

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 30, 2012**

Item 6, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on October 30, 2012.

#### **6                      ENDING JUNE 30, 2012 – CONSOLIDATED QUARTERLY REPORT**

**The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the Commissioner of Finance & City Treasurer, the Director of Budgeting and Financial Planning and the Director of Financial Services, dated October 15, 2012:**

##### **Recommendation**

The Commissioner of Finance & City Treasurer, the Director of Budgeting and Financial Planning, and the Director of Financial Services recommend:

That the 2012 Consolidated Second quarter Variance Report be received.

##### **Economic Impact**

Not applicable

##### **Communication Plan**

Not applicable

##### **Purpose**

To report on 2012 actual second quarter results, as at June 30, 2012, and compare them to the approved annual budgets. There is no economic impact as budgets and projects have been previously approved by Council. This information is intended for reporting and monitoring purposes only.

##### **Background – Analysis and Options**

The attached second quarter variance report compares actual operating and capital results for the period ending June 30, 2012, relative to approved budgets. It is important to note, the combined favourable variance is not directly indicative of the City's final year-end position; it simply compares the City's actual financial position to the approved budget at a point in time. At this stage in the process it is too early to determine if the City's position can be sustained, as a number of events such as a shifting of trends, timing differences, or unforeseen activities in the latter part of the year could easily erode 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.

##### **Second quarter Overview**

On a go forward basis, quarterly results for City operations, Water and Wastewater operations, and capital will be presented together in a single 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 detail will be provided as attachments.

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#### ***Ahead of Budget***

Overall, the City's net financial performance is favourable. As illustrated in Table 1 the City has come in under budget \$1.3M and Water and Wastewater Storm operations have also come in favourable resulting in additional reserve contributions which place them in an overall breakeven position. It is important to note, the City takes financial stewardship very seriously and has implemented policies and actions to best use surplus funds. These actions consist of:

- Applying a portion of surplus funds to the following budget year to reduce pressure on the tax rate
- Allocating funds to Water & Wastewater infrastructure reserves to sustain the community's network
- Transferring remaining surplus funds to working capital and tax rate stabilization reserves to help mitigate future tax implications due to unanticipated events, as per City policy.
- Releasing unused capital funds to their original source for future community projects

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Table 1 below summarizes and illustrates the City's financial results, which is followed by a brief summary for each area.

**Table 1 - Summary of the City's Q2 2012 Financial Results**

### ***Operations***

(In millions)

	<b><i>City</i></b>	<b><i>Water</i></b>	<b><i>Wastewater/ Storm</i></b>	<b><i>Total</i></b>
<b><i>Revenue</i></b>				
<i>YTD Budget</i>	156.3	19.6	20.6	196.5
<i>YTD Actual</i>	154.6	19.0	20.5	194.1
<i>Variance</i>	(1.7)	(0.6)	(0.1)	(2.4)
<i>%</i>	-1.09%	-3.06%	-0.49%	-1.22%
<b><i>Expenditure</i></b>				
<i>YTD Budget</i>	111.5	19.5	20.4	151.4
<i>YTD Actual</i>	108.5	18.6	19.8	146.9
<i>Variance</i>	3.0	0.9	0.6	4.5
<i>%</i>	2.69%	4.62%	2.94%	2.97%
<b><i>Net favourable variance</i></b>	1.3	0.3	0.5	2.1
<b><i>Add'l Resv. Contributions</i></b>	0.0	0.3	0.5	0.8
<b><i>Surplus/ (Deficit)</i></b>	1.3	0.0	0.0	1.3

**Note:** Surplus is carried forward and applied to the future budgets to reduce tax rate pressures.

### ***Capital***

(In millions)

	<b><i>2012 Budget Projects</i></b>		<b><i>Prior Budget Projects</i></b>		<b><i>Total</i></b>
	<b><i>Closed</i></b>	<b><i>Active</i></b>	<b><i>Closed</i></b>	<b><i>Active</i></b>	
<b><i>Available Budget</i></b>	0.1	49.3	3.3	142.5	195.3
<b><i>Actual Spend</i></b>	0.0	0.9	1.1	8.6	10.6
<b><i>Variance/Unspent</i></b>	0.1	48.4	2.2	133.9	184.6
<b><i>%</i></b>	0%	98%	67%	94%	95%

  

<b><i>Major Y/E Accrual Reversals</i></b>	0	0	0	17.4	17.4
<b><i>Adjusted Variance/Unspent</i></b>	0.1	48.4	2.2	151.3	202.0

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

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

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

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#### ***City Operating Budget Results***

The annual Operating Budget for the City is \$225.8M, of which 51.9% remains to be realized. At the end of the second quarter, the City experienced a \$1.3M net favourable variance on the City's 2012 second quarter net operating budget. This favourable variance is comprised of a \$3.0M favourable expenditure variance and a \$1.7M unfavourable revenue variance. The main areas that contributed to the positive \$1.3M variance are summarized below;

#### City Revenue Variance Overview

Actual revenues were \$154.6M as of June 30, 2012, and represent a \$1.7M unfavourable variance when compared to the year-to-date revenue budget of \$156.3M. This variance stems from the following:

**Corporate Revenue** - There was an unfavourable \$1.2M variance mostly generated by Hydro Investment Income due to a processing timing difference. The remainder of the variances were in:

- Investment income which was unfavourable by \$259K due to lower than expected investment returns.
- Fines and penalties which was favourable by \$168K due to payment deadlines for the third supplementary run late 2011.
- Tax certificates which was favourable by \$119K due to higher volume for fees such as new accounts, owner change etc.
- **Reserves and Other Transfers** – There was an unfavourable variance of \$1.6M caused by a combined reserve transfers of \$1.1M lower than anticipated in Building Standards, Engineering and Recreation Land reserves. The remainder of the variance was in Administration Recovery from Capital, which was as a result of timing differences of capital projects.
- **Fees and Service Charges** – There was a favourable variance of \$1.1M mostly in Development Planning, Building Standards and Enforcement revenues that are explained in more detail in Attachment #2.

#### City Expenditure Variance Overview

Actual total expenditures were \$108.6M as of June 30, 2012, and represent a \$3.0M favourable variance to the year-to-date expenditure budget of \$111.5M. This variance stems from the following:

- **Department Expenses** - The largest component driving the City's favourable expenditure variance was a favourable position in total department expenses, approximately \$6.1M. Although variances can be found throughout most departments, the largest variances reside in Libraries, Building Standards, Development Transportation and Engineering, Building and Facilities, etc.
  - Similar to the second quarter, the labour variance increased by \$1.2M to \$5.0M and was largely attributed to savings in salaries and benefits resulting from vacancies across many departments. A portion of this balance was expected given the number of vacancies reported in the first quarter plus new 2012 complements approved early in the year. A level of staffing vacancies are anticipated and planned for corporately, but actual department performance was \$1.88M greater than the \$3.12M corporate balance planned for second quarter due to the higher planned vacancies.
  - The remaining \$1M variance is in multiple accounts with less than \$100k variances such as utilities, professional fees, joint service charges and other accounts.

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- **Corporate Expenses** - The above favourable variances were offset by a combined unfavourable variance of \$3.3M in corporate expenditures, mainly as a result of anticipated labour savings of \$3.1M. As illustrated in the above department expenses section, actual department performance was \$1.88M greater than the corporate balance planned for second quarter. The remaining 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.

### City of Vaughan 2012 OPERATING BUDGET SECOND QUARTER VARIANCE REPORT

<u>Revenues</u>	Variance in \$mil (rounded)	
<b>Reserves and Other Transfers</b>		
Administration Recovery from Capital	(0.6)	
Bldg Stds Service Continuity Reserve	(0.6)	
Engineering Reserve	<u>(0.4)</u>	<b>(1.6)</b>
<b>Fees &amp; Service Charges</b>		
Development Planning	0.4	
Building Standards	0.4	
Cultural Services	0.2	
Enforcement Services	0.3	
Other	<u>(0.2)</u>	<b>1.1</b>
<b>Corporate Revenue</b>		
Fines And Penalties	0.2	
Investment Income	(0.3)	
Hydro Investment Income	(1.2)	
Tax Certificates	<u>0.1</u>	<b>(1.2)</b>
<b>Total Revenues</b>		<b>(1.7)</b>
<u><b>Expenditures</b></u>		
<b>Departmental Expenses</b>		
Libraries	0.6	
Building Standards	0.5	
Dev. & Trans Engineering	0.4	
Buildings & Facilities	0.4	
City Clerk - Admin	0.3	
Public Works - Operations	0.3	
Recreation	0.3	
Corporate Communication	0.2	
Economic and Business Development	0.2	
City Financial Services	0.2	
Enforcement Services	0.2	
Innovation & Continuous Improvement	0.2	
Human Resources	0.2	
ITM	0.2	
Other-(various departments under \$150k var.)	<u>1.9</u>	<b>6.1</b>
<b>Corporate Expenditures</b>		
Major Omb Hearings - Professional Fees	0.2	
Election	(0.2)	
Tax Adjustments	(0.3)	
Anticipated Labour Savings	(3.1)	
Other	<u>0.1</u>	<b>(3.3)</b>
<b>Contingency</b>		<b>0.1</b>
<b>Total Expenditures</b>		<b>3.0</b>
<b>Net Variance</b>		<b>\$ 1.3</b>

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#### ***Water and Wastewater/Storm Operating Budget Results***

At the end of the second quarter, the favourable variance for water operations was \$295K and the favourable variance for wastewater/storm operations was \$456K. The following are the financial operating results and analysis for both the water and wastewater/storm operations for the second quarter of 2012.

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, 2012 are unfavourable by \$420K which is due to unfavourable commercial revenue of \$477K and is partially offset by favourable residential revenue of \$54K and other revenue of \$3K. Residential consumption is trending on budget however, commercial consumption remains under budget.

The Gross Margin indicates the net funding available to the City after the Region of York has been paid for the water supply. The unfavourable gross margin variance of \$341K is a result of unfavourable water revenue of \$420K and offset by favourable water purchases of \$78K. Non-revenue water variance of \$382K is slightly higher than normal at this time of year. It is anticipated that the level of non-revenue water will decline over the next few months however it is still expected to be higher than normal by year end. Staff is currently in discussions with the Region of York to address the shift in non-revenue water experienced this year.

Other revenues consist primarily of installation and service fees and are unfavourable by \$219K; actual activity is based on demand. Water expenses are favourable by \$855K as a result of lower than budget spending of \$644K in maintenance and installations and \$221K in general administration. The favourable variance in maintenance is due to lower than expected work activity levels in contracted services related to repairs during the first half of the year. The favourable variance in general administration relates to staffing vacancies and a timing delay in general discretionary spending.

The 2012 actual YTD water lifecycle contribution is favourable by \$295K.

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City of Vaughan  
Statement of Operations  
Water Division  
For the period ending June 30, 2012

	2012 Budget	2012 YTD Budget	2012 YTD Actual	2012 YTD Variance
<b>Water Revenues</b>				
Residential Billings	27,057,540	11,623,950	11,678,098	54,148
Commercial Billings	17,679,720	7,412,830	6,935,838	(476,992)
Other	250,000	125,040	127,961	2,921
	<b>\$44,987,260</b>	<b>\$19,161,820</b>	<b>\$18,741,896</b>	<b>(\$419,924)</b>
<b>Water Purchases</b>				
Metered Water Purchases	27,497,440	11,896,990	11,436,827	460,163
Non-Revenue Water	4,100,470	2,986,600	3,368,318	(381,718)
	<b>\$31,597,910</b>	<b>\$14,883,590</b>	<b>\$14,805,145</b>	<b>\$78,445</b>
<b>Gross Margin</b>	<b>\$13,389,350</b>	<b>\$4,278,230</b>	<b>\$3,936,751</b>	<b>(\$341,479)</b>
<b>Other Revenues</b>	<b>\$1,321,000</b>	<b>\$487,980</b>	<b>\$268,792</b>	<b>(\$219,188)</b>
<b>Expenses</b>				
Maintenance and Installation	5,503,020	2,542,925	1,898,902	644,023
General Administration	3,626,000	1,712,750	1,501,330	211,420
Joint Service Costs	753,880	376,950	376,939	11
	<b>\$9,882,900</b>	<b>\$4,632,625</b>	<b>\$3,777,171</b>	<b>\$855,454</b>
<b>Net Water Operations</b>	<b>\$4,827,450</b>	<b>\$133,585</b>	<b>\$428,372</b>	<b>\$294,787</b>
<b>Budgeted Lifecycle Contribution</b>	<b>\$4,827,450</b>	<b>\$133,585</b>	<b>\$133,585</b>	<b>\$0</b>
<b>Additional Reserve Contribution</b>	<b>\$0</b>	<b>\$0</b>	<b>\$294,787</b>	<b>\$294,787</b>
<b>Surplus</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### Wastewater/Storm Operations

Wastewater revenue is based on water consumption; therefore trending is very similar to water revenue. In the same manner, regional wastewater treatment charges and regional water purchases are directly related. Wastewater is not a metered flow and is calculated on a one-to-one ratio to metered water with minimal adjustments/reductions for households not connected to the City's sewer system.

Wastewater YTD revenues are unfavourable by \$91K for the period ending June 30, 2012 which is due to unfavourable commercial revenue of \$132K and is partially offset by favourable residential revenue of \$41K. The favourable gross margin variance of \$52K is a combination of slightly lower than budgeted wastewater sales offset by slightly lower than budgeted payments to York Region for wastewater services.

Other revenues are slightly unfavourable by \$8K and wastewater expenses are favourable by \$412K primarily attributable to favourable maintenance and installation at \$176K and storm sewer maintenance of \$197K. Actual expenses are lower than budget as a result of less than expected work activity in contracted services related to repairs. General administration is favourable by \$40K due to timing in general discretionary spending.

The 2012 actual YTD wastewater/storm lifecycle contribution is favourable by \$456K.

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City of Vaughan  
Statement of Operations  
Wastewater Division  
For the period ending June 30, 2012

	2012 Budget	2012 YTD Budget	2012 YTD Actual	2012 YTD Variance
<b>Wastewater Revenues</b>				
Residential Billings	29,179,250	12,309,480	12,350,942	41,462
Commercial Billings	19,694,070	8,147,370	8,015,374	(131,996)
	<b>\$48,873,320</b>	<b>\$20,456,850</b>	<b>\$20,366,316</b>	<b>(\$90,534)</b>
<b>Wastewater Expense</b>				
Regional Treatment Charges	<b>\$36,437,860</b>	<b>\$17,040,130</b>	<b>\$16,897,339</b>	<b>\$142,791</b>
<b>Gross Margin</b>	<b>\$12,435,460</b>	<b>\$3,416,720</b>	<b>\$3,468,977</b>	<b>\$52,257</b>
<b>Other Revenues</b>	<b>\$653,200</b>	<b>\$110,980</b>	<b>\$102,591</b>	<b>(\$8,389)</b>
<b>Expenses</b>				
Maintenance and Installation	3,491,115	1,526,470	1,350,738	175,732
General Administration	1,909,665	886,800	847,221	39,579
Storm Sewer Maintenance	2,059,505	655,570	458,596	196,974
Joint Service Costs	502,580	251,280	251,293	(13)
	<b>\$7,962,865</b>	<b>\$3,320,120</b>	<b>\$2,907,847</b>	<b>\$412,273</b>
<b>Net Wastewater Operations</b>	<b>\$5,125,795</b>	<b>\$207,580</b>	<b>\$663,720</b>	<b>\$456,140</b>
<b>Budgeted Lifecycle Contribution</b>	<b>\$5,125,795</b>	<b>\$207,580</b>	<b>\$207,580</b>	<b>\$0</b>
<b>Additional Reserve Contribution</b>	<b>\$0</b>	<b>\$0</b>	<b>\$456,140</b>	<b>\$456,140</b>
<b>Surplus</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **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.

- As of Quarter 2-2012, 512 projects with a budgeted valued of \$600M are open. At Quarter 1-2012, 540 capital projects were open, out of which 30 projects were closed in Quarter 2-2012. Additionally, 2 capital projects were added as per post-budget Council Approval, DP-9031-12 City-Wide Streetscape Implementation Manual and Financial Strategy and PL-9032-12 Maple Go Station Secondary Peer review.
- The above open projects were approved as follows
  - ✓ 26% 2012
  - ✓ 53% 2009-2011
  - ✓ 16% 2006-2008
  - ✓ 5% 2005 and older approvals



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- As of June 30, 2012, 67% of the available open capital project budgets were spent
- Capital projects substantially complete and nearing closing
  - ✓ 33 projects are substantially complete
    - 25 open projects are complete and should be closed in next quarter
    - 8 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 Q4 2012.
  - ✓ 6 Engineering projects are completed and awaiting outstanding invoices from the Region.
  - ✓ 40 open engineering projects are substantially complete and potentially coming in under budget by \$19.9M. 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 \$128K (150%) 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:

- This information does not imply any work-in-progress percentage of completion, but rather a financial representation of capital spending for the period reported.
- 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 through the Region of York. Furthermore, project financing is not typically requested until the project is substantially complete, which is contingent on a timeframe to 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.

#### Further Detail on Status of Specific Capital Projects

- FR-3533-10 Build New Fire Station 7-10 – The construction of Fire Station 7-10 is complete. The occupancy permit was granted on May 7, 2012. As of June 30, 2012, we have spent 99% of the budget. We are currently awaiting final invoices and reviewing deficiencies, and, do not expect to be over budget. An official opening is planned for the fall and will include officials from AMO and the province to recognize the LEEDS silver portion funded through Gas Tax.

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- BF-8114-07 North Thornhill Construction - This project is substantially complete. The architect is resolving outstanding issues regarding the water play, the mechanical room, a contractual issue regarding structural steel and deficiencies with respect to the daycare. Most of these issues have been cleared up and a payment was released. We expect to close this project in Q1-2013.
- PK-6352-11 Uplands Golf and Ski Centre – Chair Lift Replacement – General contractor commenced construction works in Q2-2012. End of construction is expected in time for opening in January 2013 subject to TSSA approval.
- 1421-3-04 Portage Parkway Extension – Project is complete, the bridge is open for use and on maintenance until October 2012. Our consultant is clearing up outstanding MTO deficiencies. Resolving the MTO deficiencies will allow us to commission the bridge and begin long term maintenance payments budgeted in EN-1696-08.

#### Capital projects closed during the 2<sup>nd</sup> Quarter

Staff together with City departments reviewed all active capital projects listed as at June 30<sup>th</sup>, 2012 to determine which capital projects could be consolidated and/or closed. Overall, 30 capital projects totalling a budget of \$20M were closed in the 2<sup>nd</sup> quarter of 2012. Total actual project costs came in at 90% of budget, freeing up \$2M in the original funding sources for future project consideration. The drivers behind the \$2M are as follows:

- Approximately 85% or \$1.7M of the above project savings are related to Development & Transportation projects 1332-0-00 Bass Pro Mills Interchange and DT-7084-12 Vaughan TDM Policy. The front end financed Bass Pro Mills Interchange was under estimate by \$1,612,370 because the interchange could not be completed as planned as the abutting lands to the west did not develop as expected. The Vaughan TDM Policy project budgeted at \$128,800 was deferred with zero dollars expended and will be budgeted in another cycle.
- Approximately \$174K of the above project savings are related to 13 Fleet Management projects, which on average closed at 71% of the project budget.
- The remaining balance is spread over 5 departments and 15 projects.

A complete list of closed capital projects is provided as Attachment 4.

#### Continuity Schedule of Reserves and Reserve Funds

A continuity schedule of reserves and reserve funds as at June 30, 2012 is provided as Attachment 6. This schedule provides information on the individual and aggregate reserve balances. It also provides information on outstanding financial commitments, 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 exception for development charge management studies and fire. 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:

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*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* – A commitment to replace the uplands chairlift was recently approved by Council. As a result, the future position of this reserve will be in a negative position and replenished over time through Uplands revenue received.

*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.

*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 W. Woodbridge Watermain
- D18 PD#6 Major Mackenzie Watermain
- D19 PD#6 E. Rutherford Watermain
- D25 Zenway/Fogal Sub-Trunk

#### **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 2012 second quarter results, the overall net City position is favourable \$1.3M and Water and Wastewater Storm operations have also come in favourable resulting in additional contributions which place them in an overall breakeven position. Overall capital projects spending is 67% of budget. It is early in the year. But if trends continue barring any unforeseen events, it is likely that the 2012 year-end will be favourable. Over the past few years, the operating budget has relied on prior year's surplus of \$2.5 million to balance the operating budget. At this point in time, indicators suggest that 2012 will not be different than previous years. It is important to note, the City takes financial stewardship seriously and has implemented policy and actions to best use surplus funds.

#### **Attachments**

- Attachment 1: City Operating – Second quarter Variance Report
- Attachment 2: City Operating – Q1 Specific Variance Explanations
- Attachment 3: Open Capital Project Spend Report as at June 30, 2012
- Attachment 4 & 5: Closed Capital Projects Report for 1st Quarter Ending June 30, 2012 & March 31, 2012
- Attachment 6: Continuity Schedule of Reserves & Reserve Funds as at June 30, 2012

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 30, 2012**

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(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.)