

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 26, 2017

Item 4, Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on September 26, 2017.

4 FISCAL HEALTH REPORT – YEAR TO DATE FOR PERIOD ENDING JUNE 30, 2017

The Finance, Administration and Audit Committee recommends:

- 1) That 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 September 20, 2017, be approved; and**
- 2) That Communication C2 memorandum from the Chief Financial Officer and City Treasurer and the Deputy City Manager, Public Works, dated September 5, 2017, be received.**

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 – Year to Date for the Period Ending June 30, 2017 be received.

Contribution to Sustainability

Periodic review of the corporation's fiscal health and financial position supports financial sustainability.

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.

The City's property tax based budget ended the second quarter in a favorable position of approximately \$5 million. This is mainly due to timing differences between actual and budgeted revenue/expenditures. Staff will continue to work with departments to monitor their budgets, identify potential pressures and determine a plan of action to mitigate downside risk. The water and wastewater gross margin ended the second quarter in a favourable position of \$1.4 million each; the stormwater gross margin ended the second quarter in an unfavourable position of \$8.9 million, mainly because Stormwater billing was planned to start in April, but did not start until mid-June. Further discussion regarding the contributing factors that resulted in these second quarter results is contained within the body of this report.

During the 2017 budget process, \$114.4 million in additional capital funding was approved. Combined with the remaining \$202.7 million in open capital project funding at the end of 2016, the City began 2017 with 738 open projects and \$317.1 million in capital funding. There has been \$33 million in capital expenditures on projects during the first half year, of which \$14 million was spent in the second quarter of 2017. As construction season proceeds through late spring, summer and fall, capital expenditures are expected to increase through the remainder of the year.

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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 year to date period ending June 30, 2017.

Background – Analysis and Options

The attached fiscal health report compares annual actual city operating, water, wastewater and stormwater operations and capital results as of June 30, 2017, 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

OPERATING RESULTS – YEAR TO DATE PERIOD ENDING JUNE 30, 2017

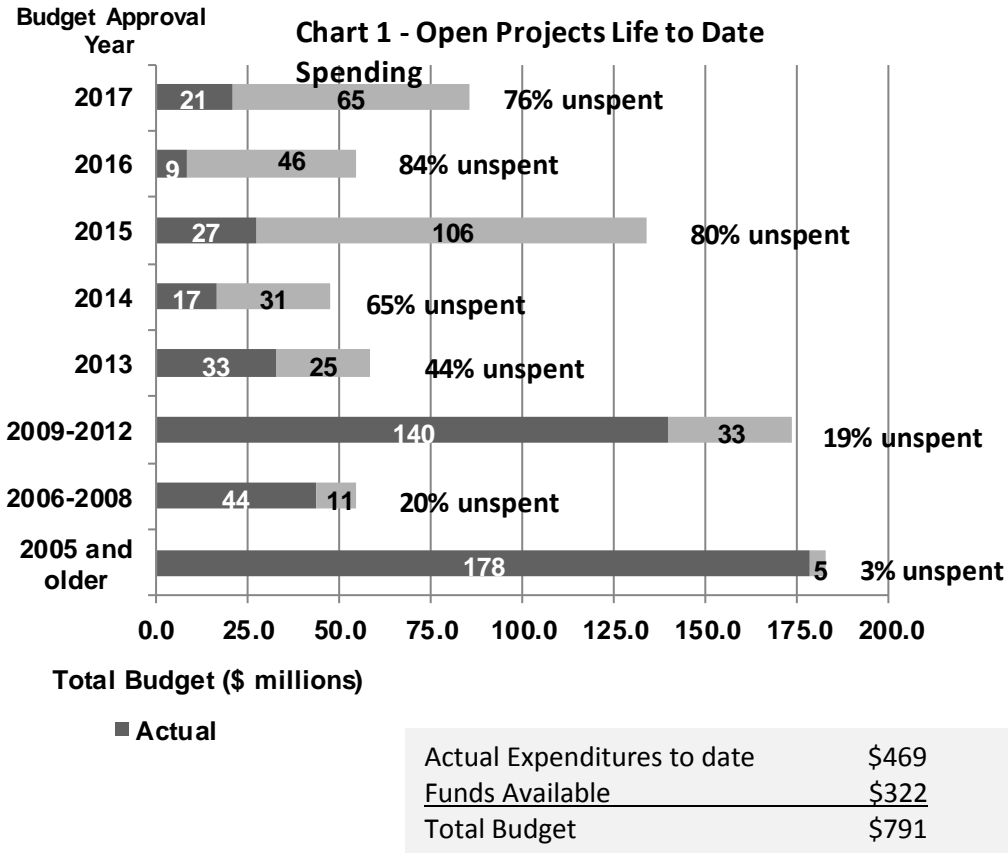
	Budget	Actual	Variance
	\$million	\$million	\$million
Property Tax Based Budget			
Revenues	197.7	197.0	(0.7)
Expenditures	148.0	142.3	5.7
Net	\$49.7	\$54.7	\$5.0
Water Rate Based Budget			
Revenues	27.6	25.8	(1.8)
Expenditures	27.6	25.8	1.8
Net	\$0.0	\$0.0	\$0.0
Wastewater Rate Based Budget			
Revenues	34.1	32.4	(1.7)
Expenditures	34.1	32.4	1.7
Net	\$0.0	\$0.0	\$0.0
Stormwater Charge Based Budget			
Revenues	12.3	3.3	(9.0)
Expenditures	12.3	3.3	9.0
Net	\$0.0	\$0.0	\$0.0

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CAPITAL RESULTS – OPEN PROJECTS LIFE TO DATE ENDING JUNE 30, 2017



Discussion

OPERATING BUDGET RESULTS

Overall, City Revenues were under budget by \$0.7 million

	Budget \$million	Actual \$million	Variance \$million	% Change
Department Revenues	23.5	24.3	0.8	3.4%
Corporate Revenues	8.7	9.0	0.3	3.4%
Reserve Transfers	7.7	5.9	(1.8)	(23.4%)
Taxation	157.9	157.9	0.0	0%
Total Revenues	\$197.7	\$197.0	(\$0.7)	

Note – numbers may not add due to rounding

- Department Revenues were 3 per cent greater than budget, primarily because of higher than expected volume of development applications.
- Corporate Revenues were 4 per cent higher than budgeted revenues, this is mainly due to a higher than budgeted shareholder dividend from Vaughan Holdings investment in Alectra Inc.
- Reserve transfers for Building Standards and Development Engineering & Infrastructure Planning were 23% less than budgeted, as these department expenditures were less than planned due to vacancies.

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City expenditures were \$5.7 million less than planned

	Budget	Actual	Variance	%
	\$million	\$million	\$million	Change
Service Contracts & Materials	18.0	16.2	1.8	10.0%
Labour	83.1	81.8	1.3	1.6%
Insurance	5.4	3.5	1.9	35.2%
Utilities & Fuel	5.3	4.6	0.7	13.2%
Other	15.3	13.8	1.5	10.5%
Capital Related	20.9	22.5	(1.6)	(11.9%)
Total Expenditures	\$148.0	\$142.3	\$5.7	

Note – numbers may not add due to rounding

- Service contract and material costs were 10 per cent less than budget. This is primarily attributed to timing delays in Development Engineering & Infrastructure Planning relating to service connection contractor services. It is expected that this will gradually increase to be back on budget throughout the year.
- Utilities and fuel costs were 13 per cent less than budget, primarily due to timing differences of invoices that have not yet come in for the quarter. Utility and fuel remains forecasted to end on budget for 2017.
- Capital related operating expenditures were 12 per cent greater than budget because the majority of debenture principal and interest payments were incurred in the first half of the year.
- Labour costs were 2 per cent less than budget as the savings from vacancies exceeded the corporate vacancies target. This was primarily attributable to general turnover vacancies and new complement positions that were not yet filled. Departments will continue to exercise prudent vacancy management while working with Human Resources to recruit and fill the vacant positions. Partially offsetting these savings were increased expenditures in overtime and part time labour.
- Insurance was 35 per cent less than budget due to savings realized from an RFP that was awarded towards the end of 2016 (Finance, Administration and Audit Committee, Report 10, Item 2). At year-end, any insurance related savings will be allocated to the insurance reserve to mitigate future volatility in insurance related costs.
- Other expenditures were 10 per cent less than budget. Staff is forecasting this savings will be reversed as more invoices are expected to come in the second half of the year.

Attachment 2 provides commentary at the Portfolio/Office level.

Risks and Pressures

While the City's own source revenue is on track to be on budget for 2017, some internal reserve transfers were not realized as budgeted due to lower related expenditures. Staff will continue to monitor revenue performance during Q3 and Q4.

Winter maintenance costs, specifically salt usage, may add pressure on the City's 2017 operating budget in Q4 based on recent trends experienced in the number and severity of salting events in the 4th quarter of previous years. Staff will be monitoring operating results and are implementing a salt management plan to help address potential future forecasted cost pressures driven by salt usage.

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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, Report 16, Item 1):

Departments		Description	Amount transferred between Departments (\$)
From:	To:		
Contingency	Office of the Chief Corporate Initiatives & Intergovernmental Affairs	To reallocate the budget to facilitate a due diligence review on the proposed amalgamation of the OSA and OSC.	\$30,828
Contingency	Lobbyist Registrar	To reallocate the budget associated with the implementation of the Lobbyist Registrar.	\$250,000

A summary of the net impact of these transactions is included with Attachment 1.

City's net position was approximately \$5 million favourable at the end of the second 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. The City's year end net expenditure is forecasted to be on budget, however winter events in late 2017 are uncertain and will need to be monitored for their potential impact on the final year end position of the City.

Water, Wastewater and Stormwater Results

Second Quarter Water Operating Results

Water Operations gross margin was \$1.4 million greater than budget.

	Budget	Actual	Variance
	\$million	\$million	\$million
Residential Billings	16.1	14.9	(1.2)
Commercial Billings	10.4	10.0	(0.4)
Other	0.2	0.3	0.1
Less: Purchases/Treatment Charges	16.5	15.0	1.5
Less: Non-Revenue Water	2.5	1.1	1.4
Gross Margin	\$7.7	\$9.1	\$1.4
Other Revenues	\$0.9	\$0.6	(\$0.3)

- Residential and commercial water sales for the second quarter ended lower than budget by 7.5% and 3.8% respectively due to wetter than normal weather.
- As a result of decreased sales, Regional water purchases (direct cost) were lower than budgeted.
- Non-Revenue Water (NRW) was lower than budgeted due to a decrease in charges on the Region bill. The City and Region are investigating to determine reasons for the lower than expected NRW.

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Water Operations expenditures before Lifecycle Contributions were \$1.0 million less than budgeted. Lifecycle Contributions were \$2.1 million greater than budgeted.

	Budget	Actual	Variance
	\$million	\$million	\$million
Maintenance and Installation Cost	2.3	1.7	0.6
General Administration	2.6	2.2	0.4
Joint Service Costs	0.3	0.3	0.0
Lifecycle Contribution	3.4	5.5	(2.1)
	\$8.7	\$9.8	(\$1.1)

- Maintenance and Installation Costs ended lower by 26.1% due to timing of work for activities such as main repairs, hydrant inspections, water service repairs and meter installations and lower than expected water main breaks to date.
- General Administration costs were lower by 15.4% due to timing delay in planned training, professional fees, gapping associated with the Backflow Prevention Coordinator position and vehicle lease expenses.

City's net lifecycle contribution was \$2.1 million greater than budgeted at the end of the second quarter.

Second Quarter Wastewater Operating Results

Wastewater Operations gross margin was \$1.4 million greater than budget.

	Budget	Actual	Variance
	\$million	\$million	\$million
Residential Billings	20.2	18.8	(1.4)
Commercial Billings	13.3	13.1	(0.2)
Other	0.2	0.2	0.0
Less: Purchases/Treatment Charges	23.3	22.5	0.8
Less: Non-Revenue Water	3.5	1.3	2.2
Gross Margin	\$6.9	\$8.3	\$1.4
Other Revenues	\$0.4	\$0.3	(\$0.1)

- Residential Billings for the first quarter are trending 6.9% lower than budget due to wetter than normal weather. Wastewater billing is based on water consumption and therefore trending is very similar to water consumption.
- As a result, treatment charges (direct cost) were lower than budgeted. The City and Region are investigating to determine reasons for the lower than expected Non-Revenue Water.

Wastewater Operations expenditures before Lifecycle Contributions were \$0.4 million less than budgeted. Lifecycle Contributions were \$1.7 million greater than budgeted.

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	Budget \$million	Actual \$million	Variance \$million
Maintenance and Installation Cost	1.8	1.7	0.1
General Administration	1.3	1.0	0.3
Joint Service Costs	0.2	0.2	0.0
Lifecycle Contribution	4.0	5.7	(1.7)
	\$7.3	\$8.6	(\$1.3)

- General Administration costs were lower by 23.1% due to timing delay in planned training and professional fees.

City's net lifecycle contribution was \$1.7 million greater than budgeted at the end of the second quarter.

Second Quarter Stormwater Operating Results

Stormwater Operations gross margin was \$8.9 million less than budgeted.

	Budget \$million	Actual \$million	Variance \$million
Residential Billings	4.0	1.4	(2.6)
Commercial Billings	8.1	1.8	(6.3)
Gross Margin	\$12.1	\$3.2	(\$8.9)
Other Revenues	\$0.2	\$0.1	(\$0.1)

- Stormwater billing was planned to start in April, but did not start until mid June. The stormwater billing cycle takes approximately 8 weeks and will be completed in August. As a result, revenue was lower than budgeted in the second quarter. Total billings are expected to be complete by the end of the third quarter.
- Total billing revenues are expected to be lower than budgeted due to changes that have occurred to assumptions originally used to build the stormwater charge.

Stormwater Operations expenditures before Lifecycle Contributions were \$1 million less than budgeted. Due to the timing of billings noted above, Lifecycle Contributions were \$8.0 million lower than budgeted.

	Budget \$million	Actual \$million	Variance \$million
Maintenance and Installation Cost	1.2	1.1	0.1
General Administration	1.9	1.1	0.8
Joint Service Costs	0.3	0.2	0.1
Lifecycle Contribution	8.9	0.9	8.0
	\$12.3	\$3.3	\$9.0

- General Administration costs were lower by 42.1% due to gapping associated with new staff including a WWWW Enforcement Officer, Water Resource Analyst, Program Manager and Project Manager (all hired by the end of Q2).

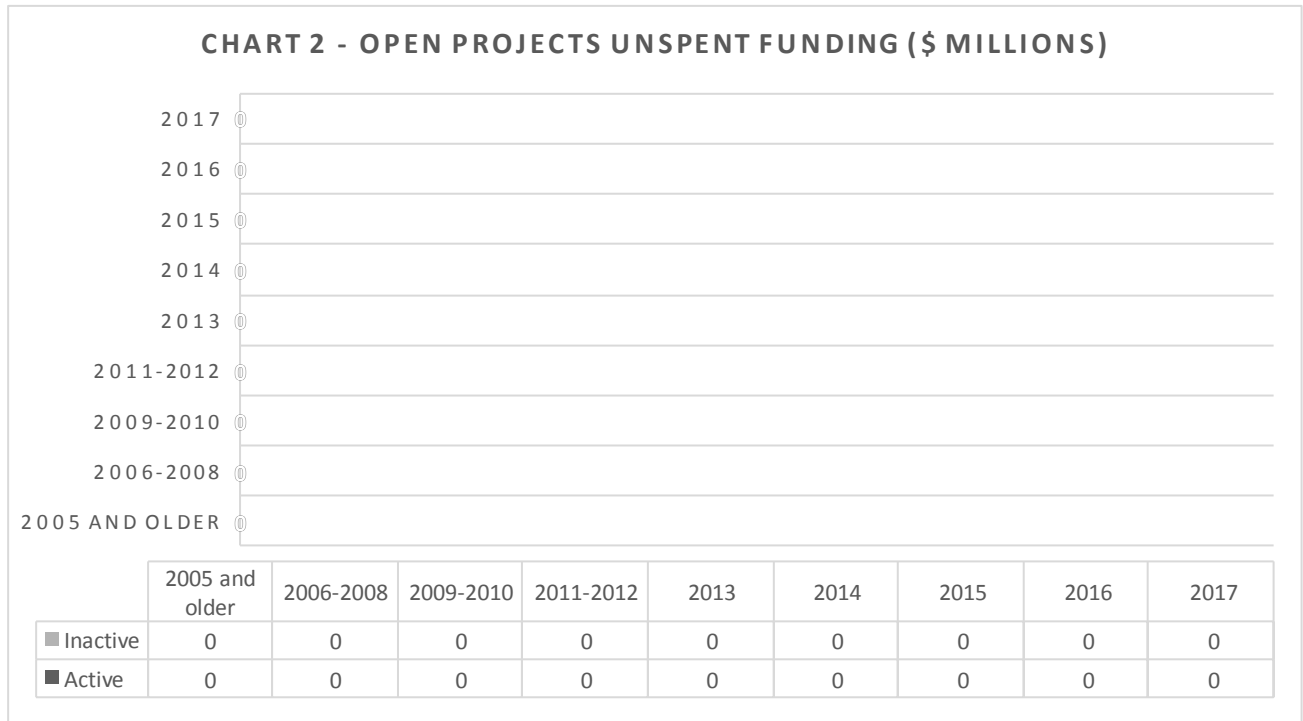
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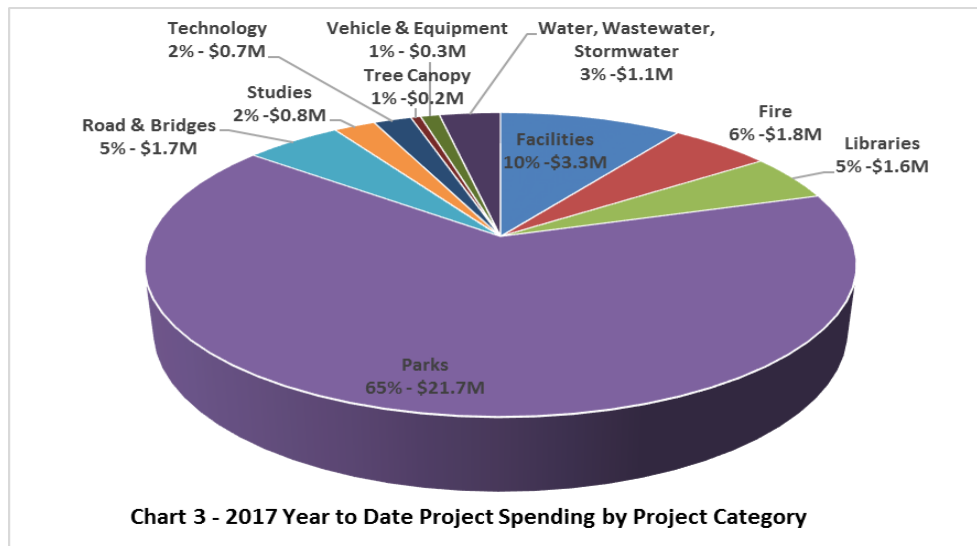
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CAPITAL BUDGET RESULTS

As at June 30, 2017, there were 712 open capital projects with \$322 million of available budget remaining. The open projects were made up of 542 active projects and 170 inactive projects (refer to next page). The open project unspent funding breakdown by year is illustrated in the chart 2 below.



During the first half year of 2017, \$33.2 million was spent on capital projects, 58.5 per cent of which was for the purchase of parkland in Block 30 and Block 59. The chart 3 below illustrates the breakdown of funds spent by project category during the second quarter:



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In the 2017 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2017. At the end of the second quarter, approximately 11 per cent of this forecasted spend was accomplished. As construction season continues through the summer and fall months, and more billing from the spring is processed, it is expected that capital expenditure will rise.

The semi-annual Term of Council Service Excellence Strategy Map Progress Report will continue to provide an update on the status of key activities for the projects that have been identified as a key support to the initiatives in 2017.

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

Inactive Projects and Closed Projects

Of the 710 open capital projects, there are 170 projects that are considered inactive. Inactive projects comprise 24 per cent of the total open projects, equating to 20 per cent of the total unspent funds of \$322 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 170 open inactive projects is as follows:

Classification	Number of Projects	Amount (\$million)
DC repayment agreement in place	23	30.3
Completed - Under Warranty/Maintenance	45	8.6
Project on Hold	29	10.3
Project Deferred	26	5.7
Completed - Waiting for final invoices	12	3.4
Completed - to be closed	33	4.1
Project cancelled	2	0.1
Grand Total	170	\$62.5

Of the total \$62.5 million unspent funds from inactive projects, \$30 million (representing 48%) is held for projects that have development charge repayment agreements in place and will be paid out and closed in accordance with those agreements. Staff will be analyzing the status of projects on hold and projects deferred, and accordingly will develop action plans to return funding commitments back to the funding sources, to repurpose the project scope, or to advance the project.

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

Departments closed 25 projects in the second quarter of 2017, returning \$0.7 million to reserves. The table below summarizes the number of projects closed in each Portfolio/Office:

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Portfolio/Office	Number of Closed Projects	Amount Returned to Reserves
Community Services	3	\$38,027
Office Chief Financial Officer	1	\$0
Office City Clerk	1	\$8,311
Office Transformation and Strategy	1	\$1
Planning and Growth Management	12	\$478,939
Public Works	7	\$210,058
Totals	25	\$735,336

A complete list of Closed Projects is enclosed as Attachment 3.

Capital Budget Amendments

For capital projects for which a budget amendment was required, departments brought to Committee a report outlining the request for the amendment. There were also instances in which there was pre-existing Council approval to process repayments as funds became available in reserves.

The following table summarizes these budget amendments that were processed during the second quarter:

From	To	Supporting Document/Report	Amount
DC - City Wide Public Works	BY-9540-16 Animal Control Vehicle	May 16 FAA R5 I5	\$42,000
Special Area Charge - Woodlots	DI-0018-17 SADC-D13 - Woodlot Acquisition Block 11	Agreement	\$467,900
DC - City Wide Park Development	PK-6305-15 North Maple Regional Park	CW R15 I1	\$700,000
Contribution from Corporate Partnership Program	PK-6305-15 Toril Park Improvement	May 1 FAA R5 I6	\$50,000
Recreation Land Reserve	RL-0019-17 Block 30 Parkland Acquisition	Legal Agreement	\$171,278

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 and a summary of these changes be incorporated into the quarterly reporting process.

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From	To	Amount
BF-8476-15 Building Upgrades to Meet AODA Requirements	BF-8479-15 Restoration and Renovation of Kleinberg United Church	\$150,000.00
CM-2526-16 Service Excellence	SE-0077-16 Digital Strategy	\$114,355.57
CM-2526-16 Service Excellence	SE-0083-16 Service Excellence Communication Plan	\$1,500.00
FL-5460-14 PKS-Additional Small Equipment	FL-5439-14 PKS-3/4 ton crew cab pickup	\$1,149.06
FL-5505-15 PW-RDS-Additional Small Equipment	FL-5463-14 PW-RDS-2 ton 4x4 dump truck	\$322.70
FR-3616-17 Fire Prevention Vehicle Replacement	FR-3589-17 Replace 7981 Training Van	\$6,540.00

Continuity Schedule of Reserves and Reserve Funds

\$ millions	Opening Balance	Revenues	Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
Obligatory Reserves						
City-Wide Development Charges	\$247.8	\$48.5	\$3.2	\$293.2	\$136.5	\$156.7
Area Specific Development Charges	\$1.2	\$0.7	(\$6.4)	\$8.3	\$15.1	(\$6.8)
Restricted Grant	\$27.1	\$0.3	(\$0.0)	\$27.4	\$30.9	(\$3.5)
Other	\$95.5	\$10.7	\$21.9	\$84.4	\$3.4	\$81.0
Subtotal	\$371.6	\$60.2	\$18.6	\$413.3	\$185.8	\$227.5
Discretionary Reserves						
Infrastructure	\$170.8	\$11.8	\$6.1	\$176.6	\$69.4	\$107.2
Sustainability	\$34.5	\$7.6	\$3.1	\$39.0	\$0.3	\$38.7
Capital from Taxation	\$17.2	\$7.5	\$1.8	\$22.9	\$22.1	\$0.8
Corporate	\$17.4	\$0.2	\$0.2	\$17.5	\$0.5	\$17.0
Special Purpose	\$6.7	\$0.1	\$0.1	\$6.7	\$13.4	(\$6.8)
Subtotals	\$246.7	\$27.2	\$11.2	\$262.7	\$105.8	\$156.9
Totals	\$618.3	\$87.5	\$29.8	\$676.0	\$291.7	\$384.3

Note – numbers may not add due to rounding

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At the end of the second quarter, the reserve balance before commitments was \$676.0 million. A net reserve activity of \$291.7 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of June 30, 2017 was \$384.3 million, of which \$227.5 million was for obligatory reserves and \$156.9 million was in discretionary reserves.

Development Charges collected in the first half of 2017 equated to \$47.2 million, with interest earned on reserve balances making up the difference in revenues. Future Development Charge collections are not included in the above forecast. As part of the Financial Sustainability project, staff will be working with consultants to develop a Development Charge forecast for future collections. As this information becomes available, it will be incorporated into the reserves forecast.

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

Comments from the Chief Financial Officer/City Treasurer

The City's tax and rate based operating results are tracking positively comparing to the budget. Staff is forecasting 2017 year-end actual to be on budget, however winter events in late 2017 are uncertain and will need to be monitored for their potential impact on the final year end position of the City.

As at June 30, 2017, the City's discretionary reserve ratio was 0.86 which exceeds the internal policy mandate of 0.50. Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. The Fiscal Health Report will continue to evolve to 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 June 30, 2017, the City was in an overall favourable position. 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 – Second Quarter Financial Summary
2. City Operating – Portfolio/Office Summary

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Report prepared by:

Maggie Wang, MBA, CPA, CGA, A.I.M.A.
Manager, Corporate Financial Planning & Analysis

Sean Skinkle
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.)



memorandum

C 2
COMMUNICATION

FAA - September 20/2017
ITEM - 4

DATE: September 5, 2017

TO: Mayor and Members of Council

FROM: Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer
Stephen Collins, Deputy City Manager, Public Works

RE: **Update on Clean Water and Wastewater Fund grant to the City of Vaughan**
(Related to: Finance, Administration and Audit Committee, Item 4, Fiscal Health Report – Year to date for period ending June 30, 2017)

Purpose

To provide Council with a status update on the Clean Water and Wastewater Fund (CWWF) grants received and to notify Council of budget amendments approved by the City Manager over the summer hiatus related to the grant projects.

Background

The City received notices on June 25 and July 28, 2017 from the Ministry of Infrastructure indicating that all 34 projects submitted for the CWWF had been approved for funding and may begin immediately.

The total eligible cost approved was \$27.80 million, of which \$13.90 million was to be funded from the Federal CWWF program contribution, \$6.95 million was to be funded from the Provincial CWWF contribution and the remaining \$6.95 million was to be funded by the City.

Pursuant to the requirement of the Clean Water and Wastewater Fund, the CWWF Transfer Payment Agreement was executed by the Mayor and the City Clerk, as per the authority provided in June 28, 2016 Council Resolution.

Analysis

Projects must be complete with all costs incurred prior to March 31, 2018. Where need is demonstrated, up to 40% of costs can extend beyond March 31, 2018. Extension beyond March 31, 2018 requires pre-approval by the Provincial and the Federal Governments; staff has submitted a request for timeline extension for applicable projects and are awaiting pre-approval. The successful completion of the projects and the associated project payments may require the City to review departmental workloads and reprioritize work plans.

In response to the grant funding received, the 2017 Capital Budget needed to be amended to fulfill CWWF grant requirements and to execute the agreement. Amendments were required for all 34 projects with the type of amendment falling into one of three categories.

1. New projects - The addition of unapproved capital projects in the amount of \$8,787,138, awarded through the CWWF program, to the 2017 Capital Budget;
2. Increase of funding, in the amount of \$2,115,646, to existing projects and/or;
3. Change of funding source allocation for an existing project



memorandum

Prior to this budget amendment, \$22.9 million was already approved in existing capital projects, of which \$20.9 million was to be funded from City own funding sources and \$1.95 million from Gas Tax. With the CWWF grant funding awarded, the City has now been afforded with an opportunity to take on additional projects that otherwise would not have taken place in the immediate future due to funding constraints. The total amended project amount is \$33.8 million of which \$20.6 million is to be funded from grants. As a result of funding reallocation, \$9.9 million of commitments can be released from various reserve accounts, while the Sewer Reserve will be drawn down by an additional \$0.25 million.

Funding Analysis of CWWF Awarded Projects			
Funding Source	Existing Budget, 2017 and Prior Years	Revised Budget	Funding Release (Funding Required)
Stormwater Reserve	\$3,014,561	\$2,679,250	\$335,311
Water Reserve	\$13,483,500	\$7,532,890	\$5,950,610
Sewer Reserve	\$239,804	\$489,720	(\$249,916)
CWDC-Engineering	\$3,511,257	\$1,581,945	\$1,929,313
Roads Reserve	\$679,800	\$0	\$679,800
Gas Tax	\$1,950,200	\$935,000	\$1,015,200
Federal Contribution		13,708,734.49	
Provincial Contribution		6,854,367.73	
Totals	\$22,879,122	\$33,781,906	\$9,660,318

Given the aggressive timelines required to deliver these projects within the grant requirement dates, staff believed it was imperative that budgets be amended over the summer hiatus to allow for necessary procurement to begin. The 2017 Capital Budget Amendment, detailed in Appendix A, has been approved by the City Manager under the authority provided by Section 8D of the Capital (Work Continuance provision).

Throughout the summer months staff from several Departments across the City have worked quickly and diligently to ensure the smooth delivery of this CWWF funded infrastructure. Budgets have been appropriately established, procurement plans have been developed and project management teams have been identified.

Respectfully,

Laura Mirabella-Siddall
Chief Financial Officer and City Treasurer

Stephen Collins
Deputy City Manager, Public Works



memorandum

Copy: Daniel Kostopoulos, City Manager

John MacKenzie, Deputy City Manager, Planning and Growth Management

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

Dean Ferraro, Director, Financial Services / Deputy City Treasurer

Jennifer Rose, Director, Environmental Services

Jack Graziosi, Director, Infrastructure Delivery

Andrew Pearce, Director, Development Engineering and Infrastructure Planning

Memo Authored by: Maggie Wang, Manager, Corporate Financial Planning and Analysis

Project CWWF Award Information				Existing Budget		Budget Amendment		Funding Sources						
Unique Project ID	Project Title	Project Description	Total Eligible Cost	Existing Capital Project	Approved Budget Amount	New Budget Ask	Budget Increase	Total Revised Budget Amount	Fed Grant	Provincial Grant	City Funding	City Funding Source	Gas Tax2	Total Funding
VAU-001	Oakbank Pond Aeration System: to improve water quality and pond environment.	Retrofit and upgrade the aeration system in Oakbank Pond. Oakbank Pond is a self contained pond that receives over land run runoff from the surrounding neighbourhood. The pond supports various amphibians and wildlife, due to urbanization pressures the pond requires aeration to promote and sustain pond health. Oakbank pond covers 18,000 sq.m. Install an aeration device to improve environmental sustainability of the pond	\$103,000.00			\$117,947.40	\$0.00	\$117,947.40	\$51,500.00	\$25,750.00	\$40,697.40	Stormwater	0	117,947.40
VAU-002	Bulk Water Stations (4) Automated Billing System Retrofit	Retrofittng and upgrade of the controls and automated billing system on the existing four (4) bulk water filling stations. Bulk water access is required to support the City-wide building boom and to minimize water theft and non-revenue water	\$300,000.00			\$343,536.20	\$0.00	\$343,536.20	\$150,000.00	\$75,000.00	\$118,536.20	Water	0	343,536.20
VAU-003	City of Vaughan Distribution Watermain Condition Assessment Utilizing Various Technologies	A strategy to address watermain condition assessment using technologies such as, but not limited to: Hydrovac, regular excavations, non-destructive technologies including electromagnetic baseline inspections, CCTV inspection, Pressure Transient Monitoring and other emerging technologies.	\$600,000.00			\$687,072.20	\$0.00	\$687,072.20	\$300,000.00	\$150,000.00	\$137,072.20	Water	0	687,072.20
VAU-004	Detailed Design for the Edgley Pond Improvements in the Vaughan Metropolitan Centre (VMC) and Phase 1 Implementation	Design of required improvements to the City's existing storm water management pond North-east corner of Jane Street & Hwy 7. The Pond is located at 7850 Jane Street North Pond coordinates = 618734.488 / 4850418.87. Redevelopment of Edgley Pond and Park, as part of the Black Creek corridor renewal, is important to moving development in Vaughan's new downtown forward. The goal of this project is to create a signature public destination that provides innovative sustainable stormwater management, highlights historic and cultural value of the area, incorporates active and passive recreation and advances Vaughan's city-building efforts in light of the significant transit investments in the downtown. The project will involve an extensive consultation with stakeholders, landowners, agencies, and the public. The detailed design process will be developed over 2017 and early 2018. Edgley Pond and Park Phase 1 Implementation is scheduled to start in Q2 of 2018 with an end date of March 2019. The goal of Phase 1 Implementation is to advance the initial construction works of the pond that include mobilization, site preparation, major earthworks, dewatering and site servicing among other construction tasks.	\$3,292,158.00	DT-7121-13	\$2,867,257.00	\$0.00	\$791,056.00	\$3,658,313.00	\$1,646,079.00	\$823,039.50	\$1,189,194.50	DC-Engineering	0	3,658,313.00
VAU-005	Black Creek Renewal Class Environmental Assessment	Class EA Study required as a follow-up to the Black Creek Optimization Master Plan Class EA. Study will look at Alternative design concepts and a preferred solution for the required creek improvements between Highway 7 and Highway 407 on the east side of Jane St. South-east corner of Jane Street & Hwy 7 (along east side of Jane Street, south of Hwy 7 to Hwy 407) Nearest address Jane Street to Jane Street. The creek runs from 7725 Jane Street to 7581 Jane Street South Pond coordinates = 618783.861 / 4850244.679	\$335,000.00	DT-7058-11	\$644,000.00	\$0.00	\$0.00	\$644,000.00	\$167,500.00	\$83,750.00	\$392,750.00	DC-Engineering	0	644,000.00
VAU-006	City of Vaughan Replacement of Out Calibration Residential, Commercial and Institutional Water Meters	Program to identify and replace residential, commercial and institutional water meters that do not meet the American Waterworks Association (AWWA) Industry standard specifications of plus/minus 1.5% accuracy and can't be calibrated in the field. Residential watermeters - 3000 nos. , (IC)Industrial, Commercial and Institutional watermeters -600 nos.	\$2,000,000.00			\$2,290,240.70	\$0.00	\$2,290,240.70	\$1,000,000.00	\$500,000.00	\$790,240.70	Water	0	2,290,240.70

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Project CWWF Award Information				Existing Budget		Budget Amendment			Funding Sources					
Unique Project ID	Project Title	Project Description	Total Eligible Cost	Existing Capital Project	Approved Budget Amount	New Budget Ask	Budget Increase	Total Revised Budget Amount	Fed Grant	Provincial Grant	City Funding	City Funding Source	Gas Tax2	Total Funding
VAU-007	Investigation and Design of 15 culverts in the northern rural areas - City Wide	Investigation and Design of various culverts in preparation for the replacement/rehabilitation of 15 existing corrugated steel pipe culverts which are located in the northern rural areas of the City of Vaughan. The existing corrugated steel pipes have deteriorated and may impact their ability to convey the desired storm water during a major storm event as well as to protect the structural integrity of the roadway.	\$113,300.00			\$129,742.20	\$0.00	\$129,742.20	\$56,650.00	\$28,325.00	\$44,767.20	Stormwater	0	129,742.20
VAU-008	Repair and Rehabilitation of Pump Stations and Booster Station	The City of Vaughan is completing a Condition Assessment of our older wastewater lift stations and water pumping stations. The recommendations from the Assessment will identify equipment and process improvements, develop a comprehensive maintenance program to augment our existing program, repair/replacement and capital improvement program.	\$570,000.00			\$652,718.60	\$0.00	\$652,718.60	\$285,000.00	\$142,500.00	\$225,218.60	Stormwater	0	652,718.60
VAU-009	Maplewood Booster Station Controls Upgrades	Upgrade of controls to include variable speed drive's (VFD's) to improve pumps pressure control, starts and stops, eliminate water hammer and save on electricity.	\$150,000.00			\$171,768.10	\$0.00	\$171,768.10	\$75,000.00	\$37,500.00	\$59,268.10	Wastewater	0	171,768.10
VAU-010	Pressure District Assessment and District Metering Area Strategy for Non-Revenue Water Reduction	A program to provide a strategy for the implementation of DMA's (District Metering Areas) for the reduction of non-revenue water. The existing pressure districts/zones will be reviewed as part of this study in order to develop a strategy and make recommendations on future improvements. Major growth in the distribution system and increases in non-revenue water have driven this project.	\$400,000.00			\$458,048.20	\$0.00	\$458,048.20	\$200,000.00	\$100,000.00	\$158,048.20	Water	0	458,048.20
VAU-011	Smart Water Metering - City Wide Advanced Metering Infrastructure (AMI) Implementation	A program to identify and replace existing water meters with AMI compatible water meters including implementation of associated AMI infrastructure. Objectives of the program to include: - Analytics / reporting system for timely customer service. - Address non-revenue water and district meter areas to lower and measure unaccounted for water. - A smart meter system will allow customers to view their up to date consumption and billing info which promotes conservation and wise use of water. - Provide a customer-focused solution which enhances abilities to identify leaks, water quality and/or safety issues - Determine the most cost effective method to deliver smart metering and associated technologies - Enhance accuracy of water meter billing (eg. hard to read meters and estimated reads)	\$750,000.00			\$858,840.30	\$0.00	\$858,840.30	\$375,000.00	\$187,500.00	\$296,340.30	Water	0	858,840.30
VAU-012	Non-Revenue Water (NRW) Assessment and Reduction Recommendations	A report identifying area gaps in measurement and water loss with capital and financial recommendations. The 2017 budget for unmetered (non-revenue) water is at 13.00% or approximately \$14 M. The non-revenue water (NRW) can be broken down as: -apparent losses – customer meter degradation; -real losses – leakage on mains, service connections; and -unbilled consumption – fire suppression, main flushing and maintenance.	\$270,000.00			\$309,182.50	\$0.00	\$309,182.50	\$135,000.00	\$67,500.00	\$106,682.50	Water	0	309,182.50
VAU-013	Development of Corrosion Control Strategy and Implementation of Pilot Area	Development of a strategy to address corrosion within the watermain distribution system which may include, but not limited to, measures such as cathodic protection, anode protection, deno wrap, geotechnical investigation and other new technologies. The chosen method to address corrosion will be applied on a pilot area to test effectiveness.	\$400,000.00			\$458,048.20	\$0.00	\$458,048.20	\$200,000.00	\$100,000.00	\$158,048.20	Water	0	458,048.20

8/24/2017

Project CWWF Award Information				Existing Budget		Budget Amendment			Funding Sources					
Unique Project ID	Project Title	Project Description	Total Eligible Cost	Existing Capital Project	Approved Budget Amount	New Budget Ask	Budget Increase	Total Revised Budget Amount	Fed Grant	Provincial Grant	City Funding	City Funding Source	Gas Tax2	Total Funding
VAU-014	Rehabilitation of Four Stormwater Ponds to Restore Design Volumes and Efficiencies as follows:Fairfax Pond, Larissa Pond, Awa Park Pond and Exchange Way Pond	Removal of accumulated sediment to improve functionality of the stormwater ponds. Sediment removal also improves water quality in receiving watershed. Given that a majority of the targeted ponds are in commercial and light industrial locations there will be a strong likelihood that the pond cleanouts will be extremely beneficial in improving the surrounding watersheds.	\$500,000.00			\$572,560.20	\$0.00	\$572,560.20	\$250,000.00	\$125,000.00	\$197,560.20	Water	0	\$772,560.20
VAU-015	Citywide Sanitary Sewer System Inflow and Infiltration Monitoring Program"	CCTV inspection of sanitary and storm sewers to inform capital asset management program.The City's 10% CCTV program is structured to investigate various areas of the City of Vaughan over a 10 year cycle. We would accelerate the program in some of our older area's where the construction material is more susceptible to hydraulic and structural issues. The additional funding requested would allow us to add 173,892 m of additional wastewater and stormwater piping to be inspected.	\$500,000.00			\$572,560.20	\$0.00	\$572,560.20	\$250,000.00	\$125,000.00	\$197,560.20	Water	0	\$772,560.20
VAU-016	Citywide Sanitary Sewer System Inflow and Infiltration Monitoring Program	Find sources of inflow and infiltration in the sanitary sewer system to support York Regions mandate from the MOECC to reduce I/I in York Region. Inflow and infiltration contribute unnecessary water to wastewater collection and treatment system resulting in higher operational costs. The City of Vaughan developed an Inflow and Infiltration Reduction Program which notes Flow Monitoring as a key component of the Program. High priority areas will be identified using the Region of York's flow monitoring data, past records of sewer surcharges and conveyance constraints, high peak flows during wet weather conditions and intensification corridors identified under the City of Vaughan's Official Plan. Flow meters and micro meters will be installed within mini basins identified high priority areas. Flow meters will be monitored and data collected will be analysed for significant inflow/infiltration occurrences. Rain Gauge data will be utilised in support of the flow monitoring program and associated data analysis.	\$200,000.00			\$229,024.10	\$0.00	\$229,024.10	\$100,000.00	\$50,000.00	\$79,024.10	Water	0	\$229,024.10
VAU-017	Update water models - update of the water distribution system hydraulic analysis model	Update the water model to perform hydraulic analysis on the water distribution system to inform the capital asset management program, optimise system efficiencies and assist development.	\$370,000.00			\$423,694.50	\$0.00	\$423,694.50	\$184,541.50	\$92,271.00	\$146,882.00	Water	0	\$423,694.50
VAU-018	Update wastewater models - update of the wastewater collection system hydraulic analysis model	Update the wastewater model to perform hydraulic analysis on the wastewater collection system to inform the capital asset management program,plimize system efficiencies and assist development.	\$370,000.00			\$423,694.50	\$0.00	\$423,694.50	\$184,541.50	\$92,271.00	\$146,882.00	Wastewater	0	\$423,694.50
VAU-019	Church Street Stormwater pumping station pump improvement	Stormwater pump requires replacement along with float system and minor electrical upgrades. Small pump size of 0.5 HP is estimated to be over 20 years old.	\$46,350.00	EV-2099-17	\$46,350.00	\$0.00	\$6,793.60	\$53,143.60	\$23,175.00	\$11,587.50	\$18,381.10	Wastewater	0	\$53,143.60
VAU-020	Rehabilitation of Sugar Bush Road Stormwater Pond to Restore Design Volumes	Removal of accumulated sediment to improve functionality of the stormwater pond. Given the significant size of this pond, cleaning of the forebay will the main focus of the clean-up. A bathymetric survey will be completed to determine the volume of sediment to be removed. The sediment will be analyzed to determine the appropriate disposal location.	\$77,250.00			\$88,460.00	\$0.00	\$88,460.00	\$38,625.00	\$19,312.50	\$30,522.50	Wastewater	0	\$88,460.00
VAU-021	Rehabilitation of Fossil Hill Pond Stormwater Pond to Restore Design Volumes	Removal of accumulated sediment to improve functionality of the stormwater pond. A bathymetric survey will be completed to determine the volume of sediment to be removed. The sediment will be analyzed to determine the appropriate disposal location. An excavator will be utilized to temporarily stockpile sediment on site in order to allow moisture content to be reduced.	\$144,200.00	EV-2112-17	\$144,200.00	\$0.00	\$20,919.60	\$165,119.60	\$72,100.00	\$36,050.00	\$56,969.60	Wastewater	0	\$165,119.60

8/24/2017

Project CWWF Award Information				Existing Budget		Budget Amendment			Funding Sources					
Unique Project ID	Project Title	Project Description	Total Eligible Cost	Existing Capital Project	Approved Budget Amount	New Budget Ask	Budget Increase	Total Revised Budget Amount	Fed Grant	Provincial Grant	City Funding	City Funding Source	Gas Tax2	Total Funding
VAU-022	Rehabilitation/Replacement of a 975mm Corrugated Steel Pipe Culvert at 6550 King Vaughan Road, just east of Huntington Road.	Rehabilitation/Replacement of 25m of a 975mm Corrugated Steel Pipe Culvert at 6550 King Vaughan Road, just east of Huntington Road.	\$630,000.00	CD-2003-15	\$628,815.00	\$0.00	\$0.00	\$628,815.00	\$306,086.90	\$153,043.45	\$169,684.65	Stormwater	0	628,815.00
VAU-023	Retaining Wall Rehabilitation for Stormwater Management at Intersect Place (creek restoration)	Rehabilitation of the existing failed retaining wall adjacent to the concrete culvert crossing Intersect Place. The failure can be attributed to the proximity of the retaining wall to the stormwater outfall causing undermining.	\$680,000.00	CD-2025-16	\$679,800.00	\$0.00	\$0.00	\$679,800.00	\$329,475.60	\$164,737.80	\$185,586.60	Stormwater	0	679,800.00
VAU-024	Pine Valley Storm Headwall and Spillway Rehabilitations	Construction of an appropriate storm water management solution to rectify erosion and sediment deposits from the storm sewer outlet located on Pine Valley Drive, at Club House Road to protect the structural integrity of the roadway. Elements include the installation of plunge pools, weirs, check dams, rip rap & energy dissipaters.	\$500,000.00	EN-1854-13	\$1,545,000.00	\$0.00	\$0.00	\$1,545,000.00	\$250,000.00	\$125,000.00	\$1,170,000.00	Stormwater	0	1,545,000.00
VAU-025	Stormwater Management Slope Stabilization by Rehabilitating an Existing Retaining Wall along the east side of Clarence Street.	Stabilizing the existing slope on the east side of Clarence Street. Slope has failed, south of Wycliffe Avenue. The failure can be attributed to uncontrolled stormwater conveyance due to its proximity to the Humber River and the failure of an existing 2400mm culvert crossing the roadway. Consequently, there are concerns that the existing retaining wall can shift and slide into the creek. Work will rehabilitate the existing retaining wall to mitigate further stormwater erosion damage to the slope and replace the failed culvert.	\$1,500,000.00	EN-1950-13	\$600,000.00	\$0.00	\$1,296,876.80	\$1,896,876.80	\$750,000.00	\$375,000.00	\$581,876.80	Stormwater	190,000.00	1,896,876.80
VAU-026	Islington Avenue Storm Water Management Improvements	Rehabilitation/Replacement of the existing 400m corrugated steel pipe storm sewer on Islington Avenue, north of Binderwine Boulevard. Includes storm water management improvements along Islington Avenue.	\$570,000.00	ID-2036-17	\$566,500.00	\$0.00	\$0.00	\$566,500.00	\$274,414.00	\$137,207.00	\$154,879.00	Stormwater	0	566,500.00
VAU-027	Investigation and design for the rehabilitation/Replacement of the existing CSP culverts at the intersection of Kirby Road and Kipling Avenue.	Investigation and design for the rehabilitation/Replacement of the existing CSP culverts at the intersection of Kirby Road and Kipling Avenue. Replacement/Rehabilitation of existing three corrugated steel pipe culverts which are located west, east and south of the intersection at Kirby Road and Kipling Avenue. The existing corrugated steel pipes have deteriorated and may impact their ability to convey the desired storm water during a major storm event as well as to protect the structural integrity of the roadway.	\$114,000.00	CD-2020-16	\$113,300.00	\$0.00	\$0.00	\$113,300.00	\$56,650.00	\$28,325.00	\$28,325.00	Stormwater	0	113,300.00
VAU-028	Investigation and design for the Replacement/Rehabilitation of sanitary sewer on Rivermede Road	Investigation and design for the rehabilitation/Replacement of the existing 255m of 250 mm and 250m of 525mm concrete sanitary sewer on Rayette Road and 370m of 600mm concrete sanitary pipe on Rivermede Road. Existing concrete sanitary sewer has deteriorated.	\$202,465.47	EN-1971-13	\$210,200.00	\$0.00	\$0.00	\$210,200.00	\$101,232.74	\$50,616.37	\$58,350.89	Stormwater	0	210,200.00
VAU-029	Replacement of the existing 300mm ductile watermain to PVC on Centre Street from Dufferin Street to Bathurst Street.	Replacement of the existing 300mm ductile iron watermain to PVC on Centre Street from Dufferin Street to Bathurst Street. The existing iron watermain requires excessive maintenance and repairs and it is more cost effective to replace it in conjunction with the H2 - Bus Rapid Transit design and construction contract. Overall water quality will improve along with the decrease in service disruptions due to watermain breaks.	\$3,644,378.52	EN-1999-14	\$3,600,000.00	\$0.00	\$0.00	\$3,600,000.00	\$1,800,000.00	\$900,000.00	\$900,000.00	Water	0	3,600,000.00

8/24/2017

Project CWWF Award Information				Existing Budget		Budget Amendment		Funding Sources						
Unique Project ID	Project Title	Project Description	Total Eligible Cost	Existing Capital Project	Approved Budget Amount	New Budget Ask	Budget Increase	Total Revised Budget Amount	Fed Grant	Provincial Grant	City Funding	City Funding Source	Gas Tax2	Total Funding
VAU-030	Replacement of the existing ductile iron watermain (150mm and 300mm diameter) with PVC watermain on Rosnull Cr/Crofters Road/Kirkhill Place	Replacement of the existing ductile iron watermain (150mm and 300mm diameter) with PVC watermain on Rosnull Cr/Crofters Road/Kirkhill Place Rosnull Cr, Crofters Road, Kirkhill Pl Coordinates = 612555.167 / 4851551.623. Kipling Avenue Coordinates = 612673.36 / 4849347.44. Stegman's Mill Coordinates = 610510.469 / 485170.997. Villagewood Court Coordinates = 612718.654 / 4848558.771. The existing iron watermain requires excessive maintenance and repairs and it is more cost effective to replace it in conjunction with the City's road works. Overall water quality will improve along with the decrease in service disruptions due to watermain breaks.	\$2,859,959.86	CD-2016-15	\$2,991,200.00	\$0.00	\$0.00	\$2,991,200.00	\$1,429,979.93	\$714,989.96	\$846,230.11	Water	0	2,991,200.00
VAU-031	Replacement of the existing ductile iron watermain (150mm, 300mm and 400mm diameter) with PVC watermain on Andrew Park, Marilyn Place, Burton Road, North Humber Drive	Replacement of the existing ductile iron watermain (150mm, 300mm and 400mm diameter) with PVC watermain on Andrew Park, Marilyn Place, Burton Road, North Humber Drive Coordinates = 612024.914 / 4848149.044. The existing iron watermain requires excessive maintenance and repairs and it is more cost effective to replace it in conjunction with the City's road works. Overall water quality will improve along with the decrease in service disruptions due to watermain breaks.	\$3,377,956.98	CD-1920-15	\$3,869,100.00	\$0.00	\$0.00	\$3,869,100.00	\$1,189,978.49	\$594,489.24	\$1,340,632.27	Water	\$745,000.00	3,869,100.00
VAU-032	Replacement of the existing ductile iron watermain (150mm and 300mm diameter) with PVC watermain on Planche Road, Balsallie Road	Replacement of the existing ductile iron watermain (150mm and 300mm diameter) with PVC watermain on Planche Road, Balsallie Road Coordinates = 620065.821 / 4853089.544. McKenzie Street Coordinates = 613051.469 / 4848299.982	\$1,822,189.26	CD-2019-15	\$3,240,400.00	\$0.00	\$0.00	\$3,240,400.00	\$911,094.63	\$455,547.31	\$1,873,758.06	Water	0	3,240,400.00
VAU-033	Investigation, analysis and design of the Watermain rehabilitation/replacement Program for 2018	The investigation, preliminary design and detailed design for the replacement of the existing ductile iron watermain (150mm and 300mm diameter) with PVC watermain on Gaudaur Road, Hanlan Road, Pearce Road, Scholes Road Coordinates = 616273.272 / 4847311.926. Major Mackenzie Drive Coordinates = 617383.196 / 4856087.524	\$708,629.16	CD-2002-16	\$566,500.00	\$0.00	\$0.00	\$566,500.00	\$283,055.10	\$141,527.55	\$141,917.35	Water	0	566,500.00
VAU-034	Investigation, analysis and design of the Watermain rehabilitation/replacement Program for 2019	The investigation, preliminary design and detailed design for the replacement of the existing ductile iron watermain (150mm, 200mm and 300mm diameter) with PVC watermain on Ayrton Cr, Chaworth Cr, Crofters Rd, Paddington Rd, Woburn Dr Coordinates = 612405.442 / 4851756.503. Costa Rd, Creditstone Rd, Doughton Rd, Freshway Rd, Killaloe Rd (300mm WM) Coordinates = 619298.147 / 4849582.825. Clark Ave Coordinates = 625660.42 / 4851465.318. Steeles Ave @ CP Track	\$708,629.16	CD-2027-17	\$566,500.00	\$0.00	\$0.00	\$566,500.00	\$283,055.10	\$141,527.55	\$141,917.35	Water	0	566,500.00
			\$27,809,466.41	\$0.00	\$22,879,122.00	\$4,787,138.10	\$2,115,646.00	\$33,781,906.10	\$13,708,734.49	\$4,854,367.73	\$12,780,837.88		\$935,000.00	\$33,781,906.10

8/24/2017

FISCAL HEALTH REPORT – YEAR TO DATE FOR PERIOD ENDING JUNE 30, 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 – Year to Date for the Period Ending June 30, 2017 be received.

Contribution to Sustainability

Periodic review of the corporation's fiscal health and financial position supports financial sustainability.

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.

The City's property tax based budget ended the second quarter in a favorable position of approximately \$5 million. This is mainly due to timing differences between actual and budgeted revenue/expenditures. Staff will continue to work with departments to monitor their budgets, identify potential pressures and determine a plan of action to mitigate downside risk. The water and wastewater gross margin ended the second quarter in a favourable position of \$1.4 million each; the stormwater gross margin ended the second quarter in an unfavourable position of \$8.9 million, mainly because Stormwater billing was planned to start in April, but did not start until mid-June. Further discussion regarding the contributing factors that resulted in these second quarter results is contained within the body of this report.

During the 2017 budget process, \$114.4 million in additional capital funding was approved. Combined with the remaining \$202.7 million in open capital project funding at the end of 2016, the city began 2017 with 738 open projects and \$317.1 million in capital funding. There has been \$33 million in capital expenditures on projects during the first half year, of which \$14 million was spent in the second quarter of 2017. As construction season proceeds through late spring, summer and fall, capital expenditures are expected to increase through the remainder of the year.

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 year to date period ending June 30, 2017.

Background – Analysis and Options

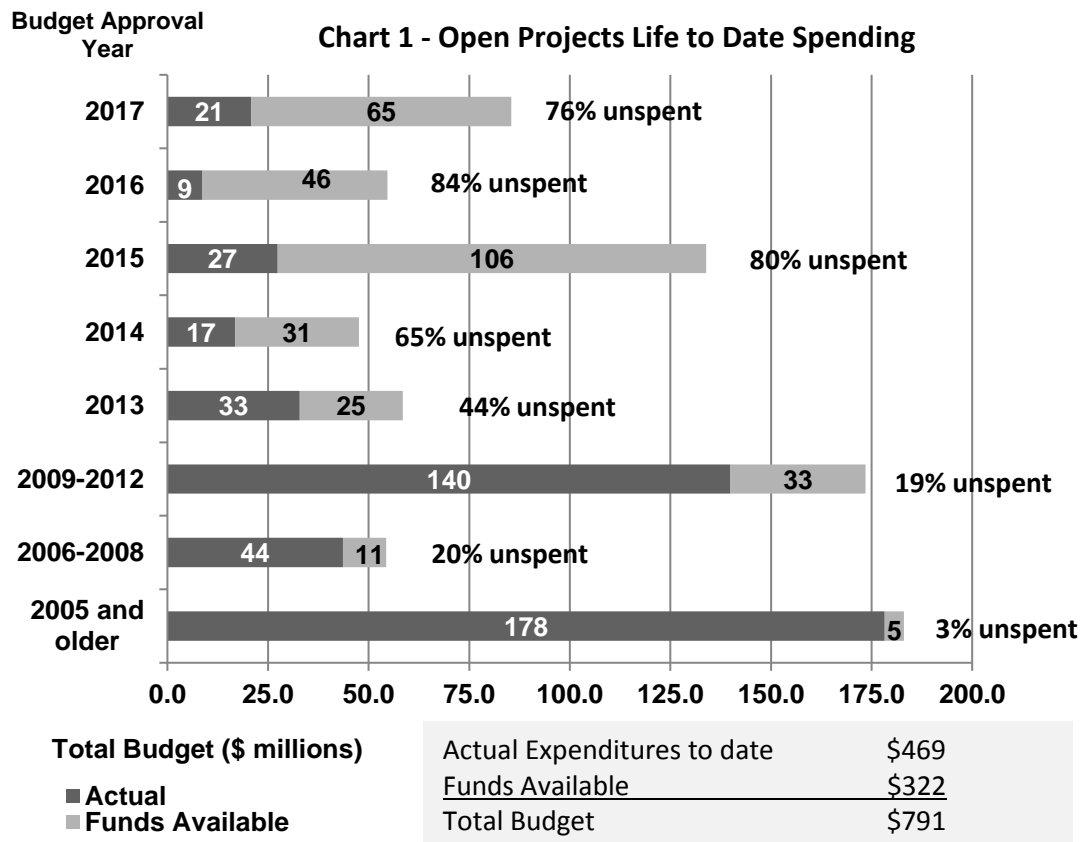
The attached fiscal health report compares annual actual city operating, water, wastewater and stormwater operations and capital results as of June 30, 2017, relative to approved budgets and on the same basis as the budget. It should be noted the full amortization of tangible capital assets and post-retirement benefits are excluded while transfers to and from reserves and net debenture financing requirements are included.

Summary

OPERATING RESULTS – YEAR TO DATE PERIOD ENDING JUNE 30, 2017

	Budget \$million	Actual \$million	Variance \$million
Property Tax Based Budget			
Revenues	197.7	197.0	(0.7)
Expenditures	148.0	142.3	5.7
Net	\$49.7	\$54.7	\$5.0
Water Rate Based Budget			
Revenues	27.6	25.8	(1.8)
Expenditures	27.6	25.8	1.8
Net	\$0.0	\$0.0	\$0.0
Wastewater Rate Based Budget			
Revenues	34.1	32.4	(1.7)
Expenditures	34.1	32.4	1.7
Net	\$0.0	\$0.0	\$0.0
Stormwater Charge Based Budget			
Revenues	12.3	3.3	(9.0)
Expenditures	12.3	3.3	9.0
Net	\$0.0	\$0.0	\$0.0

CAPITAL RESULTS – OPEN PROJECTS LIFE TO DATE ENDING JUNE 30, 2017



Discussion

OPERATING BUDGET RESULTS

Overall, City Revenues were under budget by \$0.7 million

	Budget \$million	Actual \$million	Variance \$million	% Change
Department Revenues	23.5	24.3	0.8	3.4%
Corporate Revenues	8.7	9.0	0.3	3.4%
Reserve Transfers	7.7	5.9	(1.8)	(23.4%)
Taxation	157.9	157.9	0.0	0%
Total Revenues	\$197.7	\$197.0	(\$0.7)	

Note – numbers may not add due to rounding

- Department Revenues were 3 per cent greater than budget, primarily because of higher than expected volume of development applications.
- Corporate Revenues were 4 per cent higher than budgeted revenues, this is mainly due to a higher than budgeted shareholder dividend from Vaughan Holdings investment in Alectra Inc.
- Reserve transfers for Building Standards and Development Engineering & Infrastructure Planning were 23% less than budgeted, as these department expenditures were less than planned, because the related expenditures were less than planned due to vacancies.

City expenditures were \$5.7 million less than planned

	Budget \$million	Actual \$million	Variance \$million	% Change
Service Contracts & Materials	18.0	16.2	1.8	10.0%
Labour	83.1	81.8	1.3	1.6%
Insurance	5.4	3.5	1.9	35.2%
Utilities & Fuel	5.3	4.6	0.7	13.2%
Other	15.3	13.8	1.5	10.5%
Capital Related	20.9	22.5	(1.6)	(11.9%)
Total Expenditures	\$148.0	\$142.3	\$5.7	

Note – numbers may not add due to rounding

- Service contract and material costs were 10 per cent less than budget. This is primarily attributed to timing delays in Development Engineering & Infrastructure Planning relating to service connection contractor services. It is expected that this will gradually increase to be back on budget throughout the year.
- Utilities and fuel costs were 13 per cent less than budget, primarily due to timing differences of invoices that have not yet come in for the quarter. Utility and fuel remains forecasted to end on budget for 2017.
- Capital related operating expenditures were 12 per cent greater than budget because the majority of debenture principal and interest payments were incurred in the first half of the year.
- Labour costs were 2 per cent less than budget as the savings from vacancies exceeded the corporate vacancies target. This was primarily attributable to general turnover vacancies and new complement positions that were not yet filled. Departments will continue to exercise prudent vacancy management while working with Human Resources to recruit and fill the vacant positions. Partially offsetting these savings were increased expenditures in overtime and part time labour.

- Insurance was 35 per cent less than budget due to savings realized from an RFP that was awarded towards the end of 2016 (Finance, Administration and Audit Committee, Report 10, Item 2). At year-end, any insurance related savings will be allocated to the insurance reserve to mitigate future volatility in insurance related costs.
- Other expenditures were 10 per cent less than budget. Staff is forecasting this savings will be reversed as more invoices are expected to come in the second half of the year.

Attachment 2 provides commentary at the Portfolio/Office level.

Risks and Pressures

While the City's own source revenue is on track to be on budget for 2017, some internal reserve transfers were not realized as budgeted due to lower related expenditures. Staff will continue to monitor revenue performance during Q3 and Q4.

Winter maintenance costs, specifically salt usage, may add pressure on the City's 2017 operating budget in Q4 based on recent trends experienced in the number and severity of salting events in the 4th quarter of previous years. Staff will be monitoring operating results and are implementing a salt management plan to help address potential future forecasted cost pressures driven by salt usage.

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, Report 16, Item 1):

Departments		Description	Amount transferred between Departments (\$)
From:	To:		
Contingency	Office of the Chief Corporate Initiatives & Intergovernmental Affairs	To reallocate the budget to facilitate a due diligence review on the proposed amalgamation of the OSA and OSC.	\$30,828
Contingency	Lobbyist Registrar	To reallocate the budget associated with the implementation of the Lobbyist Registrar.	\$250,000

A summary of the net impact of these transactions is included with Attachment 1.

City's net position was approximately \$5 million favourable at the end of the second 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. The City's year end net expenditure is forecasted to be on budget, however winter events in late 2017 are uncertain and will need to be monitored for their potential impact on the final year end position of the City.

Water, Wastewater and Stormwater Results

Second Quarter Water Operating Results

Water Operations gross margin was \$1.4 million greater than budget.

	Budget \$million	Actual \$million	Variance \$million
Residential Billings	16.1	14.9	(1.2)
Commercial Billings	10.4	10.0	(0.4)
Other	0.2	0.3	0.1
Less: Purchases/Treatment Charges	16.5	15.0	1.5
Less: Non-Revenue Water	2.5	1.1	1.4
Gross Margin	\$7.7	\$9.1	\$1.4
Other Revenues	\$0.9	\$0.6	(\$0.3)

- Residential and commercial water sales for the second quarter ended lower than budget by 7.5% and 3.8% respectively due to wetter than normal weather.
- As a result of decreased sales, Regional water purchases (direct cost) were lower than budgeted.
- Non-Revenue Water (NRW) was lower than budgeted due to a decrease in charges on the Region bill. The City and Region are investigating to determine reasons for the lower than expected NRW.

Water Operations expenditures before Lifecycle Contributions were \$1.0 million less than budgeted. Lifecycle Contributions were \$2.1 million greater than budgeted.

	Budget \$million	Actual \$million	Variance \$million
Maintenance and Installation Cost	2.3	1.7	0.6
General Administration	2.6	2.2	0.4
Joint Service Costs	0.3	0.3	0.0
Lifecycle Contribution	3.4	5.5	(2.1)
	\$8.7	\$9.8	(\$1.1)

- Maintenance and Installation Costs ended lower by 26.1% due to timing of work for activities such as main repairs, hydrant inspections, water service repairs and meter installations.
- General Administration costs were lower by 15.4% due to timing delay in planned training, professional fees, gapping associated with the Backflow Prevention Coordinator position and vehicle lease expenses.

City's net lifecycle contribution was \$2.1 million greater than budgeted at the end of the second quarter.

Second Quarter Wastewater Operating Results

Wastewater Operations gross margin was \$1.4 million greater than budget.

	Budget	Actual	Variance
	\$million	\$million	\$million
Residential Billings	20.2	18.8	(1.4)
Commercial Billings	13.3	13.1	(0.2)
Other	0.2	0.2	0.0
Less: Purchases/Treatment Charges	23.3	22.5	0.8
Less: Non-Revenue Water	3.5	1.3	2.2
Gross Margin	\$6.9	\$8.3	\$1.4
Other Revenues	\$0.4	\$0.3	(\$0.1)

- Residential Billings for the first quarter are trending 6.9% lower than budget due to wetter than normal weather. Wastewater billing is based on water consumption and therefore trending is very similar to water consumption.
- As a result, treatment charges (direct cost) were lower than budgeted. The City and Region are investigating to determine reasons for the lower than expected Non-Revenue Water.

Wastewater Operations expenditures before Lifecycle Contributions were \$0.4 million less than budgeted. Lifecycle Contributions were \$1.7 million greater than budgeted.

	Budget	Actual	Variance
	\$million	\$million	\$million
Maintenance and Installation Cost	1.8	1.7	0.1
General Administration	1.3	1.0	0.3
Joint Service Costs	0.2	0.2	0.0
Lifecycle Contribution	4.0	5.7	(1.7)
	\$7.3	\$8.6	(\$1.3)

- General Administration costs were lower by 23.1% due to timing delay in planned training and professional fees.

City's net lifecycle contribution was \$1.7 million greater than budgeted at the end of the second quarter.

Second Quarter Stormwater Operating Results

Stormwater Operations gross margin was \$8.9 million less than budgeted.

	Budget	Actual	Variance
	\$million	\$million	\$million
Residential Billings	4.0	1.4	(2.6)
Commercial Billings	8.1	1.8	(6.3)
Gross Margin	\$12.1	\$3.2	(\$8.9)
Other Revenues	\$0.2	\$0.1	(\$0.1)

- Stormwater billing was planned to start in April, but did not start until mid June. The stormwater billing cycle takes approximately 8 weeks and will be completed in August. As a result, revenue was lower than budgeted in the second quarter. Total billings are expected to be complete by the end of the third quarter.
- Total billing revenues are expected to be lower than budgeted due to changes that have occurred to assumptions originally used to build the stormwater charge.

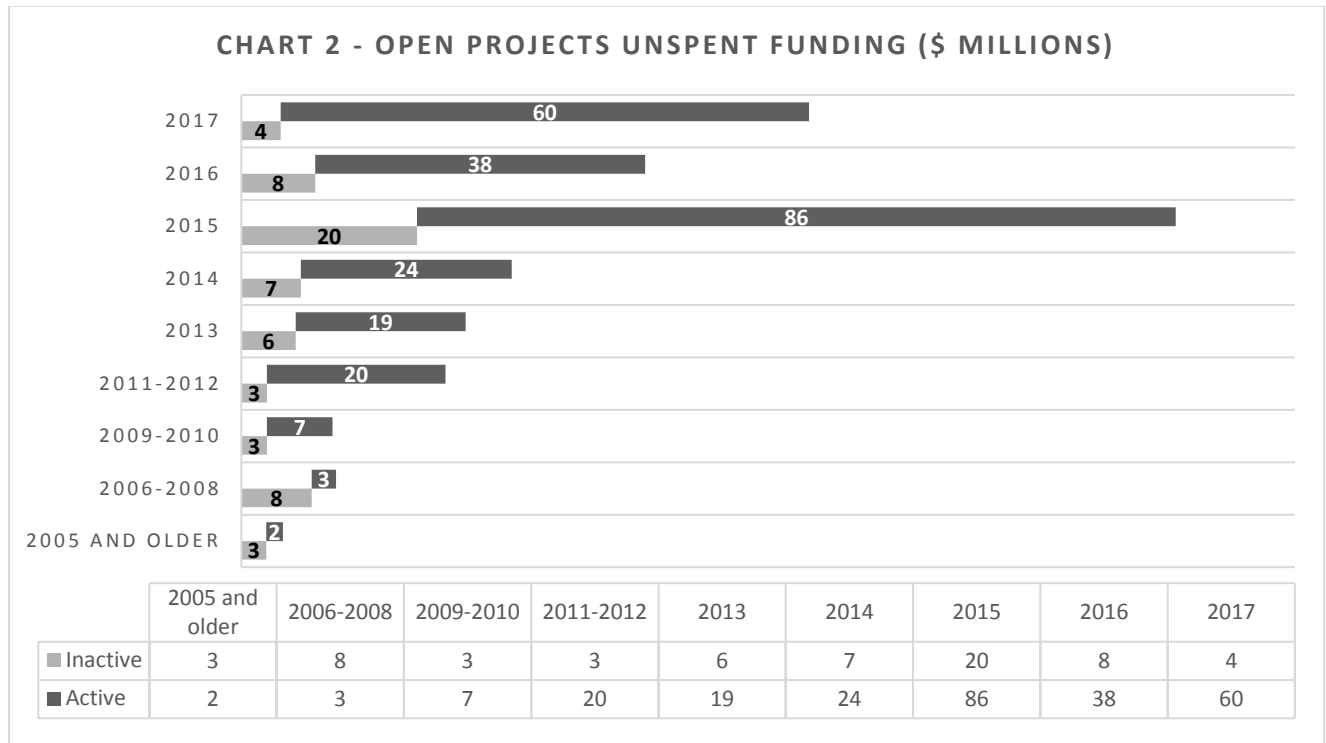
Stormwater Operations expenditures before Lifecycle Contributions were \$1 million less than budgeted. Due to the timing of billings noted above, Lifecycle Contributions were \$8.0 million lower than budgeted.

	Budget	Actual	Variance
	\$million	\$million	\$million
Maintenance and Installation Cost	1.2	1.1	0.1
General Administration	1.9	1.1	0.8
Joint Service Costs	0.3	0.2	0.1
Lifecycle Contribution	8.9	0.9	8.0
	\$12.3	\$3.3	\$9.0

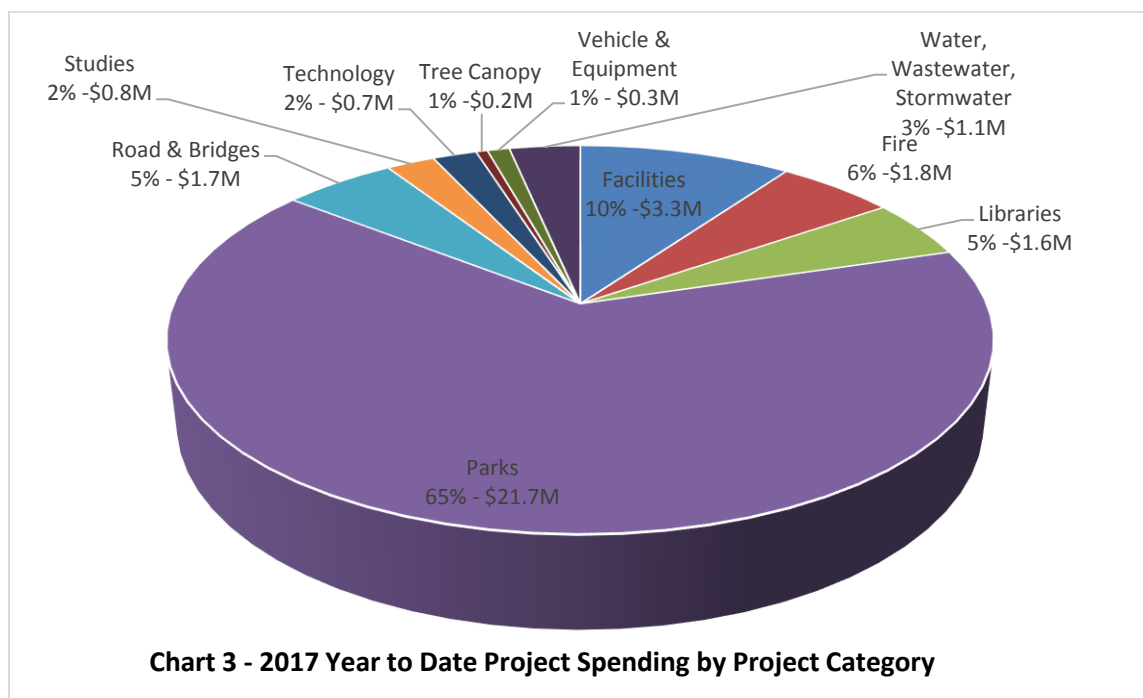
- General Administration costs were lower by 42.1% due to gapping associated with new staff including a W/WW Enforcement Officer, Water Resource Analyst, Program Manager and Project Manager (all hired by the end of Q2).

CAPITAL BUDGET RESULTS

As at June 30, 2017, there were 712 open capital projects with \$322 million of available budget remaining. The open projects were made up of 542 active projects and 170 inactive projects (refer to next page). The open project unspent funding breakdown by year is illustrated in the chart 2 below.



During the first half year of 2017, \$33.2 million was spent on capital projects, 58.5 per cent of which was for the purchase of parkland in Block 30 and Block 59. The chart 3 below illustrates the breakdown of funds spent by project category during the first quarter:



During the 2017 budget process, departments identified that \$157 million in capital expenditures would be processed throughout 2017. At the end of the second quarter, approximately 11 per cent of this forecasted spend was accomplished. As construction season continues through the summer and fall months, and more billing from the spring is processed, it is expected that capital expenditure will rise.

The semi-annual Term of Council Service Excellence Strategy Map Progress Report will continue to provide an update on the status of key activities for the projects that have been identified as a key support to the initiatives in 2017.

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

Inactive Projects and Closed Projects

Of the 710 open capital projects, there are 170 projects that are considered inactive. Inactive projects comprise 24 per cent of the total open projects, equating to 20 per cent of the total unspent funds of \$322 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 170 open inactive projects is as follows:

Classification	Number of Projects	Amount (\$million)
DC repayment agreement in place	23	30.3
Completed - Under Warranty/Maintenance	45	8.6
Project on Hold	29	10.3
Project Deferred	26	5.7
Completed - Waiting for final invoices	12	3.4
Completed - to be closed	33	4.1
Project cancelled	2	0.1
Grand Total	170	\$62.5

Of the total \$62.5 million unspent funds from inactive projects, \$30 million (representing 48%) is held for projects that have development charge repayment agreements in place and will be paid out and closed in accordance with those agreements. Staff will be analyzing the status of projects on hold and projects deferred, and accordingly will develop action plans to return funding commitments back to the funding sources, to repurpose the project scope, or to advance the project.

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

Departments closed 25 projects in the second quarter of 2017, returning \$0.7 million to reserves. The table below summarizes the number of projects closed in each Portfolio/Office:

Portfolio/Office	Number of Closed Projects	Amount Returned to Reserves
Community Services	3	\$38,027
Office Chief Financial Officer	1	\$0
Office City Clerk	1	\$8,311
Office Transformation and Strategy	1	\$1
Planning and Growth Management	12	\$478,939
Public Works	7	\$210,058
Totals	25	\$735,336

A complete list of Closed Projects is enclosed as Attachment 3.

Capital Budget Amendments

For capital projects for which a budget amendment was required, departments brought to Committee a report outlining the request for the amendment. There were also instances in which there was pre-existing Council approval to process repayments as funds became available in reserves.

The following table summarizes these budget amendments that were processed during the second quarter:

From	To	Supporting Document/Report	Amount
DC - City Wide Public Works	BY-9540-16 Animal Control Vehicle	May 16 FAA R5 I5	\$42,000
Special Area Charge - Woodlots	DI-0018-17 SADC-D13 - Woodlot Acquisition Block 11	Agreement	\$467,900
DC - City Wide Park Development	PK-6305-15 North Maple Regional Park	CW R15 I1	\$700,000
Contribution from Corporate Partnership Program	PK-6305-15 Toril Park Improvement	May 1 FAA R5 I6	\$50,000
Recreation Land Reserve	RL-0019-17 Block 30 Parkland Acquisition	Legal Agreement	\$171,278

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 and a summary of these changes be incorporated into the quarterly reporting process.

From	To	Amount
BF-8476-15 Building Upgrades to Meet AODA Requirements	BF-8479-15 Restoration and Renovation of Kleinberg United Church	\$150,000.00
CM-2526-16 Service Excellence	SE-0077-16 Digital Strategy	\$114,355.57
CM-2526-16 Service Excellence	SE-0083-16 Service Excellence Communication Plan	\$1,500.00
FL-5460-14 PKS-Additional Small Equipment	FL-5439-14 PKS-3/4 ton crew cab pickup	\$1,149.06
FL-5505-15 PW-RDS-Additional Small Equipment	FL-5463-14 PW-RDS-2 ton 4x4 dump truck	\$322.70
FR-3616-17 Fire Prevention Vehicle Replacement	FR-3589-17 Replace 7981 Training Van	\$6,540.00

Continuity Schedule of Reserves and Reserve Funds

\$ millions	Opening Balance	Revenues	Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
Obligatory Reserves						
City-Wide Development Charges	\$247.8	\$48.5	\$3.2	\$293.2	\$136.5	\$156.7
Area Specific Development Charges	\$1.2	\$0.7	(\$6.4)	\$8.3	\$15.1	(\$6.8)
Restricted Grant	\$27.1	\$0.3	(\$0.0)	\$27.4	\$30.9	(\$3.5)
Other	\$95.5	\$10.7	\$21.9	\$84.4	\$3.4	\$81.0
Subtotal	\$371.6	\$60.2	\$18.6	\$413.3	\$185.8	\$227.5
Discretionary Reserves						
Infrastructure	\$170.8	\$11.8	\$6.1	\$176.6	\$69.4	\$107.2
Sustainability	\$34.5	\$7.6	\$3.1	\$39.0	\$0.3	\$38.7
Capital from Taxation	\$17.2	\$7.5	\$1.8	\$22.9	\$22.1	\$0.8
Corporate	\$17.4	\$0.2	\$0.2	\$17.5	\$0.5	\$17.0
Special Purpose	\$6.7	\$0.1	\$0.1	\$6.7	\$13.4	(\$6.8)
Subtotals	\$246.7	\$27.2	\$11.2	\$262.7	\$105.8	\$156.9
Totals	\$618.3	\$87.5	\$29.8	\$676.0	\$291.7	\$384.3

Note – numbers may not add due to rounding

At the end of the second quarter, the reserve balance before commitments was \$676.0 million. A net reserve activity of \$291.7 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of June 30, 2017 was \$384.3 million, of which \$227.5 million was for obligatory reserves and \$156.9 million was in discretionary reserves.

Development Charges collected in the first half of 2017 equated to \$47.2 million, with interest earned on reserve balances making up the difference in revenues. Future Development Charge collections are not included in the above forecast. As part of the Financial Sustainability project, staff will be working with consultants to develop a Development Charge forecast for future collections. As this information becomes available, it will be incorporated into the reserves forecast.

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

Comments from the Chief Financial Officer/City Treasurer

The City's tax and rate based operating results are tracking positively comparing to the budget. Staff is forecasting 2017 year-end actual to be on budget, however winter events in late 2017 are uncertain and will need to be monitored for their potential impact on the final year end position of the City.

As at June 30, 2017, the City's discretionary reserve ratio was 0.86 which exceeds the internal policy mandate of 0.50. Staff will continue to monitor the financial health of the organization and provide advice and guidance to departments as necessary. The *Fiscal Health Report* will continue

to evolve to 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 June 30, 2017, the City was in an overall favourable position. 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 – Second Quarter Financial Summary
2. City Operating – Portfolio/Office Summary

Report prepared by:

Maggie Wang, MBA, CPA, CGA, A.I.M.A.
Manager, Corporate Financial Planning & Analysis

Sean Skinkle
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

2017 City Operating Budget

Property Tax Based Budget Fiscal Position as of June 30, 2017

CITY OF VAUGHAN
2017 City Operating Budget
Fiscal Position as of June 30, 2017
REVENUE / EXPENDITURE SUMMARY

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV)		\$	%
				\$	%	\$	%
TAXATION	182,886,336	157,852,722	157,852,722	0	0.0%	25,033,614	13.7%
SUPPLEMENTAL TAXATION	3,200,000	0	0	0	0.0%	3,200,000	100.0%
GRANT / PAYMENT IN LIEU	2,725,200	750,000	746,116	-3,884	-0.5%	1,979,084	72.6%
RESERVES AND OTHER TRANSFERS	19,119,237	7,699,986	5,876,398	-1,823,588	-23.7%	13,242,839	69.3%
FEES AND SERVICE CHARGES	50,104,353	23,501,094	24,282,188	781,094	3.3%	25,822,165	51.5%
CORPORATE	20,321,755	7,906,774	8,287,857	381,083	4.8%	12,033,898	59.2%
PRIOR YEAR'S SURPLUS CARRYFORWARD	0	0	0	0	0.00%	0	0.0%
TOTAL REVENUES	278,356,881	197,710,576	197,045,281	-665,295	-0.3%	81,311,600	29.2%
EXPENDITURES:							
DEPARTMENTAL	249,678,373	127,088,281	116,566,884	10,521,397	8.3%	133,111,489	53.3%
RESERVE CONTRIB. & CORP. EXP.	10,332,642	11,081,539	12,680,874	-1,599,335	-14.4%	(2,348,232)	-22.7%
LONG TERM DEBT	10,050,751	2,928,065	5,667,663	-2,739,598	-93.6%	4,383,088	43.6%
CONTINGENCY	924,614	-458,617	52,915	-511,532	111.5%	871,699	94.3%
CAPITAL FROM TAXATION	7,370,501	7,370,501	7,370,501	0	0.0%	0	0.0%
TOTAL EXPENDITURES	278,356,881	148,009,769	142,338,838	5,670,931	3.8%	136,018,043	48.9%
EXCESS OF REVENUES OVER EXPENDITURES	0	49,700,807	54,706,443	5,005,636	10%		

CITY OF VAUGHAN
2017 City Operating Budget
Fiscal Position as of June 30, 2017
June 30, 2017

REVENUE BY MAJOR SOURCE

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$ %		\$ %	
TAXATION							
Supplementals	3,200,000	0	0	0 0.0%		3,200,000	100.0%
GRANT							
Library Grant	145,200	0	1,356	1,356 0.0%		143,844	99.1%
PAYMENT IN LIEU / OTHER							
Payment In Lieu / Other	2,580,000	750,000	744,760	-5,240 -0.7%		1,835,240	71.1%
RESERVES AND OTHER TRANSFERS							
Engineering Reserve	7,243,440	3,621,720	2,972,299	-649,421 -17.9%		4,271,141	59.0%
Roads Infrastructure Reserve	0	0	0	0 0.00%		0	0.0%
By-Election Cost	0	0	0	0 0.00%		0	0.0%
Inauguration Sponsorship	0	0	0	0 0.00%		0	0.0%
Election Cost	148,270	74,136	0	-74,136 -100.0%		148,270	100.0%
CIL Recreation Land Reserve	924,000	462,000	462,000	0 0.0%		462,000	50.0%
Administrative Recovery from Capital	1,500,000	750,000	239,279	-510,721 -68.1%		1,260,721	84.0%
Fleet Management Reserve (Vehicle Replacement)	0	0	0	0 0.00%		0	0.0%
Planning Reserve	0	0	0	0 0.0%		0	0.0%
Building Standards Service Continuity Reserve	3,095,721	1,557,860	932,296	-625,564 -40.2%		2,163,425	69.9%
Insurance Reserve	0	0	2,755	2,755 0.00%		(2,755)	0.0%
Employer Benefit Reserve	18,770	18,770	18,770	0 0.0%		0	0.0%
Tax Rate Stabilization Reserve	0	0	0	0 0.0%		0	0.0%
Working Capital Reserve	0	0	0	0 0.0%		0	0.0%
Working Capital Reserve	2,408,036	0	0	0 0.0%		2,408,036	100.0%
Debtenture Payment Reserve	1,350,000	0	0	0 0.00%		1,350,000	0.0%
Winterization Reserve	0	0	0	0 0.00%		0	0.0%
Water & Wastewater Recovery	2,431,000	1,215,500	1,249,000	33,500 2.8%		1,182,000	48.6%
TOTAL RESERVES	19,119,237	7,699,986	5,876,398	-1,823,588 -23.7%		13,242,839	69.3%
FEES/SERVICE CHARGES							
OFFICE OF CHIEF CORPORATE INITIATIVES & INTERGOV. AFFAIRS							
Office of the Chief Corporate Initiatives & Intergovernment Affairs	318,766	158,483	21,000	-137,483 -86.7%		297,766	93.4%
Economic Development & Culture Services	50,936	25,194	41,758	16,564 65.7%		9,178	18.0%
	369,702	183,677	62,758	-120,919 -65.8%		306,944	83.0%
OFFICE OF TRANSFORMATION & STRATEGY	262,374	131,188	140,930	9,742 7.4%		121,444	46.3%
CORPORATE COMMUNICATIONS	0	0	0	0 0.00%		0	0.0%
OFFICE OF THE CITY CLERK							
Clerks	249,498	131,284	142,642	11,358 8.7%		106,856	42.8%
Committee Of Adjustment	766,528	413,227	417,134	3,907 0.9%		349,395	45.6%
TOTAL OFFICE OF THE CITY CLERK	1,016,026	544,511	559,775	15,264 2.8%		456,251	44.9%
OFFICE OF THE CFO/CITY TREASURER							
Tax Certificates And Documents	829,621	390,904	643,455	252,551 64.6%		186,166	22.4%
Cashiering Services	54,635	0	28,138	28,138 0.00%		26,498	48.5%
Financial Planning & Development Finance	387,255	193,629	199,623	5,994 3.1%		187,632	48.5%
Procurement Services	58,200	23,607	36,933	13,326 56.4%		21,267	36.5%
TOTAL OFFICE OF THE CFO/CITY TREASURER	1,329,711	608,140	908,148	300,008 49.3%		421,563	31.7%
Office of the Chief Human Resources Officer	0	0	8,720	8,720 0.00%		(8,720)	0.0%
OFFICE OF THE CITY SOLICITOR	344,109	164,863	29,154	-135,709 -82.3%		314,955	91.5%
OFFICE OF DEPUTY CITY MANAGER COMMUNITY SERVICES							
Community Grants & Advisory Committees	0	0	0	0 0.0%		0	0.0%
Recreation Services	20,328,550	8,592,690	8,330,101	-262,589 -3.1%		11,998,449	59.0%
Community Development & Events	610,400	402,505	589,639	187,134 46.5%		20,761	3.4%
Facility Maintenance Services	309,590	159,882	158,715	-1,167 -0.7%		150,875	48.7%
Fire And Rescue Services	907,603	316,972	414,904	97,932 30.9%		492,699	54.3%
By-Law, Compliance, Licensing and Permits	3,923,159	2,162,396	2,252,147	89,751 4.2%		1,671,012	42.6%
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	26,079,302	11,634,445	11,745,505	111,060 1.0%		14,333,797	55.0%
OFFICE OF DEPUTY CITY MANAGER PLANNING & GROWTH MANAGEMENT							
Development Planning	5,735,016	2,882,656	3,781,666	899,010 31.2%		1,953,350	34.1%
Development Eng & Infrastructure Planning	843,252	416,261	265,152	-151,109 -36.3%		578,100	68.6%
Policy Planning & Environmental Sustainability	697,818	367,158	136,027	-231,131 -63.0%		561,791	80.5%
Parks Development	273,500	136,750	66,181	-70,569 -51.6%		207,319	75.8%
Building Standards - Licenses/Permits	8,941,551	4,347,101	4,592,149	245,048 5.6%		4,349,402	48.6%
- Plumbing Permits	749,624	364,883	301,482	-63,401 -17.4%		448,142	59.8%
- Service Charges	754,941	391,165	371,151	-20,014 -5.1%		383,790	50.8%
TOTAL DEPUTY CITY MANAGER PLANNING & GROWTH MANAGEMENT	17,995,702	8,905,974	9,513,808	607,834 6.8%		8,481,894	47.1%

CITY OF VAUGHAN
2017 City Operating Budget
Fiscal Position as of June 30, 2017
June 30, 2017

REVENUE BY MAJOR SOURCE

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
OFFICE OF DEPUTY CITY MANAGER PUBLIC WORKS							
Infrastructure Delivery	258,479	129,240	12,634	-116,606	-90.2%	245,845	95.1%
Environmental Services	1,386,608	692,155	695,213	3,058	0.4%	691,395	
Fleet Management	0	0	0	0	0.00%	0	0.0%
Trans Serv and Parks & Forestry Ops	556,905	257,232	324,029	66,797	26.0%	232,876	41.8%
Cemeteries	107,535	53,210	92,531	39,321	73.9%	15,004	14.0%
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	2,309,527	1,131,837	1,124,407	-7,430	-0.7%	1,185,120	51.3%
VAUGHAN PUBLIC LIBRARIES	397,900	196,459	188,983	-7,476	-3.8%	208,917	52.5%
TOTAL FEES / SERVICE CHARGES	50,104,353	23,501,094	24,282,188	772,373	3.3%	25,830,886	51.6%
TOTAL CORPORATE REVENUES	20,321,755	7,906,774	8,287,857	381,083	4.8%	12,047,402	59.3%
TOTAL REVENUE	95,470,545	39,857,854	39,192,558	-674,016	-1.7%	56,300,211	59.0%
CORPORATE REVENUE DETAIL :							
Fines And Penalties	5,200,000	2,429,503	2,336,872	-92,631	-3.8%	2,863,128	55.1%
Investment Income	2,500,000	955,531	727,033	-228,498	-23.9%	1,772,967	70.9%
Powerstream Investment Income	4,700,000	2,350,000	1,963,400	-386,600	-16.5%	2,736,600	58.2%
Powerstream Dividends	7,420,020	1,855,005	2,346,533	491,528	26.5%	5,073,487	68.4%
Miscellaneous Revenue	170,000	0	256,630	256,630	0.00%	(86,630)	-51.0%
Sale of Fixed Assets	30,000	15,000	43,504	28,504	190.0%		
Mayor's Gala/Golf Classic	301,735	301,735	613,885	312,150	103.5%	(312,150)	-103.5%
TOTAL CORPORATE REVENUE	20,321,755	7,906,774	8,287,857	381,083	4.8%	12,047,402	59.3%

**CITY OF VAUGHAN
2017 City Operating Budget**

June 30, 2017

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
COUNCIL	1,678,920	918,586	683,323	235,263	25.6%	995,597	59.3%
OFFICE OF THE INTEGRITY COMMISSIONER	559,323	432,155	153,891	278,264	64.4%	405,432	72.5%
INTERNAL AUDIT	567,057	267,384	228,177	39,207	14.7%	338,880	59.8%
CITY MANAGER	597,741	300,757	283,378	17,379	5.8%	314,363	52.6%
OFFICE OF THE CHIEF CORPORATE INITIATIVES & INTERGOV. AFFAIRS							
Office of the Chief Corporate Initiatives & Intergovernmental Affairs	853,926	441,055	265,005	176,050	39.9%	588,921	69.0%
Economic Development & Culture Services	2,183,839	1,046,689	834,966	211,723	20.2%	1,348,873	61.8%
	3,037,765	1,487,744	1,099,971	387,773	26.1%	1,937,794	63.8%
OFFICE OF TRANSFORMATION & STRATEGY	991,668	501,287	388,539	112,748	22.5%	603,129	60.8%
OFFICE OF CORPORATE COMMUNICATIONS	1,338,895	669,932	654,384	15,548	2.3%	684,511	51.1%
OFFICE OF THE CHIEF INFORMATION OFFICER	10,917,807	5,955,534	5,308,052	647,482	10.9%	5,609,755	51.4%
Office of the City Clerk	5,399,019	2,636,117	2,613,653	22,464	0.9%	2,785,366	51.6%
City Clerk - Insurance	6,494,467	5,607,473	3,704,967	1,902,506	33.9%	2,789,500	43.0%
Committee of Adjustment	639,855	317,851	251,258	66,593	21.0%	388,597	60.7%
Council Corporate	99,573	46,160	27,261	18,899	40.9%	72,312	72.6%
TOTAL OFFICE OF THE CITY CLERK	12,632,914	8,607,601	6,597,139	2,010,462	23.4%	6,035,775	47.8%
Office of the Chief Financial Officer/City Treasurer	530,908	269,649	186,475	83,174	30.8%	344,433	64.9%
Financial Services	3,637,664	1,842,947	1,669,578	173,369	9.4%	1,968,086	54.1%
Financial Planning & Development Finance	3,448,071	1,717,040	1,579,808	137,232	8.0%	1,868,263	54.2%
Procurement Services	2,281,402	1,164,329	1,018,427	145,902	12.5%	1,262,975	55.4%
TOTAL OFFICE OF THE CFO/CITY TREASURER	9,898,045	4,993,965	4,454,289	539,676	10.8%	5,443,756	55.0%
Office of Deputy City Manager Legal & Human Resources	326,023	163,240	166,902	-3,662	-2.2%	159,121	48.8%
Office of the City Solicitor	2,793,664	1,410,448	1,084,321	326,127	23.1%	1,709,343	61.2%
Office of the Chief Human Resources Officer	4,466,762	2,370,120	2,257,036	113,084	4.8%	2,209,726	49.5%
TOTAL DEPUTY CITY MANAGER LEGAL & HR	7,586,449	3,943,808	3,508,259	435,549	11.0%	4,078,190	53.8%
Office of Deputy City Manager Community Services	587,987	324,850	229,249	95,601	29.4%	358,738	61.0%
Community Grants & Advisory Committees	70,333	37,817	29,075	8,742	23.1%	41,258	58.7%
Access Vaughan	1,254,595	617,628	610,294	7,334	1.2%	644,301	51.4%
Recreation Services	20,944,259	9,598,986	8,887,860	711,126	7.4%	12,056,399	57.6%
Community Development & Events	1,670,338	883,920	1,106,294	-222,374	-25.2%	564,044	33.8%
Facility Maintenance Services	21,931,119	10,148,292	9,617,057	531,235	5.2%	12,314,062	56.1%
Fire and Rescue Services	48,265,316	23,670,721	23,606,841	63,880	0.3%	24,658,475	51.1%
Emergency Planning	209,492	103,364	108,505	-5,141	-5.0%	100,987	48.2%
By-Law, Compliance, Licensing & Permits	7,301,237	3,637,636	3,147,119	490,517	13.5%	4,154,118	56.9%
TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES	102,234,676	49,023,214	47,342,293	1,680,921	3.4%	54,892,383	53.7%
Office of Deputy City Manager Planning & Growth Management	565,315	287,211	273,351	13,860	4.8%	291,964	51.6%
Development Planning	4,478,286	2,234,584	1,954,575	280,009	12.5%	2,523,711	56.4%
Development Eng & Infrastructure Planning	6,579,076	3,294,360	2,229,414	1,064,946	32.3%	4,349,662	66.1%
Policy Planning & Environmental Sustainability	2,495,426	1,259,632	954,416	305,216	24.2%	1,541,010	61.8%
Parks Development	1,753,620	874,407	938,972	-64,565	-7.4%	814,648	46.5%
Building Standards	8,812,203	4,386,409	3,822,932	563,477	12.8%	4,989,271	56.6%
TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT	24,683,926	12,336,603	10,173,660	2,162,943	17.5%	14,510,266	58.8%
Office of Deputy City Manager Public Works	474,137	241,066	217,404	23,662	9.8%	256,733	54.1%
Corporate Asset Management	442,305	220,210	220,270	-60	0.0%	222,035	50.2%
Fleet Management	2,785,044	1,417,141	1,366,832	50,309	3.6%	1,418,212	50.9%
Infrastructure Delivery	3,302,924	1,552,580	1,421,432	131,148	8.4%	1,881,492	57.0%
Environmental Services	11,126,931	5,454,894	5,209,453	245,441	4.5%	5,917,478	53.2%
Trans Serv and Parks & Forestry Ops	36,945,304	18,731,537	17,847,811	883,726	4.7%	19,097,493	51.7%
TOTAL DEPUTY CITY MANAGER PUBLIC WORKS	55,076,645	27,617,428	26,283,201	1,334,227	4.8%	28,793,444	52.3%
VAUGHAN PUBLIC LIBRARIES	17,876,542	10,032,283	9,408,328	623,955	6.2%	8,468,214	47.4%
TOTAL DEPARTMENTAL EXPENDITURES	249,678,373	127,088,281	116,566,884	10,521,397	8.3%	133,111,489	53.3%

CITY OF VAUGHAN
2017 City Operating Budget

June 30, 2017

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
RESERVE CONTRIBUTIONS & CORP. EXP.	10,332,642	11,081,539	12,680,874	-1,599,335	-14.4%	(2,348,232)	-22.7%
LONG TERM DEBT	10,050,751	2,928,065	5,667,663	-2,739,598	-93.6%	4,383,088	43.6%
CONTINGENCY	924,614	-458,617	52,915	-511,532	111.5%	871,699	94.3%
CAPITAL FROM TAXATION	7,370,501	7,370,501	7,370,501	0	0.0%	0	0.0%
TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES	278,356,881	148,009,769	142,338,838	5,670,931	3.8%	136,018,043	48.9%
(1) Expenditures are net of Hydro Joint Services Revenue and Library Joint Service Charges.							
RESERVE CONTRIBUTIONS AND CORP. EXP. DETAIL :							
RESERVE CONTRIBUTIONS:							
Bldg & Facil. Infrast. Res. Contrib.	3,427,067	3,427,067	3,427,067	0	0.0%	0	0.0%
Roads Infrastructure Reserve Contribution	446,206	446,206	446,206	0	0.0%	0	0.0%
Parks Infrastructure Reserve Contribution	1,106,163	1,106,163	1,106,163	0	0.0%	0	0.0%
Bldg Stds. Service Continuity Reserve Contribution	0	0	0	0	0.0%	0	0.0%
Election Reserve Contribution	450,000	450,000	450,000	0	0.0%	0	0.0%
Additional Vehicle Contribution	499,924	499,924	499,924	0	0.0%	0	0.0%
Fire & Rescue Contrib.	1,537,425	1,537,425	1,537,425	0	0.0%	0	0.0%
Heritage Contrib.	225,276	225,276	225,276	0	0.0%	0	0.0%
Streetscapes Contrib.	475,651	475,651	475,651	0	0.0%	0	0.0%
City Playhouse Contrib.	15,000	15,000	15,000	0	0.0%	0	0.0%
Tax Rate Stabilization Reserve Contribution	1,409,401	1,409,401	-15,600	1,425,001	101.1%	1,425,001	101.1%
ITM Reserve Contrib.	1,235,570	1,235,570	1,235,570	0	0.0%	0	0.0%
TOTAL RESERVE CONTRIBUTIONS	10,827,683	10,827,683	9,402,682	1,425,001	13.2%	1,425,001	13.2%
CORPORATE EXPENDITURES:							
Mayor's Gala/Golf Classic	301,735	301,735	403,085	-101,350	-33.6%	(101,350)	-33.6%
Bank Charges	100,000	59,869	60,002	-133	-0.2%	39,998	40.0%
Bank Investment Fees	0	0	10,300	-10,300	0.0%	(10,300)	0.0%
Professional Fees	221,860	38,732	-33,499	72,231	186.5%	255,359	115.1%
OMB Hearings, Professional Fees & Resources	1,677,875	732,415	459,581	272,834	37.3%	1,218,294	72.6%
VMC Development & Implementation	18,025	8,071	127,296	-119,225	-1477.2%	(109,271)	-606.2%
Joint Services (Payroll/Cashiering)	517,323	258,660	263,182	-4,522	-1.7%	254,141	49.1%
Sundry	0	0	-642	642	0.00%	642	0.0%
Charitable Organization Rebate	0	0	-170,286	170,286	0.0%	170,286	0.0%
City Hall Funding	0	0	0	0	0.00%	0	0.0%
Tax Adjustments	2,300,000	1,699,690	2,127,999	-428,309	-25.2%	172,001	7.5%
Amo Membership	19,800	19,800	18,630	1,170	5.9%	1,170	5.9%
Conferences	0	0	3,934	-3,934	0.00%	(3,934)	0.0%
Election	148,270	129,906	8,610	121,296	93.4%	139,660	94.2%
Transfers to/(from) Reserves	0	-95,056	0	-95,056	100.0%	0	0.0%
Corporate Reorganization	0	-2,899,966	0	-2,899,966	100.0%	(5,799,929)	100.0%
Anticipated Labour Savings	-5,799,929	-2,899,966	0	-2,899,966	100.0%	(5,799,929)	100.0%
TOTAL CORPORATE EXPENSES	-495,041	253,856	3,278,192	-3,024,336	-1191.4%	(3,773,233)	762.2%
TOTAL RESERVE CONTRIBUTIONS & CORPORATE EXP.	10,332,642	11,081,539	12,680,874	-1,599,335	-14.4%	(2,348,232)	-22.7%
LONG TERM DEBT	10,050,751	2,928,065	5,667,663	-2,739,598	-93.6%	4,383,088	43.6%
CONTINGENCY	924,614	-458,617	52,915	-511,532	111.5%	871,699	94.3%
CAPITAL FROM TAXATION	7,370,501	7,370,501	7,370,501	0	0.0%	0	0.0%

Portfolio: Community Services

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	11.69	11.75	0.06
Labour	39.33	38.49	0.84
Other Expenditures	9.73	8.85	0.88
Total Expenditures	49.06	47.34	1.72
Net	37.37	35.59	1.79

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	58	11.01
2016	35	6.78
2015	20	2.93
2014	26	1.19
2013	6	0.37
2009-2012	13	0.85
2006-2008	4	1.05
<=2005	1	0.12
Total	163	\$24.30

- Revenue for Community Events was favourable by \$0.19M driven largely by greater than expected sponsorship revenue from events such as Winterfest, Canada Day and Concerts in the Park.
- By-Law & Compliance revenues were favourable by \$0.09M due to higher than anticipated parking fine revenues.
- Recreation Services revenues were under budget by \$0.26M due to the phasing out of YRT paper ticket and pass sales.
- Labour was positive to budget driven largely by vacancies across most of the departments.
- Other Expenditures were favourable in Recreation largely due to the phasing out of YRT paper ticket and pass sales, as well as timing delays associated with these purchases.
- Facility Maintenance Services also contributed to the positive variance in Other Expenditures due to lower than budget gas expenditures.
- Work continues to progress on open capital projects across Community Services with some of the more significant work completed relating to the acquisition of a Fire Truck (Smeal Aerial) and numerous Facilities projects.

Portfolio: Legal and Human Resources

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.16	0.03	(0.13)
Labour	3.38	2.89	0.51
Other Expenditures	0.56	0.63	(0.07)
Total Expenditures	3.94	3.52	0.44
Net	3.78	3.47	0.31

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	3	0.30
2016	1	
2014	1	
2013	3	0.14
2009-2012	1	1.01
Total	9	\$1.45

- The legal and HR Portfolio net budget is tracking positively due to vacancies in Legal and Human Resources.
- A majority of capital project activity is related to real estate; specifically land acquisition activities which can result in unspent funds and vary quarter to quarter.

2017 Fiscal Health Report

Portfolio: Planning and Growth Management

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	8.90	9.51	0.61
Labour	11.61	10.15	1.47
Other Expenditures	0.72	0.02	0.70
Total Expenditures	12.33	10.17	2.16
Net	3.43	0.66	2.77

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	38	21.85
2016	36	20.17
2015	37	44.88
2014	30	6.15
2013	25	11.66
2009-2012	51	19.82
2006-2008	10	7.76
<=2005	6	4.30
Total	233	\$136.59

Planning and Growth Management has a positive operating variance for the period of Q2 year to date driven mainly by:

- Lower than budgeted labour expenditures as a result of vacancies in Development Planning and Infrastructure Planning, Building Standards, Development Planning and Policy Planning. The positions are being actively recruited and are intended to be filled over the balance of the year.
- Timing of service connection contractor services, which is expected to be corrected in Q3
- Revenues are \$0.7M below budget mainly from lower than budgeted transfers from reserves and capital funds. This negative variance is directly offset by the positive labour variance as a result of vacancies.

Work continues in Q2 on capital projects such as North Maple Regional Park Phase 1, construction in the VMC and reconstruction in a number of community parks.

There were a total of 12 projects closed in the quarter.

2017 Fiscal Health Report

Portfolio: Public Works

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	1.13	1.12	(0.01)
Labour	10.25	10.50	(0.25)
Other Expenditures	17.36	15.79	1.57
Total Expenditures	27.61	26.29	1.32
Net	26.48	25.17	1.31

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	70	30.57
2016	32	13.57
2015	49	57.78
2014	50	22.14
2013	21	12.20
2009-2012	34	11.65
2006-2008	6	1.98
<=2005	3	0.31
Total	265	\$150.21

- Public Works has a positive operating variance Q2 year to date, driven mainly by:
 - Contracts within the Transportation Services, Parks and Forestry Operations department that have been executed in Q2, but have not been paid yet (\$1M)
 - Timing of payments for hydro and fuel (\$0.4M)
- The higher than budgeted labour expenditures is mainly due to shift from external contracts to use of in-house labour in the Transportation Services, Parks and Forestry Operations department. This negative variance is offset by a positive variance in the contract services.

Work continues in Q2 on capital projects such as construction of Vellore Village South Library, Glen Shields Bridge Rehabilitation, annual road rehabilitation program, annual watermain replacement program and construction of a storm management facility.

2017 Fiscal Health Report

Office: Corporate Initiative and Intergovernmental Relations

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.18	0.06	(0.12)
Labour	1.2	0.95	0.25
Other Expenditures	0.28	0.15	0.13
Total Expenditures	1.48	1.10	0.38
Net	1.30	1.04	0.27

- A favourable labour variance is a result of vacancies in positions related to Canada 150 initiatives, partially offset by lower reserve transfers.
- Project is for VMC Development; work continues to progress.

Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2015		
Total	1	\$0.15

*represents total closed in 2017

Office: Chief Financial Officer

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.61	0.91	0.30
Labour	4.61	4.18	0.43
Other Expenditures	0.39	0.27	0.12
Total Expenditures	5.00	4.45	0.55
Net	4.39	3.54	0.85

- Favourable revenue variance driven largely by timing differences of \$0.28M from taxation and property assessment revenues under the Financial Services department.
- Favourable labour expenditure was driven by vacancies across all finance departments.
- Other expenditures were under budget driven by professional fees in Procurement Services which are expected to be expensed in the second half of 2017 to conduct a feasibility study on Fair Wage Policy.
- Two projects from 2016 related to the Fiscal Framework with a combined \$0.37M in unspent funds are at the early stages of their work plan that will continue over the next 1.5 years.

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	1	0
2016	3	0.37
2015	0	0
2013	1	0.14
2009-2012	1	0.09
Total	6	\$0.61

2017 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	0.21	0.21
Investment Income & VHI Dividends	5.16	5.04	(0.12)
Fines and Penalties	2.43	2.34	(0.09)
Taxation (net)	157.85	157.85	0.00
Total Revenues	165.44	165.44	(0.01)
Capital Related Expenditures	17.98	21.31	(3.32)
Contingency	(3.36)	0.05	(-3.41)
Other Expenditures (net)	(2.47)	(2.91)	0.44
Total Expenditures	12.15	18.45	(6.30)
Net	(153.29)	(146.99)	(6.30)

- The Mayor's Gala/Golf Classic had higher than budgeted revenues, however a final reconciliation with the related expenditures has yet to be completed.
- Capital related expenditures are higher than budget because majority of debenture payment took place in the first two half of the year
- 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	3.42	3.30	0.12
Other Expenditures	2.54	2.00	0.52
Total Expenditures	5.96	5.30	0.64
Net	5.96	5.30	0.64

- Q2 expenditures were under budget largely due to timing of Service Contracts and delays in projects utilizing Professional Fees.

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	1	0.24
2016	4	2.46
2014	1	0.48
2009-2012	11	0.12
Total	7	\$3.31

- Work continues to progress on Central Computing Infrastructure, PC Asset Renewals and Enterprise Telephone System Assets renewal.

2017 Fiscal Health Report

Office: City Clerk

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.54	0.56	0.02
Labour	2.63	2.58	0.05
Other Expenditures	5.97	4.01	1.96
Total Expenditures	8.60	6.59	2.01
Net	8.06	6.04	2.03

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	1	0.10
2016	0	0
2009-2012	1	0
Total	2	\$0.10

Office: Corporate Communications

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenue			
Labour	0.60	0.61	0.01
Other Expenditures	0.07	0.04	0.03
Total Expenditures	0.67	0.65	0.02
Net	0.67	0.65	0.02

- Other Expenditures, particularly in insurance premiums, were under budget due to an RFP that was awarded towards the end of 2016. Given the revised annual premium effective January 2017, any excess funds at the end of 2017 will move to the reserve to mitigate any future expenses.

- The SharePoint Agenda Management System (SAMS) capital project is in the planning stage.
- The Claims Management System is substantially complete and expected to be completed in early 2018.

- Expenditures are in line with budget.

2017 Fiscal Health Report

Office: Transformation and Strategy

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenue	0.13	0.14	0.01
Labour	0.45	0.37	0.08
Other Expenditures	0.05	0.02	0.03
Total Expenditures	0.50	0.39	0.11
Net	0.37	0.25	0.12

- Favourable Labour variance is a result of a vacant position.
- Work continues to progress on open capital projects

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	2	0.59
2016	10	1.93
2015	1	0.01
2013	1	0
Total	14	\$2.53

Vaughan Public Libraries

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.20	0.19	(0.01)
Labour	6.65	6.40	0.25
Other Expenditures	3.38	3.01	0.37
Total Expenditures	10.03	9.41	0.62
Net	9.83	9.22	0.61

- Favourable labour variance is due to position vacancies.
- Office Equipment & Furniture and Joint Service City Charges were under budget due to timing.

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	1	0
2016	5	0.71
2015	2	0.68
2014	3	0.82
2013	1	1.04
Total	12	\$3.26

- Numerous ongoing city-wide projects relating to resource purchases, technology upgrades, and Civic Center Resource Library.
- Work ongoing related to capital purchases for the upcoming Vellore Village South Library.

2017 Fiscal Health Report

City Council

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.66	0.59	0.08
Other Expenditures	0.25	0.10	0.15
Total Expenditures	0.95	0.69	0.26
Net	0.92	0.68	0.24

Integrity Commissioner

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.11	0.12	(0.01)
Other Expenditures	0.32	0.04	0.28
Total Expenditures	0.43	0.15	0.27
Net	0.43	0.15	0.27

- The unfavourable labour variance is a result of increased complexity of issues and tasks requiring additional resources.
- The favourable other expenditure variance is a result of the implementation of the Council Approved Lobbyist Registrar budget, implementation costs have yet to be incurred.

Internal Audit

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.23	0.21	0.02
Other Expenditures	0.03	0.02	0.01
Total Expenditures	0.26	0.23	0.03
Net	0.26	0.23	0.03

- The favourable labour variance is a result of a temporary vacancy that has now been filled.

City Manager

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	0.25	0.25	0.00
Other Expenditures	0.05	0.04	0.01
Total Expenditures	0.30	0.29	0.01
Net	0.30	0.29	0.01

- The operating budget is on track

Attachment 3- Q2 Projects Closed

Q2 2017 Projects Closed	Budget	Actual	Remaining	Number of projects
By-Law & Compliance, Licensing & Permit Services				
BY-9541-16	\$43,000	\$11,811	\$31,189	1
By-Law & Compliance, Licensing & Permit Services Total	\$43,000	\$11,811	\$31,189	1
City Clerk				
CL-2525-16	\$105,000	\$96,689	\$8,311	1
City Clerk Total	\$105,000	\$96,689	\$8,311	1
Development Engineering and Infrastructure Planning Services				
DE-7145-15	\$1,250,100	\$1,105,707	\$144,393	1
DT-7013-08	\$72,000	\$0	\$72,000	1
DT-7027-09	\$0	\$0	\$0	1
DT-7076-11	\$515,000	\$463,773	\$51,227	1
DT-7128-12	\$380,000	\$341,237	\$38,763	1
Development Engineering and Infrastructure Planning Services Total	\$2,217,100	\$1,910,717	\$306,383	5
Emergency Planning				
EP-0079-15	\$70,937	\$68,803	\$2,134	1
EP-0084-16	\$36,100	\$31,396	\$4,704	1
Emergency Planning Total	\$107,037	\$100,199	\$6,838	2
Environmental Services				
PW-2068-14	\$225,000	\$21,419	\$203,582	1
Environmental Services Total	\$225,000	\$21,419	\$203,582	1
Financial Planning & Development Finance				
RI-0056-10	\$14,522	\$14,522	\$0	1
Financial Planning & Development Finance Total	\$14,522	\$14,522	\$0	1
Fleet Management Services				
FL-5150-14	\$70,110	\$70,433	-\$323	1
FL-5463-14	\$70,432	\$70,432	\$0	1
FL-5478-16	\$51,500	\$50,931	\$569	1
Fleet Management Services Total	\$192,042	\$191,796	\$246	3
Infrastructure Delivery				
BF-8285-11	\$3,835,895	\$3,829,665	\$6,230	1
LI-4503-14	\$0	\$0	\$0	1
LI-4547-13	\$0	\$0	\$0	1
Infrastructure Delivery Total	\$3,835,895	\$3,829,665	\$6,230	3
Parks Development				
PK-6281-10	\$1,073,000	\$1,066,055	\$6,945	1
PK-6299-12	\$1,056,009	\$1,036,009	\$20,000	1
PK-6304-11	\$81,200	\$34,290	\$46,910	1
PK-6311-11	\$673,000	\$650,319	\$22,681	1
PK-6350-13	\$153,000	\$142,244	\$10,756	1
PK-6358-12	\$945,600	\$885,412	\$60,188	1
PK-6483-14	\$321,164	\$316,088	\$5,076	1
Parks Development Total	\$4,302,973	\$4,130,417	\$172,556	7
Transformation & Strategy				
SP-0013-16	\$36,050	\$36,049	\$1	1
Transformation & Strategy Total	\$36,050	\$36,049	\$1	1
Grand Total	\$11,078,619	\$10,343,284	\$735,336	25