

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 19, 2017**

Item 2, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 19, 2017.

## **2                      FISCAL HEALTH REPORT – YEAR ENDING DECEMBER 31, 2016**

**The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer/City Treasurer, the Director of Financial Planning and Development Finance/Deputy City Treasurer and the Director of City Financial Services/Deputy Treasurer, dated April 3, 2017:**

### **Recommendation**

The Chief Financial Officer/City Treasurer, the Director of Financial Planning and Development Finance/Deputy City Treasurer and the Director of City Financial Services/Deputy Treasurer recommend:

1. That the Fiscal Health Report be received.

### **Contribution to Sustainability**

Not applicable.

### **Economic Impact**

The fiscal health report monitors actual spending performance to the City's calendarized financial plan. This report provides the year-end financial position of the City as at December 31, 2016, with accompanying commentary on the contributing factors that have affected the City's financial health.

The City's property tax based budget ended 2016 in a deficit position of \$1.4 million which was offset by reserve draws from the Winterization Reserve and the Working Capital Reserve, as per the Consolidated Reserve Policy. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. Further discussion regarding the contributing factors that resulted in these year-end positions is contained within the body of this report.

At December 31, 2016, there were 565 open capital projects with \$201.0 million of available budget remaining. During 2016, \$77.7 million was spent on 331 capital projects and departments closed a total of 157 capital projects.

### **Communication Plan**

The report and all attachments are available publicly on the Agenda, Minutes & Extract page of the City's website ([www.v Vaughan.ca](http://www.v Vaughan.ca)).

### **Purpose**

To report on the City's fiscal health for the year ending December 31, 2016.

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

The attached fiscal health report compares annual actual city operating, water and wastewater/stormwater operations and capital results as of December 31, 2016, relative to

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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.

**Summary**

The City's property tax based budget ended 2016 in a deficit position of \$1.4 million primarily as a result of uncontrollable winter activities. This was offset by reserve transfers from the Winterization Reserve and the Working Capital Reserve as per the Consolidated Reserve Policy. The balance in the Winterization Reserve was insufficient to fund the deficit position, resulting in a draw from the Working Capital Reserve for the balance required. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. Further discussion regarding the contributing factors that resulted in these year-end positions is contained within the body of this report. At December 31, 2016, there were 565 open capital projects with \$201.0 million of available budget remaining. The open projects are made up of 465 annual and active programs and 100 inactive projects. During 2016, \$77.7 million was spent on 331 capital projects, an increase of 39 percent from 2015 spending of \$55.8 million. Departments closed a total of 157 capital projects, an increase of 34% from 2015 closings of 117 projects.

**Operating Results – Year ending December 31, 2016**

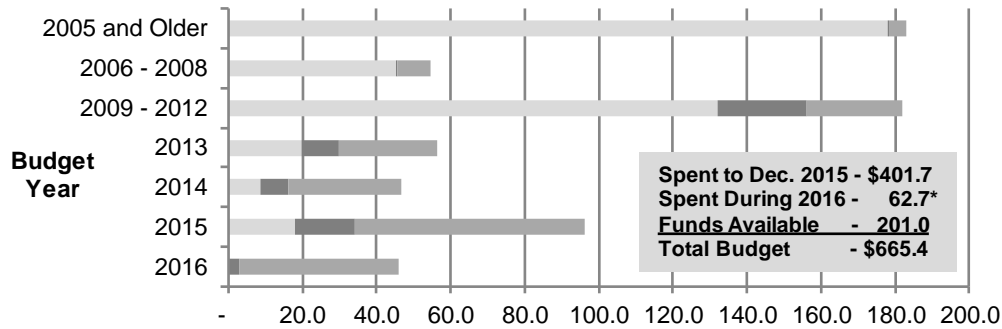
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Property Tax Based Budget</b>			
Revenues	265.2	272.3	7.1
Expenditures	265.2	273.7	-8.5
<b>Net</b>	<b>0.0</b>	<b>-1.4</b>	<b>-1.4</b>
<b>Reserve Transfers</b>			
Winterization Reserve		<b>0.7</b>	<b>0.7</b>
Working Capital Reserve		<b>0.7</b>	<b>0.7</b>
<b>Year End Position</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water Rate Based Budget</b>			
Revenues	56.1	57.3	1.2
Expenditures	49.0	46.6	2.4
<b>Net</b>	<b>7.1</b>	<b>10.7</b>	<b>3.6</b>
<b>Wastewater/Stormwater Rate Based Budget</b>			
Revenues	74.9	75.3	0.4
Expenditures	65.7	62.2	3.5
<b>Net</b>	<b>9.2</b>	<b>13.1</b>	<b>3.9</b>

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#### Capital Results – Year ending December 31, 2016



\$ Millions	2016	2015	2014	2013	2009 - 2012	2006 - 2008	2005 and Older
■ Spend to Dec 2015		18.1	8.6	19.8	132.0	45.2	178.1
■ Spend During 2016	3.0	15.8	7.6	10.1	24.3	0.5	0.3
■ 2016 Remaining	43.1	62.1	30.5	26.5	25.5	8.7	4.6

\*\$62.7 million represents the amount of capital spending associated with those capital projects that are open as of December 31, 2016. The remaining \$15.0 million of capital spending is associated with projects that have been closed over 2016. (\$62.7+15.0=\$77.7 million)

#### Discussion

#### **Winter control activities were the largest uncontrollable pressure contributing to the deficit position**

Winter events in the last quarter of the year resulted in \$2.5 million higher costs than planned for winter operations in the Transportation Service and Parks and Forestry Operations (TSPFO) department. The number of salting and plowing events in Q4 2016 were 19 and 4 respectively, compared to the prior 4 year average of 9 and 2 respectively. The significantly higher number of salting events in Q4 2016 resulted in higher contractor services costs and higher salt usage. Although winter activities resulted in higher than anticipated costs, the new winter contract resulted in savings of \$0.5 million compared with what it would have cost previously.

Greater than anticipated revenues, such as investment revenues, have helped to offset these pressures, resulting in a net deficit position of \$1.4 million. To achieve a balanced year end position, the remaining balance in the Winterization Reserve has been drawn down with an additional \$0.7 million draw required from the Working Capital Reserve.

#### Operating Budget Results

**Overall, City Revenues were \$7.1 million greater than plan**

	Budget	Actual	Variance
Department Revenues	45.5	52.7	7.2
Corporate Revenues	39.1	39.6	0.5
Taxation	180.6	180.0	-0.5
<b>Total Revenues</b>	<b>265.2</b>	<b>273.7</b>	<b>7.1</b>

Note – numbers may not add due to rounding

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- Department Revenues were 15.8 per cent greater than planned. Almost 11.1 per cent is attributed to better than anticipated building permit revenue due to an unplanned increase in applications for licenses and permits received in December 2016, in advance of an expected increase in education development charges and new requirements for Ontario Building Code energy efficiencies. These additional revenues have been completely offset by a corresponding higher transfer to the Building Standard Continuity Reserve. Increased Recreation revenues contribute an 2.4 per cent to the favourable revenue variance as a result of higher than expected registrations for aquatic programmes and summer camps, in Recreation. The remaining 2.3 per cent of the departmental revenue variance was spread over 23 departments.
- Corporate Revenues were 4.6 per cent greater than planned, primarily a result of higher than planned dividend income from the City's investment holdings company, Vaughan Holdings Inc. (VHI). The higher dividends were made possible by better than expected dividends received from PowerStream. The variance includes the required transfers from the Winterization and Working Capital reserves.
- Taxation revenues were slightly less than expected as a result of lower than budgeted supplemental taxation revenue.

#### **Overall, City expenditures were \$8.5 million greater than plan**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Other, including reserve transfers	30.0	35.3	-5.3
Labour	158.0	161.1	-3.1
Service Contracts & Materials	33.3	34.2	-0.9
Utilities & Fuel	10.9	11.5	-0.6
Insurance	6.1	6.5	-0.5
Capital Related	26.9	25.1	1.8
<b>Total Expenditures</b>	<b>265.2</b>	<b>273.7</b>	<b>-8.5</b>

Note – numbers may not add due to rounding

- Other expenditures were 18 per cent greater than budget primarily due to an unplanned transfer to the Building Standards Reserve as a result of better than anticipated building permit revenue as noted in the revenue variance section above.
- Labour costs were 2% greater than budget as a result of increased part-time and over-time labour variances. The increase in part-time costs was primarily attributable to an increase in Transportation Services, Parks and Forestry Operations part-time labour due to an increase in the use of seasonal staff over the summer months to complete works in-house rather than through contracted labour. The increase in over-time costs are a result of higher than expected overtime and benefit costs related to Vaughan Fire and Rescue Services. These costs were greater than the favourable full-time labour variance due to vacancies.
- Service contracts and materials were 3 per cent greater than budget. This is primarily attributable to salt usage in the last quarter of 2016 as a result of an increase in the number of salting events due to the harsh weather experienced in December. As compared to last year, there was a 25 per cent increase in salting events in 2016, from 36 to 45, resulting in expenditures being \$2.5 million greater than planned. This variance has been partially offset from contract and material savings in other areas, such as parks operations for park and sports field maintenance.

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- Utilities & Fuel were 5% greater than budget. The City's overall electricity usage has remained relatively constant from 2015 to 2016, but increasing electricity costs have resulted in increased hydro costs. Increased water usage due to drier weather conditions over the summer months resulted in increased water costs. These increases are partially offset by less than planned expenditures in gas and fuel.
- Insurance was 8% greater than budget as a result of sixty-one claims reaching settlement during the year. These settlements total \$700,000 for 2016 and represent the settlement of claims from 2012 to 2016.
- Capital related expenditures, consisting of infrastructure reserve contributions and draws and principal and interest repayments to the Region, were 7% less than budget. This is due to the timing of the repayments of principal and interest for the new 2016 debt issuance, budgeted for in 2016 but will not commence until 2017.

Attachment 2 provides commentary at the Portfolio/Office level.

#### **Operating Transfers Authorized by the Chief Financial Officer/City Treasurer**

The following table summarizes the one operating budget transfer the Chief Financial Officer/City Treasurer approved during the quarter through the office's delegated authority as granted by Council at the Special Council meeting of December 15, 2015 (Finance, Administration and Audit Committee, Rpt 16, Item 1).

Departments		Description	Amount transferred between Departments
From:	To:		
Contingency	YEER Reserve	Q4 Job Evaluations	6,109

**City's end net position was balanced for 2016.**

Attachment 1 provides the net position for all City departments.

#### **Water Operating Results**

**Water Operations gross margin was \$2.3 million favourable than budget**

	Budget	Actual	Variance
Residential Billings	33.2	33.7	0.5
Commercial Billings	21.4	22.0	0.6
Other	0.3	0.6	0.3
Less Metered Water Purchases	-33.6	-34.2	-0.6
Less Unmetered Water	-5.0	-3.5	1.5
<b>Gross Margin</b>	<b>16.3</b>	<b>18.6</b>	<b>2.3</b>
<b>Other Revenues</b>	<b>1.2</b>	<b>1.0</b>	<b>-0.2</b>

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- Residential and commercial water sales for the fourth quarter ended higher than budget by 2% and 3% respectively.
- As a result of increased sales, Regional water purchases (direct cost) were higher than budgeted but are offset by a decrease in charges on the year-end Region bill. This is potentially due to a billing methodology change at the Region resulting in the total expense being lower than budget.
- Unmetered Water is favourable due to a decrease in charges on the year-end Region bill as noted above.

**Water Operations City expenditures were \$1.5 million less than planned**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Maintenance and Installation Cost	6.3	5.3	1.0
General Administration	3.5	3.0	0.5
Joint Service Costs	0.6	0.6	0.0
<b>Total Expenses</b>	<b>10.4</b>	<b>8.9</b>	<b>1.5</b>

- Proactive, planned maintenance has resulted in fewer emergency and reactive repairs.

City's net lifecycle contribution is \$3.6 million favourable at the end of the fourth quarter.

**Wastewater/Stormwater Operating Results**

**Wastewater/Stormwater Operations gross margin was \$2.2 million favourable versus budget**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Residential Billings	43.6	44.3	0.7
Commercial Billings	30.2	30.0	-0.2
Other	0.3	0.4	0.1
Less Regional Treatment Charges	-55.2	-53.6	1.6
<b>Gross Margin</b>	<b>18.9</b>	<b>21.1</b>	<b>2.2</b>
<b>Other Revenues</b>	<b>0.8</b>	<b>0.6</b>	<b>-0.2</b>

- Residential sales for the fourth quarter are trending 2% higher than budget
- A corresponding increase in Regional treatment charges is offset by a decrease in charges on the year-end Region bill. This is potentially due to a billing methodology change at the Region resulting in the total expense being lower than budget.

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#### **Wastewater/Stormwater Operations City expenditures were \$1.9 million less than planned**

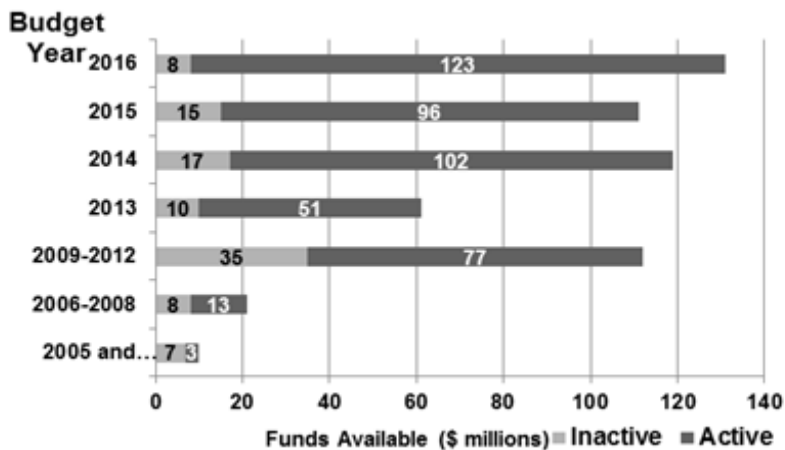
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Maintenance and Installation	3.3	2.4	0.9
General Administration	2.8	2.5	0.3
Storm Sewer Maintenance	3.9	3.2	0.7
Joint Services	0.5	0.5	0.0
<b>Total Expenditures</b>	<b>10.5</b>	<b>8.6</b>	<b>1.9</b>

- Proactive, planned maintenance has resulted in fewer emergency and reactive repairs.

City's net lifecycle contribution is \$3.9 million favourable at the end of the fourth quarter.

#### **Capital Budget Results**

At December 31, 2016, there were 565 open capital projects with \$201.0 million of available budget remaining. The open projects are made up of 465 annual and active programs and 100 inactive projects.



	<u>Inactive</u>	<u>Active</u>
2016	8	123
2015	15	96
2014	17	102
2013	10	51
2009-2012	35	77
2006-2008	8	13
2005 and older	7	3
<b>Total # Projects</b>	<b>100</b>	<b>465</b>
<b>Total Project \$</b>	<b>39.1</b>	<b>164.6</b>

During 2016, \$77.6 million was spent on 331 capital projects and departments closed a total of 157 capital projects. By comparison, the 2015 and 2014 capital project spend was \$61.3 million on 283 projects and \$46.3 million on 276 projects respectively. Below is an illustration of the types of projects that were delivered over 2016:

- Parkland acquisition in Block 18 (\$10.1 million)
- Construction of the roads, water, sewer and sanitary networks and storm water management facilities on the hospital lands to prepare for the construction of the new hospital, schedule to begin in the Fall of 2017 (\$17.6 million)
- Repair and rehabilitation of the roads and sidewalk network, libraries, community centres, parks and fleet vehicles (\$25.9 million)
- Construction of the new Fire Station 7-3 and the purchase of land for the new Fire Station 7-4 (\$5.0 million)

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The semi-annual Term of Council Service Excellence Strategy Map Progress Report for the period ending December 31, 2016 is on today's Finance, Administration and Audit agenda. That report provides an update on the status of key activities for the projects that have been identified as a key support to the initiatives in 2016.

Capital spending detail for all projects can be found [online](#).

#### **There are 100 Inactive Projects**

Of the 565 open capital projects, there are 100 projects that are considered inactive. Inactive projects comprise 17 per cent of the total open projects, equating to 19 per cent of the total unspent funds of \$201.0 million. Inactive projects are primarily made up of projects that are substantially complete but are required to remain open until a future event occurs. The breakdown of the classification of the 100 open inactive projects is as follows:

Classification	#	\$M
DC repayment agreement in place	34	24.3
Completed - Under Warranty/Maintenance	32	5.1
Completed - To be Closed in Q1-17	12	3.3
Completed - Waiting for final invoices	9	1.9
Project On Hold	10	1.5
Completed - Waiting for Regional invoices	1	1.2
Project Deferred	2	0.6
<b>Grand Total</b>	<b>100</b>	<b>38.1</b>

The majority, 63 per cent, of these unspent capital funds are related to development charge repayment agreements and will be paid out and closed in accordance with those agreements.

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

#### **Departments closed 157 projects in 2016, returning \$7.9 million to Reserves**

During the fourth quarter, departments closed 78 capital projects, bringing the total capital projects closed in 2016 to 157. As a result, \$7.9 million has been returned to various reserves to fund other capital works. Of the total, \$6.2 million is a result of closing projects that were originally approved in 2012 or earlier. During the 2017 budget process, departments anticipated closing 77 capital projects in the last half of 2016. Departments actually closed 108 projects in this timeframe, an increase of 31 project closures. The table below provides a breakdown of projects closed during 2016 and the years in which the projects had been approved:

	# Projects, Jan 1, 2016	# Projects Closed	% of Total #	\$M to Reserves
2016	138	7	5%	0.1
2015	139	26	19%	0.1
2014	176	59	34%	0.5
2013	84	23	27%	1.0
2011 - 2012	92	23	25%	3.7
2009 - 2010	57	14	25%	2.2
2006 - 2008	24	3	13%	0.3
2005 and Older	12	2	17%	0.0
<b>Total</b>	<b>722</b>	<b>157</b>		<b>7.9</b>



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The majority of projects have an average life cycle of 7 years, from approval to close. Below are examples of the types of projects that were closed over 2016:

- 20 roads network projects comprised of works for roads resurfacing, sidewalk replacement and infill, watermain replacements, traffic safety initiatives and various bridge rehabilitation works (\$5.9 million returned to reserves). The average lifespan of these types of projects is 7 years, from design to construction to the end of the warranty period.
- 61 fleet purchases for the replacement of vehicles, mowers, trailers and a new showmobile (\$0.1 million returned to reserves)
- 31 facility related projects for the rehabilitation of libraries, community centres, fire stations and libraries (\$0.5 million returned to reserves)
- 16 parks projects for the rehabilitation of playgrounds, sports fields and walkways (\$0.2 million returned to reserves)

The table below summarizes the number of projects that have been closed over 2016 in each Portfolio/Office:

Quarter Close	Managing Portfolio	# Projects	\$M to Reserves
	Public Works	94	6.5
	Community Services	34	0.3
	Planning and Growth Management	19	0.3
	Office of the Chief Information Officer	4	0.0
	Human Resources and Legal	3	0.0
	Library Services	2	0.8
	Office of the Chief Financial Officer	1	-
<b>2016 Total</b>		<b>157</b>	<b>7.9</b>

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

#### 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 table summarizes the budget amendments that were processed during the fourth quarter:

Departments			Amount of Amendment
From:	To:		
Library Development Charges and Capital from Taxation	LI-4539-14 Vellore Village South Design and Construction	FAA R10, I4	1,250,000
LI-4540-15 Vellore Village South Resources	Reduce funding from Library Development Charges and Capital from Taxation	FAA R10, I4	-450,000
Engineering Development Charges	DT-7085-13 Parking Management Strategy	FAA R11, I3,	60,000

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There were two capital budget amendments that were processed as a result of previous Council approved directives:

<b>Departments</b>			<b>Amount of Amendment</b>
<b>From:</b>	<b>To:</b>		
Woodlot Acquisition Reserve	CO-0052-16 Woodlot Acquis - Block 18	By-law 177-2009	270
Water Reserve	DT-7054-11 Water Loss Control System Feasibility/ Implementation Study	FCM funding not received	3,950

**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.

<b>Departments</b>		<b>Amount transferred between Departments</b>
<b>From:</b>	<b>To:</b>	
BU-0006-13 Citywide Capital Planning Module RI-0056-10 Implementation of Corporate Asset Management System (Quesitca/Citywide requirements)	BU-0002-11 Questica Budget Software License for City Departments	74,138
PK-6504-15 Hefhill Pk-Tennis Court Redevelopment	PK-6410-14 Joey Panetta Park - Tennis Court Reconstruction	9,067
PK-6487-14 Bob O Link Parkette - Walkway Lighting	PK-6488-14 King High Park - Pathway Lt	35,000

**Continuity Schedule of Reserves and Reserve Funds**

	<b>Opening</b>	<b>Revenue</b>	<b>Spend</b>	<b>Closing</b>	<b>Spend Remaining*</b>	<b>Balance Available</b>
<b>Obligatory</b>						
City-Wide Development Charges	198.9	62.6	13.7	247.8	102.0	145.9
Areas Specific Development Charges	-5.1	1.8	-4.5	1.2	7.1	-5.9
Restricted Grant	25.4	9.0	7.3	27.1	23.8	3.3
Other Statutory Reserves**	90.0	20.0	14.5	95.5	2.2	93.3
Sub-total	309.2	93.4	31.0	371.6	135.0	236.6

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<b>Discretionary</b>						
Sustainability	36.0	6.4	7.9	34.5	0.3	34.2
Infrastructure	152.2	37.3	18.8	170.8	45.5	125.3
Capital from Taxation	0.0	25.4	8.2	17.2	16.5	0.7
Corporate	22.3	0.5	5.3	17.4	0.7	16.7
Special Purpose	6.4	0.3	-	6.7	13.5	-6.8
Sub-total	217.0	69.8	40.1	246.7	76.5	170.1
<b>Total</b>	<b>526.2</b>	<b>163.2</b>	<b>71.1</b>	<b>618.3</b>	<b>211.6</b>	<b>406.7</b>

Note – numbers may not add due to rounding

\*This represents the funds from reserves that are committed to complete open projects. Not all projects are funded from reserves, such as those projects that are funded through debenture financing or cost sharing agreements with other municipalities. The funding for these projects is not recognized until the funds are received.

\*\*Includes: Building Continuity Reserve and Cash-in-Lieu Parkland Reserve

The reserve balance before commitments is \$618.3 million. There are \$211.6 million in funds that have been allocated to approved projects for which works are either underway or are planned to begin. After these commitments are accounted for, there is \$406.7 million in reserve funds available, \$236.6 million for obligatory reserves and \$170.4 million in discretionary reserves.

Development Charges collected in 2016 were \$62.6 million, an increase of 75% from 2015 largely due to registered subdivision agreements in Blocks 11, 12, 40 and 61. The large revenue in the Capital from Taxation reserve is a result of the establishment of the reserve, but as indicated by the \$16.5 million in outstanding commitments, the majority of these funds are already committed to ongoing capital works.

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

### **Financial Ratios in alignment with Corporate Targets**

Discretionary reserves provide the City with financial flexibility in order to safeguard against economic downturns and finance operations internally. To ensure the sustainability of these reserves, the City has adopted associated targets. The City also has a target ratio for debt services costs. The table below provides the status of these targets at the end of 2016:

<b>Policy Ratio</b>	<b>2016</b>	<b>Target</b>
Discretionary Reserve	62%	>50% Of Own Source Revenues
Working Capital	6%	Up To 10% Of Own Source Revenues
Debt Service Costs	5%	<10% Of Own Source Revenues

**Discretionary Reserve Ratio** - The greatest pressure on discretionary reserves is largely due to funding infrastructure replacement as the City's initial stock of infrastructure assets begin to reach the end of their useful lives.

**Working Capital Ratio** - Contributions to this reserve occur only when the City achieves a surplus, which are not planned or forecasted. The working capital reserve is a source of funding to address the year end deficit position.

**Debt Service Ratio** - The City's policy limits debt to a maximum of 10 per cent of total City revenue, which is significantly lower than the Province's 25 per cent maximum. Total debt outstanding in 2016 was \$44.6 million with debt repayment costs of \$9.3 million principal and \$2.8

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million interest, totaling \$12.1 million. The principal and interest payments for a 2006 debenture issue have been completed in 2016 and the issue has been retired.

#### **Grant Activity Update**

In 2016, the City received approval of \$11.1 million in grant revenues inclusive of the City's Gas Tax revenue of \$8.8 million.

The table below summarizes the grants revenues received in 2016, these figures exclude Gas Tax:

<b>Grant</b>	<b>Capital Grants</b>	<b>Operating Grants</b>
Canada 150 Community Infrastructure Program	300,300	
Waste Diversion Ontario (WDO)		1,287,756
VBEC - Core Funding		281,273
Public Library Operating, Pay Equity and First Nations Salary Supplement Grant		143,234
Canada 150 Celebrate Canada Fund		70,250
IESO Embedded Energy Manager Program		57,720
Age Friendly Grant		35,000
Ontario Libraries Capacity Fund-Information Technology Service Capacity		29,831
VBEC - Summer Company		28,800
Multi-Sensory Program		25,291
Vaughan International Commercialization Centre		25,000
Innovation, Science and Economic Development Canada's Youth Internship program		17,273
Invest Canada Community Initiative		15,065
Municipal Energy Plan Program		12,865
Swim to Survive		6,982
Seniors Community Grant program		3,200
Young Canada Works in Heritage Organizations program		3,044
Canada Summer Jobs		1,182
Literacy Readings program		1,000
Ontario's Shared Services		327
<b>Total by Grant Type</b>	<b>300,300</b>	<b>2,045,093</b>
<b>Total Grants Received</b>	<b>2,345,393</b>	

#### **Notification pending for additional 2016 Grant Application**

In October of 2016 the City submitted a grant application to the Clean Water Wastewater Fund for the amount of \$20.8 million. The Clean Water and Wastewater Fund (CWWF) is a federal program designed to accelerate short-term community investments, while supporting the rehabilitation and modernization of drinking water, wastewater and stormwater infrastructure, and the planning and design of future facilities and upgrades to existing systems. It is anticipated that notification will be received in early 2017.

#### **Comments from the Chief Financial Officer/City Treasurer**

Although 2016 ended in a deficit position, largely due to the uncontrollable winter activities, the organization remains in a fiscally healthy position as indicated by the City's reserve balances and

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 19, 2017**

**Item 2, Finance Report No. 4 – Page 13**

associated guiding ratios. Were it not for higher than expected winter related expenditures, the year would have ended in a surplus. Moving forward, finance with work with Transportation Service and Parks and Forestry Operations staff to increase their analytical capacity (e.g. availability and quality of data) to help forecast winter control costs to plan, on a reserve basis, for future weather fluctuations.

The combination of increased sales and prudent maintenance activities enabled Water, Wastewater and Stormwater operations to contribute an additional \$7.5 million as compared to budget to Water, Wastewater and Stormwater reserves. The funds will assist in future infrastructure replacements as these assets near the end of their useful life.

**Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

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

**Regional Implications**

None

**Conclusion**

The City's property tax based budget saw the year end in a deficit position, largely due to uncontrollable winter activities, but through prudent financial management of reserves funds was available to offset this deficit to balance. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. During 2016, \$76.7 million was spent on 331 capital projects and departments closed a total of 159 capital projects returning \$7.9 million to reserves for fund capital programs.

**Attachments**

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

**Report prepared by:**

Jackie Macchiusi, CPA, CGA  
Senior Manager, Corporate Financial Planning & Analysis

Sean Skinkle  
Finance Manager, Water & Wastewater/Stormwater

(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.)

**FISCAL HEALTH REPORT – YEAR ENDING DECEMBER 31, 2016****Recommendation**

The Chief Financial Officer/City Treasurer, the Director of Financial Planning and Development Finance/Deputy City Treasurer and the Director of City Financial Services/Deputy Treasurer recommend:

1. That the Fiscal Health Report be received.

**Contribution to Sustainability**

Not applicable.

**Economic Impact**

The fiscal health report monitors actual spending performance to the City's calendarized financial plan. This report provides the year-end financial position of the City as at December 31, 2016, with accompanying commentary on the contributing factors that have affected the City's financial health.

The City's property tax based budget ended 2016 in a deficit position of \$1.4 million which was offset by reserve draws from the Winterization Reserve and the Working Capital Reserve, as per the Consolidated Reserve Policy. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. Further discussion regarding the contributing factors that resulted in these year-end positions is contained within the body of this report.

At December 31, 2016, there were 565 open capital projects with \$201.0 million of available budget remaining. During 2016, \$77.7 million was spent on 331 capital projects and departments closed a total of 157 capital projects.

**Communication Plan**

The report and all attachments are available publicly on the Agenda, Minutes & Extract page of the City's website ([www.vaughan.ca](http://www.vaughan.ca)).

**Purpose**

To report on the City's fiscal health for the year ending December 31, 2016.

**Background – Analysis and Options**

The attached fiscal health report compares annual actual city operating, water and wastewater/stormwater operations and capital results as of December 31, 2016, 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.

**Summary**

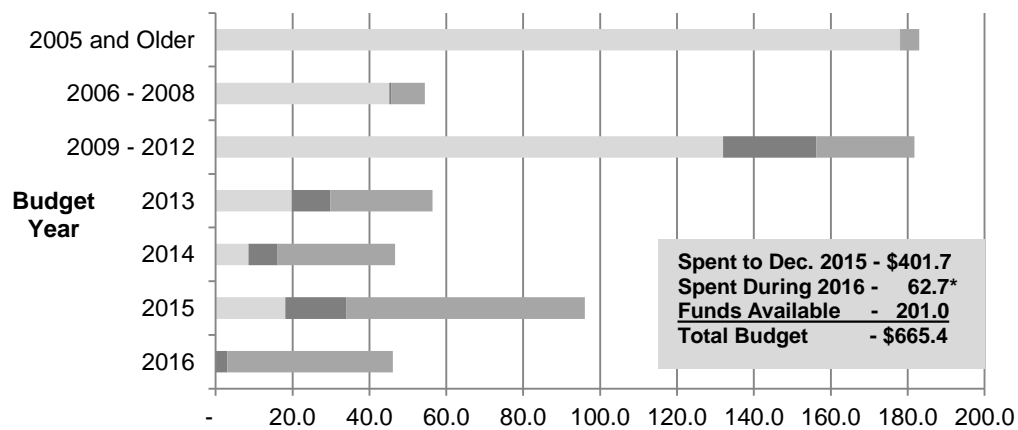
The City's property tax based budget ended 2016 in a deficit position of \$1.4 million primarily as a result of uncontrollable winter activities. This was offset by reserve transfers from the Winterization Reserve and the Working Capital Reserve as per the Consolidated Reserve Policy. The balance in the Winterization Reserve was insufficient to fund the deficit position, resulting in a draw from the Working Capital Reserve for the balance required. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. Further discussion regarding the contributing factors that resulted in these year-end positions is contained within the body of this report. At December 31, 2016, there

were 565 open capital projects with \$201.0 million of available budget remaining. The open projects are made up of 465 annual and active programs and 100 inactive projects. During 2016, \$77.7 million was spent on 331 capital projects, an increase of 39 percent from 2015 spending of \$55.8 million. Departments closed a total of 157 capital projects, an increase of 34% from 2015 closings of 117 projects.

### Operating Results – Year ending December 31, 2016

	Budget	Actual	Variance
<b>Property Tax Based Budget</b>			
Revenues	265.2	272.3	7.1
Expenditures	265.2	273.7	-8.5
<b>Net</b>	<b>0.0</b>	<b>-1.4</b>	<b>-1.4</b>
<b>Reserve Transfers</b>			
Winterization Reserve		0.7	0.7
Working Capital Reserve		0.7	0.7
<b>Year End Position</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Water Rate Based Budget</b>			
Revenues	56.1	57.3	1.2
Expenditures	49.0	46.6	2.4
<b>Net</b>	<b>7.1</b>	<b>10.7</b>	<b>3.6</b>
<b>Wastewater/Stormwater Rate Based Budget</b>			
Revenues	74.9	75.3	0.4
Expenditures	65.7	62.2	3.5
<b>Net</b>	<b>9.2</b>	<b>13.1</b>	<b>3.9</b>

### Capital Results – Year ending December 31, 2016



\$ Millions	2016	2015	2014	2013	2009 - 2012	2006 - 2008	2005 and Older
■ Spend to Dec 2015		18.1	8.6	19.8	132.0	45.2	178.1
■ Spend During 2016	3.0	15.8	7.6	10.1	24.3	0.5	0.3
■ 2016 Remaining	43.1	62.1	30.5	26.5	25.5	8.7	4.6

\*\$62.7 million represents the amount of capital spending associated with those capital projects that are open as of December 31, 2016. The remaining \$15.0 million of capital spending is associated with projects that have been closed over 2016. (\$62.7+\$15.0=\$77.7 million)

## **Discussion**

### **Winter control activities were the largest uncontrollable pressure contributing to the deficit position**

Winter events in the last quarter of the year resulted in \$2.5 million higher costs than planned for winter operations in the Transportation Service and Parks and Forestry Operations (TSPFO) department. The number of salting and plowing events in Q4 2016 were 19 and 4 respectively, compared to the prior 4 year average of 9 and 2 respectively. The significantly higher number of salting events in Q4 2016 resulted in higher contractor services costs and higher salt usage. Although winter activities resulted in higher than anticipated costs, the new winter contract resulted in savings of \$0.5 million compared with what it would have cost previously.

Greater than anticipated revenues, such as investment revenues, have helped to offset these pressures, resulting in a net deficit position of \$1.4 million. To achieve a balanced year end position, the remaining balance in the Winterization Reserve has been drawn down with an additional \$0.7 million draw required from the Working Capital Reserve.

## **Operating Budget Results**

### **Overall, City Revenues were \$7.1 million greater than plan**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Department Revenues	45.5	52.7	7.2
Corporate Revenues	39.1	39.6	0.5
Taxation	180.6	180.0	-0.5
<b>Total Revenues</b>	<b>265.2</b>	<b>273.7</b>	<b>7.1</b>

Note – numbers may not add due to rounding

- Department Revenues were 15.8 per cent greater than planned. Almost 11.1 per cent is attributed to better than anticipated building permit revenue due to an unplanned increase in applications for licenses and permits received in December 2016, in advance of an expected increase in education development charges and new requirements for Ontario Building Code energy efficiencies. These additional revenues have been completely offset by a corresponding higher transfer to the Building Standard Continuity Reserve. Increased Recreation revenues contribute an 2.4 per cent to the favourable revenue variance as a result of higher than expected registrations for aquatic programmes and summer camps, in Recreation. The remaining 2.3 per cent of the departmental revenue variance was spread over 23 departments.
- Corporate Revenues were 4.6 per cent greater than planned, primarily a result of higher than planned dividend income from the City's investment holdings company, Vaughan Holdings Inc. (VHI). The higher dividends were made possible by better than expected dividends received from PowerStream. The variance includes the required transfers from the Winterization and Working Capital reserves.
- Taxation revenues were slightly less than expected as a result of lower than budgeted supplemental taxation revenue.

### **Overall, City expenditures were \$8.5 million greater than plan**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Other, including reserve transfers	30.0	35.3	-5.3
Labour	158.0	161.1	-3.1
Service Contracts & Materials	33.3	34.2	-0.9
Utilities & Fuel	10.9	11.5	-0.6
Insurance	6.1	6.5	-0.5
Capital Related	26.9	25.1	1.8
<b>Total Expenditures</b>	<b>265.2</b>	<b>273.7</b>	<b>-8.5</b>

Note – numbers may not add due to rounding



- Other expenditures were 18 per cent greater than budget primarily due to an unplanned transfer to the Building Standards Reserve as a result of better than anticipated building permit revenue as noted in the revenue variance section above.
- Labour costs were 2% greater than budget as a result of increased part-time and over-time labour variances. The increase in part-time costs was primarily attributable to an increase in Transportation Services, Parks and Forestry Operations part-time labour due to an increase in the use of seasonal staff over the summer months to complete works in-house rather than through contracted labour. The increase in over-time costs are a result of higher than expected overtime and benefit costs related to Vaughan Fire and Rescue Services. These costs were greater than the favourable full-time labour variance due to vacancies.
- Service contracts and materials were 3 per cent greater than budget. This is primarily attributable to salt usage in the last quarter of 2016 as a result of an increase in the number of salting events due to the harsh weather experienced in December. As compared to last year, there was a 25 per cent increase in salting events in 2016, from 36 to 45, resulting in expenditures being \$2.5 million greater than planned. This variance has been partially offset from contract and material savings in other areas, such as parks operations for park and sports field maintenance.
- Utilities & Fuel were 5% greater than budget. The City's overall electricity usage has remained relatively constant from 2015 to 2016, but increasing electricity costs have resulted in increased hydro costs. Increased water usage due to drier weather conditions over the summer months resulted in increased water costs. These increases are partially offset by less than planned expenditures in gas and fuel.
- Insurance was 8% greater than budget as a result of sixty-one claims reaching settlement during the year. These settlements total \$700,000 for 2016 and represent the settlement of claims from 2012 to 2016.
- Capital related expenditures, consisting of infrastructure reserve contributions and draws and principal and interest repayments to the Region, were 7% less than budget. This is due to the timing of the repayments of principal and interest for the new 2016 debt issuance, budgeted for in 2016 but will not commence until 2017.

Attachment 2 provides commentary at the Portfolio/Office level.

#### **Operating Transfers Authorized by the Chief Financial Officer/City Treasurer**

The following table summarizes the one operating budget transfer the Chief Financial Officer/City Treasurer approved during the quarter through the office's delegated authority as granted by Council at the Special Council meeting of December 15, 2015 (Finance, Administration and Audit Committee, Rpt 16, Item 1).

<b>Departments</b>		<b>Description</b>	<b>Amount transferred between Departments</b>
<b>From:</b>	<b>To:</b>		
Contingency	YEER Reserve	Q4 Job Evaluations	6,109

**City's end net position was balanced for 2016.**

Attachment 1 provides the net position for all City departments.

## Water Operating Results

Water Operations gross margin was \$2.3 million favourable than budget

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Residential Billings	33.2	33.7	0.5
Commercial Billings	21.4	22.0	0.6
Other	0.3	0.6	0.3
Less Metered Water Purchases	-33.6	-34.2	-0.6
Less Unmetered Water	-5.0	-3.5	1.5
<b>Gross Margin</b>	<b>16.3</b>	<b>18.6</b>	<b>2.3</b>
<hr/>			
<b>Other Revenues</b>	<b>1.2</b>	<b>1.0</b>	<b>-0.2</b>

- Residential and commercial water sales for the fourth quarter ended higher than budget by 2% and 3% respectfully.
- As a result of increased sales, Regional water purchases (direct cost) were higher than budgeted but are offset by a decrease in charges on the year-end Region bill. This is potentially due to a billing methodology change at the Region resulting in the total expense being lower than budget.
- Unmetered Water is favourable due to a decrease in charges on the year-end Region bill as noted above.

Water Operations City expenditures were \$1.5 million less than planned

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Maintenance and Installation Cost	6.3	5.3	1.0
General Administration	3.5	3.0	0.5
Joint Service Costs	0.6	0.6	0.0
<b>Total Expenses</b>	<b>10.4</b>	<b>8.9</b>	<b>1.5</b>

- Proactive, planned maintenance has resulted in fewer emergency and reactive repairs.

City's net lifecycle contribution is \$3.6 million favourable at the end of the fourth quarter.

## Wastewater/Stormwater Operating Results

Wastewater/Stormwater Operations gross margin was \$2.2 million favourable versus budget

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Residential Billings	43.6	44.3	0.7
Commercial Billings	30.2	30.0	-0.2
Other	0.3	0.4	0.1
Less Regional Treatment Charges	-55.2	-53.6	1.6
<b>Gross Margin</b>	<b>18.9</b>	<b>21.1</b>	<b>2.2</b>
<hr/>			
<b>Other Revenues</b>	<b>0.8</b>	<b>0.6</b>	<b>-0.2</b>

- Residential sales for the fourth quarter are trending 2% higher than budget
- A corresponding increase in Regional treatment charges is offset by a decrease in charges on the year-end Region bill. This is potentially due to a billing methodology change at the Region resulting in the total expense being lower than budget.

#### **Wastewater/Stormwater Operations City expenditures were \$1.9 million less than planned**

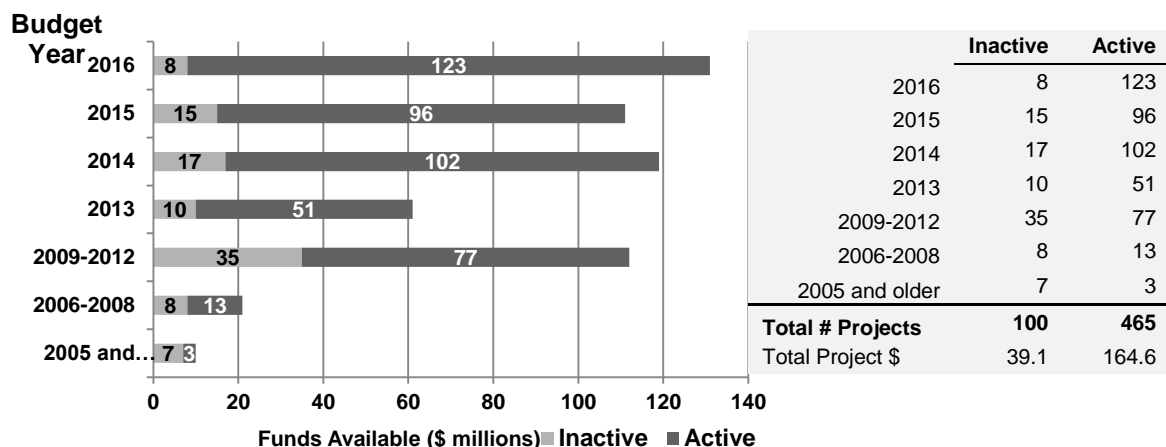
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Maintenance and Installation	3.3	2.4	0.9
General Administration	2.8	2.5	0.3
Storm Sewer Maintenance	3.9	3.2	0.7
Joint Services	0.5	0.5	0.0
<b>Total Expenditures</b>	<b>10.5</b>	<b>8.6</b>	<b>1.9</b>

- Proactive, planned maintenance has resulted in fewer emergency and reactive repairs.

City's net lifecycle contribution is \$3.9 million favourable at the end of the fourth quarter.

#### **Capital Budget Results**

At December 31, 2016, there were 565 open capital projects with \$201.0 million of available budget remaining. The open projects are made up of 465 annual and active programs and 100 inactive projects.



During 2016, \$77.6 million was spent on 331 capital projects and departments closed a total of 157 capital projects. By comparison, the 2015 and 2014 capital project spend was \$61.3 million on 283 projects and \$46.3 million on 276 projects respectively. Below is an illustration of the types of projects that were delivered over 2016:

- Parkland acquisition in Block 18 (\$10.1 million)
- Construction of the roads, water, sewer and sanitary networks and storm water management facilities on the hospital lands to prepare for the construction of the new hospital, schedule to begin in the Fall of 2017 (\$17.6 million)
- Repair and rehabilitation of the roads and sidewalk network, libraries, community centres, parks and fleet vehicles (\$25.9 million)
- Construction of the new Fire Station 7-3 and the purchase of land for the new Fire Station 7-4 (\$5.0 million)

The semi-annual Term of Council Service Excellence Strategy Map Progress Report for the period ending December 31, 2016 is on today's Finance, Administration and Audit agenda. That

report provides an update on the status of key activities for the projects that have been identified as a key support to the initiatives in 2016.

Capital spending detail for all projects can be found [online](#).

### There are 100 Inactive Projects

Of the 565 open capital projects, there are 100 projects that are considered inactive. Inactive projects comprise 17 per cent of the total open projects, equating to 19 per cent of the total unspent funds of \$201.0 million. Inactive projects are primarily made up of projects that are substantially complete but are required to remain open until a future event occurs. The breakdown of the classification of the 100 open inactive projects is as follows:

Classification	#	\$M
DC repayment agreement in place	34	24.3
Completed - Under Warranty/Maintenance	32	5.1
Completed - To be Closed in Q1-17	12	3.3
Completed - Waiting for final invoices	9	1.9
Project On Hold	10	1.5
Completed - Waiting for Regional invoices	1	1.2
Project Deferred	2	0.6
<b>Grand Total</b>	<b>100</b>	<b>38.1</b>

The majority, 63 per cent, of these unspent capital funds are related to development charge repayment agreements and will be paid out and closed in accordance with those agreements.

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

### Departments closed 157 projects in 2016, returning \$7.9 million to Reserves

During the fourth quarter, departments closed 78 capital projects, bringing the total capital projects closed in 2016 to 157. As a result, \$7.9 million has been returned to various reserves to fund other capital works. Of the total, \$6.2 million is a result of closing projects that were originally approved in 2012 or earlier. During the 2017 budget process, departments anticipated closing 77 capital projects in the last half of 2016. Departments actually closed 108 projects in this timeframe, an increase of 31 project closures. The table below provides a breakdown of projects closed during 2016 and the years in which the projects had been approved:

	# Projects, Jan 1, 2016	# Projects Closed	% of Total #	\$M to Reserves
2016	138	7	5%	0.1
2015	139	26	19%	0.1
2014	176	59	34%	0.5
2013	84	23	27%	1.0
2011 - 2012	92	23	25%	3.7
2009 - 2010	57	14	25%	2.2
2006 - 2008	24	3	13%	0.3
2005 and Older	12	2	17%	0.0
<b>Total</b>	<b>722</b>	<b>157</b>		<b>7.9</b>

The majority of projects have an average life cycle of 7 years, from approval to close. Below are examples of the types of projects that were closed over 2016:

- 20 roads network projects comprised of works for roads resurfacing, sidewalk replacement and infill, watermain replacements, traffic safety initiatives and various bridge rehabilitation works (\$5.9 million returned to reserves). The average lifespan of these types of projects is 7 years, from design to construction to the end of the warranty period.

- 61 fleet purchases for the replacement of vehicles, mowers, trailers and a new showmobile (\$0.1 million returned to reserves)
- 31 facility related projects for the rehabilitation of libraries, community centres, fire stations and libraries (\$0.5 million returned to reserves)
- 16 parks projects for the rehabilitation of playgrounds, sports fields and walkways (\$0.2 million returned to reserves)

The table below summarizes the number of projects that have been closed over 2016 in each Portfolio/Office:

Quarter Close	Managing Portfolio	# Projects	\$M to Reserves
	Public Works	94	6.5
	Community Services	34	0.3
	Planning and Growth Management	19	0.3
	Office of the Chief Information Officer	4	0.0
	Human Resources and Legal	3	0.0
	Library Services	2	0.8
	Office of the Chief Financial Officer	1	-
<b>2016 Total</b>		<b>157</b>	<b>7.9</b>

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

### 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 table summarizes the budget amendments that were processed during the fourth quarter:

Departments			Amount of Amendment
From:	To:		
Library Development Charges and Capital from Taxation	LI-4539-14 Vellore Village South Design and Construction	FAA R10, I4	1,250,000
LI-4540-15 Vellore Village South Resources	Reduce funding from Library Development Charges and Capital from Taxation	FAA R10, I4	-450,000
Engineering Development Charges	DT-7085-13 Parking Management Strategy	FAA R11, I3,	60,000

There were two capital budget amendments that were processed as a result of previous Council approved directives:

Departments			Amount of Amendment
From:	To:		
Woodlot Acquisition Reserve	CO-0052-16 Woodlot Acquis - Block 18	By-law 177-2009	270
Water Reserve	DT-7054-11 Water Loss Control System Feasibility/ Implementation Study	FCM funding not received	3,950

### 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.

Departments		Amount transferred between Departments
From:	To:	
BU-0006-13 Citywide Capital Planning Module RI-0056-10 Implementation of Corporate Asset Management System (Quesitca/Citywide requirements)	BU-0002-11 Questica Budget Software License for City Departments	74,138
PK-6504-15 Hefhill Pk-Tennis Court Redevelopment	PK-6410-14 Joey Panetta Park - Tennis Court Reconstruction	9,067
PK-6487-14 Bob O Link Parkette - Walkway Lighting	PK-6488-14 King High Park - Pathway Lt	35,000

### Continuity Schedule of Reserves and Reserve Funds

	Opening	Revenue	Spend	Closing	Spend Remaining*	Balance Available
<b>Obligatory</b>						
City-Wide Development Charges	198.9	62.6	13.7	247.8	102.0	145.9
Areas Specific Development Charges	-5.1	1.8	-4.5	1.2	7.1	-5.9
Restricted Grant	25.4	9.0	7.3	27.1	23.8	3.3
Other Statutory Reserves**	90.0	20.0	14.5	95.5	2.2	93.3
Sub-total	309.2	93.4	31.0	371.6	135.0	236.6
<b>Discretionary</b>						
Sustainability	36.0	6.4	7.9	34.5	0.3	34.2
Infrastructure	152.2	37.3	18.8	170.8	45.5	125.3
Capital from Taxation	0.0	25.4	8.2	17.2	16.5	0.7
Corporate	22.3	0.5	5.3	17.4	0.7	16.7
Special Purpose	6.4	0.3	-	6.7	13.5	-6.8
Sub-total	217.0	69.8	40.1	246.7	76.5	170.1
<b>Total</b>	<b>526.2</b>	<b>163.2</b>	<b>71.1</b>	<b>618.3</b>	<b>211.6</b>	<b>406.7</b>

Note – numbers may not add due to rounding

\*This represents the funds from reserves that are committed to complete open projects. Not all projects are funded from reserves, such as those projects that are funded through debenture financing or cost sharing agreements with other municipalities. The funding for these projects is not recognized until the funds are received.

\*\*Includes: Building Continuity Reserve and Cash-in-Lieu Parkland Reserve

The reserve balance before commitments is \$618.3 million. There are \$211.6 million in funds that have been allocated to approved projects for which works are either underway or are planned to begin. After these commitments are accounted for, there is \$406.7 million in reserve funds available, \$236.6 million for obligatory reserves and \$170.4 million in discretionary reserves.

Development Charges collected in 2016 were \$62.6 million, an increase of 75% from 2015 largely due to registered subdivision agreements in Blocks 11, 12, 40 and 61. The large revenue in the Capital from Taxation reserve is a result of the establishment of the reserve, but as indicated by

the \$16.5 million in outstanding commitments, the majority of these funds are already committed to ongoing capital works.

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

### Financial Ratios in alignment with Corporate Targets

Discretionary reserves provide the City with financial flexibility in order to safeguard against economic downturns and finance operations internally. To ensure the sustainability of these reserves, the City has adopted associated targets. The City also has a target ratio for debt services costs. The table below provides the status of these targets at the end of 2016:

Policy Ratio	2016	Target
Discretionary Reserve	62%	>50% Of Own Source Revenues
Working Capital	6%	Up To 10% Of Own Source Revenues
Debt Service Costs	5%	<10% Of Own Source Revenues

**Discretionary Reserve Ratio** - The greatest pressure on discretionary reserves is largely due to funding infrastructure replacement as the City's initial stock of infrastructure assets begin to reach the end of their useful lives.

**Working Capital Ratio** - Contributions to this reserve occur only when the City achieves a surplus, which are not planned or forecasted. The working capital reserve is a source of funding to address the year end deficit position.

**Debt Service Ratio** - The City's policy limits debt to a maximum of 10 per cent of total City revenue, which is significantly lower than the Province's 25 per cent maximum. Total debt outstanding in 2016 was \$44.6 million with debt repayment costs of \$9.3 million principal and \$2.8 million interest, totaling \$12.1 million. The principal and interest payments for a 2006 debenture issue have been completed in 2016 and the issue has been retired.

### Grant Activity Update

In 2016, the City received approval of \$11.1 million in grant revenues inclusive of the City's Gas Tax revenue of \$8.8 million.

The table below summarizes the grants revenues received in 2016, these figures exclude Gas Tax:

Grant	Capital Grants	Operating Grants
Canada 150 Community Infrastructure Program	300,300	
Waste Diversion Ontario (WDO)		1,287,756
VBEC - Core Funding		281,273
Public Library Operating, Pay Equity and First Nations Salary Supplement Grant		143,234
Canada 150 Celebrate Canada Fund		70,250
IESO Embedded Energy Manager Program		57,720
Age Friendly Grant		35,000
Ontario Libraries Capacity Fund-Information Technology Service Capacity		29,831
VBEC - Summer Company		28,800
Multi-Sensory Program		25,291
Vaughan International Commercialization Centre		25,000
Innovation, Science and Economic Development Canada's Youth Internship program		17,273
Invest Canada Community Initiative		15,065
Municipal Energy Plan Program		12,865

Grant	Capital Grants	Operating Grants
Swim to Survive		6,982
Seniors Community Grant program		3,200
Young Canada Works in Heritage Organizations program		3,044
Canada Summer Jobs		1,182
Literacy Readings program		1,000
Ontario's Shared Services		327
<b>Total by Grant Type</b>	<b>300,300</b>	<b>2,045,093</b>
<b>Total Grants Received</b>	<b>2,345,393</b>	

### **Notification pending for additional 2016 Grant Application**

In October of 2016 the City submitted a grant application to the Clean Water Wastewater Fund for the amount of \$20.8 million. The Clean Water and Wastewater Fund (CWWF) is a federal program designed to accelerate short-term community investments, while supporting the rehabilitation and modernization of drinking water, wastewater and stormwater infrastructure, and the planning and design of future facilities and upgrades to existing systems. It is anticipated that notification will be received in early 2017.

### **Comments from the Chief Financial Officer/City Treasurer**

Although 2016 ended in a deficit position, largely due to the uncontrollable winter activities, the organization remains in a fiscally healthy position as indicated by the City's reserve balances and associated guiding ratios. Were it not for higher than expected winter related expenditures, the year would have ended in a surplus. Moving forward, finance with work with Transportation Service and Parks and Forestry Operations staff to increase their analytical capacity (e.g. availability and quality of data) to help forecast winter control costs to plan, on a reserve basis, for future weather fluctuations.

The combination of increased sales and prudent maintenance activities enabled Water, Wastewater and Stormwater operations to contribute an additional \$7.5 million as compared to budget to Water, Wastewater and Stormwater reserves. The funds will assist in future infrastructure replacements as these assets near the end of their useful life.

### **Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

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

### **Regional Implications**

None

### **Conclusion**

The City's property tax based budget saw the year end in a deficit position, largely due to uncontrollable winter activities, but through prudent financial management of reserves funds was available to offset this deficit to balance. Combined, the rate based budgets ended 2016 in a favourable position of \$7.5 million, resulting in a transfer to the reserves that support these activities. During 2016, \$76.7 million was spent on 331 capital projects and departments closed a total of 159 capital projects returning \$7.9 million to reserves for fund capital programs.

### **Attachments**

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



**Report prepared by:**

Jackie Macchiusi, CPA, CGA  
Senior Manager, Corporate Financial Planning & Analysis

Sean Skinkle  
Finance Manager, Water & Wastewater/Stormwater

Respectfully submitted,

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Laura Mirabella-Siddall, CPA, CA  
Chief Financial Officer and City Treasurer

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Lloyd Noronha, CPA, CMA  
Director, Financial Planning and Development Finance/Deputy City Treasurer

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Dean Ferraro, CPA, CA  
Director, City Financial Services/Deputy Treasurer

**Portfolio: Community Services**

## Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	24.89	26.58	1.69
Labour	76.65	77.27	-0.62
Other Expenditures	21.03	20.98	0.05
Total Expenditures	97.68	98.25	-0.57
<b>Net</b>	<b>72.79</b>	<b>71.66</b>	<b>1.12</b>

## Capital Results (\$M):

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	37	9.71	1	0.00
2015	21	3.01	3	0.02
2014	26	1.17	10	0.07
2013	6	0.41	11	0.17
2009-2012	13	0.88	8	0.05
2006-2008	4	1.23	0	0.00
<=2005	1	0.12	1	0.02
<b>Total</b>	<b>108</b>	<b>16.54</b>	<b>34</b>	<b>0.35</b>

\*represents total closed in 2016

- Revenue Q4 YTD was higher than budget and was largely driven by the Recreation department with both aquatic and summer camp programs exceeding expectations.
- By-Law revenue was also positive to budget driven by greater parking tag revenue due to growth in the city (more streets). This more than offset a decline in taxi licensing which has been affected by the rise of ride-sharing programs.
- Labour was negative to budget driven largely by overages in overtime and benefits in Fire.
- Work continues to progress on open capital projects with some of the more significant expenditures in the year related to:
  - The new Fire Tower which will be used for training firefighters
  - Energy conservation improvements at various community centres
- A number of projects were completed and closed during the year. The works completed related to:
  - Walkway lighting and electrical work in a numerous City parks
  - Boiler and heating replacements in various community centres
  - Animal Shelter Leasehold Improvements

**Portfolio: Legal and Human Resources**

## Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.07	0.13	0.06
Reserve Revenues	0.20	0.20	0.00
Total Revenues	0.27	0.33	0.06
Labour	5.92	5.90	0.02
Other Expenditures	1.00	1.21	-0.21
Total Expenditures	6.92	7.11	-0.19
<b>Net</b>	<b>6.66</b>	<b>6.79</b>	<b>-0.13</b>

## Capital Results (\$M):

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	1	0.01	1	0.00
2014	1	0.03	1	0.00
2013	3	0.15	0	0.00
2009-2012	1	0.78	1	0.01
<b>Total</b>	<b>6</b>	<b>0.96</b>	<b>3</b>	<b>0.01</b>

\*represents total closed in 2016

- The negative expenditure variance in Q4 YTD is mainly due to higher than budgeted professional fees due to additional external legal advice requiring specialized knowledge.

- Most of capital project activity is tied to land acquisition activity which can result in unspent funds to vary by quarter and by year
- Two real estate projects relating to the acquisition of parks were completed during the year. One HR project was closed as it has now reopened as a Service Excellence initiative.

## 2016 Fiscal Health Report

### Portfolio: Planning and Growth Management

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

(\$M)	Budget	Actual	Variance
Revenues	14.98	20.42	5.44
Reserve Revenues	10.28	13.31	3.03
Total Revenues	25.26	33.73	8.47
Labour	22.53	20.33	2.20
Other Expenditures	1.30	11.09	-9.79
Total Expenditures	23.84	31.42	-7.59
<b>Net</b>	<b>-1.42</b>	<b>-2.30</b>	<b>0.88</b>

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	37	17.27	0	0.00
2015	37	31.95	1	0.00
2014	33	6.52	9	0.12
2013	27	11.96	2	0.07
2009-2012	59	14.85	6	0.07
2006-2008	11	5.43	0	0.00
<=2005	6	4.18	1	0.00
<b>Total</b>	<b>210</b>	<b>92.17</b>	<b>19</b>	<b>0.27</b>

\*represents total closed in 2016

- The positive revenue variance is mainly driven by:
  - Higher than expected licenses and permit revenues in Building Standards of about \$4.6M which were received in December 2016 in advance of a major increase of Education DC's and new requirements for OBC energy efficiencies.
  - Engineering fee revenues of \$4.8M that are not budgeted for. These revenues are transferred directly to the Engineering Fee Reserve. The transfer to the reserve is captured in the other expenditure line.
- The positive labour variance is mainly due to vacancies in Policy Planning and Building Standards. Recruitment for the vacant positions is ongoing.
- Transfer to Reserve: Surplus revenue from Building Standard's licenses and permits of \$5.0M was transferred to the Building Standards Reserve and Engineering Fee revenue of \$4.8M was transferred to the Engineering Fee Reserve. These are direct offsets to the positive revenue variances above.
- Work continues to progress on open capital projects with some of the more significant expenditures in the year related to:
  - Continued planning and development of the Vaughan Metropolitan Centre, including the Black Creek Renewal and Edgeley Pond
  - North Maple Regional Park
  - 42 projects associated with the rehabilitation and development of parkland and open spaces
  - Vaughan Official Plan and secondary plans
  - 99 inactive projects, 70 per cent of which are for projects that remain open due to developer agreements or projects are on warranty or awaiting final invoicing
- Of the 19 projects closed, 63 per cent were associated with projects for the rehabilitation of parks.

## 2016 Fiscal Health Report

### Portfolio: Public Works

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

(\$M)	Budget	Actual	Variance
Revenues	2.03	2.11	0.08
Labour	19.72	20.95	-1.22
Other Expenditures	33.77	34.31	-0.54
Total Expenditures	53.49	55.25	-1.76
<b>Net</b>	<b>51.46</b>	<b>53.14</b>	<b>-1.68</b>

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	33	12.18	5	0.06
2015	48	26.10	22	0.04
2014	55	21.60	38	0.29
2013	21	13.86	10	0.80
2009-2012	35	8.77	17	5.00
2006-2008	6	2.00	2	0.28
<=2005	3	0.31	0	0.00
<b>Total</b>	<b>201</b>	<b>84.82</b>	<b>94</b>	<b>6.47</b>

\*represents total closed in 2016

- The overall negative operating budget variance of \$1.68M within the Public Works Portfolio was mainly driven by:
  - \$2.5M in higher costs versus budget for winter operations in the Transportation Service and Parks and Forestry Operations (TSPFO) department as a result of harsh weather conditions in Q4 2016. The number of salting and plowing events in Q4 2016 were 19 and 4 respectively, compared to the prior 4 year average of 9 and 2 respectively. The significantly higher number of salting events in Q4 2016 resulted in higher contractor services costs (\$0.8M) and higher salt usage (\$1.7M).
  - \$1.2M in higher part-time labour costs versus budget in Parks Operations as a result of the decision to bring more maintenance work in-house for effective service delivery. The transition of work in-house increased part-time labour costs by approximately \$0.9M which was offset by savings of approximately the same amount in contract services. In addition, the conversion of summer student rates to seasonal rates within TSPFO also contributed approximately \$0.3M to the overall negative variance in part-time labour costs
  - These negative expenditure variances were partially offset by positive variances in fuel costs due to favourable market rates in 2016 and in lower general vehicle repairs and preventative maintenance within fleet management services as a result of a significant number of older vehicles replaced in the year
- Work continues to progress on open capital projects with some of the more significant expenditures in the year related to:
  - Road rehabilitation and Watermain replacements
  - Fire Station 7-3 construction
  - Vaughan Hospital Precinct
  - Al Palladini CC Roof replacement
  - Fire Station 7-4 Land Acquisition
  - Tree plantings
- A number of projects were completed and closed during the year in Infrastructure Delivery, Fleet Management Services, Environmental Services and TSPFO. The works completed during the year relate to:
  - Traffic signal installation
  - Road and bridge rehabilitation
  - Sidewalk and streetlight construction
  - Vehicle replacement and acquisition
  - Watermain replacements

## 2016 Fiscal Health Report

### Office: Corporate Initiative and Intergovernmental Relations

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

(\$M)	Budget	Actual	Variance
Revenues	0.29	0.18	-0.11
Labour	0.56	0.41	0.15
Other Expenditures	0.10	0.06	0.02
Total Expenditures	0.66	0.47	0.17
<b>Net</b>	<b>0.26</b>	<b>0.30</b>	<b>0.06</b>

- This office includes the Municipal Sponsorship department, which is fully funded from the Innovation Reserve. As the expenditure for this office were less than budget, a lower transfer from the Innovation Reserve was required.

- Capital project is to fund the resources required to coordinate activities associated with the implementation of the Vaughan Metropolitan Centre. Work is progressing.

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2015	1	0.37	0	0.00
<b>Total</b>	<b>1</b>	<b>0.37</b>	<b>0</b>	<b>0.00</b>

\*represents total closed in 2016

### Office: Chief Financial Officer

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

(\$M)	Budget	Actual	Variance
Revenues	0.86	1.12	0.27
Labour	8.59	8.08	0.51
Other Expenditures	0.58	0.52	0.06
Total Expenditures	9.17	8.60	0.57
<b>Net</b>	<b>8.31</b>	<b>7.48</b>	<b>0.83</b>

- Revenues were higher than budget driven by higher service charges in the Financial Services department, specifically in the Taxation area.
- Expenses were lower than budget driven largely by vacancies (gapping).

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	2	0.31	0	0.00
2015	1	-0.01	1	0.00
2013	2	0.15	0	0.00
2009-2012	2	0.08	0	0.00
<b>Total</b>	<b>7</b>	<b>0.53</b>	<b>1</b>	<b>0.00</b>

\*represents total closed in 2016

- One project with \$0.34M in unspent funds is at early stages of work plan that will continue over the next two years

## 2016 Fiscal Health Report

### Office: Chief Financial Officer - Corporate Revenues and Expenditures

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

(\$M)	Budget	Actuals	Variance
Revenues			
Mayor's Gala/Golf (net)	0.00	0.00	0.00
Investment Income & VHI Dividends	13.09	14.30	1.21
Fines and Penalties	5.15	5.02	-0.13
Taxation (net)	180.57	180.04	-0.53
<b>Total Revenues</b>	<b>198.80</b>	<b>199.35</b>	<b>0.55</b>
Capital Related Expenditures	24.93	23.08	1.84
Contingency	-4.21	-0.03	-3.98
Other Expenditures (net)	2.20	4.10	-1.91
<b>Total Expenditures</b>	<b>23.11</b>	<b>27.15</b>	<b>-4.04</b>
<b>Net</b>	<b>-175.69</b>	<b>-172.20</b>	<b>-3.49</b>

- Higher than planned dividend income from the City's investment holdings company, Vaughan Holdings Inc. (VHI) were made possible by better than expected dividends received from PowerStream.
- Taxation revenue includes less than budgeted supplemental taxation revenue resulting in an unfavourable variance.
- Capital related expenditures are lower than budget to timing difference in the budget related to debt repayments. It is anticipated that this trend will correct itself in 2017.
- Contingency includes labour gapping due to timing differences in filling vacant positions. The actual vacancies and associated labour gapping in the departments were less than budget, resulting in an unfavourable position.
- Other Expenditures includes professional fees, OMB and VMC expenditures, tax adjustments that are higher than budget and slightly offset by miscellaneous income.

### Office: Chief Information Officer

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

(\$M)	Budget	Actual	Variance
Labour	6.56	6.64	-0.09
Other Expenditures	3.13	3.01	0.12
<b>Total Expenditures</b>	<b>9.69</b>	<b>9.65</b>	<b>0.03</b>
<b>Net</b>	<b>9.69</b>	<b>9.65</b>	<b>0.03</b>

- In 2016 additional labor costs were incurred due to the restructuring that occurred in 2015.
- Overall favorability in Other Expenses was partially offset by Service Contracts materializing greater than budget in order to maintain existing service levels.

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	4	1.76	0	0.00
2015	0	0.00	0	0.00
2014	1	0.37	0	0.00
2009-2012	1	0.12	4	0.01
2008	0	0.00	0	0.00
<b>Total</b>	<b>6</b>	<b>2.25</b>	<b>4</b>	<b>0.01</b>

\*represents total closed in 2016

- Work continues to progress on annual IT infrastructure replacements.
- Expenditures for larger IT capital replacements are expected over the next year.
- One project was closed during the year relating to the City Website as the work has been completed and is now part of the larger initiative of Vaughan On-line Improvement carried through another capital project. Three other projects were closed and re-opened with a new capital project number but work is still ongoing.

## 2016 Fiscal Health Report

### Office: City Clerk

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

(\$M)	Budget	Actual	Variance
Revenues	0.99	0.98	0.00
Labour	5.14	4.95	0.19
Other Expenditures	7.21	7.47	-0.27
Total Expenditures	12.35	12.42	-0.08
<b>Net</b>	<b>11.35</b>	<b>11.43</b>	<b>-0.08</b>

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	1	0.02	0	0.00
2009-2012	1	0.03	0	0.00
<b>Total</b>	<b>2</b>	<b>0.05</b>	<b>0</b>	<b>0.00</b>

\*represents total closed in 2016

- The negative expenditure variance in other expenses for Q4 YTD is mainly driven by more than anticipated insurance claims reaching the maximum deductible amount or being settled.
- This has been offset by labor variability in gapping related to a number of retirements and parental leaves.
- Work is completed for the Ward Boundary Review and near completion for the Claims Management System

### Office: Corporate Communications

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

(\$M)	Budget	Actual	Variance
Revenue	0.00	-0.06	0.06
Labour	1.17	1.19	-0.02
Other Expenditures	0.15	0.19	-0.04
Total Expenditures	1.32	1.38	-0.06
<b>Net</b>	<b>1.32</b>	<b>1.32</b>	<b>0.00</b>

- Corporate Communications was even with the budget in 2016.
- The revenue was higher than budget due to the sponsorship revenue from the Vaughan 25th celebration. On the expense side, they were negative to budget due to the added costs from the Vaughan 25th celebration as well as from expenses incurred with producing the Vaughan magazine.

## 2016 Fiscal Health Report

### Office: Transformation and Strategy

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

(\$M)	Budget	Actual	Variance
Revenue	0.00	-0.16	0.16
Labour	0.46	0.60	-0.14
Other Expenditures	0.05	0.05	0.00
Total Expenditures	0.51	0.65	-0.14
<b>Net</b>	<b>0.51</b>	<b>0.49</b>	<b>0.02</b>

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	11	1.20	0	0.00
2015	1	0.00	0	0.00
2013	1	0.00	0	0.00
<b>Total</b>	<b>13</b>	<b>1.20</b>	<b>0</b>	<b>0.00</b>

\*represents total closed in 2016

- The positive revenue variance is a result of funding from capital to offset the negative expenditure variance in labour costs. The increase in labour costs are for two project manager positions for service excellence initiatives.
- Work continues to progress on the Service Excellence Strategic Initiatives and other open capital projects.
  - Service Excellence Strategic I
  - Job Description & Evaluation Program
  - Digital Strategy
  - Procurement Modernization
  - Workforce Management System Bu
  - Service Excellence Leads Program
  - Recognition Program for Service Excellence
  - Leadership Alignment
  - Service Excellence Communication Plan
  - Service Vaughan Phase I

### Vaughan Public Libraries

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

(\$M)	Budget	Actual	Variance
Revenues	0.40	0.37	-0.03
Grant Revenues	0.15	0.20	0.05
Total Revenues	0.54	0.57	0.02
Labour	13.19	12.06	1.14
Other Expenditures	4.38	4.34	0.04
Total Expenditures	17.57	16.40	1.18
<b>Net</b>	<b>17.03</b>	<b>15.83</b>	<b>1.20</b>

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

Year (\$M)	Open		Closed*	
	#	Unspent	#	Unspent
2016	5	0.61	0	0.00
2015	2	0.69	0	0.00
2014	3	0.83	0	0.00
2013	1	-0.02	0	0.00
2009-2012	0	0.00	2	0.79
<b>Total</b>	<b>11</b>	<b>2.11</b>	<b>2</b>	<b>0.79</b>

\*represents total closed in 2016

- The positive expenditure variance Q4 YTD is primarily due to the Q2 opening of the new Civic Centre Resource Library which had originally been planned for Q1. This has been partially offset by higher warranty charges on new equipment
- Progress on capital projects is continuing as expected. Purchases are timed to expected Q4/17 opening of Vellore Village South Library
- Two projects were completed and closed during the year. These projects were related to purchases for the new Civic Centre Resource library which opened in 2016.



## 2016 Fiscal Health Report

### City Council

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	1.25	1.15	0.10
Other Expenditures	0.36	0.20	0.16
Total Expenditures	1.61	1.35	0.26
<b>Net</b>	<b>1.61</b>	<b>1.35</b>	<b>0.26</b>

### Integrity Commissioner

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.18	0.22	-0.04
Other Expenditures	0.04	0.01	0.03
Total Expenditures	0.22	0.23	-0.01
<b>Net</b>	<b>0.22</b>	<b>0.23</b>	<b>-0.01</b>

- The negative expenditure variance Q4 YTD is primarily due to a part-time administrative position being converted full time

### Internal Audit

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.45	0.38	0.07
Other Expenditures	0.09	0.07	0.02
Total Expenditures	0.54	0.45	0.09
<b>Net</b>	<b>0.54</b>	<b>0.45</b>	<b>0.09</b>

- The positive variance is due to labour savings of as the project manager was vacant for a portion of the year.

### City Manager

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.48	0.46	0.02
Other Expenditures	0.33	0.32	0.01
Total Expenditures	0.80	0.78	0.03
<b>Net</b>	<b>0.80</b>	<b>0.78</b>	<b>0.03</b>

- The positive variance is largely due to the transition period of switching City Managers in Q2 2016.



# **CITY OF VAUGHAN**

## **2016 City Operating Budget**

### **Property Tax Based Budget Fiscal Position as of December 31, 2016**

# 2016 City Operating Budget

## Fiscal Position as of December 31, 2016

### REVENUE / EXPENDITURE SUMMARY

	2016	2016 YTD		VARIANCE
	ANNUAL BUDGET	BUDGET	ACTUAL	FAV. / (UNFAV) \$
<b>TAXATION</b>	174,788,711	174,788,711	174,666,746	-121,965
<b>SUPPLEMENTAL TAXATION</b>	3,200,000	3,200,000	2,729,812	-470,188
<b>GRANT / PAYMENT IN LIEU</b>	2,725,200	2,725,200	2,842,684	117,484
<b>RESERVES AND OTHER TRANSFERS</b>	20,213,368	20,213,368	18,645,517	-1,567,851
<b>FEES AND SERVICE CHARGES</b>	45,515,258	45,515,258	52,681,226	7,165,968
<b>CORPORATE</b>	18,736,735	18,736,735	20,729,762	1,993,027
<b>TOTAL REVENUES</b>	265,179,272	265,179,272	272,295,748	7,116,476
<b>EXPENDITURES:</b>				
<b>DEPARTMENTAL</b>	236,333,367	236,333,367	239,387,190	-3,053,823
<b>RESERVE CONTRIB. &amp; CORP. EXP.</b>	6,924,430	6,924,430	16,418,767	-9,494,337
<b>LONG TERM DEBT</b>	13,144,068	13,144,068	11,114,183	2,029,885
<b>CONTINGENCY</b>	1,997,059	1,997,059	-34,471	2,031,530
<b>CAPITAL FROM TAXATION</b>	6,780,349	6,780,349	6,780,349	0
<b>TOTAL EXPENDITURES</b>	265,179,272	265,179,272	273,666,017	-8,486,745
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	0	0	-1,370,269	-1,370,269
<b>TRANSFER FROM:</b>				
<b>GENERAL WORKING CAPITAL RESERVE</b>	0	0	683,709	683,709
<b>WINTERIZATION RESERVE</b>	0	0	686,560	686,560
<b>YEAR END POSITION</b>	0	0	0	0

**CITY OF VAUGHAN**  
**2016 City Operating Budget**  
**Fiscal Position as of December 31, 2016**  
**FINANCIAL SUMMARY**

	Revenues			Expenditures			Net		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>COUNCIL</b>				1,612,151	1,354,058	258,093	1,612,151	1,354,058	258,093
<b>OFFICE OF THE INTEGRITY COMMISSIONER</b>				221,260	229,075	-7,815	221,260	229,075	-7,815
<b>INTERNAL AUDIT</b>				542,934	453,289	89,645	542,934	453,289	89,645
<b>CITY MANAGER</b>				804,155	779,421	24,734	804,155	779,421	24,734
Office of Deputy City Manager Community Services				537,168	454,772	82,396	537,168	454,772	82,396
Community Grants & Advisory Committees				80,854	38,759	42,095	80,854	38,759	42,095
Access Vaughan				1,206,344	1,169,102	37,242	1,206,344	1,169,102	37,242
Recreation Services	19,444,150	20,521,986	1,077,836	20,289,496	20,015,446	274,050	845,346	-506,540	1,351,886
Community Development & Events	560,400	757,590	197,190	1,562,158	1,794,297	-232,139	1,001,758	1,036,707	-34,949
Facility Maintenance Services	303,474	402,398	98,924	21,392,082	21,593,698	-201,616	21,088,608	21,191,301	-102,693
Fire and Rescue Services	1,021,903	932,495	(89,408)	45,698,644	46,368,033	-669,389	44,676,741	45,435,538	-758,797
Emergency Planning				206,152	200,645	5,507	206,152	200,645	5,507
By-Law, Compliance, Licensing & Permits	3,562,485	3,886,287	323,802	6,705,464	6,528,178	177,286	3,142,979	2,641,892	501,087
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	24,892,412	26,500,755	1,608,343	97,678,362	98,162,931	-484,569	72,785,950	71,662,176	1,123,774
Office of Deputy City Manager Legal & Human Resources	0	0	-	218,600	192,370	26,230	218,600	192,370	26,230
Office of the City Solicitor	73,558	129,679	56,121	2,596,630	2,686,016	-89,386	2,523,072	2,556,337	-33,265
Office of the Chief Human Resources Officer				4,111,613	4,238,037	-126,424	4,111,613	4,238,037	-126,424
<b>TOTAL DEPUTY CITY MANAGER LEGAL &amp; HUMAN RESOURCES</b>	73,558	129,679	56,121	6,926,843	7,116,423	-877,793	6,853,285	6,986,744	-133,459
Office of Deputy City Manager Planning & Growth Management				417,709	435,797	-18,088	417,709	435,797	-18,088
Development Planning	5,352,558	5,383,541	30,983	4,166,242	4,040,847	125,395	-1,186,316	-1,342,694	156,378
Development Eng & Infrastructure Planning	568,275	752,968	184,693	5,561,992	5,058,165	503,827	4,993,717	4,305,197	688,520
Economic Development & Culture Services	6,550	39,644	33,094	1,993,170	1,859,069	134,101	1,986,620	1,819,425	167,195
Policy Planning & Environmental Sustainability	447,641	373,417	(74,224)	2,164,578	1,644,180	520,398	1,716,937	1,270,762	446,175
Parks Development	137,158	132,882	(4,276)	1,669,979	1,626,548	43,431	1,532,821	1,493,665	39,156
Building Standards	9,469,770	14,386,821	4,917,051	7,864,126	11,985,064	-4,120,938	-1,605,644	-2,401,757	796,113
<b>TOTAL DEPUTY CITY MANAGER PLANNING AND GROWTH MANAGEMENT</b>	15,981,952	21,069,275	5,087,323	23,837,796	26,649,669	-2,811,873	7,855,844	5,580,395	2,275,449
Office of Deputy City Manager Public Works				451,674	348,165	103,509	451,674	348,165	103,509
Corporate Asset Management				416,625	415,400	1,225	416,625	415,400	1,225
Fleet Management	0	81	81	2,667,233	2,350,964	316,269	2,667,233	2,350,883	316,350
Infrastructure Delivery	14,040	24,232	10,192	2,985,359	2,760,795	224,564	2,971,319	2,736,563	234,756
Environmental Services	1,372,034	1,516,005	143,971	10,637,964	10,682,641	-44,677	9,265,930	9,166,637	99,293
Trans Serv and Parks & Forestry Ops	647,118	573,422	(73,696)	36,332,900	38,688,323	-2,355,423	35,685,782	38,114,901	-2,429,119
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	2,033,192	2,113,740	80,548	53,491,755	55,246,287	-1,754,532	51,458,563	53,132,547	-1,673,984
<b>OFFICE OF THE CHIEF CORPORATE INITIATIVES &amp; INTERGOVERNMENTAL RELATIONS</b>	291,819	181,774	(110,045)	655,274	482,671	172,603	363,455	300,897	62,558
Office of the Chief Financial Officer/City Treasurer				521,495	368,364	153,131	521,495	368,364	153,131
Financial Services	789,395	930,068	140,673	3,445,359	3,204,424	240,935	2,655,964	2,274,356	381,608
Financial Planning & Development Finance	4,000	130,860	126,860	3,041,273	3,005,139	36,134	3,037,273	2,874,279	162,994
Procurement Services	63,200	63,793	593	2,158,281	1,880,821	277,460	2,095,081	1,817,028	278,053
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	856,595	1,124,721	268,126	9,166,408	8,458,748	707,660	8,309,813	7,334,028	975,786
<b>OFFICE OF THE CHIEF INFORMATION OFFICER</b>				9,643,761	9,605,767	37,994	9,643,761	9,605,767	37,994
Office of the City Clerk	261,301	230,620	(30,681)	5,224,081	4,931,843	292,238	4,962,780	4,701,224	261,556
City Clerk - Insurance				6,397,786	6,806,471	-408,685	6,397,786	6,806,471	-408,685
Committee of Adjustment	726,529	746,058	19,529	621,027	614,567	6,460	-105,502	-131,491	25,989
Council Corporate				99,573	65,438	34,135	99,573	65,438	34,135
<b>TOTAL OFFICE OF THE CITY CLERK</b>	987,830	976,677	(11,153)	12,342,467	12,418,318	-75,851	11,354,637	11,441,641	-87,004
<b>OFFICE OF CORPORATE COMMUNICATIONS</b>		60,800	60,800	1,321,350	1,383,535	-62,185	1,321,350	1,322,735	-1,385
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>		157,760	157,760	516,618	652,727	-136,109	516,618	494,967	21,651
<b>VAUGHAN PUBLIC LIBRARIES</b>	543100	565136	22036	17,572,233	16,394,271	1,177,962	17,029,133	15,829,135	1,199,998
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<b>45,660,458</b>	<b>52,880,316</b>	<b>7,219,858</b>	<b>236,333,367</b>	<b>239,387,190</b>	<b>-3,053,823</b>	<b>190,672,909</b>	<b>186,506,873</b>	<b>4,166,036</b>
<b>RESERVES ACTIVITY</b>	17,713,368	17,515,786	(197,582)	8,017,364	8,017,364	0	-9,696,004	-9,498,422	-197,582
<b>CORPORATE ACTIVITY</b>	24,516,735	26,103,168	1,586,433	-1,092,934	8,401,403	-9,494,337	-25,609,669	-17,701,765	-7,907,904
<b>LONG TERM DEBT</b>	2,500,000	2,500,000	-	13,144,068	11,114,183	2,029,885	10,644,068	8,614,183	2,029,885
<b>CONTINGENCY</b>				1,997,059	-34,471	2,031,530	1,997,058	-34,471	2,031,529
<b>CAPITAL FROM TAXATION</b>				6,780,349	6,780,349	0	6,780,349	6,780,349	0
<b>TAXATION REVENUE</b>	174,788,711	174,666,746	(121,965)				-174,788,711	-174,666,746	-121,965
<b>TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES</b>	265,179,272	273,666,017	8,486,745	265,179,273	273,666,017	-8,486,744	0	0	0

**CITY OF VAUGHAN**  
**2016 City Operating Budget**  
**Fiscal Position as of December 31, 2016**  
**December 31, 2016**

**REVENUE BY MAJOR SOURCE**

	2016 ANNUAL BUDGET	2016 YTD BUDGET	2016 YTD ACTUAL	VARIANCE FAV. / (UNFAV) \$	VARIANCE %
<b>TAXATION</b>					
Supplementals	3,200,000	3,200,000	2,729,812	-470,188	-14.7%
<b>GRANT</b>					
Library Grant	145,200	145,200	199,091	53,891	37.1%
<b>PAYMENT IN LIEU / OTHER</b>					
Payment In Lieu / Other	2,580,000	2,580,000	2,643,593	63,593	2.5%
<b>RESERVES AND OTHER TRANSFERS</b>					
Engineering Reserve	6,287,000	6,287,000	5,645,113	-641,887	-10.2%
Election Cost	148,270	148,270	4,883	-143,387	-96.7%
CIL Recreation Land Reserve	917,000	917,000	917,000	0	0.0%
Administrative Recovery from Capital	1,500,000	1,500,000	1,457,343	-42,657	-2.8%
Building Standards Service Continuity Reserve	2,270,029	2,270,029	1,520,004	-750,025	-33.0%
Insurance Reserve	0	0	6,829	6,829	0.00%
Employer Benefit Reserve	696,714	696,714	700,990	4,276	0.6%
Working Capital Reserve	3,891,355	3,891,355	4,575,064	683,709	17.6%
Debenture Payment Reserve	2,500,000	2,500,000	2,500,000	0	0.0%
Winterization Reserve	0	0	686,560	686,560	0.00%
Water & Wastewater Recovery	2,003,000	2,003,000	2,002,000	-1,000	0.0%
<b>TOTAL RESERVES</b>	<b>20,213,368</b>	<b>20,213,368</b>	<b>20,015,786</b>	<b>-197,582</b>	<b>-1.0%</b>
<b>FEES/SERVICE CHARGES</b>					
<b>OFFICE OF CHIEF CORPORATE INITIATIVES &amp; INTERGOV. RELATIONS</b>	<b>291,819</b>	<b>291,819</b>	<b>181,774</b>	<b>-110,045</b>	<b>-37.7%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>0</b>	<b>0</b>	<b>157,760</b>	<b>157,760</b>	<b>0.00%</b>
<b>CORPORATE COMMUNICATIONS</b>	<b>0</b>	<b>0</b>	<b>60,800</b>	<b>60,800</b>	<b>0.00%</b>
<b>OFFICE OF THE CITY CLERK</b>					
Clerks	261,301	261,301	230,620	-30,681	-11.7%
Committee Of Adjustment	726,529	726,529	746,058	19,529	2.7%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	<b>987,830</b>	<b>987,830</b>	<b>976,677</b>	<b>-11,153</b>	<b>-1.1%</b>
<b>OFFICE OF THE CFO/CITY TREASURER</b>					
Tax Certificates And Documents	734,760	734,760	875,432	140,672	19.1%
Cashiering Services	54,635	54,635	54,636	1	0.0%
Financial Planning & Development Finance	4,000	4,000	130,860	126,860	3171.5%
Procurement Services	63,200	63,200	63,793	593	0.9%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	<b>856,595</b>	<b>856,595</b>	<b>1,124,721</b>	<b>268,126</b>	<b>31.3%</b>
<b>OFFICE OF THE CITY SOLICITOR</b>	<b>73,558</b>	<b>73,558</b>	<b>129,679</b>	<b>56,121</b>	<b>76.3%</b>
<b>OFFICE OF DEPUTY CITY MANAGER COMMUNITY SERVICES</b>					
Community Grants & Advisory Committees	0	0	0	0	0.0%
Recreation Services	19,444,150	19,444,150	20,521,986	1,077,836	5.5%
Community Development & Events	560,400	560,400	757,590	197,190	35.2%
Facility Maintenance Services	303,474	303,474	402,398	98,924	32.6%
Fire And Rescue Services	1,021,903	1,021,903	932,495	-89,408	-8.7%
By-Law, Compliance, Licensing and Permits	3,562,485	3,562,485	3,886,287	323,802	9.1%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>24,892,412</b>	<b>24,892,412</b>	<b>26,500,755</b>	<b>1,608,343</b>	<b>6.5%</b>
<b>OFFICE OF DEPUTY CITY MANAGER PLANNING &amp; GROWTH MANAGEMENT</b>					
Development Planning	5,352,558	5,352,558	5,383,541	30,983	0.6%
Development Eng & Infrastructure Planning	568,275	568,275	752,968	184,693	32.5%
Economic Development & Culture Services	6,550	6,550	39,644	33,094	505.3%
Policy Planning & Environmental Sustainability	447,641	447,641	373,417	-74,224	-16.6%
Parks Development	137,158	137,158	132,882	-4,276	-3.1%
Building Standards - Licenses/Permits	7,989,710	7,989,710	12,559,158	4,569,448	57.2%
- Plumbing Permits	713,790	713,790	1,138,982	425,192	59.6%
- Service Charges	766,270	766,270	688,681	-77,589	-10.1%
<b>TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT</b>	<b>15,981,952</b>	<b>15,981,952</b>	<b>21,069,275</b>	<b>5,087,323</b>	<b>31.8%</b>
<b>OFFICE OF DEPUTY CITY MANAGER PUBLIC WORKS</b>					
Infrastructure Delivery	14,040	14,040	24,232	10,192	72.6%
Environmental Services	1,372,034	1,372,034	1,516,005	143,971	10.5%
Fleet Management	0	0	81	81	0.00%
Trans Serv and Parks & Forestry Ops	542,402	542,402	474,213	-68,189	-12.6%
Cemeteries	104,716	104,716	99,209	-5,507	-5.3%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>2,033,192</b>	<b>2,033,192</b>	<b>2,113,740</b>	<b>80,548</b>	<b>4.0%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>397,900</b>	<b>397,900</b>	<b>366,045</b>	<b>-31,855</b>	<b>-8.0%</b>
<b>TOTAL FEES / SERVICE CHARGES</b>	<b>45,515,258</b>	<b>45,515,258</b>	<b>52,681,226</b>	<b>7,165,968</b>	<b>15.7%</b>
<b>TOTAL CORPORATE REVENUES</b>	<b>18,736,735</b>	<b>18,736,735</b>	<b>20,729,762</b>	<b>1,993,027</b>	<b>10.6%</b>
<b>TOTAL REVENUE</b>	<b>90,390,561</b>	<b>90,390,561</b>	<b>98,999,271</b>	<b>8,608,710</b>	<b>9.5%</b>

CITY OF VAUGHAN  
2016 City Operating Budget  
Fiscal Position as of December 31, 2016  
December 31, 2016

REVENUE BY MAJOR SOURCE

**CORPORATE REVENUE DETAIL :**

	2016 ANNUAL BUDGET	2016 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%
Fines And Penalties	5,150,000	5,150,000	5,018,783	-131,217	-2.5%
Investment Income	2,250,000	2,250,000	2,676,495	426,495	19.0%
Powerstream Investment Income	4,700,000	4,700,000	4,730,859	30,859	0.7%
Powerstream Dividends	6,135,000	6,135,000	6,887,993	752,993	12.3%
Miscellaneous Revenue	170,000	170,000	235,020	65,020	38.2%
Sale of Fixed Assets	30,000	30,000	72,996	42,996	143.3%
Mayor's Gala/Golf Classic	301,735	301,735	1,107,617	805,882	267.1%
<b>TOTAL CORPORATE REVENUE</b>	<b>18,736,735</b>	<b>18,736,735</b>	<b>20,729,762</b>	<b>1,993,027</b>	<b>10.6%</b>

CITY OF VAUGHAN  
2016 City Operating Budget

December 31, 2016

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)

	2016 ANNUAL BUDGET	2016 YTD BUDGET	2016 YTD ACTUAL	VARIANCE FAV. / (UNFAV) \$	VARIANCE %
<b>COUNCIL</b>	1,612,151	1,612,151	1,354,058	258,093	16.0%
<b>OFFICE OF THE INTEGRITY COMMISSIONER</b>	221,260	221,260	229,075	-7,815	-3.5%
<b>INTERNAL AUDIT</b>	542,934	542,934	453,289	89,645	16.5%
<b>CITY MANAGER</b>	804,155	804,155	779,421	24,734	3.1%
<b>OFFICE OF THE CHIEF CORPORATE INITIATIVES &amp; INTERGOV. RELATIONS</b>	655,274	655,274	482,671	172,603	26.3%
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	516,618	516,618	652,727	-136,109	-26.3%
<b>OFFICE OF CORPORATE COMMUNICATIONS</b>	1,321,350	1,321,350	1,383,535	-62,185	-4.7%
<b>OFFICE OF THE CHIEF INFORMATION OFFICER</b>	9,643,761	9,643,761	9,605,767	37,994	0.4%
Office of the City Clerk	5,224,081	5,224,081	4,931,843	292,238	5.6%
City Clerk - Insurance	6,397,786	6,397,786	6,806,471	-408,685	-6.4%
Committee of Adjustment	621,027	621,027	614,567	6,460	1.0%
Council Corporate	99,573	99,573	65,438	34,135	34.3%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	12,342,467	12,342,467	12,418,318	-75,851	-0.6%
Office of the Chief Financial Officer/City Treasurer	521,495	521,495	368,364	153,131	29.4%
Financial Services	3,445,359	3,445,359	3,204,424	240,935	7.0%
Financial Planning & Development Finance	3,041,273	3,041,273	3,005,139	36,134	1.2%
Procurement Services	2,158,281	2,158,281	1,880,821	277,460	12.9%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	9,166,408	9,166,408	8,458,748	707,660	7.7%
Office of Deputy City Manager Legal & Human Resources	218,600	218,600	192,370	26,230	12.0%
Office of the City Solicitor	2,596,630	2,596,630	2,686,016	-89,386	-3.4%
Office of the Chief Human Resources Officer	4,111,613	4,111,613	4,238,037	-126,424	-3.1%
<b>TOTAL DEPUTY CITY MANAGER LEGAL &amp; HR</b>	6,926,843	6,926,843	7,116,423	-189,580	-2.7%
Office of Deputy City Manager Community Services	537,168	537,168	454,772	82,396	15.3%
Community Grants & Advisory Committees	80,854	80,854	38,759	42,095	52.1%
Access Vaughan	1,206,344	1,206,344	1,169,102	37,242	3.1%
Recreation Services	20,289,496	20,289,496	20,015,446	274,050	1.4%
Community Development & Events	1,562,158	1,562,158	1,794,297	-232,139	-14.9%
Facility Maintenance Services	21,392,082	21,392,082	21,593,698	-201,616	-0.9%
Fire and Rescue Services	45,698,644	45,698,644	46,368,033	-669,389	-1.5%
Emergency Planning	206,152	206,152	200,645	5,507	2.7%
By-Law, Compliance, Licensing & Permits	6,705,464	6,705,464	6,528,178	177,286	2.6%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	97,678,362	97,678,362	98,162,931	-484,569	-0.5%
Office of Deputy City Manager Planning & Growth Management	417,709	417,709	435,797	-18,088	-4.3%
Development Planning	4,166,242	4,166,242	4,040,847	125,395	3.0%
Development Eng & Infrastructure Planning	5,561,992	5,561,992	5,058,165	503,827	9.1%
Economic Development & Culture Services	1,993,170	1,993,170	1,859,069	134,101	6.7%
Policy Planning & Environmental Sustainability	2,164,578	2,164,578	1,644,180	520,398	24.0%
Parks Development	1,669,979	1,669,979	1,626,548	43,431	2.6%
Building Standards	7,864,126	7,864,126	11,985,064	-4,120,938	-52.4%
<b>TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT</b>	23,837,796	23,837,796	26,649,669	-2,811,873	-11.8%
Office of Deputy City Manager Public Works	451,674	451,674	348,165	103,509	22.9%
Corporate Asset Management	416,625	416,625	415,400	1,225	0.3%
Fleet Management	2,667,233	2,667,233	2,350,964	316,269	11.9%
Infrastructure Delivery	2,985,359	2,985,359	2,760,795	224,564	7.5%
Environmental Services	10,637,964	10,637,964	10,682,641	-44,677	-0.4%
Trans Serv and Parks & Forestry Ops	36,332,900	36,332,900	38,688,323	-2,355,423	-6.5%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	53,491,755	53,491,755	55,246,287	-1,754,532	-3.3%
<b>VAUGHAN PUBLIC LIBRARIES</b>	17,572,233	17,572,233	16,394,271	1,177,962	6.7%
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	236,333,367	236,333,367	239,387,190	-3,053,823	-1.3%
<b>RESERVE CONTRIBUTIONS &amp; CORP. EXP.</b>	6,924,430	6,924,430	16,418,767	-9,494,337	-137.1%
<b>LONG TERM DEBT</b>	13,144,068	13,144,068	11,114,183	2,029,885	15.4%
<b>CONTINGENCY</b>	1,997,059	1,997,059	-34,471	2,031,530	101.7%
<b>CAPITAL FROM TAXATION</b>	6,780,349	6,780,349	6,780,349	0	0.0%
<b>TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES</b>	265,179,273	265,179,273	273,666,017	-8,486,744	-3.2%

(1) Expenditures are net of Hydro Joint Services Revenue and Library Joint Service Charges.

**CITY OF VAUGHAN**  
**2016 City Operating Budget**

December 31, 2016

**DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)**

	2016 ANNUAL BUDGET	2016 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%
<b>RESERVE CONTRIBUTIONS AND CORP. EXP. DETAIL :</b>					
<b>RESERVE CONTRIBUTIONS:</b>					
Bldg & Facil. Infrast. Res. Contrib.	2,753,662	2,753,662	2,753,662	0	0.0%
Roads Infrastructure Reserve Contribution	433,002	433,002	433,002	0	0.0%
Parks Infrastructure Reserve Contribution	824,430	824,430	824,430	0	0.0%
Bldg Stds. Service Continuity Reserve Contribution	0	0	0	0	0.0%
Election Reserve Contribution	450,000	450,000	450,000	0	0.0%
Additional Vehicle Contribution	387,478	387,478	387,478	0	0.0%
Fire & Rescue Contrib.	1,339,796	1,339,796	1,339,796	0	0.0%
Heritage Contrib.	218,651	218,651	218,651	0	0.0%
Streetscapes Contrib.	475,651	475,651	475,651	0	0.0%
City Playhouse Contrib.	15,000	15,000	15,000	0	0.0%
ITM Reserve Contrib.	1,119,694	1,119,694	1,119,694	0	0.0%
<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>8,017,364</b>	<b>8,017,364</b>	<b>8,017,364</b>	<b>0</b>	<b>0.0%</b>
<b>CORPORATE EXPENDITURES:</b>					
Mayor's Gala/Golf Classic	301,735	301,735	1,107,617	-805,882	-267.1%
Bank Charges	85,000	85,000	94,846	-9,846	-11.6%
Bank Investment Fees	0	0	18,883	-18,883	0.0%
Professional Fees	184,000	184,000	108,794	75,206	40.9%
OMB Hearings, Professional Fees & Resources	1,186,094	1,186,094	1,273,331	-87,237	-7.4%
VMC Development & Implementation	0	0	334	-334	0.00%
Joint Services ( Payroll/Cashiering)	502,245	502,245	511,039	-8,794	-1.8%
Sundry	0	0	11,374	-11,374	0.00%
Charitable Organization Rebate	0	0	170,286	-170,286	0.0%
Tax Adjustments	2,275,000	2,275,000	3,382,438	-1,107,438	-48.7%
Armo Membership	18,900	18,900	18,024	876	4.6%
Conferences	50,000	50,000	39,083	10,917	21.8%
Election	148,270	148,270	4,883	143,387	96.7%
Transfers to/(from) Reserves	0	0	173,926	-173,926	0.00%
Corporate Reorganization	168,533	168,533	1,486,546	-1,318,013	-782.1%
Anticipated Labour Savings	-6,012,711	-6,012,711	0	-6,012,711	100.0%
<b>TOTAL CORPORATE EXPENSES</b>	<b>-1,092,934</b>	<b>-1,092,934</b>	<b>8,401,403</b>	<b>-9,494,337</b>	<b>868.7%</b>
<b>TOTAL RESERVE CONTRIBUTIONS &amp; CORPORATE EXP.</b>	<b>6,924,430</b>	<b>6,924,430</b>	<b>16,418,767</b>	<b>-9,494,337</b>	<b>-137.1%</b>
<b>LONG TERM DEBT</b>	<b>13,144,068</b>	<b>13,144,068</b>	<b>11,114,183</b>	<b>2,029,885</b>	<b>15.4%</b>
<b>CONTINGENCY</b>	<b>1,997,059</b>	<b>1,997,059</b>	<b>-34,471</b>	<b>2,031,530</b>	<b>101.7%</b>
<b>CAPITAL FROM TAXATION</b>	<b>6,780,349</b>	<b>6,780,349</b>	<b>6,780,349</b>	<b>0</b>	<b>0.0%</b>