

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 11, 2017**

Item 2, Report No. 14, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on December 11, 2017.

## **2 FISCAL HEALTH REPORT – YEAR TO DATE FOR PERIOD ENDING SEPTEMBER 30, 2017**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer/City Treasurer, the Director of Financial Planning and Development Finance/Deputy City Treasurer and the Director of City Financial Services/Deputy Treasurer, dated December 4, 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 September 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 third quarter in a favorable position of approximately \$4.3 million. This is mainly due to timing differences between actual and budgeted expenditures, and in part due to increased revenues resulting from higher than anticipated growth related volume of building permits, subdivision applications and site plan applications.

Combined, the rate based budgets ended the third quarter in a favourable position of \$3.5 million. Further discussion regarding the contributing factors that resulted in these third 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 \$54 million spent in capital projects during the first three quarters of the year, of which \$21 million was spent in the third quarter of 2017. As construction season proceeds through late fall and early winter, 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](http://www.vaughan.ca)).

### **Purpose**

To report on the City's fiscal health for the year to date period ending September 30, 2017.

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**Background – Analysis and Options**

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

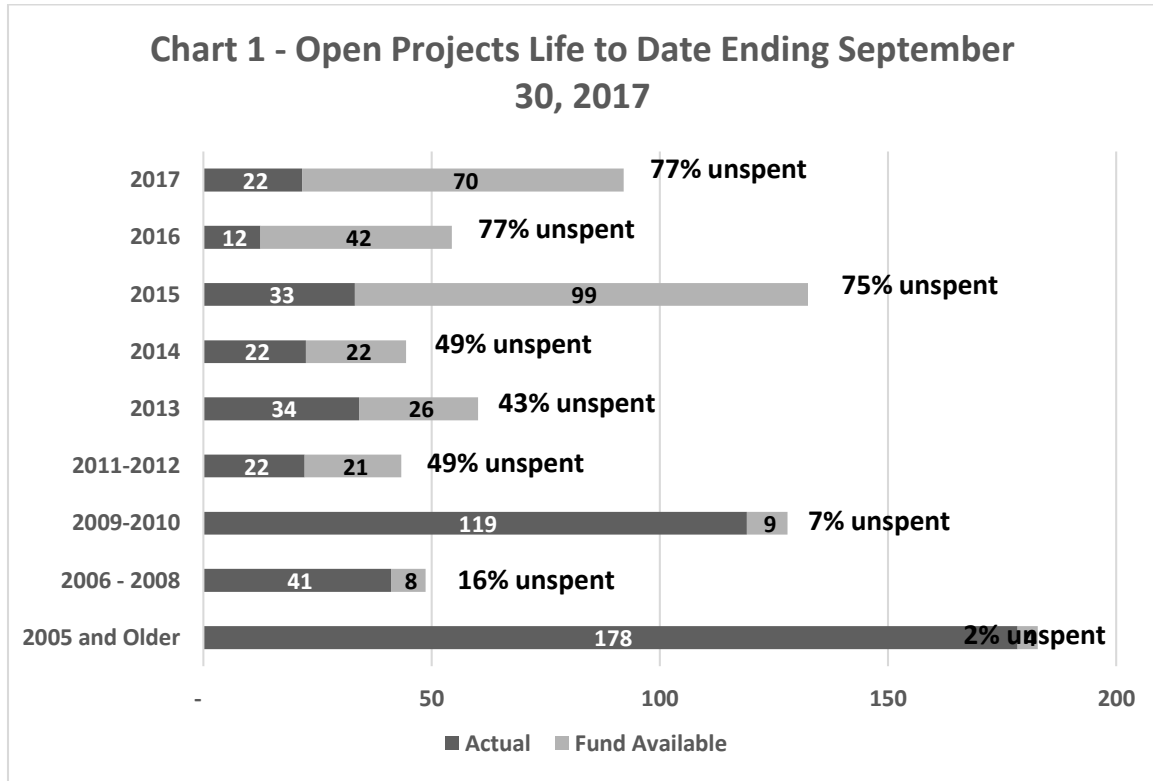
	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million
<b>Property Tax Based Budget</b>			
Revenues	248.8	246.3	(2.5)
Expenditures	206.3	199.5	6.8
<b>Net</b>	<b>\$42.5</b>	<b>\$46.8</b>	<b>\$4.3</b>
<b>Water Rate Based Budget</b>			
Revenues	48.1	42.9	(5.2)
Expenditures	48.1	42.9	5.2
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Wastewater Rate Based Budget</b>			
Revenues	57.9	52.5	(5.4)
Expenditures	57.9	52.5	5.4
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Stormwater Charge Based Budget</b>			
Revenues	12.4	9.1	(3.3)
Expenditures	12.4	9.1	3.3
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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



Actual Expenditures to date	\$485 million
Funds Available	\$302 million
Total Budget	\$787 million

### Discussion

### OPERATING BUDGET RESULTS

Overall, City Revenues were under budget by \$2.4 million

	Budget \$million	Actual \$million	Variance \$million	Variance %
Department Revenues	39.0	40.6	1.6	4.0%
Corporate Revenues	12.8	11.6	(1.2)	(8.7%)
Reserve Transfers	11.5	8.7	(2.8)	(24.6%)
Taxation	185.5	185.4	(0.00)	0.0%
<b>Total Revenues</b>	<b>\$248.8</b>	<b>\$246.3</b>	<b>(\$2.4)</b>	

Note – numbers may not add due to rounding

- Department Revenues were 4 per cent greater than budget, primarily because of higher than expected volume of development applications and building permit revenues.

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- Corporate Revenues were 8.7 per cent below budgeted revenues, this is mainly due to timing difference between budgeted and actual receipt of shareholder dividend from Alectra Inc; this is expected to correct itself by year end. Lower than budgeted revenues for property tax penalties and interest is also contributing to this variance.
- Reserve transfers for Building Standards and Development Engineering & Infrastructure Planning were 60% and 20%, respectively, less than budgeted, as these department expenditures were less than planned due to vacancies.

#### **City expenditures were \$6.7 million less than planned**

	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million	<b>Variance</b> %
Labour	123.2	123.0	0.2	0.1%
Service Contracts & Materials	24.7	22.3	2.4	9.7%
Capital Related	23.0	23.0	0.0	0.1%
Other	21.6	19.4	2.3	10.6%
Utilities & Fuel	8.0	7.8	0.2	2.5%
Insurance	5.8	4.2	1.7	28.4%
<b>Total Expenditures</b>	<b>\$206.3</b>	<b>\$199.5</b>	<b>\$6.7</b>	

Note – numbers may not add due to rounding

- Labour costs were on budget.
- Service contract and material costs were 10 per cent less than budget. This is primarily attributed to timing delays in Transportation Services, Parks and Forestry Operations relating to execution on contracts occurring later in the season than was planned. It is expected that this will gradually increase to be back on budget throughout the year.
- Capital related operating expenditures are on budget.
- Other expenditures were 10 per cent less than budget. Staff is forecasting the underexpenditures will be reversed as more invoices are expected to come in the last quarter of the year.
- Utilities and Fuel were 2.5 per cent less than budget primarily due lower than expected fuel costs in the beginning of the year.
- Insurance was 28 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.

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 than budgeted related expenditures. Staff will continue to monitor revenue performance during the remainder of the year.

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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**

There were no operating budget transfers completed during the third quarter 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).

**City's net position was approximately \$4.3 million favourable at the end of the third 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 in a favorable position, 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**

##### **Third Quarter Water Operating Results**

**Water Operations gross margin was \$2.6 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	28.0	24.7	(3.3)
Commercial Billings	18.4	16.8	(1.6)
Other	0.3	0.5	0.2
Purchases/Treatment Charges	29.0	24.6	4.4
Non-Revenue Water	4.3	1.4	2.9
<b>Gross Margin</b>	<b>13.4</b>	<b>16.0</b>	<b>2.6</b>
<b>Other Revenues</b>	<b>1.4</b>	<b>0.9</b>	<b>(0.5)</b>

- Residential and commercial water sales for the third quarter ended lower than budget by 11.8% and 8.6% 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 consumption.

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**Water Operations expenditures before Lifecycle Contributions were \$1.3 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	3.8	3.2	0.6
General Administration	3.9	3.2	0.7
Joint Service Costs	0.5	0.5	-
Lifecycle Contribution	6.6	10.0	3.4
	<b>14.8</b>	<b>16.9</b>	<b>2.1</b>

- Maintenance and Installation Costs ended lower by 15.8% due to timing of work for activities such as water service repairs and meter installations and lower than expected water main breaks to date.
- General Administration costs were lower by 17.9% due to timing delay in planned training, professional fees, gapping associated with the Backflow Prevention Coordinator position and vehicle lease expenses.

**The City's net lifecycle reserve contribution was \$3.4 million greater than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses and is primarily driven by variable water consumption.**

**Third Quarter Wastewater Operating Results**

**Wastewater Operations gross margin was \$2.2 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	34.1	30.3	(3.8)
Commercial Billings	22.9	21.5	(1.4)
Other	0.3	0.3	-
Purchases/Treatment Charges	40.6	37.9	2.7
Non-Revenue Water	6.1	1.4	4.7
<b>Gross Margin</b>	<b>\$ 10.6</b>	<b>\$ 12.8</b>	<b>\$ 2.2</b>
<b>Other Revenues</b>	<b>\$ 0.6</b>	<b>\$ 0.4</b>	<b>\$ (0.2)</b>

- Residential and commercial billings for the third quarter are trending 11.1% and 6.1% respectively lower than budget due to wetter than normal weather. Wastewater billing is based on water consumption and therefore trends similar to water consumption.
- As a result, treatment charges (direct cost) were lower than budgeted.

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**Wastewater Operations expenditures before Lifecycle Contributions were \$0.1 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	2.6	2.6	-
General Administration	1.6	1.5	-0.1
Joint Service Costs	0.2	0.2	-
Lifecycle Contribution	6.8	8.9	2.1
	<b>\$ 11.2</b>	<b>\$ 13.2</b>	<b>\$ 2.0</b>

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

**The City's net lifecycle reserve contribution was \$2.1 million greater than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses and is primarily driven by variable treatment charges.**

**Third Quarter Stormwater Operating Results**

**Stormwater Operations gross margin was \$3.1 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	4.0	3.9	(0.1)
Commercial Billings	8.1	5.1	(3.0)
Other	-	-	-
Purchases/Treatment Charges	-	-	-
Non-Revenue Water	-	-	-
<b>Gross Margin</b>	<b>12.1</b>	<b>9.0</b>	<b>(3.1)</b>
<b>Other Revenues</b>	<b>0.3</b>	<b>0.1</b>	<b>(0.2)</b>

- Total annual billing for stormwater charges was completed in the third quarter.
- Total billing revenues are lower than budgeted due to refinements to assumptions originally used to build the stormwater charge.

**Stormwater Operations expenditures before Lifecycle Contributions were \$1.3 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	2.0	1.7	0.3
General Administration	2.5	1.6	0.9
Joint Service Costs	0.4	0.3	0.1
Lifecycle Contribution	7.5	5.5	(2.0)
	<b>12.4</b>	<b>9.1</b>	<b>(3.3)</b>

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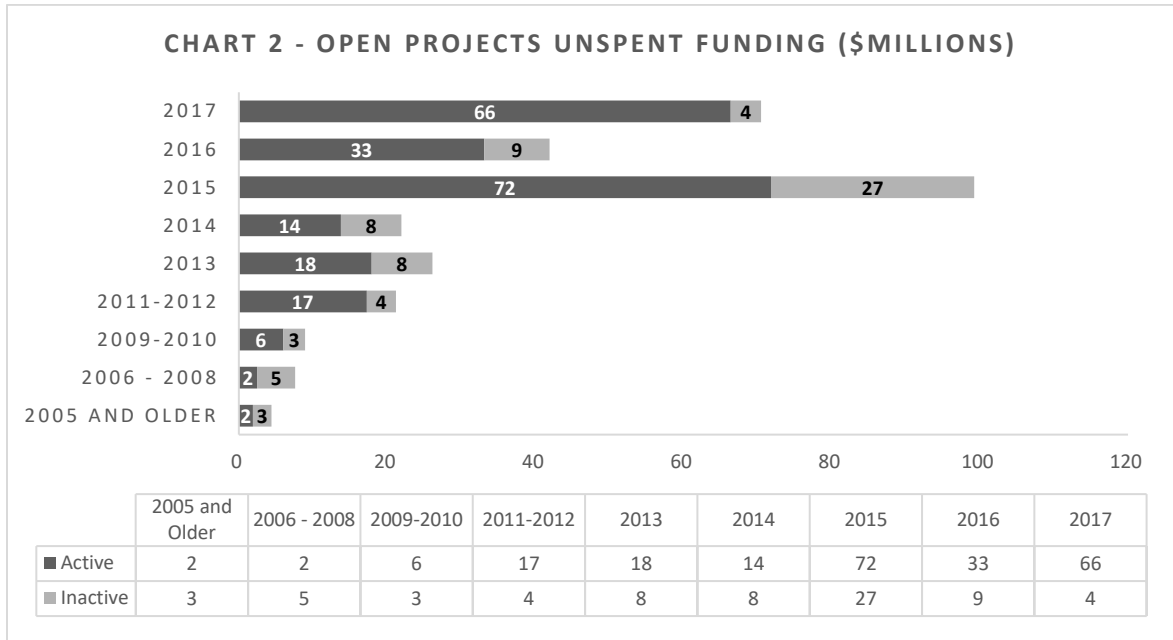
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- General Administration costs were lower by 36% due to gapping associated with new staff including a W/WV Enforcement Officer, Water Resource Analyst, Program Manager and Project Manager (all hired by the end of Q2) and the debenture repayment (\$0.5 million) for the VMC project yet to begin.

**The City's net lifecycle reserve contribution was \$2.0 million less than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses.**

#### **CAPITAL BUDGET RESULTS**

As at September 30, 2017, there were 679 open capital projects with \$302 million of available budget remaining. The open projects were made up of 504 active projects and 175 inactive projects (refer to next page). The open project unspent funding breakdown by year is illustrated in the chart 2 below.



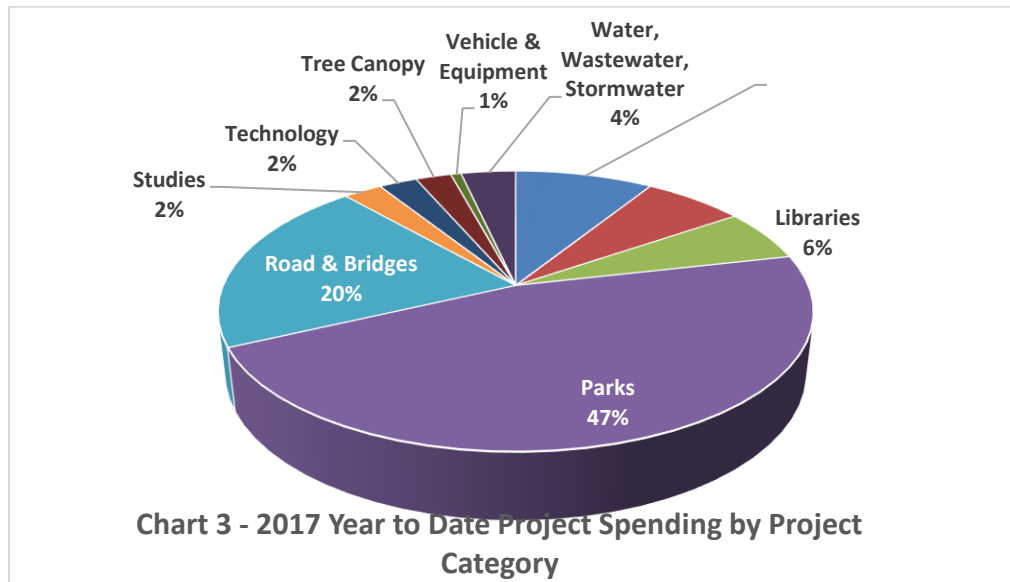


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During the first half year of 2017, \$54.3 million was spent on capital projects, 36 per cent of which was for the purchase of parkland in Block 30 and Block 59. The chart 3 below illustrates the breakdown of funds spent by project category during the third quarter:



In the 2017 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2017. At the end of the third quarter, approximately 35 per cent of this forecasted spend was accomplished. As construction season continues through the fall and winter months, and more billing from the summer 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 679 open capital projects, there are 175 projects that are considered inactive. Inactive projects comprise 26 per cent of the total open projects, equating to 23 per cent of the total unspent funds of \$302 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 175 open inactive projects is as follows:

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<b>Classification</b>	<b>Number of Projects</b>	<b>Amount (\$million)</b>
<b>Completed - to be closed</b>	<b>35</b>	<b>\$5.5</b>
<b>Completed - Under Warranty/ Maintenance</b>	<b>41</b>	<b>\$7.5</b>
<b>Completed - Waiting for final invoices</b>	<b>7</b>	<b>\$3.2</b>
<b>DC repayment in place</b>	<b>25</b>	<b>\$38.5</b>
<b>Not Started</b>	<b>3</b>	<b>\$0.8</b>
<b>Project Cancelled</b>	<b>3</b>	<b>\$0.2</b>
<b>Project Deferred</b>	<b>25</b>	<b>\$7.6</b>
<b>Project on Hold</b>	<b>36</b>	<b>\$8.0</b>
<b>Grand Total</b>	<b>175</b>	<b>\$71.2</b>

Of the total \$71.2 million unspent funds from inactive projects, \$38.5 million (representing 54%) 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 50 projects in the third quarter of 2017, returning \$8.8 million

<b>Departments</b>	<b>Number of Projects Closed in Q3 2017</b>	<b>Amount Returned to Reserve</b>
Development Engineering and Infrastructure Planning Services	9	\$3,484,635
Infrastructure Delivery	9	\$2,588,954
Parks Development	7	\$3,480
Recreation Services	12	\$188,959
Facility Maintenance Services	1	\$82,104
Transportation Services Parks & Forestry Operations	4	\$2,183,600
Fire & Rescue Services	5	\$259,939
Human Resources	2	\$0
Library Services	1	\$38
<b>Grand Total</b>	<b>50</b>	<b>\$8,791,708</b>

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.

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

From	To	Supporting Document/Report	Amount
Vehicle Replacement Reserves	FL-5422-15 PW-RDS Replace Unit#1209 with Tandem Roll Off Dump Truck	June 27, 2017 FAA R7 I5	\$26,750.00
City Wide DC - Public Works	FL-5500-16 PW-RDS Additional Tandem Roll Off Dump Truck with Plow/Wing	June 27, 2017 FAA R7 I5	\$58,750.00
City Wide DC - Public Works/Fleet	FL-5529-17 Bylaw- Two additional 1/2 ton pickups	Sept 20, 2017 FAA R8 I9	\$8,900.00
Sewer Reserve	FL-5527-17 Pickup Truck 4x4 - 1/2 Ton Crew Car	Sept 20, 2017 FAA R8 I9	\$3,800.00

### **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-8418-13 Vellore Village Community Centre Concrete Replacement Northwest of Main Entrance	ID-2043-17 Vellore Village CC - Main Entrance Improvement	\$88,306.50
BF-8520-16 Woodbridge Pool & Arena - Pool Liner Replacement	BF-8279-12 Woodbridge Pool & Arena- Replace Diving Boards Stands	\$20,000.00
BF-8482-16 Vellore Village Community Centre Interior Renovation	BF-8479-15 Kleinburg United Church Renovation	\$180,000.00
FL-5192-17 PKS-Replace Unit #1434 with 3/4 to quad cab 4x4 pickup	FL-5422-15 PW-RDS-Replace Unit #1209 with tandem roll off dump truck	\$750.00
FL-5530-17 New Vehicle Municipal Inspector Service Connections	FL-5500-16 PW-RDS- Additional tandem roll off dump truck with plow/wing	\$2,315.00
PK-6284-11 GT Keffer Marsh-Bridge Replacement	PK-6474-15 Keffer Marsh - Bridge Replacement	\$25,560.70
PK-6384-13 Uplands Hiking Trails	PK-6489-16 Oak Bank Pond - Boardwalk Reconstruction	\$109,500.00
PK-6361-14 Bindertwine Pk-Soccer Fence	PK-6489-16 Oak Bank Pond - Boardwalk Reconstruction	\$65,200.00
PK-6408-16 Concord Thornhill Regional Park - Playground Rubber Surface Replacement	PK-6540-16 Chancellor District Park- Playground Replacement and Safety Surfacing	\$92,388.75

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### Continuity Schedule of Reserves and Reserve Funds

\$ million	Opening Balance	Revenues	Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
<b>Obligatory Reserves</b>						
City-Wide Development Charges	247.8	57.3	2.1	303.0	131.6	171.4
Area Specific Development Charges	1.2	0.8	-6.4	8.4	15.1	-6.6
Restricted Grant	27.1	4.7	0.3	31.6	29.5	2.1
Other	95.5	14.8	22.3	87.9	3.1	84.9
<b>Obligatory Subtotal</b>	<b>371.6</b>	<b>77.6</b>	<b>18.3</b>	<b>430.9</b>	<b>179.2</b>	<b>251.7</b>
<b>Discretionary Reserves</b>						
Infrastructure	170.8	12.3	11.0	172.2	55.1	117.0
Capital from Taxation	17.2	7.5	3.9	20.8	1.4	19.4
Corporate	17.4	0.3	0.4	17.4	0.5	17.0
Special Purpose	6.7	0.1	0.2	6.5	13.3	-6.8
Sustainability	34.5	9.0	4.5	39.0	0.3	38.7
<b>Discretionary Subtotal</b>	<b>246.7</b>	<b>29.3</b>	<b>20.0</b>	<b>255.9</b>	<b>70.6</b>	<b>185.3</b>
<b>Grand Total</b>	<b>618.3</b>	<b>106.9</b>	<b>38.4</b>	<b>686.8</b>	<b>249.8</b>	<b>437.1</b>

Note – numbers may not add due to rounding

At the end of the third quarter, the reserve balance before commitments was \$687 million. A net reserve activity of \$250 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of September 30, 2017 was \$437 million, of which \$252 million was for obligatory reserves and \$185 million was in discretionary reserves.

Development Charges collected in the first three quarters of 2017 equated to \$55.2 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 in a favourable position, 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.

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.

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**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 September 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 – Third 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 and Stormwater

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

**FISCAL HEALTH REPORT – YEAR TO DATE FOR PERIOD ENDING September 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 September 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 third quarter in a favorable position of approximately \$4.3 million. This is mainly due to timing differences between actual and budgeted expenditures, and in part due to increased revenues resulting from higher than anticipated growth related volume of building permits, subdivision applications and site plan applications.

Combined, the rate based budgets ended the third quarter in a favourable position of \$3.5 million. Further discussion regarding the contributing factors that resulted in these third 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 \$54 million spent in capital projects during the first three quarters of the year, of which \$21 million was spent in the third quarter of 2017. As construction season proceeds through late fall and early winter, 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](http://www.vaughan.ca)).

**Purpose**

To report on the City's fiscal health for the year to date period ending September 30, 2017.

**Background – Analysis and Options**

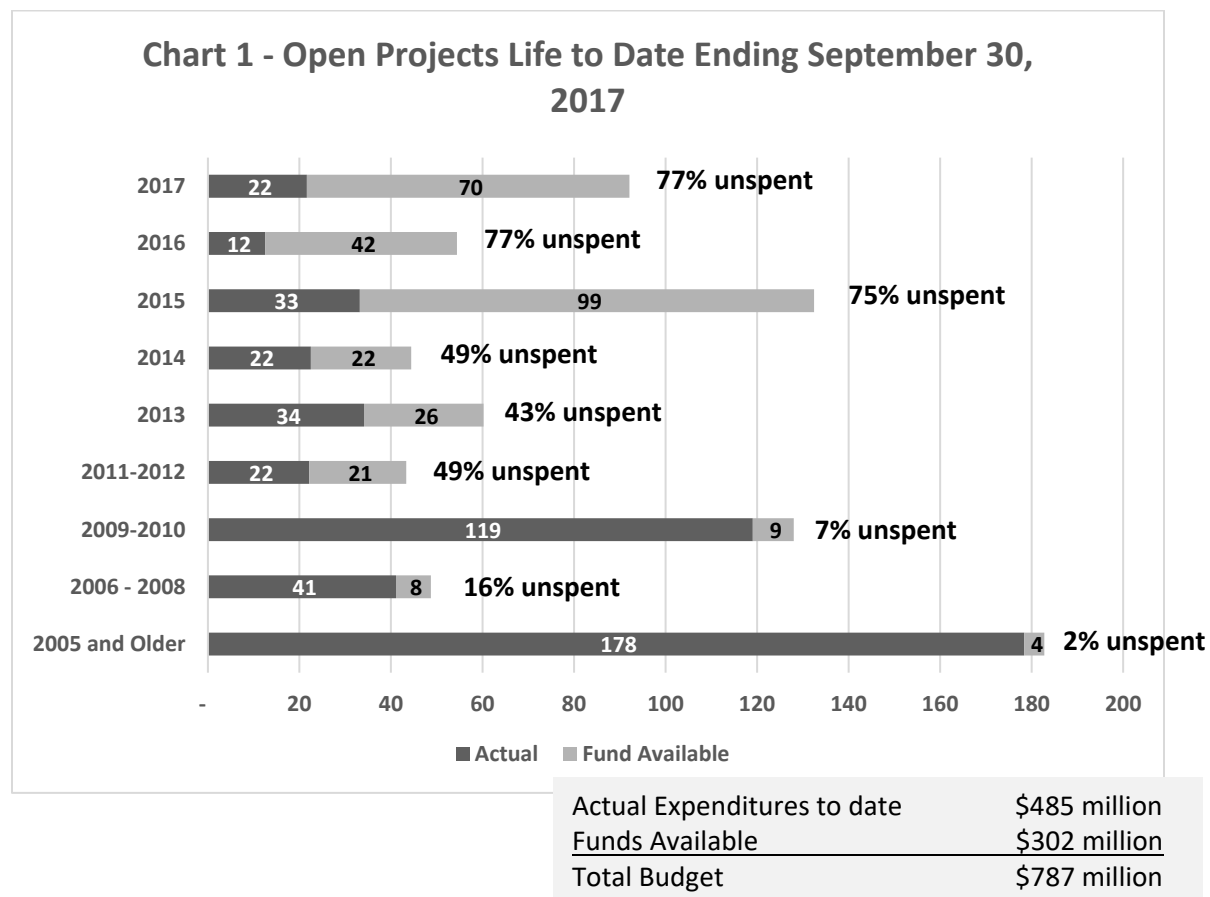
The attached fiscal health report compares annual actual city operating, water, wastewater and stormwater operations and capital results as of September 30, 2017, relative to approved budgets and on the same basis as the budget. It should be noted the full amortization of tangible capital assets and 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 SEPTEMBER 30, 2017

	Budget \$million	Actual \$million	Variance \$million
<b>Property Tax Based Budget</b>			
Revenues	248.8	246.3	(2.5)
Expenditures	206.3	199.5	6.8
<b>Net</b>	<b>\$42.5</b>	<b>\$46.8</b>	<b>\$4.3</b>
<b>Water Rate Based Budget</b>			
Revenues	48.1	42.9	(5.2)
Expenditures	48.1	42.9	5.2
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Wastewater Rate Based Budget</b>			
Revenues	57.9	52.5	(5.4)
Expenditures	57.9	52.5	5.4
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Stormwater Charge Based Budget</b>			
Revenues	12.4	9.1	(3.3)
Expenditures	12.4	9.1	3.3
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

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



## Discussion

### OPERATING BUDGET RESULTS

Overall, City Revenues were under budget by \$2.4 million

	Budget \$million	Actual \$million	Variance \$million	Variance %
Department Revenues	39.0	40.6	1.6	4.0%
Corporate Revenues	12.8	11.6	(1.2)	(8.7%)
Reserve Transfers	11.5	8.7	(2.8)	(24.6%)
Taxation	185.5	185.4	(0.00)	0.0%
<b>Total Revenues</b>	<b>\$248.8</b>	<b>\$246.3</b>	<b>(\$2.4)</b>	

Note – numbers may not add due to rounding

- Department Revenues were 4 per cent greater than budget, primarily because of higher than expected volume of development applications and building permit revenues.
- Corporate Revenues were 8.7 per cent below budgeted revenues, this is mainly due to timing difference between budgeted and actual receipt of shareholder dividend from Alectra Inc; this is expected to correct itself by year end. Lower than budgeted revenues for property tax penalties and interest is also contributing to this variance.
- Reserve transfers for Building Standards and Development Engineering & Infrastructure Planning were 60% and 20%, respectively, less than budgeted, as these department expenditures were less than planned due to vacancies.

City expenditures were \$6.7 million less than planned

	Budget \$million	Actual \$million	Variance \$million	Variance %
Labour	123.2	123.0	0.2	0.1%
Service Contracts & Materials	24.7	22.3	2.4	9.7%
Capital Related	23.0	23.0	0.0	0.1%
Other	21.6	19.4	2.3	10.6%
Utilities & Fuel	8.0	7.8	0.2	2.5%
Insurance	5.8	4.2	1.7	28.4%
<b>Total Expenditures</b>	<b>\$206.3</b>	<b>\$199.5</b>	<b>\$6.7</b>	

Note – numbers may not add due to rounding

- Labour costs were on budget.
- Service contract and material costs were 10 per cent less than budget. This is primarily attributed to timing delays in Transportation Services, Parks and Forestry Operations relating to execution on contracts occurring later in the season than was planned. It is expected that this will gradually increase to be back on budget throughout the year.
- Capital related operating expenditures are on budget.
- Other expenditures were 10 per cent less than budget. Staff is forecasting the underexpenditures will be reversed as more invoices are expected to come in the last quarter of the year.
- Utilities and Fuel were 2.5 per cent less than budget primarily due lower than expected fuel costs in the beginning of the year.



- Insurance was 28 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.

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 than budgeted related expenditures. Staff will continue to monitor revenue performance during the remainder of the year.

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**

There were no operating budget transfers completed during the third quarter 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).

## **City's net position was approximately \$4.3 million favourable at the end of the third 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 in a favorable position, 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**

### **Third Quarter Water Operating Results**

**Water Operations gross margin was \$2.6 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	28.0	24.7	(3.3)
Commercial Billings	18.4	16.8	(1.6)
Other	0.3	0.5	0.2
Purchases/Treatment Charges	29.0	24.6	4.4
Non-Revenue Water	4.3	1.4	2.9
<b>Gross Margin</b>	<b>13.4</b>	<b>16.0</b>	<b>2.6</b>
<b>Other Revenues</b>	<b>1.4</b>	<b>0.9</b>	<b>(0.5)</b>

- Residential and commercial water sales for the third quarter ended lower than budget by 11.8% and 8.6% 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 consumption.

**Water Operations expenditures before Lifecycle Contributions were \$1.3 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	3.8	3.2	0.6
General Administration	3.9	3.2	0.7
Joint Service Costs	0.5	0.5	-
Lifecycle Contribution	6.6	10.0	3.4
	<b>14.8</b>	<b>16.9</b>	<b>2.1</b>

- Maintenance and Installation Costs ended lower by 15.8% due to timing of work for activities such as water service repairs and meter installations and lower than expected water main breaks to date.
- General Administration costs were lower by 17.9% due to timing delay in planned training, professional fees, gapping associated with the Backflow Prevention Coordinator position and vehicle lease expenses.

**The City's net lifecycle reserve contribution was \$3.4 million greater than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses and is primarily driven by variable water consumption.**

### **Third Quarter Wastewater Operating Results**

**Wastewater Operations gross margin was \$2.2 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	34.1	30.3	(3.8)
Commercial Billings	22.9	21.5	(1.4)
Other	0.3	0.3	-
Purchases/Treatment Charges	40.6	37.9	2.7
Non-Revenue Water	6.1	1.4	4.7
<b>Gross Margin</b>	<b>\$ 10.6</b>	<b>\$ 12.8</b>	<b>\$ 2.2</b>
<b>Other Revenues</b>	<b>\$ 0.6</b>	<b>\$ 0.4</b>	<b>\$ (0.2)</b>

- Residential and commercial billings for the third quarter are trending 11.1% and 6.1% respectively lower than budget due to wetter than normal weather. Wastewater billing is based on water consumption and therefore trends similar to water consumption.
- As a result, treatment charges (direct cost) were lower than budgeted.

**Wastewater Operations expenditures before Lifecycle Contributions were \$0.1 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	2.6	2.6	-
General Administration	1.6	1.5	-0.1
Joint Service Costs	0.2	0.2	-
Lifecycle Contribution	6.8	8.9	2.1
	<b>\$ 11.2</b>	<b>\$ 13.2</b>	<b>\$ 2.0</b>

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

**The City's net lifecycle reserve contribution was \$2.1 million greater than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses and is primarily driven by variable treatment charges.**

### **Third Quarter Stormwater Operating Results**

**Stormwater Operations gross margin was \$3.1 million less than budgeted.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	4.0	3.9	(0.1)
Commercial Billings	8.1	5.1	(3.0)
Other	-	-	-
Purchases/Treatment Charges	-	-	-
Non-Revenue Water	-	-	-
<b>Gross Margin</b>	<b>12.1</b>	<b>9.0</b>	<b>(3.1)</b>
<b>Other Revenues</b>	<b>0.3</b>	<b>0.1</b>	<b>(0.2)</b>

- Total annual billing for stormwater charges was completed in the third quarter.
- Total billing revenues are lower than budgeted due to refinements to assumptions originally used to build the stormwater charge.

**Stormwater Operations expenditures before Lifecycle Contributions were \$1.3 million less than budgeted.**

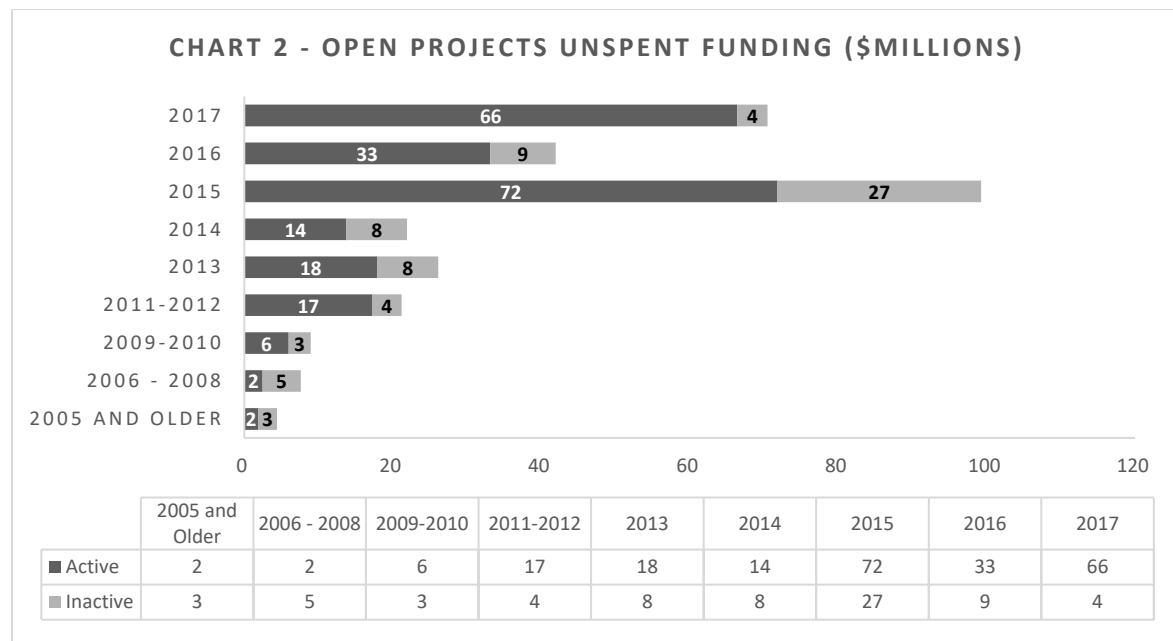
	Budget	Actual	Variance
	\$million	\$million	\$million
Maintenance and Installation Cost	2.0	1.7	0.3
General Administration	2.5	1.6	0.9
Joint Service Costs	0.4	0.3	0.1
Lifecycle Contribution	7.5	5.5	(2.0)
	12.4	9.1	(3.3)

- General Administration costs were lower by 36% 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) and the debenture repayment (\$0.5 million) for the VMC project yet to begin.

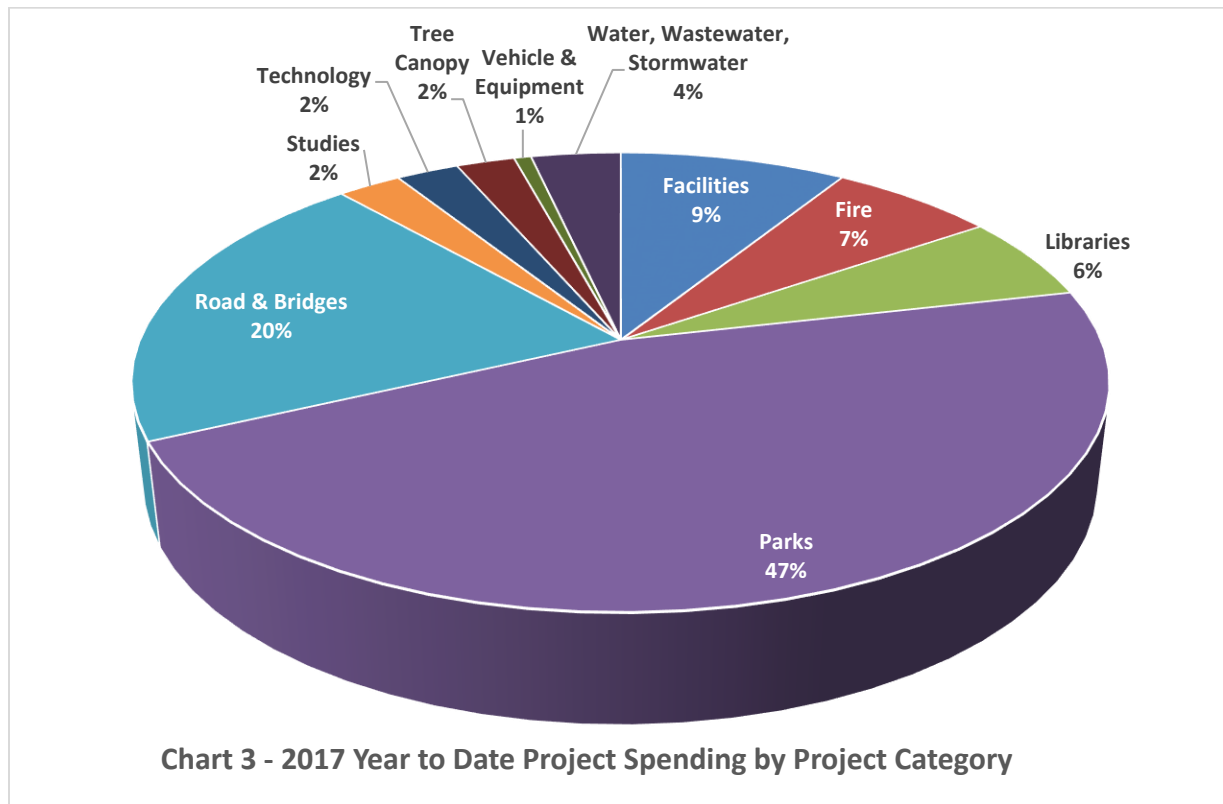
**The City's net lifecycle reserve contribution was \$2.0 million less than budgeted at the end of the third quarter. The lifecycle reserve contribution is the net difference between the gross margin (and other revenues) and total expenses.**

## CAPITAL BUDGET RESULTS

As at September 30, 2017, there were 679 open capital projects with \$302 million of available budget remaining. The open projects were made up of 504 active projects and 175 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, \$54.3 million was spent on capital projects, 36 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 third quarter:



In the 2017 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2017. At the end of the third quarter, approximately 35 per cent of this forecasted spend was accomplished. As construction season continues through the fall and winter months, and more billing from the summer 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 679 open capital projects, there are 175 projects that are considered inactive. Inactive projects comprise 26 per cent of the total open projects, equating to 23 per cent of the total unspent funds of \$302 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 175 open inactive projects is as follows:

Classification	Number of Projects	Amount (\$million)
Completed - to be closed	35	\$5.5
Completed - Under Warranty/ Maintenance	41	\$7.5
Completed - Waiting for final invoices	7	\$3.2
DC repayment in place	25	\$38.5
Not Started	3	\$0.8
Project Cancelled	3	\$0.2
Project Deferred	25	\$7.6
Project on Hold	36	\$8.0
<b>Grand Total</b>	<b>175</b>	<b>\$71.2</b>

Of the total \$71.2 million unspent funds from inactive projects, \$38.5 million (representing 54%) 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 50 projects in the third quarter of 2017, returning \$8.8 million

Departments	Number of Projects Closed in Q3 2017	Amount Returned to Reserve
Development Engineering and Infrastructure Planning Services	9	\$3,484,635
Infrastructure Delivery	9	\$2,588,954
Parks Development	7	\$3,480
Recreation Services	12	\$188,959
Facility Maintenance Services	1	\$82,104
Transportation Services Parks & Forestry Operations	4	\$2,183,600
Fire & Rescue Services	5	\$259,939
Human Resources	2	\$0
Library Services	1	\$38
<b>Grand Total</b>	<b>50</b>	<b>\$8,791,708</b>

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 third quarter:

From	To	Supporting Document/Report	Amount
Vehicle Replacement Reserves	FL-5422-15 PW-RDS Replace Unit#1209 with Tandem Roll Off Dump Truck	June 27, 2017 FAA R7 I5	\$26,750.00
City Wide DC - Public Works	FL-5500-16 PW-RDS Additional Tandem Roll Off Dump Truck with Plow/Wing	June 27, 2017 FAA R7 I5	\$58,750.00
City Wide DC - Public Works/Fleet	FL-5529-17 Bylaw- Two additional 1/2 ton pickups	Sept 20, 2017 FAA R8 I9	\$8,900.00
Sewer Reserve	FL-5527-17 Pickup Trucj 4x4 - 1/2 Ton Crew Ca	Sept 20, 2017 FAA R8 I9	\$3,800.00

## 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-8418-13 Vellore Village Community Centre Concrete Replacement Northwest of Main Entrance	ID-2043-17 Vellore Village CC - Main Entrance Improvement	\$88,306.50
BF-8520-16 Woodbridge Pool & Arena - Pool Liner Replacement	BF-8279-12 Woodbridge Pool & Arena- Replace Diving Boards Stands	\$20,000.00
BF-8482-16 Vellore Village Community Centre Interior Renovation	BF-8479-15 Kleinburg United Church Renovation	\$180,000.00
FL-5192-17 PKS-Replace Unit #1434 with 3/4 to quad cab 4x4 pickup	FL-5422-15 PW-RDS-Replace Unit #1209 with tandem roll off dump truck	\$750.00
FL-5530-17 New Vehicle Municipal Inspector Service Connections	FL-5500-16 PW-RDS- Additional tandem roll off dump truck with plow/wing	\$2,315.00
PK-6284-11 GT Keffer Marsh-Bridge Replacement	PK-6474-15 Keffer Marsh - Bridge Replacement	\$25,560.70
PK-6384-13 Uplands Hiking Trails	PK-6489-16 Oak Bank Pond - Boardwalk Reconstruction	\$109,500.00
PK-6361-14 Bindertwine Pk-Soccer Fence	PK-6489-16 Oak Bank Pond - Boardwalk Reconstruction	\$65,200.00
PK-6408-16 Concord Thornhill Regional Park - Playground Rubber Surface Replacement	PK-6540-16 Chancellor District Park- Playground Replacement and Safety Surfacing	\$92,388.75

### **Continuity Schedule of Reserves and Reserve Funds**

\$ million	Opening Balance	Revenues	Expenses	Closing Balance Before Commitments	Commitments	Closing Balance After Commitments
<b>Obligatory Reserves</b>						
City-Wide Development Charges	247.8	57.3	2.1	303.0	131.6	171.4
Area Specific Development Charges	1.2	0.8	-6.4	8.4	15.1	-6.6
Restricted Grant	27.1	4.7	0.3	31.6	29.5	2.1
Other	95.5	14.8	22.3	87.9	3.1	84.9
<b>Obligatory Subtotal</b>	<b>371.6</b>	<b>77.6</b>	<b>18.3</b>	<b>430.9</b>	<b>179.2</b>	<b>251.7</b>
<b>Discretionary Reserves</b>						
Infrastructure	170.8	12.3	11.0	172.2	55.1	117.0
Capital from Taxation	17.2	7.5	3.9	20.8	1.4	19.4
Corporate	17.4	0.3	0.4	17.4	0.5	17.0
Special Purpose	6.7	0.1	0.2	6.5	13.3	-6.8
Sustainability	34.5	9.0	4.5	39.0	0.3	38.7
<b>Discretionary Subtotal</b>	<b>246.7</b>	<b>29.3</b>	<b>20.0</b>	<b>255.9</b>	<b>70.6</b>	<b>185.3</b>
<b>Grand Total</b>	<b>618.3</b>	<b>106.9</b>	<b>38.4</b>	<b>686.8</b>	<b>249.8</b>	<b>437.1</b>

Note – numbers may not add due to rounding

At the end of the third quarter, the reserve balance before commitments was \$687 million. A net reserve activity of \$250 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of September 30, 2017 was \$437 million, of which \$252 million was for obligatory reserves and \$185 million was in discretionary reserves.

Development Charges collected in the first three quarters of 2017 equated to \$55.2 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 in a favourable position, 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.

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 September 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 – Third 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 and Stormwater

Respectfully submitted,

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

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

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



# **CITY OF VAUGHAN**

## **2017 City Operating Budget**

### **Property Tax Based Budget Fiscal Position as of September 30, 2017**

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

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV)		\$	%
				\$	%	\$	%
TAXATION	182,886,336	182,886,336	182,886,461	125	0.0%	(125)	0.0%
SUPPLEMENTAL TAXATION	3,200,000	0	0	0	0.0%	3,200,000	100.0%
GRANT / PAYMENT IN LIEU	2,725,200	2,580,000	2,545,383	-34,617	-1.3%	179,817	6.6%
RESERVES AND OTHER TRANSFERS	19,119,237	11,523,835	8,684,670	-2,839,165	-24.6%	10,434,567	54.6%
FEES AND SERVICE CHARGES	50,104,353	39,040,405	40,584,822	1,544,417	4.0%	9,519,531	19.0%
CORPORATE	20,321,755	12,754,427	11,644,660	-1,109,767	-8.7%	8,677,095	42.7%
PRIOR YEAR'S SURPLUS CARRYFORWARD	0	0	0	0	0.00%	0	0.0%
<b>TOTAL REVENUES</b>	<b>278,356,881</b>	<b>248,785,003</b>	<b>246,345,996</b>	<b>-2,439,007</b>	<b>-1.0%</b>	<b>32,010,885</b>	<b>11.5%</b>
<b>EXPENDITURES:</b>							
DEPARTMENTAL	249,702,437	182,492,085	171,972,590	10,519,495	5.8%	77,729,847	31.1%
RESERVE CONTRIB. & CORP. EXP.	10,332,642	9,544,028	13,781,055	-4,237,027	-44.4%	(3,448,413)	-33.4%
LONG TERM DEBT	10,050,751	6,592,807	6,210,854	381,953	5.8%	3,839,897	38.2%
CONTINGENCY	900,550	255,499	105,567	149,932	58.7%	794,983	88.3%
CAPITAL FROM TAXATION	7,370,501	7,370,501	7,370,501	0	0.0%	0	0.0%
<b>TOTAL EXPENDITURES</b>	<b>278,356,881</b>	<b>206,254,920</b>	<b>199,440,568</b>	<b>6,814,352</b>	<b>3.3%</b>	<b>78,916,313</b>	<b>28.4%</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>0</b>	<b>42,530,083</b>	<b>46,905,428</b>	<b>4,375,345</b>	<b>10%</b>		

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

**REVENUE BY MAJOR SOURCE**

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$ %		\$ %	
<b>TAXATION</b>							
Supplementals	3,200,000	0	0	0 0.0%		3,200,000	100.0%
<b>GRANT</b>							
Library Grant	145,200	0	1,356	1,356 0.0%		143,844	99.1%
<b>PAYMENT IN LIEU / OTHER</b>							
Payment In Lieu / Other	2,580,000	2,580,000	2,544,027	-35,973 -1.4%		35,973	1.4%
<b>RESERVES AND OTHER TRANSFERS</b>							
Engineering Reserve	7,243,440	5,432,580	4,387,162	-1,045,418 -19.2%		2,856,278	39.4%
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	111,204	0	-111,204 -100.0%		148,270	100.0%
CIL Recreation Land Reserve	924,000	693,000	693,000	0 0.0%		231,000	25.0%
Administrative Recovery from Capital	1,500,000	1,125,000	777,187	-347,813 -30.9%		722,813	48.2%
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	2,320,031	932,296	-1,387,735 -59.8%		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	100.0%
Winterization Reserve	0	0	0	0 0.00%		0	0.0%
Water & Wastewater Recovery	2,431,000	1,823,250	1,873,500	50,250 2.8%		557,500	22.9%
<b>TOTAL RESERVES</b>	<b>19,119,237</b>	<b>11,523,835</b>	<b>8,684,670</b>	<b>-2,839,165 -24.6%</b>		<b>10,434,567</b>	<b>54.6%</b>
<b>FEES/SERVICE CHARGES</b>							
<b>OFFICE OF CHIEF CORPORATE INITIATIVES &amp; INTERGOV. AFFAIRS</b>							
Office of the Chief Corporate Initiatives & Intergovernment Affairs	318,766	238,625	148,783	-89,842 -37.6%		169,983	53.3%
Economic Development & Culture Services	50,936	36,834	43,758	6,924 18.8%		7,178	14.1%
	<b>369,702</b>	<b>275,459</b>	<b>192,541</b>	<b>-82,918 -30.1%</b>		<b>177,161</b>	<b>47.9%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>262,374</b>	<b>191,797</b>	<b>207,127</b>	<b>15,330 8.0%</b>		<b>55,247</b>	<b>21.1%</b>
<b>CORPORATE COMMUNICATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0 0.00%</b>		<b>0</b>	<b>0.0%</b>
<b>OFFICE OF THE CITY CLERK</b>							
Clerks	249,498	207,394	233,724	26,330 12.7%		15,774	6.3%
Committee Of Adjustment	766,528	623,201	539,431	-83,771 -13.4%		227,098	29.6%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	<b>1,016,026</b>	<b>830,595</b>	<b>773,155</b>	<b>-57,440 -6.9%</b>		<b>242,871</b>	<b>23.9%</b>
<b>OFFICE OF THE CFO/CITY TREASURER</b>							
Tax Certificates And Documents	829,621	576,972	834,066	257,094 44.6%		(4,445)	-0.5%
Cashiering Services	54,635	0	42,206	42,206 0.00%		12,429	22.7%
Financial Planning & Development Finance	387,255	285,226	278,027	-7,199 -2.5%		109,228	28.2%
Procurement Services	58,200	32,577	52,153	19,576 60.1%		6,047	10.4%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	<b>1,329,711</b>	<b>894,775</b>	<b>1,206,452</b>	<b>311,677 34.8%</b>		<b>123,259</b>	<b>9.3%</b>
<b>Office of the Chief Human Resources Officer</b>	<b>0</b>	<b>0</b>	<b>12,169</b>	<b>12,169 0.00%</b>		<b>(12,169)</b>	<b>0.0%</b>
<b>OFFICE OF THE CITY SOLICITOR</b>	<b>344,109</b>	<b>250,978</b>	<b>48,459</b>	<b>-202,519 -80.7%</b>		<b>295,650</b>	<b>85.9%</b>
<b>OFFICE OF DEPUTY CITY MANAGER COMMUNITY SERVICES</b>							
Community Grants & Advisory Committees	0	0	0	0 0.0%		0	0.0%
Recreation Services	20,328,550	16,954,872	16,818,762	-136,110 -0.8%		3,509,788	17.3%
Community Development & Events	610,400	515,834	738,654	222,820 43.2%		(128,254)	-21.0%
Facility Maintenance Services	309,590	227,582	228,117	535 0.2%		81,473	26.3%
Fire And Rescue Services	907,603	500,725	660,974	160,249 32.0%		246,629	27.2%
By-Law, Compliance, Licensing and Permits	3,923,159	3,134,228	3,225,594	91,366 2.9%		697,565	17.8%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>26,079,302</b>	<b>21,333,241</b>	<b>21,672,102</b>	<b>338,861 1.6%</b>		<b>4,407,200</b>	<b>16.9%</b>
<b>OFFICE OF DEPUTY CITY MANAGER PLANNING &amp; GROWTH MANAGEMENT</b>							
Development Planning	5,735,016	4,305,852	4,996,215	690,363 16.0%		738,801	12.9%
Development Eng & Infrastructure Planning	843,252	640,515	456,761	-183,754 -28.7%		386,491	45.8%
Policy Planning & Environmental Sustainability	697,818	521,347	235,160	-286,187 -54.9%		462,658	66.3%
Parks Development	273,500	136,750	106,850	-29,900 -21.9%		166,650	60.9%
Building Standards - Licenses/Permits	8,941,551	6,504,934	7,292,103	787,169 12.1%		1,649,448	18.4%
- Plumbing Permits	749,624	551,028	554,935	3,907 0.7%		194,689	26.0%
- Service Charges	754,941	588,002	643,642	55,640 9.5%		111,299	14.7%
<b>TOTAL DEPUTY CITY MANAGER PLANNING &amp; GROWTH MANAGEMENT</b>	<b>17,995,702</b>	<b>13,248,428</b>	<b>14,285,665</b>	<b>1,037,237 7.8%</b>		<b>3,710,037</b>	<b>20.6%</b>

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

**REVENUE BY MAJOR SOURCE**

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
<b>OFFICE OF DEPUTY CITY MANAGER PUBLIC WORKS</b>							
Infrastructure Delivery	258,479	193,860	20,824	-173,036	-89.3%	237,655	91.9%
Environmental Services	1,386,608	1,045,896	1,055,059	9,163	0.9%	331,549	
Fleet Management	0	0	0	0	0.00%	0	0.0%
Trans Serv and Parks & Forestry Ops	556,905	401,385	711,929	310,544	77.4%	(155,024)	-27.8%
Cemeteries	107,535	79,822	122,470	42,648	53.4%	(14,935)	-13.9%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>2,309,527</b>	<b>1,720,963</b>	<b>1,910,282</b>	<b>189,319</b>	<b>11.0%</b>	<b>399,245</b>	<b>17.3%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>397,900</b>	<b>294,169</b>	<b>276,870</b>	<b>-17,299</b>	<b>-5.9%</b>	<b>121,030</b>	<b>30.4%</b>
<b>TOTAL FEES / SERVICE CHARGES</b>	<b>50,104,353</b>	<b>39,040,405</b>	<b>40,584,822</b>	<b>1,532,248</b>	<b>3.9%</b>	<b>9,531,700</b>	<b>19.0%</b>
<b>TOTAL CORPORATE REVENUES</b>	<b>20,321,755</b>	<b>12,754,427</b>	<b>11,644,660</b>	<b>-1,109,767</b>	<b>-8.7%</b>	<b>8,725,765</b>	<b>42.9%</b>
<b>TOTAL REVENUE</b>	<b>95,470,545</b>	<b>65,898,667</b>	<b>63,459,535</b>	<b>-2,451,301</b>	<b>-3.7%</b>	<b>32,071,850</b>	<b>33.6%</b>
<b>CORPORATE REVENUE DETAIL :</b>							
Fines And Penalties	5,200,000	3,892,692	3,344,533	-548,159	-14.1%	1,855,467	35.7%
Investment Income	2,500,000	1,302,490	1,651,429	348,939	26.8%	848,571	33.9%
Powerstream Investment Income	4,700,000	3,525,000	2,921,856	-603,144	-17.1%	1,778,144	37.8%
Powerstream Dividends	7,420,020	3,710,010	2,315,190	-1,394,820	-37.6%	5,104,830	68.8%
Miscellaneous Revenue	170,000	0	247,662	247,662	0.00%	(77,662)	-45.7%
Sale of Fixed Assets	30,000	22,500	78,670	56,170	249.6%		
Mayor's Gala/Golf Classic	301,735	301,735	1,085,320	783,585	259.7%	(783,585)	-259.7%
<b>TOTAL CORPORATE REVENUE</b>	<b>20,321,755</b>	<b>12,754,427</b>	<b>11,644,660</b>	<b>-1,109,767</b>	<b>-8.7%</b>	<b>8,725,765</b>	<b>42.9%</b>

**CITY OF VAUGHAN**  
**2017 City Operating Budget**

September 30, 2017

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

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
<b>COUNCIL</b>	<b>1,678,920</b>	<b>1,222,876</b>	<b>1,020,368</b>	<b>202,508</b>	<b>16.6%</b>	<b>658,552</b>	<b>39.2%</b>
<b>OFFICE OF THE INTEGRITY COMMISSIONER</b>	<b>559,323</b>	<b>427,194</b>	<b>242,248</b>	<b>184,946</b>	<b>43.3%</b>	<b>317,075</b>	<b>56.7%</b>
<b>INTERNAL AUDIT</b>	<b>567,057</b>	<b>407,782</b>	<b>369,398</b>	<b>38,384</b>	<b>9.4%</b>	<b>197,659</b>	<b>34.9%</b>
<b>CITY MANAGER</b>	<b>597,741</b>	<b>440,487</b>	<b>451,678</b>	<b>-11,191</b>	<b>-2.5%</b>	<b>146,063</b>	<b>24.4%</b>
<b>OFFICE OF THE CHIEF CORPORATE INITIATIVES &amp; INTERGOV. AFFAIRS</b>							
Office of the Chief Corporate Initiatives & Intergovernmental Affairs	853,926	640,538	449,085	191,453	29.9%	404,841	47.4%
Economic Development & Culture Services	2,183,839	1,552,394	1,238,533	313,861	20.2%	945,306	43.3%
	<b>3,037,765</b>	<b>2,192,932</b>	<b>1,687,617</b>	<b>505,315</b>	<b>23.0%</b>	<b>1,350,148</b>	<b>44.4%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>991,668</b>	<b>733,442</b>	<b>518,547</b>	<b>214,895</b>	<b>29.3%</b>	<b>473,121</b>	<b>47.7%</b>
<b>OFFICE OF CORPORATE COMMUNICATIONS</b>	<b>1,338,895</b>	<b>980,244</b>	<b>910,863</b>	<b>69,381</b>	<b>7.1%</b>	<b>428,032</b>	<b>32.0%</b>
<b>OFFICE OF THE CHIEF INFORMATION OFFICER</b>	<b>10,917,807</b>	<b>8,129,688</b>	<b>7,557,711</b>	<b>571,977</b>	<b>7.0%</b>	<b>3,360,096</b>	<b>30.8%</b>
Office of the City Clerk	5,399,019	4,061,642	3,865,106	196,536	4.8%	1,533,913	28.4%
City Clerk - Insurance	6,494,467	6,043,932	4,413,076	1,630,856	27.0%	2,081,391	32.0%
Committee of Adjustment	639,855	470,586	343,029	127,557	27.1%	296,826	46.4%
Council Corporate	99,573	77,845	40,738	37,107	47.7%	58,835	59.1%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	<b>12,632,914</b>	<b>10,654,005</b>	<b>8,661,949</b>	<b>1,992,056</b>	<b>18.7%</b>	<b>3,970,965</b>	<b>31.4%</b>
Office of the Chief Financial Officer/City Treasurer	530,908	391,126	295,065	96,061	24.6%	235,843	44.4%
Financial Services	3,637,664	2,702,217	2,476,143	226,074	8.4%	1,161,521	31.9%
Financial Planning & Development Finance	3,448,071	2,506,372	2,348,040	158,332	6.3%	1,100,031	31.9%
Procurement Services	2,281,402	1,692,997	1,563,171	129,826	7.7%	718,231	31.5%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	<b>9,898,045</b>	<b>7,292,712</b>	<b>6,682,419</b>	<b>610,293</b>	<b>8.4%</b>	<b>3,215,626</b>	<b>32.5%</b>
Office of Deputy City Manager Legal & Human Resources	326,023	237,947	229,130	8,817	3.7%	96,893	29.7%
Office of the City Solicitor	2,793,664	2,048,508	1,627,773	420,735	20.5%	1,165,891	41.7%
Office of the Chief Human Resources Officer	4,466,762	3,279,250	3,212,909	66,341	2.0%	1,253,853	28.1%
<b>TOTAL DEPUTY CITY MANAGER LEGAL &amp; HR</b>	<b>7,586,449</b>	<b>5,565,705</b>	<b>5,069,812</b>	<b>495,893</b>	<b>8.9%</b>	<b>2,516,637</b>	<b>33.2%</b>
Office of Deputy City Manager Community Services	587,987	445,438	340,027	105,411	23.7%	247,960	42.2%
Community Grants & Advisory Committees	70,333	50,082	38,667	11,415	22.8%	31,666	45.0%
Access Vaughan	1,254,595	902,839	931,216	-28,377	-3.1%	323,379	25.8%
Recreation Services	20,944,259	15,517,237	14,820,404	696,833	4.5%	6,123,855	29.2%
Community Development & Events	1,670,338	1,210,948	1,517,523	-306,575	-25.3%	152,815	9.1%
Facility Maintenance Services	21,933,851	15,291,067	14,721,971	569,096	3.7%	7,211,880	32.9%
Fire and Rescue Services	48,265,316	34,834,498	35,022,448	-187,950	-0.5%	13,242,868	27.4%
Emergency Planning	209,492	155,293	150,041	5,252	3.4%	59,451	28.4%
By-Law, Compliance, Licensing & Permits	7,301,237	5,338,934	4,736,534	602,400	11.3%	2,564,703	35.1%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>102,237,408</b>	<b>73,746,336</b>	<b>72,278,831</b>	<b>1,467,505</b>	<b>2.0%</b>	<b>29,958,577</b>	<b>29.3%</b>
Office of Deputy City Manager Planning & Growth Management	565,315	415,809	399,632	16,177	3.9%	165,683	29.3%
Development Planning	4,478,286	3,264,500	2,881,119	383,381	11.7%	1,597,167	35.7%
Development Eng & Infrastructure Planning	6,579,076	4,822,363	3,760,863	1,061,500	22.0%	2,818,213	42.8%
Policy Planning & Environmental Sustainability	2,495,426	1,826,912	1,440,358	386,554	21.2%	1,055,068	42.3%
Parks Development	1,753,620	1,274,699	1,401,546	-126,847	-10.0%	352,074	20.1%
Building Standards	8,833,535	6,468,296	6,059,896	408,400	6.3%	2,773,639	31.4%
<b>TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT</b>	<b>24,705,258</b>	<b>18,072,579</b>	<b>15,943,414</b>	<b>2,129,165</b>	<b>11.8%</b>	<b>8,761,844</b>	<b>35.5%</b>
Office of Deputy City Manager Public Works	474,137	349,353	325,997	23,356	6.7%	148,140	31.2%
Corporate Asset Management	442,305	323,074	322,529	545	0.2%	119,776	27.1%
Fleet Management	2,785,044	1,972,644	1,941,160	31,484	1.6%	843,884	30.3%
Infrastructure Delivery	3,302,924	2,291,713	2,150,243	141,470	6.2%	1,152,681	34.9%
Environmental Services	11,126,931	8,253,533	7,949,235	304,298	3.7%	3,177,696	28.6%
Trans Serv and Parks & Forestry Ops	36,945,304	25,816,010	25,058,362	757,648	2.9%	11,886,942	32.2%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>55,076,645</b>	<b>39,006,327</b>	<b>37,747,526</b>	<b>1,258,801</b>	<b>3.2%</b>	<b>17,329,119</b>	<b>31.5%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>17,876,542</b>	<b>13,619,776</b>	<b>12,830,210</b>	<b>789,566</b>	<b>5.8%</b>	<b>5,046,332</b>	<b>28.2%</b>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<b>249,702,437</b>	<b>182,492,085</b>	<b>171,972,590</b>	<b>10,519,495</b>	<b>5.8%</b>	<b>77,729,847</b>	<b>31.1%</b>

CITY OF VAUGHAN  
2017 City Operating Budget

September 30, 2017

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE		2017 BUDGET REMAINING	
		BUDGET	ACTUAL	FAV. / (UNFAV) \$	%	\$	%
<b>RESERVE CONTRIBUTIONS &amp; CORP. EXP.</b>	<b>10,332,642</b>	<b>9,544,028</b>	<b>13,781,055</b>	<b>-4,237,027</b>	<b>-44.4%</b>	<b>(3,448,413)</b>	<b>-33.4%</b>
<b>LONG TERM DEBT</b>	<b>10,050,751</b>	<b>6,592,807</b>	<b>6,210,854</b>	<b>381,953</b>	<b>5.8%</b>	<b>3,839,897</b>	<b>38.2%</b>
<b>CONTINGENCY</b>	<b>900,550</b>	<b>255,499</b>	<b>105,567</b>	<b>149,932</b>	<b>58.7%</b>	<b>794,983</b>	<b>88.3%</b>
<b>CAPITAL FROM TAXATION</b>	<b>7,370,501</b>	<b>7,370,501</b>	<b>7,370,501</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES</b>	<b>278,356,881</b>	<b>206,254,920</b>	<b>199,440,568</b>	<b>6,814,352</b>	<b>3.3%</b>	<b>78,916,313</b>	<b>28.4%</b>
(1) Expenditures are net of Hydro Joint Services Revenue and Library Joint Service Charges.							
<b>RESERVE CONTRIBUTIONS AND CORP. EXP. DETAIL :</b>							
<b>RESERVE CONTRIBUTIONS:</b>							
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	0	-15,600	15,600	0.00%	1,425,001	101.1%
ITM Reserve Contrib.	1,235,570	1,235,570	1,235,570	0	0.0%	0	0.0%
<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>10,827,683</b>	<b>9,418,282</b>	<b>9,402,682</b>	<b>15,600</b>	<b>0.2%</b>	<b>1,425,001</b>	<b>13.2%</b>
<b>CORPORATE EXPENDITURES:</b>							
Mayor's Gala/Golf Classic	301,735	301,735	542,941	-241,206	-79.9%	(241,206)	-79.9%
Bank Charges	100,000	88,381	74,055	14,326	16.2%	25,945	25.9%
Bank Investment Fees	0	0	13,733	-13,733	0.0%	(13,733)	0.0%
Professional Fees	221,860	169,930	-3,492	173,422	102.1%	225,352	101.6%
OMB Hearings, Professional Fees & Resources	1,677,875	1,020,326	594,478	425,848	41.7%	1,083,397	64.6%
VMC Development & Implementation	18,025	7,549	188,692	-181,143	-2399.6%	(170,667)	-946.8%
Joint Services ( Payroll/Cashiering)	517,323	387,990	394,773	-6,783	-1.7%	122,550	23.7%
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	2,273,611	2,707,179	-433,568	-19.1%	(407,179)	-17.7%
Amo Membership	19,800	19,800	18,630	1,170	5.9%	1,170	5.9%
Conferences	0	0	7,290	-7,290	0.00%	(7,290)	0.0%
Election	148,270	143,812	11,023	132,789	92.3%	137,247	92.6%
Transfers to/(from) Reserves	0	-47,637	0	-47,637	100.0%	0	0.0%
Corporate Reorganization	0	-4,239,751	0	-4,239,751	100.0%	(5,799,929)	100.0%
Anticipated Labour Savings	-5,799,929	-4,239,751	0	-4,239,751	100.0%	(5,799,929)	100.0%
<b>TOTAL CORPORATE EXPENSES</b>	<b>-495,041</b>	<b>125,746</b>	<b>4,378,373</b>	<b>-4,252,627</b>	<b>-3381.9%</b>	<b>(4,873,414)</b>	<b>984.4%</b>
<b>TOTAL RESERVE CONTRIBUTIONS &amp; CORPORATE EXP.</b>	<b>10,332,642</b>	<b>9,544,028</b>	<b>13,781,055</b>	<b>-4,237,027</b>	<b>-44.4%</b>	<b>(3,448,413)</b>	<b>-33.4%</b>
<b>LONG TERM DEBT</b>	<b>10,050,751</b>	<b>6,592,807</b>	<b>6,210,854</b>	<b>381,953</b>	<b>5.8%</b>	<b>3,839,897</b>	<b>38.2%</b>
<b>CONTINGENCY</b>	<b>900,550</b>	<b>255,499</b>	<b>105,567</b>	<b>149,932</b>	<b>58.7%</b>	<b>794,983</b>	<b>88.3%</b>
<b>CAPITAL FROM TAXATION</b>	<b>7,370,501</b>	<b>7,370,501</b>	<b>7,370,501</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>

**Portfolio: Community Services**

## Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	21.33	21.67	0.34
Labour	59.05	58.52	0.53
Other Expenditures	14.74	13.77	0.97
Total Expenditures	73.79	72.30	1.49
<b>Net</b>	<b>52.46</b>	<b>50.62</b>	<b>1.83</b>

## Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	52	10.16
2016	23	3.70
2015	13	2.71
2014	17	0.85
2013	4	0.29
2009-2012	8	0.54
2006-2008	3	0.76
<b>Total</b>	<b>120</b>	<b>\$19.01</b>

**Portfolio: Legal and Human Resources**

## Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Revenues	0.25	0.06	(0.19)
Labour	4.77	4.07	0.71
Other Expenditures	0.79	1.01	(0.21)
Total Expenditures	5.57	5.07	0.49
<b>Net</b>	<b>5.31</b>	<b>5.01</b>	<b>0.30</b>

## Capital Results (\$M):

Year (\$M)	Open #	Unspent \$
2017	2	0.28
2013	2	0.14
2009-2012	1	1.01
<b>Total</b>	<b>5</b>	<b>\$1.43</b>

Community Services net expenditure is tracking positive to budget driven mainly by:

- Lower than budgeted labour expenditures as a result of vacancies in Facility Maintenance Services, Recreation Services, and By-Law & Compliance, Licensing & Permit Services
- Lower than budgeted gas costs in Facility Maintenance Services due to less consumption
- Greater than anticipated revenues from program registrations (Recreation Services), fines and penalties (By-Law & Compliance, Licensing & Permit Services), and motor vehicle collision responses (Fire and Rescue Service)

These positive variances were partially offset by higher than budgeted overtime costs due to long-term absences in Facility Maintenance Services and Fire and Rescue Service.

The gradual phasing out of YRT paper ticket and pass sales in Recreation Services, as the transition to selling Presto passes at Vaughan Libraries continues, resulted in lower than budgeted expenses and lower than budgeted revenues (minimal impact on a net basis).

Work continues in Q3 on numerous capital projects such as construction of the new Fire Training Tower Facility, implementation of energy conservation improvements to multiple City-owned facilities, as well as renovations and replacements at the City's Community Centres.

There were 18 project closures across Community Services during the quarter such as the implementation of a Computer Aided Dispatch System under Fire and Rescue Service, and numerous equipment and facility replacements across multiple Community Centres.

Legal and Human Resources net expenditure is tracking positive to budget driven mainly by:

- Lower than budgeted Labour costs as a result of vacancies.
- This is partially offset by higher than budgeted Professional Fees as a result of ongoing complex legal issues requiring external counsel and higher than budgeted expenses in Advertising as a result of an increase in recruitment job postings.

The majority of capital project activity is related to real estate; specifically land acquisition activities which can result in varying spending from quarter to quarter.



## 2017 Fiscal Health Report

### Portfolio: Planning and Growth Management

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

(\$M)	Budget	Actual	Variance
Revenues	13.25	14.25	1.04
Labour	17.11	15.09	2.02
Other Expenditures	0.96	0.86	0.10
Total Expenditures	18.07	15.96	2.12
<b>Net</b>	<b>4.82</b>	<b>1.67</b>	<b>3.15</b>

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

Year (\$M)	Open #	Unspent \$
2017	34	19.15
2016	24	13.30
2015	22	17.92
2014	15	2.92
2013	17	9.61
2009-2012	20	15.34
2006-2008	4	1.02
<=2005	2	1.74
<b>Total</b>	<b>138</b>	<b>\$81.00</b>

Planning and Growth Management has a positive operating variance for the period of Q3 year to date driven mainly by:

- Lower than budgeted labour expenditures as a result of vacancies in Development Engineering, Building Standards, Development Planning and Policy Planning. The positions are being actively recruited.
- Revenues are \$1M above budget due to higher dollar value of applications received for site plans, subdivisions and other related fees in revenues in Development Planning and revenue increases in licenses and permits from Building Standards. These are partially offset by lower than expected transfer from capital fund and revenue funding from external agency for growth-related positions in Development Engineering.

Work continues in Q3 on capital projects such as Construction for North Maple Regional Park Phase I, comprehensive review on new City-wide consolidated Zoning By-law, and preliminary design of VMC Edgeley Pond

There was a total of 16 projects closed in the quarter, including Hwy 427 / Fogal Rd. Mid-Block Collector construction, VMC & Regional Centre Transportation Analysis, and Portage Parkway Extension Class EA Study.

## 2017 Fiscal Health Report

### Portfolio: Public Works

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	1.72	1.91	0.19
Labour	15.01	16.22	(1.21)
Other Expenditures	23.99	21.58	2.42
Total Expenditures	39.01	37.80	1.21
<b>Net</b>	<b>37.29</b>	<b>35.89</b>	<b>1.40</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	79	35.87
2016	27	12.26
2015	34	50.84
2014	32	9.11
2013	11	7.32
2009-2012	19	6.26
2006-2008	4	0.68
<=2005	1	0.16
<b>Total</b>	<b>207</b>	<b>\$122.50</b>

Public Works has a positive operating variance Q3 year to date, driven mainly by:

- Contracts within the Transportation Services, Parks and Forestry Operations department that have been executed later in the season and have not been paid yet (\$1M);
- Contracts & Contractor Materials in the Environmental Services department due to the projected growth in new residences not being realized in the quarter (\$0.2M).

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 Q3 on capital projects such as Vaughan Hospital Precinct Development, construction of Vellore Village South Library, and Tree replacement and maintenance of the City's Urban Forest Canopy.

There was a total of 13 projects closed in the quarter, including Watermain and Sanitary Installation in the Millwood Estates Community and Sidewalk & Street Lighting on Jane St - Hwy 7 to Langstaff Rd.

## 2017 Fiscal Health Report

### Office: Corporate Initiative and Intergovernmental Relations

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.28	0.19	(0.08)
Labour	1.78	1.41	0.37
Other Expenditures	0.42	0.28	0.13
Total Expenditures	2.19	1.69	0.50
<b>Net</b>	<b>1.92</b>	<b>1.50</b>	<b>0.42</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2015	1	\$0.03
<b>Total</b>	<b>1</b>	<b>\$0.03</b>

\*represents total closed in 2017

Corporate Initiative and Intergovernmental Relations net expenditure is tracking positive to budget driven mainly by:

- A favourable labour variance is a result of vacancies in positions, it is not anticipated that these vacancies will be filled before the end of the year
- The Foreign Travel program has been scaled back affecting the Travel and Professional Fees budgets.
- Project is for VMC Development; work continues to progress.

### Office: Chief Financial Officer

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.89	1.21	0.31
Labour	6.77	6.30	0.47
Other Expenditures	0.52	0.39	0.14
Total Expenditures	7.29	6.69	0.61
<b>Net</b>	<b>6.40</b>	<b>5.48</b>	<b>0.92</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	1	0
2016	3	0.31
2009-2012	1	0.09
<b>Total</b>	<b>5</b>	<b>\$0.40</b>

Office of Chief Financial Officer net expenditure is tracking positive to budget driven mainly by:

- Labour gapping due to vacancies in Financial Planning & Development Finance, Financial Services, and Procurement Services.
- This variance is furthered by a positive revenue variance in Financial Services due to the timing of taxation and property assessment revenues, as well as a positive expenditure variance in Procurement Services due to the timing of professional services.

Work continued in Q3 on Financial Planning & Development Finance capital projects as progress continues to be made on the Financial Master Plan and the City-Wide Development Charges Study.

## 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	0.54	0.54
Investment Income & VHI Dividends	8.54	6.89	(1.65)
Fines and Penalties	3.89	3.34	(0.55)
Taxation (net)	182.89	182.87	(0.01)
<b>Total Revenues</b>	<b>195.32</b>	<b>193.65</b>	<b>(1.67)</b>
Capital Related Expenditures	21.00	21.08	(0.08)
Contingency	(3.98)	0.11	(4.09)
Other Expenditures (net)	(1.27)	(1.83)	0.56
<b>Total Expenditures</b>	<b>15.75</b>	<b>19.36</b>	<b>(3.61)</b>
<b>Net</b>	<b>(179.56)</b>	<b>(174.29)</b>	<b>(5.28)</b>

The net expenditure is tracking negative to budget driven mainly by:

- 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.
- Dividend income variance is due to timing differences between budgeted and actual dividend receipt

### Office: Chief Information Officer

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

(\$M)	Budget	Actual	Variance
Labour	5.01	4.92	0.09
Other Expenditures	3.12	2.64	0.49
<b>Total Expenditures</b>	<b>8.13</b>	<b>7.56</b>	<b>0.57</b>
<b>Net</b>	<b>8.13</b>	<b>7.56</b>	<b>0.57</b>

Office of Chief Information Officer net expenditure is tracking positive to budget driven mainly by:

- Timing of payments related to Service Contracts and Communications, which are both anticipated to come close to budget by end of year
- Lower than budgeted expenditures in Professional Fees as a result of some projects not requiring professional services as previously anticipated.

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

Year (\$M)	Open #	Unspent
2017	1	0.24
2016	2	1.25
2014	1	0.47
<b>Total</b>	<b>4</b>	<b>\$3.31</b>

Work continued in Q3 on several large ongoing capital projects such as Central Computing Infrastructure, Personal Computer (PC) Assets Renewal and Vaughan On-line Improvements. In addition, projects related to audio/visual infrastructure renewal and equipment continue to progress.

## 2017 Fiscal Health Report

### Office: City Clerk

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.83	0.77	(0.06)
Labour	3.86	3.78	0.08
Other Expenditures	6.79	4.88	1.19
Total Expenditures	10.65	8.66	1.99
<b>Net</b>	<b>9.82</b>	<b>7.89</b>	<b>1.93</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	1	0.10
2009-2012	1	0
<b>Total</b>	<b>2</b>	<b>\$0.10</b>

The net expenditure is tracking positive to budget driven mainly by:

- Lower than budgeted expenditures related to insurance 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.

Work continued in Q3 on two active capital projects. The Claims Management System and SAMS System Enhancement projects are both expected to be completed in early 2018.

### Office: Corporate Communications

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenue			
Labour	0.87	0.83	0.04
Other Expenditures	0.11	0.08	0.03
Total Expenditures	0.98	0.91	0.07
<b>Net</b>	<b>0.98</b>	<b>0.91</b>	<b>0.07</b>

The net expenditure is tracking positive to budget driven mainly by:

- Labour gapping due to two vacancies. Variance furthered by savings for future purchases.

## 2017 Fiscal Health Report

### Office: Transformation and Strategy

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenue	0.19	0.21	0.02
Labour	0.66	0.50	0.16
Other Expenditures	0.07	0.02	0.05
Total Expenditures	0.73	0.52	0.21
<b>Net</b>	<b>0.54</b>	<b>0.31</b>	<b>0.23</b>

The net expenditure is tracking positive to budget driven mainly by:

- Favourable Labour variance is a result of a vacant position that is currently under recruitment.

Work continues to progress on open capital projects

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	2	0.59
2016	10	1.67
2015	1	0.01
2013	1	0
<b>Total</b>	<b>14</b>	<b>\$2.26</b>

### Vaughan Public Libraries

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.29	0.28	(0.02)
Labour	9.75	9.35	0.40
Other Expenditures	3.87	3.48	0.39
Total Expenditures	13.62	12.83	0.79
<b>Net</b>	<b>13.33</b>	<b>12.55</b>	<b>0.77</b>

The net expenditure is tracking positive to budget driven mainly by:

- Lower than budgeted Labour Costs as a result of vacancies.
- This variance is further driven by significant short-term timing variances in Office Equipment & Furniture purchases and Joint Service City Charges.

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2016	4	0.65
2015	1	0.29
2014	2	0.41
2013	1	0.59
<b>Total</b>	<b>8</b>	<b>\$1.93</b>

Work continued in Q3 on a number of ongoing city-wide capital projects relating to resource purchases and technology upgrades. Project work related to Vellore Village South Library, which is anticipated to open in Q1, 2018, is also continuing.

## 2017 Fiscal Health Report

### City Council

Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.93	0.88	0.05
Other Expenditures	0.30	0.14	0.15
Total Expenditures	1.22	1.02	0.20
<b>Net</b>	<b>1.22</b>	<b>1.02</b>	<b>0.20</b>

### Integrity Commissioner

Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.24	0.20	0.05
Other Expenditures	0.18	0.05	0.14
Total Expenditures	0.43	0.24	0.18
<b>Net</b>	<b>0.43</b>	<b>0.24</b>	<b>0.18</b>

The net expenditure is tracking positive to budget driven mainly by:

- The favourable 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):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.35	0.34	0.00
Other Expenditures	0.06	0.03	0.03
Total Expenditures	0.41	0.37	0.04
<b>Net</b>	<b>0.41</b>	<b>0.37</b>	<b>0.04</b>

The operating budget is on track.

### City Manager

Operating Results (\$M):

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.37	0.36	0.01
Other Expenditures	0.07	0.09	(0.02)
Total Expenditures	0.44	0.45	(0.01)
<b>Net</b>	<b>0.44</b>	<b>0.45</b>	<b>(0.01)</b>

The operating budget is on track