct energy and net zero municipal systems. GMF will cover up to 50% of eligible costs to a maximum of \$175,000.

3. Federal Budget: New Building Canada Plan Update:

To date no information has been released by the Federal Government concerning the Infrastructure program announced in February's budget. Staff are continuing to monitor and will relay new opportunities as they become available.

Relationship to Vaughan Vision 2020 / Strategic Plan

The report is consistent with the priorities set by Council and the necessary resources have been allocated and approved.

Regional Implications

None

Conclusion

Based on the 2013 second quarter results, the overall City position is on target.

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- The City's net operating position was on target, with optimistic potential for a positive Q3 & Q4. The overall department variance was favourable, which in turn resulted in less than planned reserve withdrawals. Unexpected variances occurred in Public Works due to increased storm activity and Fire resulting from increased overtime to backfill vacancies. It should be noted, the City has a Winter Reserve in place to mitigate the impacts of non-typical weather patterns. However, this transfer along with other planned transfers will not occur until year-end, when the City's final position is known.
- The City's Water and Waste Water Budget was ahead of target due reduced non-revenue water purchases, reduced treatment charges, and other favourable expenses. This net favourable position was offset by additional lifecycle contributions.
- The overall capital position was on target. All closed projects were completed on or below budget.

Attachments

- Attachment 1: City Operating – Second Quarter Variance Report
- Attachment 2: City Operating – Q2 Specific Variance Explanations
- Attachment 3: Open Capital Project Spend Report as at June 30, 2013
- Attachment 4: Projects on maintenance, warranty or awaiting regional invoicing
- Attachment 5: Closed Capital Projects Report YTD Ending June 30 2013
- Attachment 6: Continuity Schedule of Reserves & Reserve Funds as at June 30, 2013
- Attachment 7: YTD Grant Submission Update Ending June 30 2013

Report prepared by:

Howard Balter, CGA
Acting Manager of Operating Budget - Ext. 8338

Jackie Macchiusi, CGA
Manager, Capital & Reserve Planning - Ext. 8267

Carey Greenidge, CMA
Finance Manager, Water & Wastewater - Ext. 8486

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)