

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 7, 2016

Item 9, Report No. 7, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 7, 2016.

9 FISCAL HEALTH REPORT – FOR THE QUARTER ENDED MARCH 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 May 30, 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 this report be received for information.

Contribution to Sustainability

Not applicable.

Economic Impact

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

Communication Plan

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

Purpose

To report on the City's fiscal health for the first quarter ended March 31, 2016.

Background – Analysis and Options

The attached first quarter fiscal health report compares actual city operating, water and wastewater operations and capital results for the period ending March 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.

New

Following the refresh of the annual Budget Book, the format and content of the quarterly variance report has also been updated. The report's name has been retitled the *Fiscal Health Report* and it has been simplified and streamlined with an increased use of tables and graphs to assist Council in carrying out their fiscal oversight accountability.

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New Sections of the Report

- Risks and Pressures

This section identifies potential risks and financial pressures that have been identified at the time of report preparation, but the timelines for these are beyond the quarter's reporting period.

- Operating Transfers Authorized by the Chief Financial Officer/City Treasurer

This section provides the detail for the transfers that have been authorized by the Chief Financial Officer/City Treasurer per the delegated authority by Council to approve fiscally neutral operating and capital transfers. For the first quarter, there were only operating transfers requested and approved. This section will expand to include capital if and when requests are received.

Capital Project Financial Status now available on-line

In an effort to streamline the report, the format by which the status of individual capital projects are reported has been changed from including the data in detailed attachments to providing the detail on-line, with links to the location of the data contained in the report.

Financial Summary illustrates the Net Impact

The financial summary has been streamlined to present the departmental net position (expenditures – revenues) as of the end of the quarter. Also included is a separate schedule illustrating the operating transfers that have been authorized by the Chief Financial Officer/City Treasurer.

First Quarter Operating Results

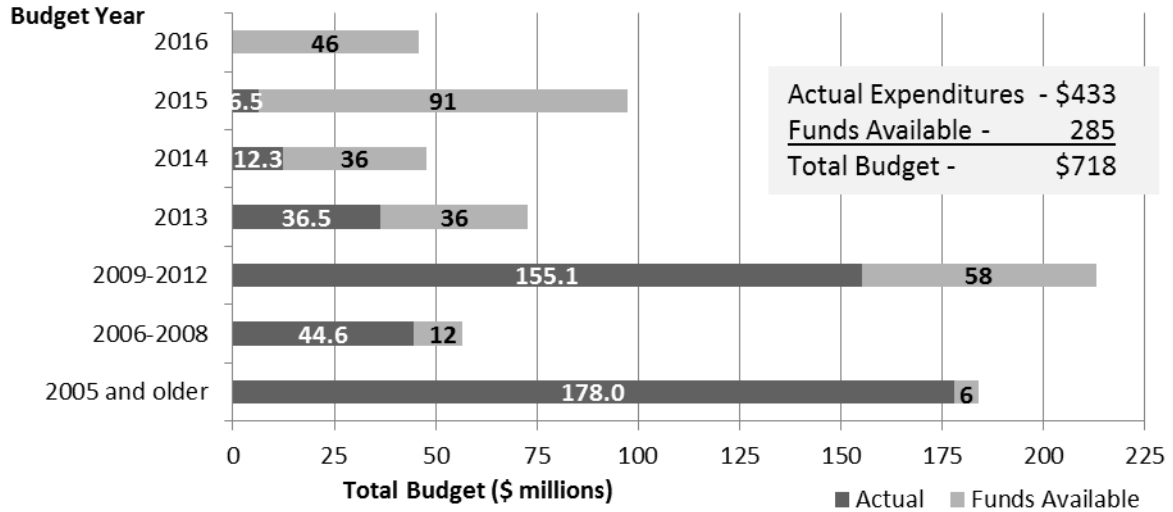
	Budget	Actual	Variance
Property Tax Based Budget			
Revenues	102.6	101.1	-1.5
Expenditures	78.3	75.4	2.9
Net	24.3	25.7	1.4
Water Rate Based Budget			
Revenues	11.4	11.2	-0.2
Expenditures	10.4	9.7	0.7
Net	1.0	1.5	0.5
Wastewater Rate Based Budget			
Revenues	14.7	14.1	-0.7
Expenditures	12.9	12.4	0.5
Net	1.9	1.7	-0.2

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First Quarter Capital Results



Operating Budget Results

City Revenues were \$1.5 million less than budgeted

	Budget	Actual	Variance
Recreation	5.1	5.1	0.0
Taxation	83.9	83.9	0.0
Environmental Services	0.3	0.3	0.0
PIL/Grant	0.8	0.7	0.0
Other User Fees	1.4	1.4	0.0
Investment and Dividends	1.6	1.5	0.0
Fines and Penalties	1.1	1.0	-0.1
Development Planning	1.3	1.2	-0.1
By-Law	1.1	0.9	-0.2
Building Standards	1.7	1.3	-0.4
Corporate Revenues and Reserve Transfers	4.3	372	-0.6
Total Revenues	102.6	101.1	-1.5

Note – numbers may not add due to rounding

- Building Standards revenue is \$0.4 million less than planned due to lower than expected building permit fees despite an increase in construction activity in the residential sector. A future initiative to be undertaken includes a Building Permit fee review which should better align these fees with the industry.
- Corporate Revenues are \$0.6 million less than planned due to the reversal of 2015 year end accruals of administration recovery revenues. It is anticipated that as the year progresses and capital expenditures are recognized, these revenues will be recognized and the revenues will trend to target by year end.

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City expenditures were \$2.9 million less than planned

	Budget	Actual	Variance
Labour	36.1	35.1	1.0
Service Contracts and Materials	10.9	10.2	0.7
Other	7.2	6.5	0.7
Utilities & Fuel	2.4	2.0	0.4
Insurance	5.1	5.1	0.0
Professional Fees	0.5	0.5	0.0
Capital Related	16.1	16.0	0.0
Total Expenditures	78.3	75.4	2.9

Note – numbers may not add due to rounding

- Labour costs were \$1.0 million less than budget. This was primarily attributable to general turnover vacancies and new complement positions that were not filled from January to March 2016. Departments will continue to work with Human Resources to recruit and fill the vacant headcount.
- Service contracts and materials were \$0.7 million less than budget. This is primarily attributable to a delay in invoicing for maintenance and contract work within Parks and Forestry and Facility Maintenance Services, which will correct throughout the year. Also the mild winter in Q1, resulted in less spending for winter snow clearing contracts for Roads and city owned parking lots.
- Other expenditures were \$0.7 million less than budget due to several factors:
 - Timing delay for YRT ticket purchases from York Region
 - Election tabulator lease that was budgeted, however contract was not renewed
 - Corporate Reorganization funds that have not been used or allocated to specific initiatives
 - Timing delay relating to the Mayor's Gala/Golf Classic event expenses which have been realized. These expenses are fully offset at year end with revenue generated by these events.

Risks and Pressures

Some revenues have been identified in the section above as below plan at the end of the first quarter. Staff will continue to monitor these revenues and report back to Council if corrective action is required.

At the time that this report was prepared, two areas have been identified where there are potential risks and pressures for the City:

- Office of the Integrity Commissioner – It has been identified that the operating budget of the Integrity Commissioner is forecasting a shortfall for 2016. A report to the May 2nd Finance Administration and Audit Committee (Item 5) outlines this shortfall and the strategy to address this.
- Vellore Village South Library – At the April 21st meeting of the Vaughan Public Library Board, the architects report indicated that the estimated cost of construction of the proposed library exceeds the approved budget. As outlined in Communication 4 of the

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May 2nd Finance, Administration and Audit Committee, Vaughan Public Library staff and City staff will continue to review and refine the design of the Library. A follow-up report will be brought forward to a Committee meeting following a June 16th meeting of the Vaughan Public Library Board.

It is not anticipated that these items will adversely affect the fiscal position of the City, but staff will continue to monitor and report back to Council as new information comes to light.

Operating Transfers Authorized by the Chief Financial Officer/City Treasurer

The following table summarizes the operating budget transfers for which the Chief Financial Officer/City Treasurer has the delegated authority as granted by Council at the Special Council meeting of December 15, 2015 (Finance, Administration and Audit Committee, Rpt 16, Item 1):

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That the Chief Financial Officer/City Treasurer be authorized to approve any fiscally neutral transfers between corporate contingency and departments and a summary of these changes be incorporated into the quarterly reporting process

Departments		Description	Amount transferred between Departments	Reference #
From:	To:			
Economic Dev & Culture	Recreational Services (former Cultural Service Dept)	Reallocation of all former Cultural Services budgets except for 5 staff and related non labour budgets as part of September 30th Reorganization	992,075	8
Contingency	Various departments	To reallocate contingency funds as they relate to the recently negotiation Fire union agreement and carryforward of 2015 Q3 and Q4 Job evaluations.	845,160	5
City Solicitor	Legal Services	Merging of City Solicitor budget with Legal Services	277,888	
By-law, Compliance, Licensing & Permits	Office of City Clerk - Insurance	To reallocate back to the City Clerk, 2 staff that support the Insurance group and their associated expenditure budgets. The affected staff had been previously captured within the Licensing admin business unit that was transferred over to By-Law.	258,004	4
City Manager	Infrastructure Delivery	To transfer 2 Project Managers from the City Manager to Infrastructure Delivery	238,072	1
City Manager	Parks Development	To transfer 2 Project Managers from the City Manager to Parks Development	238,062	1
Infrastructure Delivery	Facility Maintenance Services	To correct the transfer of 1 FTE and associated non labour expense budget from Facility Maintenance to Infrastructure Delivery as part of the September 30th realignment	125,664	9

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Corp Communicati ons	Office of the CIO	To transfer costs/budget associated to the Jostle platform	20,841	2
Corporate	Financial Planning & Dev Finance	Reallocate funds for advertising expenditures associated with the budget process	20,000	6
Community Grants & Advisory Committee	Economic Dev & Culture	Reallocation of the Arts Advisory Committee budget, as it relates to Culture and city wide public art.	13,600	7
Corporate	Corporate Asset Management	To reallocate non labour budget to fund the expenses relating to the Manager of Corporate Asset Management	9,650	6
Corporate	Office of the CIO	Reallocate copier budget from ICI to ITM as ITM has taken over the former ICI space and copier	3,250	6
By-law, Compliance, Licensing & Permits	Office of City Clerk	Transfer of Marriage License revenues and minor expenditures back to Clerk's Office from By-Law, Compliance, Licensing & Permits	(156,490)	3

A summary of the net impact of these transactions is included with Attachment 1. The reference number on the table corresponds to the reference number on the financial summary table.

City's net position was \$1.4 million favourable at the end of the first quarter.

Attachment 1 provides the net position for all City departments. Staff will continue to work with departments to monitor their position throughout the year. It is early in the year, but at this time there are no indications that the year will end in a deficit position.

Water Operating Results

Water Operations gross margin was \$0.1 million greater than budget

	Budget	Actual	Variance
Residential Billings	6.9	6.7	-0.2
Commercial Billings	4.2	4.2	0.0
Other	0.1	0.2	0.1
Less Metered Water Purchases	-7.0	-6.8	0.2
Less Unmetered Water	-1.2	-1.2	0.0
Gross Margin	3.0	3.1	0.1

- Residential Sales for the first quarter are trending at 3.6 per cent lower than budget primarily due to lower average household water consumption and conservation efforts with regional water purchases lower than budget as a direct cost

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Water Operations expenditures were \$0.4 million less than planned

	Budget	Actual	Variance
Maintenance and Installation	1.3	1.0	0.3
General Administration	0.5	0.4	0.1
Joint Services	0.2	0.2	0.0
Total Expenditures	2.0	1.6	0.4

- Maintenance and Installation costs are trending lower than budget with the savings mainly attributed to:
- Vacancies including two (2) operator positions and a water coordinator position. Recruitment is underway with the expectation that the positions will be filled in the 2nd quarter.
- A milder than normal winter reduced reactionary expenses associated with activities like water main repairs and pipe thawing. Planned expenses are expected to increase throughout the year resulting in a net neutral position.
- General Administration costs are trending lower than budget with savings mainly attributed to several vacancies, including a Purchasing Analyst, Training and Compliance Coordinator, a Modeller and Manager of Water (position since been filled). Recruitment is underway with the expectation that the positions will be filled in the 2nd quarter

The Water Operations net lifecycle contribution is trending \$0.5 million favourable at the end of the first quarter.

Wastewater/Stormwater Operating Results

Wastewater/Stormwater Operations gross margin was \$0.4 million lower than budget

	Budget	Actual	Variance
Residential Billings	8.8	8.5	-0.3
Commercial Billings	5.7	5.4	-0.3
Other	0.1	0.1	0.0
Less Regional Treatment Charges	-10.7	-10.5	0.2
Gross Margin	3.9	3.5	-0.4

- Residential and Commercial Sales for the first quarter are trending lower than budget which is directly related to a lower than average household water consumption with regional treatment charges lower than budget as a direct cost

Wastewater/Stormwater Operations expenditures were \$0.2 million less than planned

	Budget	Actual	Variance
Maintenance and Installation	0.7	0.6	0.1
General Administration	0.5	0.5	0.0
Storm Sewer Maintenance	0.7	0.6	0.1
Joint Services	0.1	0.1	0.0
Total Expenditures	2.0	1.8	0.2

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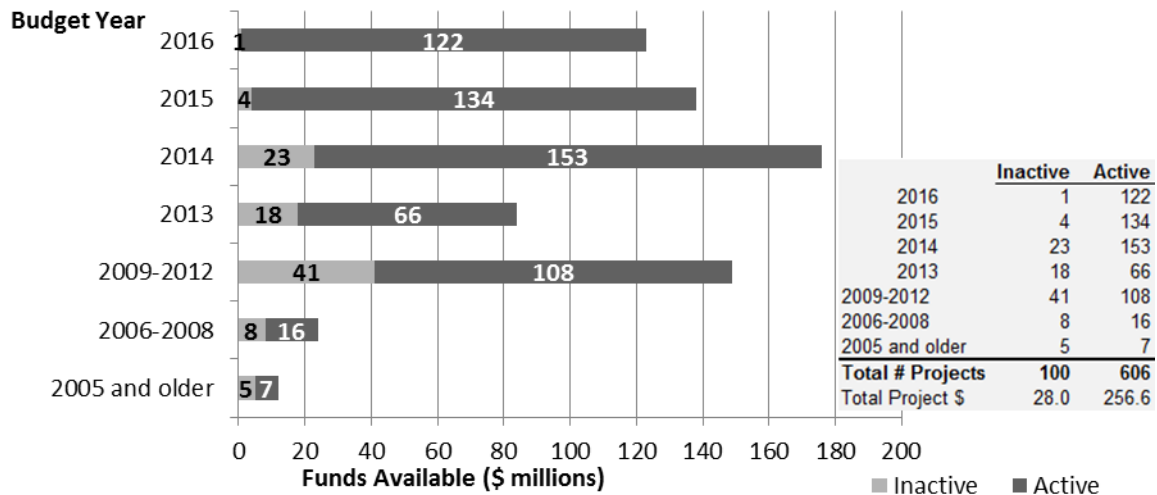
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- Regional Wastewater Treatment Charges are lower than budget, as purchases are directly related to water sales
- Maintenance and Installation, including the storm sewer costs are trending lower than budget with the savings mainly attributed to the CCTV program and flushing having a late start but are expected to increase throughout the year resulting in a net neutral position.
- General Administration costs are trending lower than budget with savings mainly attributed to several vacancies including Water Resource Analyst, Sewer Use Compliance & By-law Coordinator and a Wastewater Modeller

The Wastewater/Stormwater Operations net lifecycle contribution is trending \$0.2 million unfavourable at the end of the first quarter.

Capital Budget Results

At March 31, 2016, there were 706 open capital projects with \$284.5 million of available budget remaining. The open projects are made up of 606 annual and active programs and 100 inactive projects.



The semi-annual Term of Council Service Excellence Strategy Map Progress Report will provide 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 at the following links: [Active Listing](#) and [Inactive Listing](#).
http://www.vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx)

There are 100 Inactive Projects

Of the 706 open capital projects, there are 100 projects that are considered inactive; 54 of the projects have been open since 2012 or earlier. Inactive projects are projects that are substantially complete but are required to remain open until a future even occurs. The breakdown of the classification of the 100 open inactive projects is as follows:

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Classification	#	\$M
DC Repayment	13	12.2
Maintenance	33	8.9
Regional Invoice	2	2.0
External Invoice	10	2.0
Complete	13	1.7
Warranty	28	1.1
On Hold	1	0.1
Grand Total	100	28.0

Departments have identified 13 projects that can be closed

In the first quarter, departments did not request the closure of any capital projects, but 13 have been indicated as complete and are anticipated to be closed in the second quarter.

Continuity Schedule of Reserves and Reserve Funds

	Opening	Revenue	Spend	Closing	Future Activity	Open POs	After POs
Obligatory							
City-Wide Development Charges	198.9	14.2	-4.7	217.8	0.0	123.9	93.9
Areas Specific Development Charges	-5.1	0.4	-10.9	6.2	0.0	13.5	-7.2
Restricted Grant	25.4	0.1	0.0	25.4	0.0	31.9	-6.5
Other	90.0	3.9	1.5	92.4	1.9	3.2	87.4
Sub-total	309.2	18.7	-14.1	342.0	1.9	172.5	167.6
Discretionary							
Sustainability	36.0	1.9	2.1	35.9	5.2	0.1	30.6
Infrastructure	152.2	9.7	1.2	160.7	2.7	57.9	100.4
Capital from Taxation	0.0	25.2	0.9	24.3	0.0	23.9	0.4
Corporate	22.3	0.1	0.0	22.4	3.9	1.2	17.2
Special Purpose	6.4	0.0	0.0	6.5	0.0	13.5	-7.1
Sub-total	217.0	36.9	4.2	249.7	11.7	96.7	141.6
Total	526.2	55.6	-9.9	591.7	13.6	269.1	309.2

Note – numbers may not add due to rounding

The reserve balance before commitments is \$591.7 million. There are \$269.1 million in funds that have been allocated to approved projects for which works are either underway or are planned to begin in 2016. After these commitments are accounted for, there is \$309.2 million in reserve funds available, \$167.6 million for obligatory reserves and \$141.6 million in discretionary reserves.

Development Charges collected in the first quarter equate to \$13.7 million, with interest earned on reserve balances making up the difference. The large revenue in the Capital from Taxation reserve is a result of the establishment of the reserve, but as indicated by the \$23.9 million in outstanding commitments, the majority of these funds are already committed to ongoing capital works. The Detailed Reserve Continuity Schedule can be found at the following link: [Continuity Schedule\(http://www.v Vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx\)](http://www.v Vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx)

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Comments from the Chief Financial Officer/City Treasurer

Overall, as of March 31, 2016 the City, Water and Wastewater/Stormwater operations are tracking slightly better than plan. Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. The *Fiscal Health Report* will continue to evolve in an effort to streamline the report and provide information that assists with ensuring the financial sustainability of the City

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

At March 31, 2016, the overall City position is favourable \$1.4 million. This position will continue to be monitored closely by staff to determine if it is anticipated to maintain itself or reverse. Consistent with current practices, quarterly updates advising of changes in the City's financial landscape will be brought forth to Council.

Attachments

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

Report prepared by:

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

Sean Skinkle
Acting Finance Manager, Water & Wastewater

(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 – FOR THE QUARTER ENDED MARCH 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 this report be received for information.

Contribution to Sustainability

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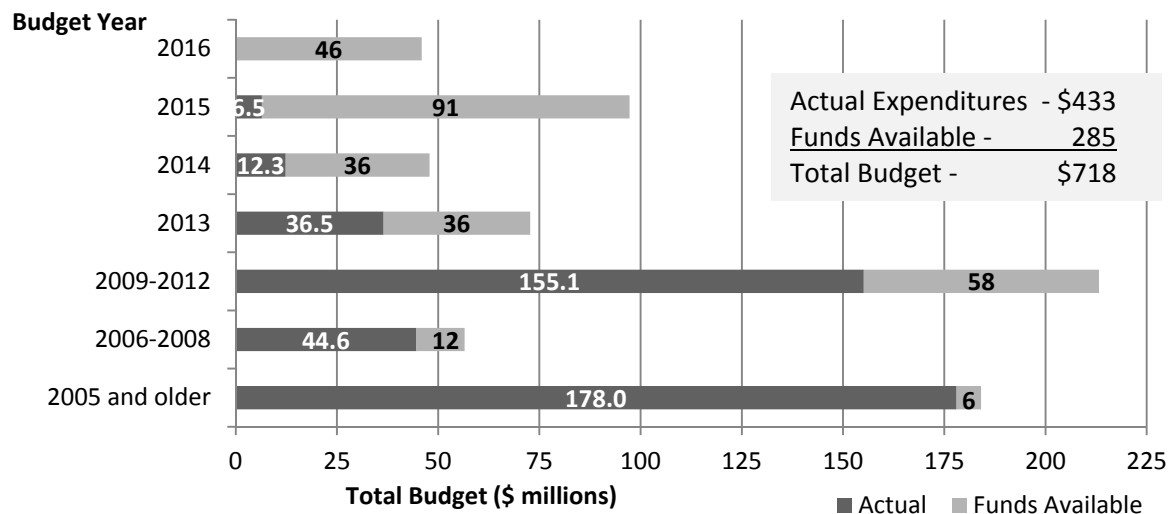
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City Manager	Infrastructure Delivery	To transfer 2 Project Managers from the City Manager to Infrastructure Delivery	238,072	1
City Manager	Parks Development	To transfer 2 Project Managers from the City Manager to Parks Development	238,062	1
Infrastructure Delivery	Facility Maintenance Services	To correct the transfer of 1 FTE and associated non labour expense budget from Facility Maintenance to Infrastructure Delivery as part of the September 30th realignment	125,664	9
Corp Communications	Office of the CIO	To transfer costs/budget associated to the Jostle platform	20,841	2
Corporate	Financial Planning & Dev Finance	Reallocate funds for advertising expenditures associated with the budget process	20,000	6
Community Grants & Advisory Committee	Economic Dev & Culture	Reallocation of the Arts Advisory Committee budget, as it relates to Culture and city wide public art.	13,600	7
Corporate	Corporate Asset Management	To reallocate non labour budget to fund the expenses relating to the Manager of Corporate Asset Management	9,650	6
Corporate	Office of the CIO	Reallocate copier budget from ICI to ITM as ITM has taken over the former ICI space and copier	3,250	6
By-law, Compliance, Licensing & Permits	Office of City Clerk	Transfer of Marriage License revenues and minor expenditures back to Clerk's Office from By-Law, Compliance, Licensing & Permits	(156,490)	3

A summary of the net impact of these transactions is included with Attachment 1. The reference number on the table corresponds to the reference number on the financial summary table.

City's net position was \$1.4 million favourable at the end of the first quarter.

Attachment 1 provides the net position for all City departments. Staff will continue to work with departments to monitor their position throughout the year. It is early in the year, but at this time there are no indications that the year will end in a deficit position.

Water Operating Results

Water Operations gross margin was \$0.1 million greater than budget

	Budget	Actual	Variance
Residential Billings	6.9	6.7	-0.2
Commercial Billings	4.2	4.2	0.0
Other	0.1	0.2	0.1
Less Metered Water Purchases	-7.0	-6.8	0.2
Less Unmetered Water	-1.2	-1.2	0.0
Gross Margin	3.0	3.1	0.1

- Residential Sales for the first quarter are trending at 3.6 per cent lower than budget primarily due to lower average household water consumption and conservation efforts with regional water purchases lower than budget as a direct cost

Water Operations expenditures were \$0.4 million less than planned

	Budget	Actual	Variance
Maintenance and Installation	1.3	1.0	0.3
General Administration	0.5	0.4	0.1
Joint Services	0.2	0.2	0.0
Total Expenditures	2.0	1.6	0.4

- Maintenance and Installation costs are trending lower than budget with the savings mainly attributed to:
 - Vacancies including two (2) operator positions and a water coordinator position. Recruitment is underway with the expectation that the positions will be filled in the 2nd quarter.
 - A milder than normal winter reduced reactionary expenses associated with activities like water main repairs and pipe thawing. Planned expenses are expected to increase throughout the year resulting in a net neutral position.
- General Administration costs are trending lower than budget with savings mainly attributed to several vacancies, including a Purchasing Analyst, Training and Compliance Coordinator, a Modeller and Manager of Water (position since been filled). Recruitment is underway with the expectation that the positions will be filled in the 2nd quarter

The Water Operations net lifecycle contribution is trending \$0.5 million favourable at the end of the first quarter.

Wastewater/Stormwater Operating Results

Wastewater/Stormwater Operations gross margin was \$0.4 million lower than budget

	Budget	Actual	Variance
Residential Billings	8.8	8.5	-0.3
Commercial Billings	5.7	5.4	-0.3
Other	0.1	0.1	0.0

	Budget	Actual	Variance
Less Regional Treatment Charges	-10.7	-10.5	0.2
Gross Margin	3.9	3.5	-0.4

- Residential and Commercial Sales for the first quarter are trending lower than budget which is directly related to a lower than average household water consumption with regional treatment charges lower than budget as a direct cost

Wastewater/Stormwater Operations expenditures were \$0.2 million less than planned

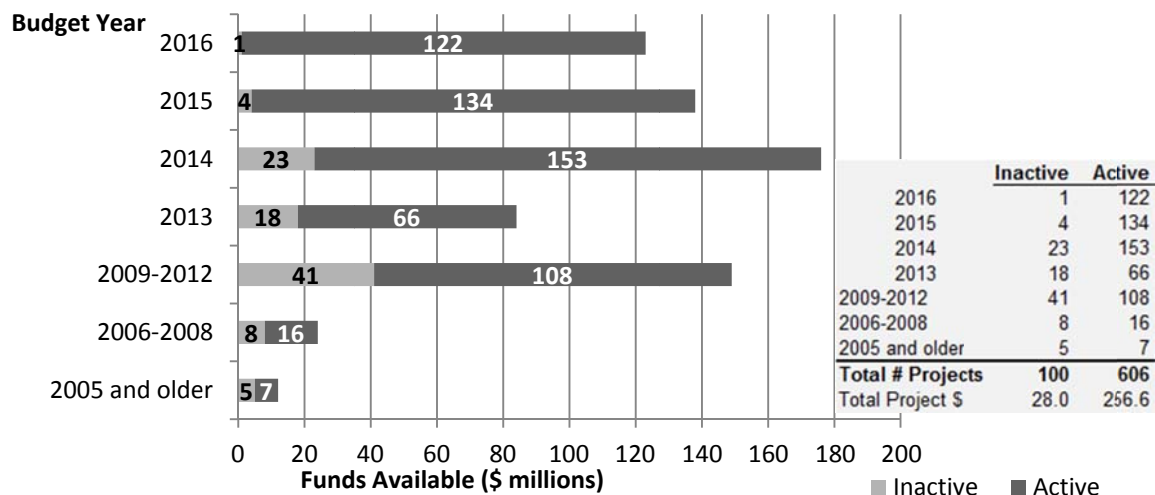
	Budget	Actual	Variance
Maintenance and Installation	0.7	0.6	0.1
General Administration	0.5	0.5	0.0
Storm Sewer Maintenance	0.7	0.6	0.1
Joint Services	0.1	0.1	0.0
Total Expenditures	2.0	1.8	0.2

- Regional Wastewater Treatment Charges are lower than budget, as purchases are directly related to water sales
- Maintenance and Installation, including the storm sewer costs are trending lower than budget with the savings mainly attributed to the CCTV program and flushing having a late start but are expected to increase throughout the year resulting in a net neutral position.
- General Administration costs are trending lower than budget with savings mainly attributed to several vacancies including Water Resource Analyst, Sewer Use Compliance & By-law Coordinator and a Wastewater Modeller

The Wastewater/Stormwater Operations net lifecycle contribution is trending \$0.2 million unfavourable at the end of the first quarter.

Capital Budget Results

At March 31, 2016, there were 706 open capital projects with \$284.5 million of available budget remaining. The open projects are made up of 606 annual and active programs and 100 inactive projects.



The semi-annual Term of Council Service Excellence Strategy Map Progress Report will provide 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 at the following links: [Active Listing](#) and [Inactive Listing](#). (http://www.vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx)

There are 100 Inactive Projects

Of the 706 open capital projects, there are 100 projects that are considered inactive; 54 of the projects have been open since 2012 or earlier. Inactive projects are 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	13	12.2
Maintenance	33	8.9
Regional Invoice	2	2.0
External Invoice	10	2.0
Complete	13	1.7
Warranty	28	1.1
On Hold	1	0.1
Grand Total	100	28.0

Departments have identified 13 projects that can be closed

In the first quarter, departments did not request the closure of any capital projects, but 13 have been indicated as complete and are anticipated to be closed in the second quarter.

Continuity Schedule of Reserves and Reserve Funds

	Opening	Revenue	Spend	Closing	Future Activity	Open POs	After POs
Obligatory							
City-Wide Development Charges	198.9	14.2	-4.7	217.8	0.0	123.9	93.9
Areas Specific Development Charges	-5.1	0.4	-10.9	6.2	0.0	13.5	-7.2
Restricted Grant	25.4	0.1	0.0	25.4	0.0	31.9	-6.5
Other	90.0	3.9	1.5	92.4	1.9	3.2	87.4
Sub-total	309.2	18.7	-14.1	342.0	1.9	172.5	167.6
Discretionary							
Sustainability	36.0	1.9	2.1	35.9	5.2	0.1	30.6
Infrastructure	152.2	9.7	1.2	160.7	2.7	57.9	100.4
Capital from Taxation	0.0	25.2	0.9	24.3	0.0	23.9	0.4
Corporate	22.3	0.1	0.0	22.4	3.9	1.2	17.2
Special Purpose	6.4	0.0	0.0	6.5	0.0	13.5	-7.1
Sub-total	217.0	36.9	4.2	249.7	11.7	96.7	141.6
Total	526.2	55.6	-9.9	591.7	13.6	269.1	309.2

Note – numbers may not add due to rounding

The reserve balance before commitments is \$591.7 million. There are \$269.1 million in funds that have been allocated to approved projects for which works are either underway or are planned to begin in 2016. After these commitments are accounted for, there is \$309.2 million in

reserve funds available, \$167.6 million for obligatory reserves and \$141.6 million in discretionary reserves.

Development Charges collected in the first quarter equate to \$13.7 million, with interest earned on reserve balances making up the difference. The large revenue in the Capital from Taxation reserve is a result of the establishment of the reserve, but as indicated by the \$23.9 million in outstanding commitments, the majority of these funds are already committed to ongoing capital works.

The Detailed Reserve Continuity Schedule can be found at the following link: [Continuity Schedule](http://www.vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx). (http://www.vaughan.ca/cityhall/capital_budget_capital_accounting_and_grants/Pages/default.aspx)

Comments from the Chief Financial Officer/City Treasurer

Overall, as of March 31, 2016 the City, Water and Wastewater/Stormwater operations are tracking slightly better than plan. Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. The *Fiscal Health Report* will continue to evolve in an effort to streamline the report and provide information that assists with ensuring the financial sustainability of the City

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

At March 31, 2016, the overall City position is favourable \$1.4 million. This position will continue to be monitored closely by staff to determine if it is anticipated to maintain itself or reverse. Consistent with current practices, quarterly updates advising of changes in the City's financial landscape will be brought forth to Council.

Attachments

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

Report prepared by:

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Acting Finance Manager, Water & Wastewater

Respectfully submitted,

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

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

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



CITY OF VAUGHAN

2016 City Operating Budget

Property Tax Based Budget Fiscal Position as of March 31, 2016

CITY OF VAUGHAN
2016 City Operating Budget
Fiscal Position as of March 31, 2016
REVENUE / EXPENDITURE SUMMARY

	2016	2016 YTD		VARIANCE		2016 BUDGET REMAINING	
	ANNUAL BUDGET	BUDGET	ACTUAL	FAV. / (UNFAV)		\$	%
				\$	%		
TAXATION	174,788,711	83,923,234	83,923,234	0	0.0%	90,865,477	52.0%
SUPPLEMENTAL TAXATION	3,200,000	0	0	0	0.0%	3,200,000	100.0%
GRANT / PAYMENT IN LIEU	2,725,200	750,000	733,894	(16,106)	-2.1%	1,991,306	73.1%
RESERVES AND OTHER TRANSFERS	20,213,368	3,978,038	3,176,008	(802,030)	-20.2%	17,037,360	84.3%
FEES AND SERVICE CHARGES	45,515,258	11,041,827	10,209,084	(832,743)	-7.5%	35,306,174	77.6%
CORPORATE	18,736,735	2,930,788	3,002,880	72,092	2.5%	15,733,855	84.0%
TOTAL REVENUES	265,179,272	102,623,887	101,045,101	(1,578,786)	-1.5%	164,134,171	61.9%
EXPENDITURES:							
DEPARTMENTAL	234,525,100	61,722,414	58,120,828	3,601,586	5.8%	176,404,272	75.2%
RESERVE CONTRIB. & CORP. EXP.	6,924,430	7,849,811	9,280,350	(1,430,539)	-18.2%	(2,355,920)	-34.0%
LONG TERM DEBT	13,144,068	1,261,313	1,212,658	48,655	3.9%	11,931,410	90.8%
CONTINGENCY	3,805,325	669,055	0	669,055	100.0%	3,805,325	100.0%
CAPITAL FROM TAXATION	6,780,349	6,780,349	6,780,349	0	0.0%	0	0.0%
TOTAL EXPENDITURES	265,179,272	78,282,942	75,394,185	2,888,757	3.7%	189,785,087	71.6%
EXCESS OF REVENUES OVER EXPENDITURES	0	24,340,945	25,650,916	1,309,971	5.4%		

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

	Revenues			Expenditures			Net		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
COUNCIL				394,345	321,264	73,081	394,345	321,264	73,081
OFFICE OF THE INTEGRITY COMMISSIONER				49,968	49,419	549	49,968	49,419	549
INTERNAL AUDIT				107,735	91,010	16,725	107,735	91,010	16,725
CITY MANAGER				185,328	106,087	79,241	185,328	106,087	79,241
Office of Deputy City Manager Community Services				140,404	56,698	83,706	140,404	56,698	83,706
Community Grants & Advisory Committees				24,722	18,583	6,139	24,722	18,583	6,139
Access Vaughan				256,620	259,012	-2,392	256,620	259,012	-2,392
Recreation Services	5,130,441	5,146,394	15,953	4,498,812	4,328,821	169,991	-631,629	-817,573	185,944
Community Development & Events	204,603	223,509	18,906	354,353	403,597	-49,244	149,750	180,088	-30,338
Facility Maintenance Services	80,609	113,137	32,528	4,603,496	4,320,074	283,422	4,522,887	4,206,937	315,950
Fire and Rescue Services	179,403	101,327	-78,076	10,251,449	10,018,146	233,303	10,072,046	9,916,819	155,227
Emergency Planning				54,416	40,058	14,358	54,416	40,058	14,358
By-Law, Compliance, Licensing & Permits	1,085,900	871,797	-214,103	1,524,918	1,416,271	108,647	439,018	544,473	-105,455
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	6,680,956	6,456,164	-224,792	21,709,190	20,861,260	847,930	15,028,234	14,405,096	623,138
Office of Deputy City Manager Legal & Human Resources				590,604	610,553	-19,949	574,176	567,913	6,263
Office of the City Solicitor	16,428	42,640	26,212	1,044,545	1,047,825	-3,280	1,044,545	1,047,825	-3,280
Office of the Chief Human Resources Officer									
TOTAL DEPUTY CITY MANAGER LEGAL & HUMAN RESOURCES	16,428	42,640	26,212	1,635,149	1,658,379	616,501	16,707,088	16,324,026	383,062
Office of Deputy City Manager Planning & Growth Management				95,474	95,425	49	95,474	95,425	49
Development Planning	1,338,136	1,191,971	-146,165	951,834	927,880	23,954	-386,302	-264,091	-122,211
Development Eng & Infrastructure Planning	105,669	107,277	1,608	1,260,263	1,105,385	154,878	1,154,594	998,108	156,486
Economic Development & Culture Services	0	1,080	1,080	339,015	451,973	-112,958	339,015	450,893	-111,878
Policy Planning & Environmental Sustainability	106,466	104,201	-2,265	492,343	335,497	156,847	385,877	231,296	154,581
Parks Development	34,290	30,552	-3,738	382,474	318,960	63,514	348,184	288,407	59,777
Building Standards	1,705,412	1,303,043	-402,369	1,780,098	1,524,960	255,138	74,686	221,917	-147,231
TOTAL DEPUTY CITY MANAGER PLANNING AND GROWTH MANAGEMENT	3,289,973	2,738,124	-551,849	5,301,501	4,760,079	541,422	2,011,528	2,021,955	-10,427
Office of Deputy City Manager Public Works				103,294	83,295	19,999	103,294	83,295	19,999
Corporate Asset Management				92,925	91,288	1,637	92,925	91,288	1,637
Fleet Management	0	81	81	620,863	474,149	146,714	620,863	474,068	146,795
Infrastructure Delivery	3,510	6,994	3,484	633,759	548,615	85,144	630,249	541,621	88,628
Environmental Services	333,876	323,495	-10,381	2,336,551	2,321,807	14,744	2,002,675	1,998,312	4,363
Trans Serv and Parks & Forestry Ops	121,148	91,229	-29,919	11,760,532	10,765,466	995,066	11,639,384	10,674,236	965,148
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	458,534	421,800	-36,734	15,547,924	14,284,620	1,263,304	15,089,390	13,862,820	1,226,570
OFFICE OF THE CHIEF CORPORATE INITIATIVES & INTERGOVERNMENTAL RELATIONS	77,058	0	-77,058	151,255	113,354	37,901	74,197	113,354	-39,157
Office of the Chief Financial Officer/City Treasurer				117,729	108,420	9,309	117,729	108,420	9,309
Financial Services	173,639	217,212	43,573	799,961	736,159	63,802	626,322	518,947	107,375
Financial Planning & Development Finance	501	515	14	706,154	682,260	23,894	705,653	681,746	23,907
Procurement Services	3,756	20,283	16,527	485,620	385,921	99,699	481,864	365,637	116,227
TOTAL OFFICE OF THE CFO/CITY TREASURER	177,896	238,010	60,114	2,109,464	1,912,759	196,705	1,931,568	1,674,749	256,819
OFFICE OF THE CHIEF INFORMATION OFFICER				2,145,803	2,119,991	25,812	2,145,803	2,119,991	25,812
Office of the City Clerk	48,376	44,350	-4,026	1,271,510	1,239,343	32,167	1,223,134	1,194,994	28,140
City Clerk - Insurance				5,151,476	5,159,223	-7,747	5,151,476	5,159,223	-7,747
Committee of Adjustment	215,776	171,545	-44,231	141,157	131,904	9,253	-74,619	-39,641	-34,978
Council Corporate				25,111	12,373	12,738	25,111	12,373	12,738
TOTAL OFFICE OF THE CITY CLERK	264,152	215,894	-48,258	6,589,254	6,542,843	46,411	6,325,102	6,326,949	-1,847
OFFICE OF CORPORATE COMMUNICATIONS				298,768	319,415	-20,647	298,768	319,415	-20,647
OFFICE OF TRANSFORMATION & STRATEGY				122,261	108,189	14,072	122,261	108,189	14,072
VAUGHAN PUBLIC LIBRARIES	76,830	108,740	31,910	5,374,469	4,872,160	502,309	5,297,639	4,763,420	534,219
TOTAL DEPARTMENTAL EXPENDITURES	11,041,827	10,221,372	-820,455	61,722,414	58,120,828	3,601,586	50,680,587	47,899,456	2,781,131
RESERVES ACTIVITY	3,978,038	3,176,008	-802,030	8,017,364	8,017,364	0	4,039,326	4,841,356	-802,030
CORPORATE ACTIVITY	3,680,788	3,724,486	43,698	-167,553	1,262,986	-1,430,539	-3,848,341	-2,461,500	-1,386,841
LONG TERM DEBT	0	0	0	1,261,313	1,212,658	48,655	1,261,313	1,212,658	48,655
CONTINGENCY				669,055	0	669,055	669,055	0	669,055
CAPITAL FROM TAXATION				6,780,349	6,780,349	0	6,780,349	6,780,349	0
TAXATION REVENUE	83,923,234	83,923,234	0				-83,923,234	-83,923,234	0
TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES	102,623,887	101,045,101	-1,578,786	78,282,942	75,394,185	2,888,757	-24,340,945	-25,650,916	1,309,971

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

	Net			Ref #
	Original Budget	Transfers	Revised Budget	
COUNCIL	1,612,151		1,612,151	
OFFICE OF THE INTEGRITY COMMISSIONER	195,260		195,260	
INTERNAL AUDIT	536,233		536,233	
CITY MANAGER	1,273,189	-476,134	797,055	1
Office of Deputy City Manager Community Services	412,978		412,978	
Community Grants & Advisory Committees	94,454	-13,600	80,854	7
Access Vaughan	1,129,651		1,129,651	
Recreation Services	847,383		847,383	
Community Development & Events	0	992,075	992,075	8
Facility Maintenance Services	20,858,541	125,664	20,984,205	9
Fire and Rescue Services	43,786,401	704,215	44,490,616	5
Emergency Planning	203,994		203,994	
By-Law, Compliance, Licensing & Permits	3,098,311	-101,514	2,996,797	3, 4
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	70,431,713	1,706,840	72,138,553	
Office of Deputy City Manager Legal & Human Resources				
Office of the City Solicitor	2,454,288	0	2,454,288	
Office of the Chief Human Resources Officer	4,075,817		4,075,817	
TOTAL DEPUTY CITY MANAGER LEGAL & HUMAN RESOURCES	6,530,105	0	6,530,105	
Office of Deputy City Manager Planning & Growth Management	411,997		411,997	
Development Planning	-1,235,033		-1,235,033	
Development Eng & Infrastructure Planning	4,912,123		4,912,123	
Economic Development & Culture Services	2,942,451	-978,475	1,963,976	7, 8
Policy Planning & Environmental Sustainability	1,695,216		1,695,216	
Parks Development	1,279,305	238,062	1,517,366	1
Building Standards	-1,691,226		-1,691,226	
TOTAL DEPUTY CITY MANAGER PLANNING AND GROWTH MANAGEMENT	8,314,833	-740,414	7,574,419	
Office of Deputy City Manager Public Works	445,478		445,478	
Corporate Asset Management	399,460	9,650	409,110	6
Fleet Management	2,654,350		2,654,350	
Infrastructure Delivery	2,820,579	121,408	2,941,987	1, 5, 9
Environmental Services	9,180,708		9,180,708	
Trans Serv and Parks & Forestry Ops	35,540,765		35,540,765	
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	51,041,340	131,058	51,172,398	
OFFICE OF THE CHIEF CORPORATE INITIATIVES & INTERGOVERNMENTAL RELATIONS	358,406		358,406	
Office of the Chief Financial Officer/City Treasurer	514,458		514,458	
Financial Services	2,592,398	18,129	2,610,527	5
Financial Planning & Development Finance	2,909,933	84,874	2,994,807	5, 6
Procurement Services	2,071,947		2,071,947	
TOTAL OFFICE OF THE CFO/CITY TREASURER	8,088,736	103,003	8,191,739	
OFFICE OF THE CHIEF INFORMATION OFFICER	9,525,205	24,091	9,549,296	2, 6
Office of the City Clerk	5,015,775	-107,548	4,908,227	3, 5
City Clerk - Insurance	6,135,210	258,004	6,393,214	4
Committee of Adjustment	-112,554		-112,554	
Council Corporate	99,573		99,573	
TOTAL OFFICE OF THE CITY CLERK	11,138,004	150,456	11,288,460	
OFFICE OF CORPORATE COMMUNICATIONS	1,402,499	-20,841	1,381,658	2
OFFICE OF TRANSFORMATION & STRATEGY	509,776		509,776	
VAUGHAN PUBLIC LIBRARIES	17,174,333		17,174,333	
TOTAL DEPARTMENTAL EXPENDITURES	188,131,782	878,060	189,009,842	
RESERVES ACTIVITY	-12,196,004	0	-12,196,004	
CORPORATE ACTIVITY	-22,521,969	-32,900	-22,554,869	6
LONG TERM DEBT	13,144,068	0	13,144,068	
CONTINGENCY	4,650,485	-845,160	3,805,325	5
CAPITAL FROM TAXATION	6,780,349	0	6,780,349	
TAXATION REVENUE	-177,988,711	0	-177,988,711	
TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES	-	-	-	

Note: Ref # ties to the table in the section Operating Transfers Authorized by the Chief Financial Officer/City Treasurer

Q1 Fiscal Health Report

Portfolio: Community Services

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	6.68	6.46	-0.22
Labour	16.94	16.95	-0.01
Other Expenditures	4.77	3.91	0.86
Total Expenditures	21.71	20.86	0.85
Net	15.03	14.41	0.62

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	36	11.0		
2015	23	3.9		
2014	35	1.6		
2013	16	0.6		
2009-2012	19	1.0		
2006-2008	4	1.7		
<=2005	2	0.1		
Total	135	20.1		

- Revenues in Q1 were lower than anticipated for licenses and By-Law fines and penalties however variance is expected to correct itself in future quarters
- Other expenditures were lower than budget in Q1 mainly as a result of timing of invoices and expenditures
- Milder than anticipated winter weather conditions resulted in lower utility costs in Q1 for Community Centres and City Buildings
- Work continues to progress on open capital projects

Portfolio: Legal and Human Resources

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.02	0.04	0.03
Reserve Revenues	0.05	0.05	0.00
Total Revenues	0.07	0.09	0.03
Labour	1.39	1.30	0.09
Other Expenditures	0.25	0.36	-0.11
Total Expenditures	1.64	1.66	-0.02
Net	1.57	1.57	0.00

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	1	0.1		
2014	2	0.1		
2013	3	0.1		
2009-2012	2	0.8		
Total	8	1.1		

- Overall net results are trending within budget
- The negative expenditure variance 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

Q1 Fiscal Health Report

Portfolio: Planning and Growth Management

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	3.29	2.74	-0.55
Reserve Revenues	2.32	2.40	0.08
Total Revenues	5.61	5.14	-0.47
Labour	5.02	4.48	0.54
Other Expenditures	0.28	0.28	0.00
Total Expenditures	5.30	4.76	0.54
Net	-0.31	-0.38	0.07

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	35	17.5		
2015	38	42.0		
2014	42	7.9		
2013	29	12.9		
2009-2012	65	23.6		
2006-2008	10	7.4		
<=2005	7	5.6		
Total	226	116.92		

Portfolio: Public Works

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.46	0.42	-0.04
Labour	4.46	4.40	0.06
Other Expenditures	11.09	9.89	1.20
Total Expenditures	15.55	14.28	1.26
Net	15.09	13.86	1.23

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	38	12.34		
2015	70	41.39		
2014	93	23.41		
2013	32	20.54		
2009-2012	54	31.00		
2006-2008	9	2.77		
<=2005	3	0.31		
Total	299	131.76		

- Revenues in Q1 were lower than anticipated as a result of :
 - Lower than expected volumes of Zoning By-law applications due to the lack of high rise development applications. It is anticipated these will increase over the remainder of the year.
 - Shortfall in Building Permit fees collected despite an increase in construction activity particularly in the residential sector. This will be address through future comprehensive Building Permit fees review.
- Other expenditures were lower than budget in Q1 mainly as a result of vacancies that are expected to be filled in 2016.
- Work continues to progress on 179 active projects with unspent funding of \$101M
- 47 inactive projects with \$15M in unspent funds will be closed once all requirements are complete

- Other expenditures were lower than budget in Q1 mainly as a result of
 - lower contract prices and lower operating costs in Transportation Service and Parks and Forestry Operations
 - Lower than anticipated fuel consumption and hydro costs in Transportation Service and Parks and Forestry Operations
- 255 Active projects with a value of \$119.5 million unspent; work continues to progress on open capital projects
- 44 Inactive projects with a value of \$12.3 million unspent; projects will be closed as soon as all outstanding requirements are met

Q1 Fiscal Health Report

Office: Corporate Initiative and Intergovernmental Relations

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.08	0.00	-0.08
Labour	0.13	0.09	0.03
Other Expenditures	0.02	0.02	0.00
Total Expenditures	0.15	0.11	0.04
Net	0.07	0.11	-0.04

- The unfavourable revenue variance is due to timing of the Innovation Reserve revenue to offset the expenses incurred for the Municipal Sponsorship office.
- The Municipal Sponsorship office is fully funded from the Innovation Reserve, and this variance will be corrected in Q2.

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2015	1	0.7		
Total	1	0.7		

- 1 Active project for the VMC Development; work continues to progress.

Office: Chief Financial Officer

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.18	0.24	0.06
Labour	1.95	1.77	0.18
Other Expenditures	0.16	0.14	0.02
Total Expenditures	2.11	1.91	0.20
Net	1.93	1.67	0.26

- The positive revenue variance is due to higher than expected taxation fines and penalties received year to date
- The positive expenditure variance is due to temporary vacancies that are expected to be filled later in the year, and timing of office expenditures

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	1	0.4		
2015	2	0.4		
2013	2	0.4		
2009-2012	2	0.1		
Total	7.0	1.2		

- Three projects with \$0.8M in unspent funds are at early stages of workplan that will continue over the next two years
- Other projects are expected to be complete over the course of the next year

Q1 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	0.11	0.11
Investment Income & PowerStream			
Dividends	1.57	1.53	-0.05
Fines and Penalties	1.10	1.01	-0.09
Taxation (net)	84.25	84.01	-0.24
Total Revenues	86.92	86.66	-0.26
Capital Related Expenditures	14.45	15.29	-0.84
Contingency	-0.72	0.00	-0.72
Other Expenditures (net)	0.54	0.28	0.27
Total Expenditures	14.27	15.56	-1.29
Net	-72.65	-71.10	-1.55

- The Mayor's Gala/Golf Classic had higher than budgeted revenues but this will be reconciled and fully offset with the expenditures at year end.
- Investment revenue is slightly under budget due to lower than expected interest rates.
- Taxation is lower than budget due to higher than planned tax appeals and arbitrations.
- Capital related expenditures are higher than budget due to the reversal of year end revenue accruals; this will reverse itself by year end
- Contingency includes Labour gapping.
- Other expenditures include professional fees, OMB and VMC expenditures offset by higher miscellaneous income.

Office: Chief Information Officer

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	1.48	1.48	0.01
Other Expenditures	0.66	0.64	0.02
Total Expenditures	2.15	2.12	0.03
Net	2.15	2.12	0.03

- Operations have been as anticipated for the quarter with only minor variances noted

Capital Results (\$M):

Year (\$M)	Open #	Unspent	Closed #	Unspent
2016	4	2.8		
2014	1	0.4		
2009-2012	4	0.1		
2006-2008	1	0.0		
Total	10	3.4		

- Work continues to progress on annual IT infrastructure replacements
- Expenditures for larger IT capital replacements are expected over the next 12-18 months

Q1 Fiscal Health Report

Office: City Clerk

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.26	0.22	-0.05
Labour	1.22	1.10	0.12
Other Expenditures	5.37	5.44	-0.07
Total Expenditures	6.59	6.54	0.05
Net	6.33	6.33	0.00

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	1	0.1		
2009-2012	1	0.1		
Total	2	0.2		

- The negative revenue variance is mainly driven by fewer than anticipated Committee of Adjustments minor variance applications received year to date.
- The positive expenditure variance is mainly due to temporary vacancies in Records Management, lower than anticipated costs in part-time labour, offset by timing of expenditures in other accounts.
- Work is progressing on capital projects for the Claims Management System and Ward Boundary Review

Office: Corporate Communications

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.26	0.26	0.00
Other Expenditures	0.04	0.06	-0.02
Total Expenditures	0.29	0.32	-0.02
Net	0.29	0.32	-0.02

- The negative expenditure variance is due to timing of expenditures for the City's 25th anniversary activities. This variance will be offset by year-end.

Q1 Fiscal Health Report

Office: Transformation and Strategy

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.10	0.10	0.00
Other Expenditures	0.02	0.01	0.01
Total Expenditures	0.12	0.11	0.01
Net	0.12	0.11	0.01

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	1	0.04		
2015	1	0.03		
2013	1	0.01		
Total	3	0.07		

- The operating variance is on track.

- Work continues to progress on open capital projects

Vaughan Public Libraries

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.08	0.10	0.02
Grant Revenues	0.00	0.01	0.01
Total Revenues	0.08	0.11	0.03
Labour	3.03	2.49	0.55
Other Expenditures	2.34	2.39	-0.04
Total Expenditures	5.37	4.87	0.50
Net	5.30	4.76	0.53

Capital Results (\$M):

Year (\$M)	Open		Closed	
	#	Unspent	#	Unspent
2016	5	0.75		
2015	2	1.14		
2014	3	2.05		
2013	1	1.57		
2009-2012	2	1.41		
Total	13	6.92		

- Revenues in Q1 are higher than anticipated as a result of receiving more than anticipated room rental revenues and grant funding.
- Labour expenditures are lower than budget in Q1 primarily due to the delay in the opening of the Civic Centre Resource Library. The library will be opening in Q2'16.

- \$ 3 million in unspent capital funding relate to the Civic Centre Resource Library which is continuing to progress with an opening date in Q2'16.
- Progress in other open capital projects is continuing or expected to begin later in the year.

Q1 Fiscal Health Report

City Council

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.31	0.28	0.03
Other Expenditures	0.09	0.04	0.05
Total Expenditures	0.39	0.32	0.07
Net	0.39	0.32	0.07

Integrity Commissioner

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.04	0.04	-0.01
Other Expenditures	0.01	0.01	0.01
Total Expenditures	0.05	0.05	0.00
Net	0.05	0.05	0.00

- Labour variance slightly over budget due to additional resources required resulting from the increased complexity of issues and tasks.
- Other expenditures are under budget due to a transfer from the year end expenditure reserve to offset professional fees.

Internal Audit

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.10	0.09	0.02
Other Expenditures	0.01	0.01	0.00
Total Expenditures	0.11	0.09	0.02
Net	0.11	0.09	0.02

- Labour variance due to partial vacancy for the Director position.
- This position will be filled in Q2, with a subsequent vacancy in the Audit Project Manager role.

City Manager

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.10	0.10	0.00
Other Expenditures	0.08	0.00	0.08
Total Expenditures	0.18	0.11	0.07
Net	0.18	0.11	0.07

- The negative expenditure variance is due to timing of expenditures, which is expected to correct itself by the end of the year.