

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018**

Item 4, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 23, 2018.

---

#### **4      FISCAL HEALTH REPORT – FOR THE YEAR ENDING DECEMBER 31, 2017**

**The Finance, Administration and Audit Committee recommends:**

- 1)      That the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, dated May 7, 2018, be approved; and**
- 2)      That the following be approved in accordance with Communication C1, from the Chief Financial Officer and City Treasurer, dated May 7, 2018:**
  - 1.      That Council approve following budget amendments:**
    - a.      That the capital budgets for AM-2528-17, AM-2529-17, EN-1851-14, EN-1843-11, EN-1696-08 be amended whereas funding source's for remaining unspent project budget as of December 31, 2017 be revised to the City's Federal Gas Tax Fund Reserve;**
    - b.      That the capital budget for CD-2015-15 be amended by replacing funding source of the Debenture Financing with the City's Federal Gas Tax Fund Reserve in the amount of \$4,118,368.75.**

#### **Recommendations**

- 1.      That the Fiscal Health Report for the Year Ending December 31, 2017 be received.**

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

Item:



## Finance, Administration and Audit Committee Report

---

**DATE:** Monday, May 07, 2018

**WARD(S):** ALL

**TITLE: FISCAL HEALTH REPORT – FOR THE YEAR ENDING  
DECEMBER 31, 2017**

**FROM:**

Laura Mirabella, Chief Financial Officer and City Treasurer

**ACTION:** FOR INFORMATION

---

**Purpose**

To report on the City's fiscal health for the year ending December 31, 2017.

**Recommendations**

1. That the Fiscal Health Report for the Year Ending December 31, 2017 be received.

**Report Highlights**

- The City's property tax supported operations ended 2017 in a surplus financial position of \$0.8 million
- Transfers of \$0.4 million to the Year-End Expenditure Reserve and \$0.4 million to the Tax Rate Stabilization Reserve were made to bring the end financial position to balance
- Combined, the rate supported operations ended 2017 in a favourable position of \$7.9 million, resulting in a transfer to the reserves that support the renewal of water, wastewater and stormwater infrastructure
- During 2017, approximately \$110 million was spent on 332 capital projects
- 113 capital projects were closed in 2017 and savings of \$10.6 million from the closed projects were returned to various originating reserves and reserve funds

## **Background**

The fiscal health report tracks actual spending performance of the City's calendarized financial plan. This report provides the year-end financial position of the City as at December 31, 2017 on the same basis as the 2017 budget, with accompanying commentary on the contributing factors that have affected the City's fiscal health.

The year-end fiscal health report compares annual actual city operating, water and wastewater and stormwater operations and capital results as of December 31, 2017, versus the approved budgets and on the same basis as the budget. This differs from the basis of accounting in the City's audited financial statements in some important ways. The full amortization of tangible capital assets and post-retirement benefits are excluded from this report while transfers to and from reserves and net debenture financing requirements are included. The City's draft audited financial statements are expected to be presented to Council in June 2018.

## **Previous Reports/Authority**

FISCAL HEALTH REPORT – SEPTEMBER 30, 2017

## **Analysis and Options**

### ***Executive Summary***

**The City's ending net position was balanced for 2017.**

The City's property tax supported operations ended 2017, before year-end reserve transfers, in a surplus financial position of \$0.8 million, largely attributed to lower than anticipated contract services costs as a result of improved procurement practices. Approximately \$0.4 million of the surplus was transferred to the Year-End Expenditure Reserve and the remaining \$0.4 million was transferred to the Tax Rate Stabilization Reserve to mitigate tax pressures in 2019 and beyond.

Combined, the rate supported operations ended 2017 in a favourable position. Prudent maintenance activities enabled water, wastewater and stormwater operations to contribute an additional \$7.9 million to the Water, Wastewater and Stormwater reserves. These reserve funds will assist in future infrastructure replacements as these assets near the end of their useful life.

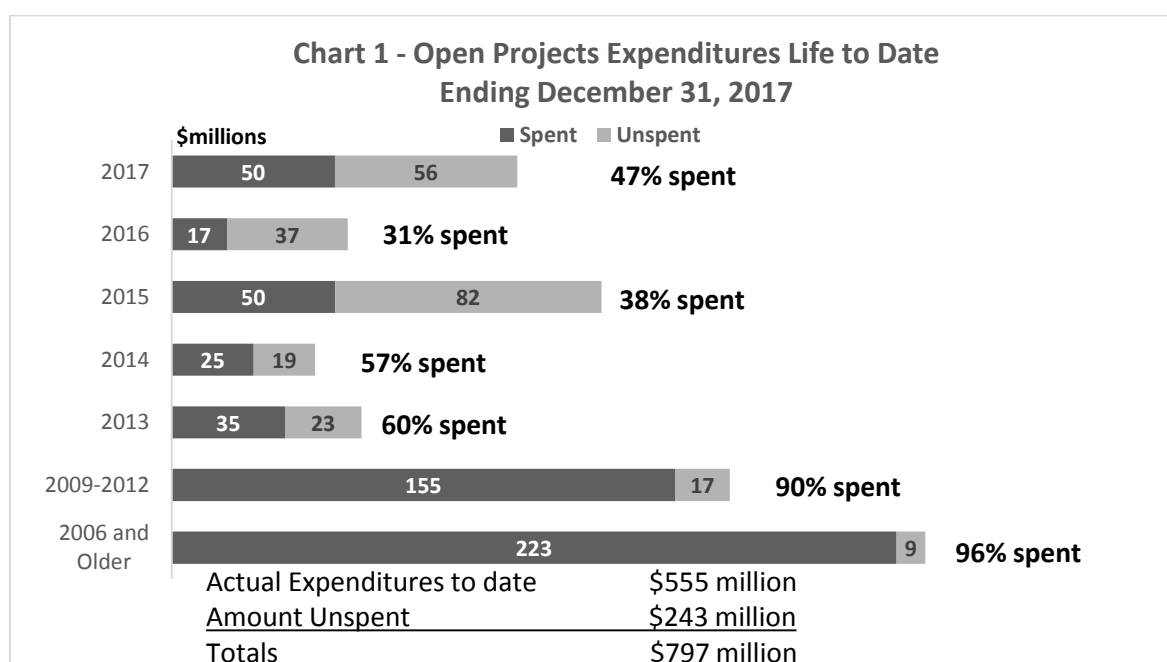
During 2017, approximately \$110 million was spent on 332 capital projects, an increase of 40 percent from 2016 capital spending of \$77 million. Departments closed a total of 113 capital projects in 2017 and savings of \$10.6 million from the closed projects were returned to various originating reserves and reserve funds.

At December 31, 2017, there were 645 open capital projects with \$242.9 million of available budget remaining.

Attachment 1 provides the net position for all City departments.

**Operating Results – Year ending December 31, 2017**

	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million
<b>Property Tax Based Budget</b>			
Revenues	278.4	277.0	(1.4)
Expenditures	278.4	276.2	2.2
<b>Year End Position</b>	<b>\$0.0</b>	<b>\$0.8</b>	<b>\$0.8</b>
<b>Reserve Transfer</b>			
To Year- End Reserves		(0.4)	(0.4)
To Tax Rate Stabilization Reserve		(0.4)	(0.4)
<b>Net</b>		<b>\$0.0</b>	<b>\$0.0</b>
<b>Water Rate Based Budget</b>			
Revenues	19.2	22.9	3.7
Expenditures	19.2	22.9	(3.7)
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Wastewater Rate Based Budget</b>			
Revenues	14.6	17.5	2.9
Expenditures	14.6	17.5	(2.9)
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Stormwater Charge Based Budget</b>			
Revenues	12.5	9.2	(3.3)
Expenditures	12.5	9.2	3.3
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**Capital Results – Year ending December 31, 2017**

## ***Discussion***

### **OPERATING BUDGET RESULTS**

**Overall, City Revenues were \$1.3 million lower than plan.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Department Revenues	50.1	52.3	2.2	4.4%
Corporate Revenues	20.3	19.4	(0.9)	(3.9%)
Reserve Transfers	19.1	16.5	(2.6)	(13.6%)
Taxation	188.8	188.8	(0.0)	0.0%
<b>Total Revenues</b>	<b>\$278.3</b>	<b>\$277.0</b>	<b>(\$1.3)</b>	<b>(0.0%)</b>

Note – numbers may not add due to rounding

- Department Revenues were 4.4 percent greater than planned. Higher than expected revenues were collected from site plan applications, subdivision applications and other related fees in Development Planning. The revenue increase in licenses and permits from Building Standards have been mostly offset by a corresponding higher transfer to the Building Standard Continuity Reserve. Increased Community Services revenues also contributed to the favourable variance because of higher than expected revenues from parking enforcement and registrations for aquatic programs and summer camps.
- Corporate Revenues were 3.9 percent lower than planned. This is primarily because of revenue recognition timing difference as a result of transiting from annual dividend declaration to a quarterly based dividend declaration from the City's investment holdings company, Vaughan Holdings Inc. (VHI). In 2017, three quarters of the dividends were recognized.
- Reserve transfers were 13.6 percent lower than planned. Transfers from Building Standards and Development Engineering & Infrastructure Planning were less than budgeted, as these department expenditures were less than planned primarily due to labour vacancies.

**Overall, City expenditures were \$2.1 million less than plan.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Labour	168.6	168.3	0.3	0.2%
Service Contracts & Materials	35.2	32.9	2.3	6.5%
Capital Related	27.8	27.6	0.2	0.7%
Other	29.0	31.4	(2.4)	(8.3%)
Utilities & Fuel	11.5	11.4	0.1	0.9%
Insurance	6.2	4.6	1.6	25.8%
<b>Total Expenditures</b>	<b>\$278.3</b>	<b>\$276.2</b>	<b>\$2.1</b>	<b>0.01%</b>

Note – numbers may not add due to rounding

- Labour costs were 0.2 percent lower than plan. Majority departments saw savings in labor expenditures due to prudent resource and vacancy management.

- Service contracts and materials were 6.5 per cent lower than budget. Savings from contract services were experienced across departments in 2017, notably in areas such as maintenances of facilities, roads, trees, and parks. In addition, winter control costs came in on budget and did not require a transfer from the Winterization Reserve.
- Other costs were 8.3 percent higher than budget, due in part to a transfer of \$1.7 million of excess funds to the Insurance Reserve to mitigate any future insurance related expenses. This excess fund was due to a competitive RFP for insurance that was awarded toward the end of 2016 with a revised annual premium effective January 2017. The premium cost savings that fund the transfer are included on the insurance expenditure line.
- Capital related expenditures, consisting of infrastructure reserve contributions and draws and principal and interest repayments to the Region, were on budget.

Attachment 2 provides commentary at the Portfolio/Office level.

## **Water, Wastewater and Stormwater Results**

### **Fourth Quarter Water Operating Results**

**Water Operations gross margin was \$4.4 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	36.4	32.9	(3.5)
Commercial Billings	24.1	22.2	(1.9)
Other	0.3	0.6	0.3
Purchases/Treatment Charges	37.8	32.4	5.4
Non-Revenue Water	5.7	1.6	4.1
<b>Gross Margin</b>	<b>17.3</b>	<b>21.7</b>	<b>4.4</b>
<b>Other Revenues</b>	<b>1.9</b>	<b>1.2</b>	<b>(0.7)</b>

- Residential and commercial water sales for the fourth quarter ended lower than budget by 9.6% and 7.9% 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 budget 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 \$1.9 million less than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	5.6	4.5	1.1
General Administration	5.2	4.4	0.8
Joint Service Costs	0.7	0.7	0.0
Lifecycle Contribution	7.7	13.3	(5.6)
	<b>19.2</b>	<b>22.9</b>	<b>(3.7)</b>

- Maintenance and Installation Costs ended lower by 19.6% due to timing of procurements and lower than expected emergencies.
- General Administration costs were lower by 15.4% due to lower than expected professional fees and gapping associated with the Backflow Prevention Coordinator position (recruitment now complete) and vehicle lease expenses.

**City's net lifecycle contribution was \$5.6 million greater than budget at the end of the fourth quarter.**

#### **Fourth Quarter Wastewater Operating Results**

**Wastewater Operations gross margin was \$3.0 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	44.8	40.1	(4.7)
Commercial Billings	30.6	28.1	(2.5)
Other	0.4	0.6	0.2
Purchases/Treatment Charges	53.9	50.6	3.3
Non-Revenue Water	8.1	1.4	6.7
<b>Gross Margin</b>	<b>13.8</b>	<b>16.8</b>	<b>3.0</b>
<b>Other Revenues</b>	<b>0.8</b>	<b>0.7</b>	<b>(0.1)</b>

- Residential and Commercial wastewater billings for the fourth quarter trended 10.5% and 8.2% respectively 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 budget. The City and Region are investigating to determine reasons for the lower than expected Non-Revenue Water.

**Wastewater Operations expenditures before Lifecycle Contributions were \$0.3 million less than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	3.8	3.4	0.4
General Administration	2.4	2.1	0.3
Joint Service Costs	0.3	0.7	(0.4)
Lifecycle Contribution	8.1	11.3	(3.2)
	<b>14.6</b>	<b>17.5</b>	<b>(2.9)</b>

- Maintenance and Installation Costs ended lower by 10.5% due to timing of activities and lower than expected emergencies.
- Maintenance General Administration costs were lower by 12.5% due to lower than expected professional fees.

**City's net lifecycle contribution was \$3.2 million greater than budget at the end of the fourth quarter.**

#### **Fourth Quarter Stormwater Operating Results**

**Stormwater Operations gross margin was \$3.2 million less than budget.**

	<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	5.0	(3.1)
Other	-	-	-
Purchases/Treatment Charges	-	-	-
Non-Revenue Water	-	-	-
<b>Gross Margin</b>	<b>12.1</b>	<b>8.9</b>	<b>(3.2)</b>
<b>Other Revenues</b>	<b>0.4</b>	<b>0.3</b>	<b>(0.1)</b>

- Stormwater billing was planned to start in April, but did not start until mid-June. The stormwater billing cycle takes approximately 8 weeks and was completed in August.
- Total billing revenues were lower than budget due to changes that have occurred to assumptions originally used to build the stormwater charge.



**Stormwater Operations expenditures before Lifecycle Contributions were \$2.4 million less than budget.**

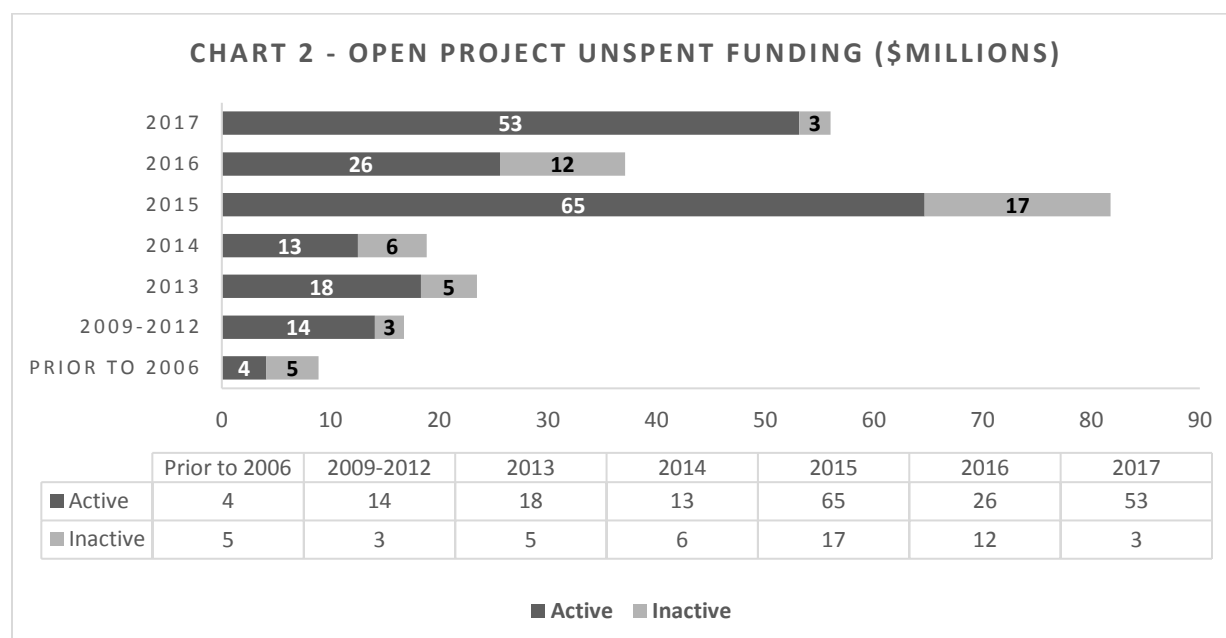
	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million
Maintenance and Installation Cost	2.7	2.1	0.6
General Administration	3.8	2.3	1.5
Joint Service Costs	0.5	0.2	0.3
Lifecycle Contribution	5.5	4.6	0.9
	12.5	9.2	3.3

- Maintenance and Installation Costs ended lower by 22.2% due to timing of activities and lower than expected required repairs.
- General Administration costs were lower by 39.5% due to vacancies early in the year 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).

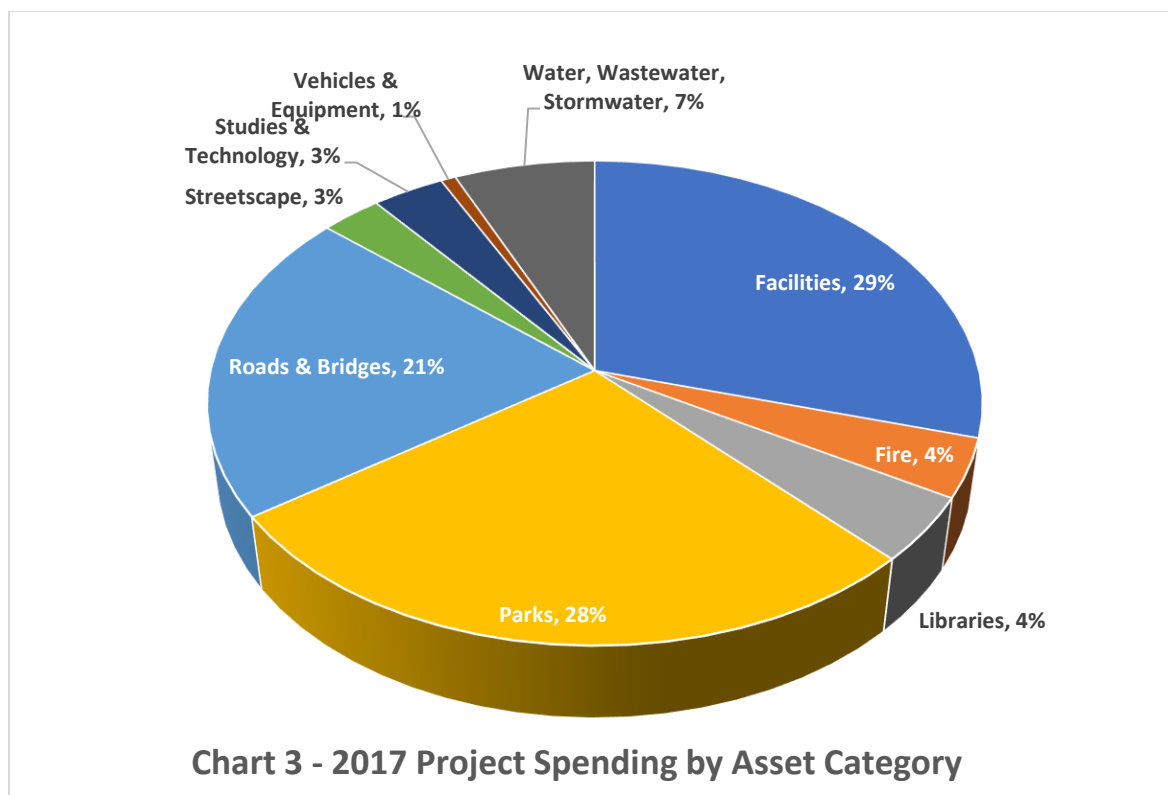
**City's net lifecycle contribution was \$0.9 million lower than budget at the end of the fourth quarter.**

### **Capital Budget Results**

As at December 31, 2017, there were 645 open capital projects with \$243 million of available budget remaining. The open projects were made up of 484 active projects and 161 inactive projects. The open project unspent funding breakdown by year is illustrated in the Chart 2 below. Further information about the inactive projects can be found in the next section of the report.



During 2017, \$110 million was spent on 332 capital projects. By comparison, the 2016 and 2015 capital project spending was \$77 million and \$61 million respectively. The Chart 3 below illustrates the breakdown of funds spent by project asset category during 2017.



In the 2017 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2017. At the end of 2017, a total of \$110 million in expenditures were paid or accrued for project works completed in 2017; this represents approximately 70 percent of the forecasted spend. This is the first year of formal tracking for this important capital performance indicator. Departments are continuing to enhance the robustness of their capital cash flow spend forecasts which will improve tracking of future results.

In addition to actual expenditures during 2017, more information about specific capital projects will be available in the Term of Council Service Excellence Strategy Map Progress Report that will be presented to Council in June 2018.

The following projects were considered substantially completed as of December 31, 2017 with budget overages as permitted under Section 8 of the Capital Project Financial Administration and Reporting policy. These projects are being separately reported in accordance with the policy.

<b>Project # &amp; Title</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance Percentage</b>
BF-8462-15 Father Ermano Bulfon CC Outdoor	149,350	151,158	(1,808)	1%
RP-6755-15 Ice Storm Tree Replacement	796,216	809,938	(13,722)	2%
DP-9030-12 VMC Computer 3D Modeling System	133,900	137,541	(3,641)	3%
FL-5211-16 PW-RDS-Replace Unit #1370 with	30,994	31,916	(922)	3%
FL-5300-16 ENG DEV TRANSP-Replace Unit #1	30,994	31,916	(922)	3%
1589-0-06 Rutherford Rd PD 6 E.Watermain	3,932,000	4,059,293	(127,293)	3%
FL-5519-17 Bldg Stds- Purchase 4 vehicles	227,836	259,316	(31,480)	14%

A complete list of active projects can be found [online](#).

### Inactive Projects and Closed Projects

Of the 645 open capital projects, there are 161 projects that are considered inactive. Inactive projects comprise 25 percent of the total number of open projects, equating to 20 percent of the total unspent funds of \$243 million. Approximately two thirds of the inactive projects are substantially complete but are required to remain open until a future event occurs while one third of the inactive projects are on hold or have not started for a variety of reasons such as project scope and estimated costs being revalued and project reprioritization due to resourcing capacity. The breakdown of the classification of the 161 open inactive projects is as follows:

<b>Classification</b>	<b>Number of Projects</b>	<b>Amount (\$million)</b>
Completed - to be closed	34	\$7.2
Completed - Under Warranty or Maintenance	44	\$7.2
Completed - Waiting for final invoices	11	\$2.6
DC repayment in place	22	\$19.8
Not Started	12	\$6.7
Project Deferred	5	\$0.8
Project on Hold	33	\$6.2
<b>Grand Totals</b>	<b>161</b>	<b>\$50.4</b>

Of the total \$50.4 million in unspent funds from inactive projects, \$19.8 million (representing 40%) 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 continue to review 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 113 projects in 2017, returning \$10.6 million to Reserves

During the fourth quarter, departments closed 34 capital projects, bringing the total capital projects closed in 2017 to 113. As a result of achieved project savings, approximately \$10.6 million has been returned to various reserves to help fund other capital works. The table below provides a breakdown of projects closed during 2017.

Portfolios	Number of Projects Closed in 2017	Amount Returned to Reserve
Public Works	26	\$5,304,975
Planning and Growth Management	37	\$4,378,201
Community Services	40	\$801,208
Office of Chief Financial Officer	3	\$143,246
Corporate Services	5	\$12,554
Office of Transformation and Strategy	1	-
Library Services	1	\$38
<b>Grand Total</b>	<b>113</b>	<b>\$10,649,223</b>

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

### Capital Budget Amendments

For capital projects where a budget amendment is required, departments are required to bring a report to Finance, Administration and Audit Committee outlining the request for the amendment.

The following table summarizes the budget amendments that were processed during the fourth quarter.

Departments			Amount of Amendment
From:	To:		
Engineering Development Charges and Municipal Contribution	DT-7065-11 Millway Avenue Widening and Realignment	FAA R07, I4 June 27, 2017	2,940,000

Departments			Amount of Amendment
From:	To:		
Building & Facilities Infrastructure Reserve	BF-8479-15 Restoration of Kleinberg United Church	FAA R10, I6 Nov. 21, 2017	450,000
Vehicle Reserve, Fleet Development Charges, and Capital from Taxation	FL-5226-14, FL-5227-14, FL-5337-14, FL-5338-14, FL-5340-14, FL-5341-14, FL-5451-14, FL-5499-14 Various Vehicle Replacements	FAA R14, I7 Dec. 11, 2017	90,000
Stormwater Reserve	WW-2546-17, WW-2551-17, EV-2112-17 Various Stormwater Pond Rehabilitation Projects	FAA R14, I6 Dec. 11, 2017	1,268,704

### Capital Transfers Authorized by the Chief Financial Officer/City Treasurer

As outlined in the section above, *Operating Transfers Authorized by the Chief Financial Officer/City Treasurer*, the Chief Financial Officer/City Treasurer has the delegated authority to approve any operating or capital realignments between departments, provided they are fiscally neutral. A summary of these changes is incorporated into the quarterly reporting process.

Capital Projects		Amount transferred between Projects
From:	To:	
CM-2526-16 Service Excellence Strategic Initiatives	SE-0080-16 Service Excellence Master's Program	16,000
EV-2087-16 Pump Station Condition Assessment	EV-2096-17 SCADA Project – Phase 2	12,578
EV-2087-16 Pump Station Condition Assessment	FL-5525-17 Sewer By-Law Sampling Van	19,500
EV-2101-17 Stormwater Pond Cleaning – Sugar Bush	WW-2546-17, WW-2551-17, EV-2112-17 Various Stormwater Pond Rehabilitation Projects	74,740
PK-6455-15 Clearview Park	PK-6571-17 Maxey Park	110,000
WW-2544-17 Non-Revenue Water Assessment WW-2542-17 Pressure District Assessment and District Metering Area Strategy	WW-2536-17 Bulk Water Stations	100,500

### 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	68.9	28.8	287.9	117.9	170.0
Area Specific Development Charges	1.2	0.8	0.1	1.9	8.5	-6.9
Restricted Grant	27.1	9.2	8.5	27.8	21.1	5.7
Other	95.5	19.8	24.1	91.2	2.4	88.8
<b>Obligatory Subtotal</b>	<b>371.6</b>	<b>98.7</b>	<b>61.5</b>	<b>408.9</b>	<b>150.0</b>	<b>257.6</b>
<b>Discretionary Reserves</b>						
Infrastructure	170.8	41.7	19.3	193.2	49.2	144.0
Capital from Taxation	17.2	7.6	7.6	17.2	16.3	0.9
Corporate	17.4	0.8	3.1	15.1	0.2	14.9
Special Purpose	6.7	0.7	0.4	7.0	13.2	-6.1
Sustainability	34.5	14.2	6.8	41.8	0.5	41.3
<b>Discretionary Subtotal</b>	<b>246.7</b>	<b>65.0</b>	<b>37.3</b>	<b>274.4</b>	<b>79.4</b>	<b>195.0</b>
<b>Grand Totals</b>	<b>\$618.3</b>	<b>\$163.7</b>	<b>\$98.8</b>	<b>\$683.3</b>	<b>\$229.4</b>	<b>\$452.6</b>

Note – numbers may not add due to rounding.

At the end of 2017, the reserve balance before commitments was \$683 million. A net reserve activity of \$229 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of December 31, 2017 was \$453 million, of which \$258 million was for obligatory reserves and \$195 million was in discretionary reserves.

Development Charges collected in 2017 equated to \$66 million. Approximately \$56 million was collected from residential developments representing a 7 percent increase over 2016 collected revenue of \$52 million; approximately \$10 million was collected from non-residential developments representing a 20 percent increase over 2016 collected revenues of \$8 million. The City's draft Development Charge Fund Statement is expected to be presented to Council in June 2018.

The City contributed approximately \$40 million into various infrastructure reserves to fund future assets' state of good repair, of which \$12 million was contributed from taxation and approximately \$28 million was from rate supported revenues. The City is currently on its journey to develop a comprehensive asset management plan that will be rolling out into various phases. Phase one of the roadmap is to develop an asset management strategic

policy and accompanying strategies to establish mechanism to promote principle and evidence based decision making. Asset management plans will inform future infrastructure planning and support asset management related budget and spending decisions.

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

### Financial Ratios in alignment with Corporate Targets

Discretionary reserves provide the City with financial flexibility in order to safeguard against economic downturns and finance operations internally. To ensure the sustainability of these reserves, the City has adopted associated targets. The City also has a target ratio for debt services costs. The table below provides the status of these targets at the end of 2017:

Policy Ratio	2017	Ratio Forecasted in 2017 budget	Target
Discretionary Reserve	49%	55.74%	>50% Of Own Source Revenues
Working Capital	4%	4.91%	Up To 10% Of Own Source Revenues
Debt Service Costs	2%	4.34%	<10% Of Own Source Revenues

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

**Working Capital Ratio** - Contributions to this reserve occur only when the City achieves a surplus; this reserve can be a source of funding to address a year-end deficit position. In 2017, the operating surplus fund was transferred to the Tax Rate Stabilization Reserve. The consideration of consolidating these two reserve accounts will be analyzed and discussed in an upcoming reserve policy review.

**Debt Service Ratio** - The City's policy limits debt to a maximum of 10 percent of total City revenue, which is significantly lower than the Province's 25 per cent maximum. Total debt outstanding as of December 31, 2017 was \$36 million with a debt repayment costs totaling \$9.0 million, \$7.8 million in principal and \$1.3 million in interest. Repayment costs of \$9.0 million represents approximately 2 percent of the City's own source revenues. The Debt Service Ratio continued to improve in 2017, this was achieved in part by looking for responsible and innovative ways to fund capital projects. It is worth noting however, that when debt financing can be an additional funding tool to finance infrastructures in the City, due diligence is necessary to ensure the City's long term financial sustainability and flexibility.

The City is working to complete a long term fiscal plan that would take into consideration the City's Term of Council strategic plan, growth plans, asset management plan, development charge study, and its treasury management strategy. A Reserve Policy and a Debt Management Policy review will be complimenting this long term fiscal plan which include review of some key financial indicators; the resulting analysis and recommendation would be considered in the City's multi-year financial plan and to ensure financial decisions are mindful of short-term and long-term financial impacts from the City's growth and the City's desired levels of services.

### **Grant Activity Update**

In 2017, the City received approval of \$10.9 million in grant revenues inclusive of the City's Gas Tax revenue of \$8.9 million.

The table below summarizes the grants revenues received in 2017. These figures exclude the Federal Gas Tax received in 2017.

<b>Grant</b>	<b>Capital Grants</b>	<b>Operating Grants</b>
Canada 150 Community Infrastructure Program	7,253	
Waste Diversion Ontario (WDO)		1,247,855
VBEC - Core Funding		50,262
Public Library Operating, Pay Equity and First Nations Salary Supplement Grant		143,234
Canada 150 Celebrate Canada Fund		34,238
Celebrate Canada		10,000
IESO Embedded Energy Manager Program		80,000
Age Friendly Grant		17,027
VBEC - Summer Company		127,092
Swim to Survive		7,089
Seniors Community Grant program		(194)
Young Canada Works in Heritage Organizations program		350
Canada Summer Jobs		7,581
Literacy Readings program		1,200
VBEC Starter Company (now defunct)		(61,626)
VBEC Entrepreneurship Pilot Project (now defunct)		80,195
VBEC Starter Company Plus		247,500
<b>Total by Grant Type</b>	<b>7,253</b>	<b>1,991,803</b>
<b>Total Grants Received in 2017</b>		<b>1,999,056</b>

### **Projects are progressing well for other awarded 2017 grants.**

Approximately \$1 million is expected to be received from the Canada 150 Infrastructure Program in the first quarter of 2018 for projects implemented in 2017. Projects include Rehabilitation of Oak Bank Pond, Improvement of Matthew Park, Improvement of North Thornhill District Park, Expansion of Maxey Park Playground, Renovation of Vellore Village Community Centre/ Dufferin Clark Community Centre/Father Ermanno Community Centre and Woodbridge Arena



The City received funding award from the Clean Water and Wastewater Fund in 2017. This grant funding will help offset costs for thirty-four (34) projects applied for, more notably including: VMC Edgeley Pond and Park, Centre Street Watermain Replacement, Stegman's Mill Watermain Replacement, Andrew Park/Button/Marilyn Place/ North Humber Road Watermain Replacement, Clarence Street Slope Stabilization, watermain condition assessments and various water metering related programs. Approximately \$8 million is expected to be received from the Clean Water Wastewater Fund in the first half year of 2018 for projects completed in 2017.

In June 2017, Council authorized City staff to apply for the Ontario Municipal Commuter Cycling (OMCC) grant. OMCC is a non-competitive, four-year program that will provide direct, dedicated, annual funding to Ontario municipalities for the implementation of commuter cycling infrastructure. On December 4, 2017, the Province announced that the year-one funding allocation for the City of Vaughan is \$908,612.25. Staff are reviewing the eligible projects list to identify which projects will be implemented using OMCC funding considering that the selected projects must be delivered by December 30, 2020.

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

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

The City's property tax supported operations ended 2017 in a surplus financial position of \$0.8 million, of which \$0.4 million was transferred to the Year-End Expenditure Reserve and \$0.4 million was transferred to the Tax Rate Stabilization Reserve, consistent with the Consolidated Reserve Policy.

Combined, the water, wastewater and stormwater rate supported operations ended 2017 in a favourable position of \$7.9 million, resulting in a transfer to the infrastructure reserves that support these activities.

During 2017, approximately \$110 million was spent on 332 capital projects. Departments closed a total of 113 capital projects in 2017 and savings of \$10.6 million from the closed projects were returned to various reserves and reserve funds.

The City is working to complete a long term fiscal planning model that would take into consideration the City's 2019-2022 Term of Council strategic plan, growth plans, asset management plan, development charge study, and its treasury management strategy. The resulting model would be used to provide advice to Council on recommended funding strategies, spending capacities, tax levy implications and the City's financial resiliency;

and would help ensure that as the City continues to grow and intensify, the City remains financially sustainable over the long term.

**For more information,** please contact:

Maggie Wang, Manager, Corporate Financial Planning & Analysis, Ext. 8029

### **Attachments**

1. City Operating – 2017 Financial Summary
2. City Operating – Portfolio/Office Summary
3. List of Projects Closed in 2017

### **Prepared by**

Maggie Wang, MBA, CPA, CGA, A.I.M.A.,  
Manager, Corporate Financial Planning & Analysis  
Ext 8029

Sean Skinkle  
Finance Manager, Water, Wastewater and Stormwater  
Ext 8486



## memorandum

C 1  
COMMUNICATION

FAA - May 7/2018  
ITEM - 4

DATE: May 7<sup>th</sup>, 2018

TO: MAYOR AND MEMBERS OF COUNCIL

FROM: LAURA MIRABELLA, CHIEF FINANCIAL OFFICER AND CITY TREASURER

RE: Communication - Update on City's Federal Gas Tax Program  
(Related to: Finance, Administration and Audit Committee, Fiscal Health Report – Year Ending December 31, 2017)

### Recommendation

1. That Council approve following budget amendments:
  - a. That the capital budgets for AM-2528-17, AM-2529-17, EN-1851-14, EN-1843-11, EN-1696-08 be amended whereas funding sources for remaining unspent project budget as of December 31, 2017 be revised to the City's Federal Gas Tax Fund Reserve;
  - b. That the capital budget for CD-2015-15 be amended by replacing funding source of the Debenture Financing with the City's Federal Gas Tax Fund Reserve in the amount of \$4,118,368.75.

### Purpose

To provide Council with a status update on the Federal Gas Tax Program and to seek Council Approval on the proposed budget amendments to maximize the utilization of the City's Gas Tax Fund.

### Background

**The City is expecting to receive approximately \$9 million from the federal Gas Tax Fund in 2018.**

The federal Gas Tax Fund (the "GTF") was first introduced in the 2005 Federal Budget to assist municipalities with the large burden imposed on Canadian municipalities to maintain public infrastructure. In 2008 the federal government announced that the GTF would be made permanent to ensure stable, long-term funding to municipalities.

In Ontario, the GTF is administered by the Association of Municipalities of Ontario (AMO). AMO receives GTF funding representing the per capita amount for Ontario Municipalities (excluding Toronto). Municipal allocation is based on per capita basis and allocations are made on a 50:50 basis for upper and lower tier municipalities.

The following is a summary of the City of Vaughan's allocation for 2014-2018.

2014	2015	2016	2017	2018
\$8.3M	\$8.3M	\$8.8M	\$8.8M	\$9.2M

### **Analysis and Options**

**The City has received approximately \$78 million in the Gas Tax Fund since 2005, of which over \$54 million has been spent.**

As of December 31, 2017, the City has received approximately \$78 million in GTF since 2005. The following is a summary of the GTF expended during the period from 2005 through 2017. It should be noted that the categories largely reflect repair and replacement programs and not growth driven projects.

**Table 1**

<b>Project Category</b>	<b>2017 Expenditure (\$millions)</b>	<b>Accumulated Expenditures since 2005 (\$millions)</b>
Local Roads and Bridges	7.1	35.4
Community Energy Systems	0.2	9.2
Water/Wastewater	0.1	2.7
Public Transit	0.0	4.8
Capacity Building	0.1	0.5
Solid Waste	0.0	1.4
Disaster Mitigation	0.1	0.1
Sports & Recreation	0.1	0.1
<b>Total Expenditures</b>	<b>\$7.7</b>	<b>\$54.2</b>

**There was approximately \$6 million excess fund uncommitted in the Gas Tax Fund as of December 31, 2017.**

Reviewing and monitoring of GTF projects' funding and spending is ongoing. Staff continue to work with AMO to improve and enhance the City's GTF program. Following table illustrates the financial summary of the City's GTF program.

**Table 2**

<b><u>Financial Summary</u></b>	<b><u>Amount (\$millions)</u></b>
GTF Received Since 2005	\$78
Less: Accumulated Expenditures	\$54
Add: Investment Income	\$2
Unspent GTF	\$27
Less: Commitment in Capital Budget	\$21
Remaining Uncommitted Fund	\$6

Funds received in recent years have been allocated to its maximum allowed amount based on a review and prioritization of eligible projects and eligible costs. The remaining uncommitted fund represents an excess fund of approximately \$6 million; it is mainly because of savings realized as a result of projects' actual expenditures being less than the projects' budget or due to grant award received from CWWF.

**Staff propose funding reallocation for six capital projects in the amount of close to \$6 million to maximize the use of the GTF and hence to minimize Property Tax impacts.**

Staff reviewed existing open active capital projects' cash flow and scope, and identified following projects' expense can potentially be funded from the GTF.

**Table 3**

<b>Project</b>	<b>Scope</b>	<b>Current Funding Source</b>	<b>Amount</b>
AM-2528-17	GIS Upgrade and Improvements	Capital from Taxation	\$309,000.00
AM-2529-17	Master Data Management for AMP	Capital from Taxation	\$309,000.00
EN-1851-14	Traffic Data Collection Inventory	Capital from Taxation	\$329,600.00
EN-1843-11	Traffic Signal Improvements	Capital from Taxation	\$309,330.74
EN-1696-08	Applewood Flyover – 407/ETR long term maintenance	Capital from Taxation	\$515,000.00
CD-2015-15	2016 Road Rehabilitation	Debenture Financing	\$4,118,368.75
<b>Total</b>			<b>\$5,890,299.49</b>

Majority projects listed in Table 3 are forecasted to be spent in 2018. This is necessary as the City must be in compliance with gas tax guideline that the federal gas tax funds shall be spent within five years after fund receipt.

The release of approximately \$4 million funding commitment from Debenture Financing not only will help relief the City's near future borrowing needs, it will further save the City's taxation money as it will help reduce the City's debt servicing costs by deferring borrowing to future years

The release of close to \$2 million funding commitment from Capital from Taxation Reserve will free much needed fund from this reserve; it may potentially provide an opportunity to help address funding shortfall anticipated in some of the City's strategic and visionary capital plans. Staff will review business cases of various projects and prioritize project to ensure alignment with Term of Council strategic objectives. A detailed fund utilization proposal will be presented to future Finance, Administration and Audit Committee or through the 2019 budget process.

## **Conclusion**

The proposed amendments to the capital projects outlined in the communication help position the City to better manage funding pressures and continue its pursuit of service excellence, while delivering the needed services and infrastructure to Vaughan citizens.

Respectively submitted,



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

Memo Authored by:

Maggie Wang, MBA, CPA, CGA, A.I.M.A.

Manager, Corporate Financial Planning & Analysis

Item:



## Finance, Administration and Audit Committee Report

---

**DATE:** Monday, May 07, 2018

**WARD(S):** ALL

**TITLE: FISCAL HEALTH REPORT – FOR THE YEAR ENDING  
DECEMBER 31, 2017**

**FROM:**

Laura Mirabella, Chief Financial Officer and City Treasurer

**ACTION:** FOR INFORMATION

---

**Purpose**

To report on the City's fiscal health for the year ending December 31, 2017.

**Recommendations**

1. That the Fiscal Health Report for the Year Ending December 31, 2017 be received.

**Report Highlights**

- The City's property tax supported operations ended 2017 in a surplus financial position of \$0.8 million
- Transfers of \$0.4 million to the Year-End Expenditure Reserve and \$0.4 million to the Tax Rate Stabilization Reserve were made to bring the end financial position to balance
- Combined, the rate supported operations ended 2017 in a favourable position of \$4.1 million, resulting in a transfer to the reserves that support the renewal of water, wastewater and stormwater infrastructure
- During 2017, approximately \$110 million was spent on 332 capital projects
- 113 capital projects were closed in 2017 and savings of \$10.6 million from the closed projects were returned to various originating reserves and reserve funds

## **Background**

The fiscal health report tracks actual spending performance of the City's calendarized financial plan. This report provides the year-end financial position of the City as at December 31, 2017 on the same basis as the 2017 budget, with accompanying commentary on the contributing factors that have affected the City's fiscal health.

The year-end fiscal health report compares annual actual city operating, water and wastewater and stormwater operations and capital results as of December 31, 2017, versus the approved budgets and on the same basis as the budget. This differs from the basis of accounting in the City's audited financial statements in some important ways. The full amortization of tangible capital assets and post-retirement benefits are excluded from this report while transfers to and from reserves and net debenture financing requirements are included. The City's draft audited financial statements are expected to be presented to Council in June 2018.

## **Previous Reports/Authority**

FISCAL HEALTH REPORT – SEPTEMBER 30, 2017

## **Analysis and Options**

### ***Executive Summary***

**The City's ending net position was balanced for 2017.**

The City's property tax supported operations ended 2017, before year-end reserve transfers, in a surplus financial position of \$0.8 million, largely attributed to lower than anticipated contract services costs as a result of improved procurement practices. Approximately \$0.4 million of the surplus was transferred to the Year-End Expenditure Reserve and the remaining \$0.4 million was transferred to the Tax Rate Stabilization Reserve to mitigate tax pressures in 2019 and beyond.

Combined, the rate supported operations ended 2017 in a favourable position. Prudent maintenance activities enabled water, wastewater and stormwater operations to contribute an additional \$4.1 million to the Water, Wastewater and Stormwater reserves. These reserve funds will assist in future infrastructure replacements as these assets near the end of their useful life.

During 2017, approximately \$110 million was spent on 332 capital projects, an increase of 40 percent from 2016 capital spending of \$77 million. Departments closed a total of 113 capital projects in 2017 and savings of \$10.6 million from the closed projects were returned to various originating reserves and reserve funds.

At December 31, 2017, there were 645 open capital projects with \$242.9 million of available budget remaining.

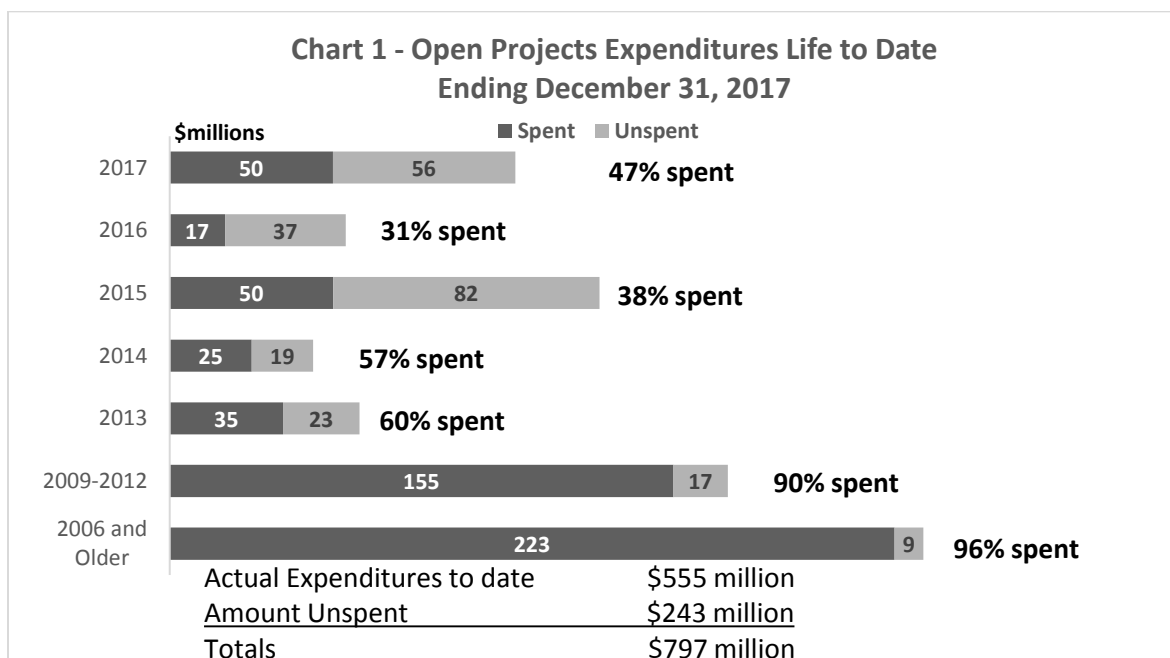
Attachment 1 provides the net position for all City departments.



## Operating Results – Year ending December 31, 2017

	<b>Budget</b> \$million	<b>Actual</b> \$million	<b>Variance</b> \$million
<b>Property Tax Based Budget</b>			
Revenues	278.4	277.0	(1.4)
Expenditures	278.4	276.2	2.2
<b>Year End Position</b>	<b>\$0.0</b>	<b>\$0.8</b>	<b>\$0.8</b>
<b>Reserve Transfer</b>			
To Year- End Reserves		(0.4)	(0.4)
To Tax Rate Stabilization Reserve		(0.4)	(0.4)
<b>Net</b>		<b>\$0.0</b>	<b>\$0.0</b>
<b>Water Rate Based Budget</b>			
Revenues	19.2	22.9	4.4
Expenditures	19.2	22.9	(4.4)
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Wastewater Rate Based Budget</b>			
Revenues	14.6	17.5	3.0
Expenditures	14.6	17.5	(3.0)
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Stormwater Charge Based Budget</b>			
Revenues	12.5	9.2	(3.3)
Expenditures	12.5	9.2	3.3
<b>Net</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

## Capital Results – Year ending December 31, 2017



## ***Discussion***

### **OPERATING BUDGET RESULTS**

**Overall, City Revenues were \$1.3 million lower than plan.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Department Revenues	50.1	52.3	2.2	4.4%
Corporate Revenues	20.3	19.4	(0.9)	(3.9%)
Reserve Transfers	19.1	16.5	(2.6)	(13.6%)
Taxation	188.8	188.8	(0.0)	0.0%
<b>Total Revenues</b>	<b>\$278.3</b>	<b>\$277.0</b>	<b>(\$1.3)</b>	<b>(0.0%)</b>

Note – numbers may not add due to rounding

- Department Revenues were 4.4 percent greater than planned. Higher than expected revenues were collected from site plan applications, subdivision applications and other related fees in Development Planning. The revenue increase in licenses and permits from Building Standards have been mostly offset by a corresponding higher transfer to the Building Standard Continuity Reserve. Increased Community Services revenues also contributed to the favourable variance because of higher than expected revenues from parking enforcement and registrations for aquatic programs and summer camps.
- Corporate Revenues were 3.9 percent lower than planned. This is primarily because of revenue recognition timing difference as a result of transiting from annual dividend declaration to a quarterly based dividend declaration from the City's investment holdings company, Vaughan Holdings Inc. (VHI). In 2017, three quarters of the dividends were recognized.
- Reserve transfers were 13.6 percent lower than planned. Transfers from Building Standards and Development Engineering & Infrastructure Planning were less than budgeted, as these department expenditures were less than planned primarily due to labour vacancies.

**Overall, City expenditures were \$2.1 million less than plan.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>	<b>%</b>
Labour	168.6	168.3	0.3	0.2%
Service Contracts & Materials	35.2	32.9	2.3	6.5%
Capital Related	27.8	27.6	0.2	0.7%
Other	29.0	31.4	(2.4)	(8.3%)
Utilities & Fuel	11.5	11.4	0.1	0.9%
Insurance	6.2	4.6	1.6	25.8%
<b>Total Expenditures</b>	<b>\$278.3</b>	<b>\$276.2</b>	<b>\$2.1</b>	<b>0.01%</b>

Note – numbers may not add due to rounding

- Labour costs were 0.2 percent lower than plan. Majority departments saw savings in labor expenditures due to prudent resource and vacancy management.

- Service contracts and materials were 6.5 per cent lower than budget. Savings from contract services were experienced across departments in 2017, notably in areas such as maintenances of facilities, roads, trees, and parks. In addition, winter control costs came in on budget and did not require a transfer from the Winterization Reserve.
- Other costs were 8.3 percent higher than budget, due in part to a transfer of \$1.7 million of excess funds to the Insurance Reserve to mitigate any future insurance related expenses. This excess fund was due to a competitive RFP for insurance that was awarded toward the end of 2016 with a revised annual premium effective January 2017. The premium cost savings that fund the transfer are included on the insurance expenditure line.
- Capital related expenditures, consisting of infrastructure reserve contributions and draws and principal and interest repayments to the Region, were on budget.

Attachment 2 provides commentary at the Portfolio/Office level.

## **Water, Wastewater and Stormwater Results**

### **Fourth Quarter Water Operating Results**

**Water Operations gross margin was \$4.4 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	36.4	32.9	(3.5)
Commercial Billings	24.1	22.2	(1.9)
Other	0.3	0.6	0.3
Purchases/Treatment Charges	37.8	32.4	5.4
Non-Revenue Water	5.7	1.6	4.1
<b>Gross Margin</b>	<b>17.3</b>	<b>21.7</b>	<b>4.4</b>
<b>Other Revenues</b>	<b>1.9</b>	<b>1.2</b>	<b>(0.7)</b>

- Residential and commercial water sales for the fourth quarter ended lower than budget by 9.6% and 7.9% 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 budget 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 \$1.9 million less than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	5.6	4.5	1.1
General Administration	5.2	4.4	0.8
Joint Service Costs	0.7	0.7	0.0
Lifecycle Contribution	7.7	13.3	(5.6)
	<b>19.2</b>	<b>22.9</b>	<b>(3.7)</b>

- Maintenance and Installation Costs ended lower by 19.6% due to timing of procurements and lower than expected emergencies.
- General Administration costs were lower by 15.4% due to lower than expected professional fees and gapping associated with the Backflow Prevention Coordinator position (recruitment now complete) and vehicle lease expenses.

**City's net lifecycle contribution was \$5.6 million greater than budget at the end of the fourth quarter.**

#### **Fourth Quarter Wastewater Operating Results**

**Wastewater Operations gross margin was \$3.0 million greater than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Residential Billings	44.8	40.1	(4.7)
Commercial Billings	30.6	28.1	(2.5)
Other	0.4	0.6	0.2
Purchases/Treatment Charges	53.9	50.6	3.3
Non-Revenue Water	8.1	1.4	6.7
<b>Gross Margin</b>	<b>13.8</b>	<b>16.8</b>	<b>3.0</b>
<b>Other Revenues</b>	<b>0.8</b>	<b>0.7</b>	<b>(0.1)</b>

- Residential and Commercial wastewater billings for the fourth quarter trended 10.5% and 8.2% respectively 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 budget. The City and Region are investigating to determine reasons for the lower than expected Non-Revenue Water.

**Wastewater Operations expenditures before Lifecycle Contributions were \$0.3 million less than budget.**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	3.8	3.4	0.4
General Administration	2.4	2.1	0.3
Joint Service Costs	0.3	0.7	(0.4)
Lifecycle Contribution	8.1	11.3	(3.2)
	<b>14.6</b>	<b>17.5</b>	<b>(2.9)</b>

- Maintenance and Installation Costs ended lower by 10.5% due to timing of activities and lower than expected emergencies.
- Maintenance General Administration costs were lower by 12.5% due to lower than expected professional fees.

**City's net lifecycle contribution was \$3.2 million greater than budget at the end of the fourth quarter.**

#### **Fourth Quarter Stormwater Operating Results**

**Stormwater Operations gross margin was \$3.2 million less than budget.**

	<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	5.0	(3.1)
Other	-	-	-
Purchases/Treatment Charges	-	-	-
Non-Revenue Water	-	-	-
<b>Gross Margin</b>	<b>12.1</b>	<b>8.9</b>	<b>(3.2)</b>
<b>Other Revenues</b>	<b>0.4</b>	<b>0.3</b>	<b>(0.1)</b>

- Stormwater billing was planned to start in April, but did not start until mid-June. The stormwater billing cycle takes approximately 8 weeks and was completed in August.
- Total billing revenues were lower than budget due to changes that have occurred to assumptions originally used to build the stormwater charge.

**Stormwater Operations expenditures before Lifecycle Contributions were \$2.4 million less than budget.**

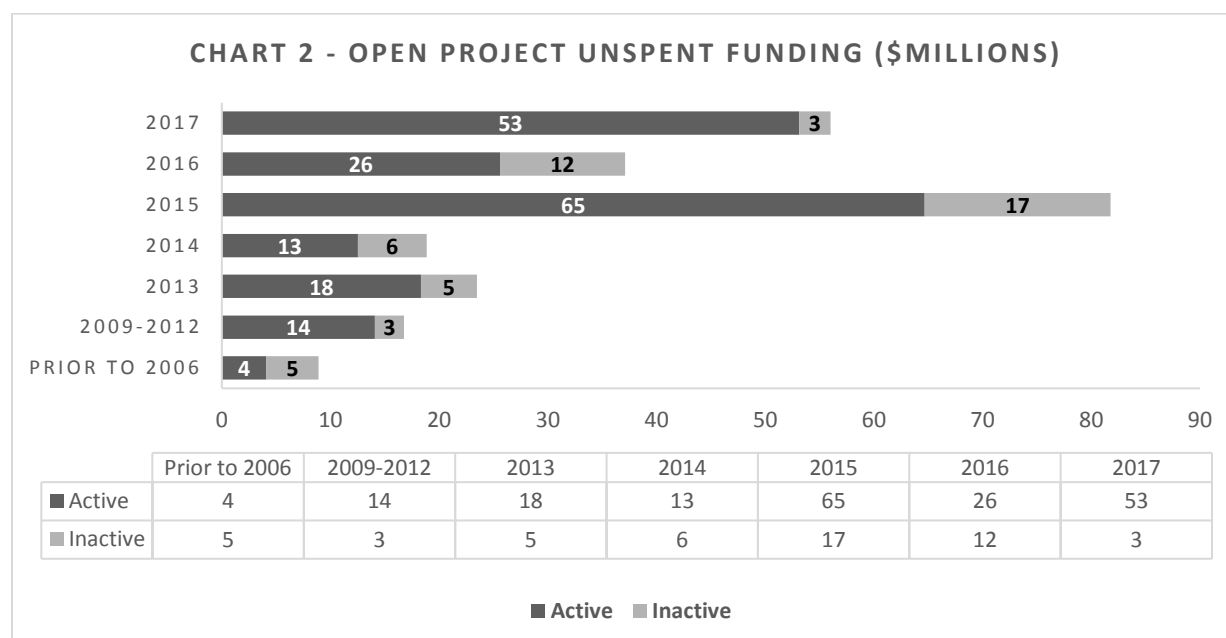
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>\$million</b>	<b>\$million</b>	<b>\$million</b>
Maintenance and Installation Cost	2.7	2.1	0.6
General Administration	3.8	2.3	1.5
Joint Service Costs	0.5	0.2	0.3
Lifecycle Contribution	5.5	4.6	0.9
	12.5	9.2	3.3

- Maintenance and Installation Costs ended lower by 22.2% due to timing of activities and lower than expected required repairs.
- General Administration costs were lower by 39.5% due to vacancies early in the year 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).

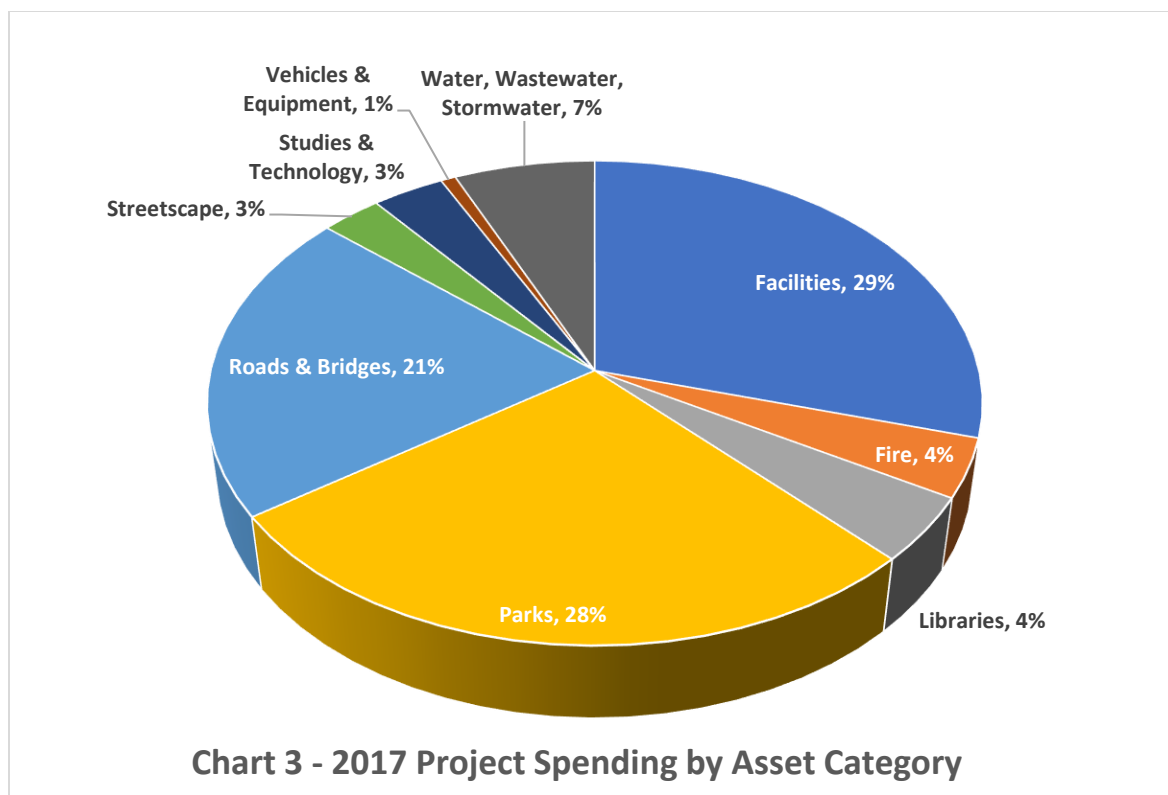
**City's net lifecycle contribution was \$0.9 million lower than budget at the end of the fourth quarter.**

### **Capital Budget Results**

As at December 31, 2017, there were 645 open capital projects with \$243 million of available budget remaining. The open projects were made up of 484 active projects and 161 inactive projects. The open project unspent funding breakdown by year is illustrated in the Chart 2 below. Further information about the inactive projects can be found in the next section of the report.



During 2017, \$110 million was spent on 332 capital projects. By comparison, the 2016 and 2015 capital project spending was \$77 million and \$61 million respectively. The Chart 3 below illustrates the breakdown of funds spent by project asset category during 2017.



In the 2017 Budget, departments indicated that \$157 million in capital expenditures would be processed throughout 2017. At the end of 2017, a total of \$110 million in expenditures were paid or accrued for project works completed in 2017; this represents approximately 70 percent of the forecasted spend. This is the first year of formal tracking for this important capital performance indicator. Departments are continuing to enhance the robustness of their capital cash flow spend forecasts which will improve tracking of future results.

In addition to actual expenditures during 2017, more information about specific capital projects will be available in the Term of Council Service Excellence Strategy Map Progress Report that will be presented to Council in June 2018.

The following projects were considered substantially completed as of December 31, 2017 with budget overages as permitted under Section 8 of the Capital Project Financial Administration and Reporting policy. These projects are being separately reported in accordance with the policy.

<b>Project # &amp; Title</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance Percentage</b>
BF-8462-15 Father Ermano Bulfon CC Outdoor	149,350	151,158	(1,808)	1%
RP-6755-15 Ice Storm Tree Replacement	796,216	809,938	(13,722)	2%
DP-9030-12 VMC Computer 3D Modeling System	133,900	137,541	(3,641)	3%
FL-5211-16 PW-RDS-Replace Unit #1370 with	30,994	31,916	(922)	3%
FL-5300-16 ENG DEV TRANSP-Replace Unit #1	30,994	31,916	(922)	3%
1589-0-06 Rutherford Rd PD 6 E.Watermain	3,932,000	4,059,293	(127,293)	3%
FL-5519-17 Bldg Stds- Purchase 4 vehicles	227,836	259,316	(31,480)	14%

A complete list of active projects can be found [online](#).

### Inactive Projects and Closed Projects

Of the 645 open capital projects, there are 161 projects that are considered inactive. Inactive projects comprise 25 percent of the total number of open projects, equating to 20 percent of the total unspent funds of \$243 million. Approximately two thirds of the inactive projects are substantially complete but are required to remain open until a future event occurs while one third of the inactive projects are on hold or have not started for a variety of reasons such as project scope and estimated costs being revalued and project reprioritization due to resourcing capacity. The breakdown of the classification of the 161 open inactive projects is as follows:

<b>Classification</b>	<b>Number of Projects</b>	<b>Amount (\$million)</b>
Completed - to be closed	34	\$7.2
Completed - Under Warranty or Maintenance	44	\$7.2
Completed - Waiting for final invoices	11	\$2.6
DC repayment in place	22	\$19.8
Not Started	12	\$6.7
Project Deferred	5	\$0.8
Project on Hold	33	\$6.2
<b>Grand Totals</b>	<b>161</b>	<b>\$50.4</b>

Of the total \$50.4 million in unspent funds from inactive projects, \$19.8 million (representing 40%) 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 continue to review 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 113 projects in 2017, returning \$10.6 million to Reserves

During the fourth quarter, departments closed 34 capital projects, bringing the total capital projects closed in 2017 to 113. As a result of achieved project savings, approximately \$10.6 million has been returned to various reserves to help fund other capital works. The table below provides a breakdown of projects closed during 2017.

Portfolios	Number of Projects Closed in 2017	Amount Returned to Reserve
Public Works	26	\$5,304,975
Planning and Growth Management	37	\$4,378,201
Community Services	40	\$801,208
Office of Chief Financial Officer	3	\$143,246
Corporate Services	5	\$12,554
Office of Transformation and Strategy	1	-
Library Services	1	\$38
<b>Grand Total</b>	<b>113</b>	<b>\$10,649,223</b>

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

### Capital Budget Amendments

For capital projects where a budget amendment is required, departments are required to bring a report to Finance, Administration and Audit Committee outlining the request for the amendment.

The following table summarizes the budget amendments that were processed during the fourth quarter.

Departments			Amount of Amendment
From:	To:		
Engineering Development Charges and Municipal Contribution	DT-7065-11 Millway Avenue Widening and Realignment	FAA R07, I4 June 27, 2017	2,940,000

Departments			Amount of Amendment
From:	To:		
Building & Facilities Infrastructure Reserve	BF-8479-15 Restoration of Kleinberg United Church	FAA R10, I6 Nov. 21, 2017	450,000
Vehicle Reserve, Fleet Development Charges, and Capital from Taxation	FL-5226-14, FL-5227-14, FL-5337-14, FL-5338-14, FL-5340-14, FL-5341-14, FL-5451-14, FL-5499-14 Various Vehicle Replacements	FAA R14, I7 Dec. 11, 2017	90,000
Stormwater Reserve	WW-2546-17, WW-2551-17, EV-2112-17 Various Stormwater Pond Rehabilitation Projects	FAA R14, I6 Dec. 11, 2017	1,268,704

### Capital Transfers Authorized by the Chief Financial Officer/City Treasurer

As outlined in the section above, *Operating Transfers Authorized by the Chief Financial Officer/City Treasurer*, the Chief Financial Officer/City Treasurer has the delegated authority to approve any operating or capital realignments between departments, provided they are fiscally neutral. A summary of these changes is incorporated into the quarterly reporting process.

Capital Projects		Amount transferred between Projects
From:	To:	
CM-2526-16 Service Excellence Strategic Initiatives	SE-0080-16 Service Excellence Master's Program	16,000
EV-2087-16 Pump Station Condition Assessment	EV-2096-17 SCADA Project – Phase 2	12,578
EV-2087-16 Pump Station Condition Assessment	FL-5525-17 Sewer By-Law Sampling Van	19,500
EV-2101-17 Stormwater Pond Cleaning – Sugar Bush	WW-2546-17, WW-2551-17, EV-2112-17 Various Stormwater Pond Rehabilitation Projects	74,740
PK-6455-15 Clearview Park	PK-6571-17 Maxey Park	110,000
WW-2544-17 Non-Revenue Water Assessment WW-2542-17 Pressure District Assessment and District Metering Area Strategy	WW-2536-17 Bulk Water Stations	100,500

### 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	68.9	28.8	287.9	117.9	170.0
Area Specific Development Charges	1.2	0.8	0.1	1.9	8.5	-6.9
Restricted Grant	27.1	9.2	8.5	27.8	21.1	5.7
Other	95.5	19.8	24.1	91.2	2.4	88.8
<b>Obligatory Subtotal</b>	<b>371.6</b>	<b>98.7</b>	<b>61.5</b>	<b>408.9</b>	<b>150.0</b>	<b>257.6</b>
<b>Discretionary Reserves</b>						
Infrastructure	170.8	41.7	19.3	193.2	49.2	144.0
Capital from Taxation	17.2	7.6	7.6	17.2	16.3	0.9
Corporate	17.4	0.8	3.1	15.1	0.2	14.9
Special Purpose	6.7	0.7	0.4	7.0	13.2	-6.1
Sustainability	34.5	14.2	6.8	41.8	0.5	41.3
<b>Discretionary Subtotal</b>	<b>246.7</b>	<b>65.0</b>	<b>37.3</b>	<b>274.4</b>	<b>79.4</b>	<b>195.0</b>
<b>Grand Totals</b>	<b>\$618.3</b>	<b>\$163.7</b>	<b>\$98.8</b>	<b>\$683.3</b>	<b>\$229.4</b>	<b>\$452.6</b>

Note – numbers may not add due to rounding.

At the end of 2017, the reserve balance before commitments was \$683 million. A net reserve activity of \$229 million is committed against these reserves and reserve funds; after this activity is accounted for, the total reserves and reserve funds balances as of December 31, 2017 was \$453 million, of which \$258 million was for obligatory reserves and \$195 million was in discretionary reserves.

Development Charges collected in 2017 equated to \$66 million. Approximately \$56 million was collected from residential developments representing a 7 percent increase over 2016 collected revenue of \$52 million; approximately \$10 million was collected from non-residential developments representing a 20 percent increase over 2016 collected revenues of \$8 million. The City's draft Development Charge Fund Statement is expected to be presented to Council in June 2018.

The City contributed approximately \$40 million into various infrastructure reserves to fund future assets' state of good repair, of which \$12 million was contributed from taxation and approximately \$28 million was from rate supported revenues. The City is currently on its journey to develop a comprehensive asset management plan that will be rolling out into various phases. Phase one of the roadmap is to develop an asset management strategic

policy and accompanying strategies to establish mechanism to promote principle and evidence based decision making. Asset management plans will inform future infrastructure planning and support asset management related budget and spending decisions.

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

### Financial Ratios in alignment with Corporate Targets

Discretionary reserves provide the City with financial flexibility in order to safeguard against economic downturns and finance operations internally. To ensure the sustainability of these reserves, the City has adopted associated targets. The City also has a target ratio for debt services costs. The table below provides the status of these targets at the end of 2017:

Policy Ratio	2017	Ratio Forecasted in 2017 budget	Target
Discretionary Reserve	49%	55.74%	>50% Of Own Source Revenues
Working Capital	4%	4.91%	Up To 10% Of Own Source Revenues
Debt Service Costs	2%	4.34%	<10% Of Own Source Revenues

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

**Working Capital Ratio** - Contributions to this reserve occur only when the City achieves a surplus; this reserve can be a source of funding to address a year-end deficit position. In 2017, the operating surplus fund was transferred to the Tax Rate Stabilization Reserve. The consideration of consolidating these two reserve accounts will be analyzed and discussed in an upcoming reserve policy review.

**Debt Service Ratio** - The City's policy limits debt to a maximum of 10 percent of total City revenue, which is significantly lower than the Province's 25 per cent maximum. Total debt outstanding as of December 31, 2017 was \$36 million with a debt repayment costs totaling \$9.0 million, \$7.8 million in principal and \$1.3 million in interest. Repayment costs of \$9.0 million represents approximately 2 percent of the City's own source revenues. The Debt Service Ratio continued to improve in 2017, this was achieved in part by looking for responsible and innovative ways to fund capital projects. It is worth noting however, that when debt financing can be an additional funding tool to finance infrastructures in the City, due diligence is necessary to ensure the City's long term financial sustainability and flexibility.

The City is working to complete a long term fiscal plan that would take into consideration the City's Term of Council strategic plan, growth plans, asset management plan, development charge study, and its treasury management strategy. A Reserve Policy and a Debt Management Policy review will be complimenting this long term fiscal plan which include review of some key financial indicators; the resulting analysis and recommendation would be considered in the City's multi-year financial plan and to ensure financial decisions are mindful of short-term and long-term financial impacts from the City's growth and the City's desired levels of services.

### **Grant Activity Update**

In 2017, the City received approval of \$10.9 million in grant revenues inclusive of the City's Gas Tax revenue of \$8.9 million.

The table below summarizes the grants revenues received in 2017. These figures exclude the Federal Gas Tax received in 2017.

<b>Grant</b>	<b>Capital Grants</b>	<b>Operating Grants</b>
Canada 150 Community Infrastructure Program	7,253	
Waste Diversion Ontario (WDO)		1,247,855
VBEC - Core Funding		50,262
Public Library Operating, Pay Equity and First Nations Salary Supplement Grant		143,234
Canada 150 Celebrate Canada Fund		34,238
Celebrate Canada		10,000
IESO Embedded Energy Manager Program		80,000
Age Friendly Grant		17,027
VBEC - Summer Company		127,092
Swim to Survive		7,089
Seniors Community Grant program		(194)
Young Canada Works in Heritage Organizations program		350
Canada Summer Jobs		7,581
Literacy Readings program		1,200
VBEC Starter Company (now defunct)		(61,626)
VBEC Entrepreneurship Pilot Project (now defunct)		80,195
VBEC Starter Company Plus		247,500
<b>Total by Grant Type</b>	<b>7,253</b>	<b>1,991,803</b>
<b>Total Grants Received in 2017</b>		<b>1,999,056</b>

### **Projects are progressing well for other awarded 2017 grants.**

Approximately \$1 million is expected to be received from the Canada 150 Infrastructure Program in the first quarter of 2018 for projects implemented in 2017. Projects include Rehabilitation of Oak Bank Pond, Improvement of Matthew Park, Improvement of North Thornhill District Park, Expansion of Maxey Park Playground, Renovation of Vellore Village Community Centre/ Dufferin Clark Community Centre/Father Ermanno Community Centre and Woodbridge Arena

The City received funding award from the Clean Water and Wastewater Fund in 2017. This grant funding will help offset costs for thirty-four (34) projects applied for, more notably including: VMC Edgeley Pond and Park, Centre Street Watermain Replacement, Stegman's Mill Watermain Replacement, Andrew Park/Button/Marilyn Place/ North Humber Road Watermain Replacement, Clarence Street Slope Stabilization, watermain condition assessments and various water metering related programs. Approximately \$8 million is expected to be received from the Clean Water Wastewater Fund in the first half year of 2018 for projects completed in 2017.

In June 2017, Council authorized City staff to apply for the Ontario Municipal Commuter Cycling (OMCC) grant. OMCC is a non-competitive, four-year program that will provide direct, dedicated, annual funding to Ontario municipalities for the implementation of commuter cycling infrastructure. On December 4, 2017, the Province announced that the year-one funding allocation for the City of Vaughan is \$908,612.25. Staff are reviewing the eligible projects list to identify which projects will be implemented using OMCC funding considering that the selected projects must be delivered by December 30, 2020.

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

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

The City's property tax supported operations ended 2017 in a surplus financial position of \$0.8 million, of which \$0.4 million was transferred to the Year-End Expenditure Reserve and \$0.4 million was transferred to the Tax Rate Stabilization Reserve, consistent with the Consolidated Reserve Policy.

Combined, the water, wastewater and stormwater rate supported operations ended 2017 in a favourable position of \$4.1 million, resulting in a transfer to the infrastructure reserves that support these activities.

During 2017, approximately \$110 million was spent on 332 capital projects. Departments closed a total of 113 capital projects in 2017 and savings of \$10.6 million from the closed projects were returned to various reserves and reserve funds.

The City is working to complete a long term fiscal planning model that would take into consideration the City's 2019-2022 Term of Council strategic plan, growth plans, asset management plan, development charge study, and its treasury management strategy. The resulting model would be used to provide advice to Council on recommended funding strategies, spending capacities, tax levy implications and the City's financial resiliency;

and would help ensure that as the City continues to grow and intensify, the City remains financially sustainable over the long term.

**For more information**, please contact:

Maggie Wang, Manager, Corporate Financial Planning & Analysis, Ext. 8029

### **Attachments**

1. City Operating – 2017 Financial Summary
2. City Operating – Portfolio/Office Summary
3. List of Projects Closed in 2017

### **Prepared by**

Maggie Wang, MBA, CPA, CGA, A.I.M.A.,  
Manager, Corporate Financial Planning & Analysis  
Ext 8029

Sean Skinkle  
Finance Manager, Water, Wastewater and Stormwater  
Ext 8486

## 2017 Q4 Fiscal Health Report

### Portfolio: Community Services

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	26.08	26.52	0.44
Labour	80.70	80.31	0.39
Other Expenditures	21.54	20.65	0.89
Total Expenditures	102.24	100.96	1.28
<b>Net</b>	<b>76.16</b>	<b>74.44</b>	<b>1.72</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2017	51	9.40
2016	30	3.72
2015	11	2.06
2014	20	0.89
2013	5	0.28
2009-2012	8	0.67
2006-2008	4	0.84
<b>Total</b>	<b>129</b>	<b>\$17.86</b>

Community Services net operating results has a favourable variance at year-end driven mainly by:

- Greater than anticipated revenues from parking enforcement (By-Law & Compliance, Licensing & Permit Services), payments from York Region for joint Fire/EMS stations, retrofit incentive payments from Alectra Utilities (Facility Maintenance Services), fees from Summer Camps and Aquatic Programs, and sponsorship revenues generated from City-wide events (Recreation Services).
- Lower than budgeted labour expenditures as a result of vacancies (Facility Maintenance Services and By-Law & Compliance, Licensing & Permit Services).
- Lower than budgeted natural gas costs due to lower consumption (Facility Maintenance Services) and lower fuel and computer software costs (By-Law & Compliance, Licensing & Permit Services).

These positive variances were partially offset by higher than budgeted hydro costs (Facility Maintenance Services) as well as lower than budgeted taxi licensing revenue (By-Law & Compliance, Licensing and Permit Services), and lower revenue from fitness programs (Recreation Services).

Work continued in Q4 on numerous capital projects such as construction of the new Fire Training Tower Facility, implementation of energy conservation improvements to multiple City-owned facilities, renovations and replacements at the City's Community Centres, further work on the Pierre Berton Discovery Centre and construction of the Vaughan Metropolitan Centre (VMC) library and YMCA recreation facility.

There were 32 projects closed across Community Services during the quarter such as the outdoor skating rink at Father Ermanno Bulfon Community Centre, and numerous equipment and facility replacements across multiple Community Centres.



## 2017 Q4 Fiscal Health Report

### Portfolio: Legal and Human Resources

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.34	0.08	(0.26)
Labour	6.58	5.73	0.85
Other Expenditures	1.01	1.38	(0.37)
Total Expenditures	7.59	7.11	0.48
<b>Net</b>	<b>7.24</b>	<b>7.03</b>	<b>0.21</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2017	4	0.28
2013	2	0.14
2009-2012	1	0.95
<b>Total</b>	<b>7</b>	<b>\$1.37</b>

Legal and Human Resources net operating results has a favourable variance at year-end driven mainly by:

- Lower than budgeted labour costs as a result of vacancies. These positions are being actively recruited.

The positive labour variance was offset by lower than budgeted revenues as a result of lower than anticipated labour recovery from capital projects and higher than budgeted professional fees as a result of ongoing complex legal issues requiring external counsel.

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 Q4 Fiscal Health Report

### Portfolio: Planning and Growth Management

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	18.00	19.56	1.56
Labour	23.48	20.97	2.51
Other Expenditures	1.23	1.50	(0.27)
Total Expenditures	24.71	22.47	2.23
<b>Net</b>	<b>6.71</b>	<b>2.92</b>	<b>3.79</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent \$</b>
2017	38	21.22
2016	35	19.27
2015	33	32.66
2014	25	3.85
2013	24	11.56
2009-2012	41	9.39
2006-2008	8	2.41
<=2005	5	3.34
<b>Total</b>	<b>209</b>	<b>\$103.7</b>

Planning and Growth Management has a positive operating variance for the year driven mainly by:

- Revenues that are above budget due to higher dollar value of applications received for site plans, subdivisions and other related fees in Development Planning and revenue increases in licenses and permits from Building Standards. These are partially offset by lower than expected labour cost recoveries from capital funds in Development Engineering and Policy Planning & Environmental Sustainability due to vacancies.
- Lower than budgeted labour expenditures as a result of vacancies in Development Engineering, Building Standards, Development Planning, Parks Development and Policy Planning & Environmental Sustainability. The positions are being actively recruited.

Work progressed on open capital projects with some of the more significant expenditures in the year related to the North Maple Regional Park Phase 1 Construction, Vaughan Official Plan Review and Black Creek Channel Renewal Design and Construction.

There was a total of 37 projects closed during the year, including Hwy 427 / Fogal Rd. Mid-Block Collector construction, Portage Parkway Extension Class EA Study, VMC & Regional Centre Transportation Analysis, and rehabilitation of various parks.

## 2017 Q4 Fiscal Health Report

### Portfolio: Public Works

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	2.31	2.64	0.33
Labour	20.60	21.91	(1.31)
Other Expenditures	34.48	32.08	2.40
Total Expenditures	55.08	53.99	1.09
<b>Net</b>	<b>52.77</b>	<b>51.35</b>	<b>1.42</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	83	37.04
2016	31	10.31
2015	46	46.49
2014	46	12.89
2013	19	11.51
2009-2012	27	5.53
2006-2008	6	1.98
<=2005	3	0.31
<b>Total</b>	<b>261</b>	<b>\$126.06</b>

The overall positive operating budget variance within the Public Works Portfolio was mainly driven by lower than budgeted cost for contract services in the Transportation Services and Parks and Forestry Operations (TSPFO) department as a result of transferring more maintenance work in-house and using internal staff for effective service delivery. This is offset by higher than budgeted part-time labour costs in Roads and Parks Operations as a result of bringing maintenance work in-house. The transfer of these maintenance works internally resulted in net savings of \$0.8M to the department.

Work progressed on open capital projects during 2017 with some of the more significant expenditures in the year related to:

- Road rehabilitation and Watermain replacements
- Vaughan Hospital Precinct Development
- New Vellore Village Community Library
- Tree plantings
- Fire Station 7-3 construction
- Kleinburg United Church Renovations
- LED Street Light Conversion

A number of projects were completed and closed during the year in Infrastructure Delivery, Fleet Management Services, Environmental Services and TSPFO. The works completed during the year related to:

- Father Ermanno Bulfon C.C Fitness Centre Expansion
- Traffic signal installation
- Road and bridge rehabilitation
- Sidewalk and streetlight construction
- Vehicle replacement and acquisition
- Watermain replacements

## 2017 Q4 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	0.37	0.27	(0.10)
Labour	3.63	2.98	0.65
Other Expenditures	0.75	0.60	0.15
Total Expenditures	4.38	3.58	0.80
<b>Net</b>	<b>4.01</b>	<b>3.31</b>	<b>0.70</b>

Corporate Initiatives and Intergovernmental Relations net operating results has a favourable variance at year-end driven mainly by lower than budgeted labour expenditures as a result of vacancies. The vacant positions are being actively recruited.

The capital project is for VMC Development for which work continues to progress.

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

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

\*represents total closed in 2017

### Office: Chief Financial Officer

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	1.33	1.60	0.27
Labour	9.25	8.78	0.47
Other Expenditures	0.64	0.50	0.14
Total Expenditures	9.90	9.28	0.61
<b>Net</b>	<b>8.57</b>	<b>7.69</b>	<b>0.88</b>

The Office of Chief Financial Officer has a positive variance at year-end driven mainly by:

- Labour savings due to vacancies in Financial Planning & Development Finance, Financial Services, and the Office of the CFO
- Higher than planned taxation and property assessment revenues (Financial Services) and higher online fees (Procurement Services)

Work progressed in Q4 on Financial Planning & Development Finance capital projects related to the Financial Master Plan and the City-Wide Development Charges Study.

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	1	0.00
2016	3	0.21
2011-2012	1	0.09
<b>Total</b>	<b>5</b>	<b>\$0.30</b>

## 2017 Q4 Fiscal Health Report

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

Operating Results (\$M):

(\$M)	Budget	Actuals	Variance	
Revenues				<p>The net expenditure for 2017 is negative to budget driven mainly by:</p> <ul style="list-style-type: none"> <li>• The Mayor's Gala/Golf Classic had higher than budgeted revenues, and the surplus had been transferred to future years.</li> <li>• Corporate expenditures were higher than budget as it included corporate labour gapping and transfers of the Mayor's Gala/Golf Classic revenues.</li> <li>• Three of the four quarters budgeted for VHI dividend income was recognized in 2017.</li> </ul>
Mayor's Gala/Golf (net)	0.30	1.26	0.96	
Investment Income & VHI Dividends	14.62	12.52	(2.10)	
Fines and Penalties	5.93	5.31	(0.62)	
Taxation (net)	186.09	186.00	(0.09)	
Total Revenues	206.94	205.09	(1.85)	
Corporate Expenditures	27.80	35.35	(7.60)	
Contingency	0.90	0.24	0.66	
Total Expenditures	28.70	35.59	(6.94)	
<b>Net</b>	<b>(178.24)</b>	<b>(169.50)</b>	<b>(8.74)</b>	

### Office: Chief Information Officer

Operating Results (\$M):

(\$M)	Budget	Actual	Variance
Labour	6.86	6.80	0.06
Other Expenditures	4.05	3.83	0.22
Total Expenditures	10.92	10.63	0.28
<b>Net</b>	<b>10.92</b>	<b>10.63</b>	<b>0.29</b>

The Office of Chief Information Officer net expenditure has a favourable variance at year-end driven mainly by:

- Lower than anticipated spending on Service Contracts and Professional Fees due to the extension of project timelines.

Capital Results (\$M):

Year (\$M)	Open #	Unspent
2017	1	0.23
2016	4	1.62
2014	1	0.47
2009-2010	1	0.12
<b>Total</b>	<b>7</b>	<b>\$2.44</b>

Work continued in Q4 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 continued to progress.

## 2017 Q4 Fiscal Health Report

### Office: City Clerk

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	1.02	0.97	0.04
Labour	5.29	5.18	0.11
Other Expenditures	7.34	7.20	0.14
Total Expenditures	12.63	12.38	0.25
<b>Net</b>	<b>11.62</b>	<b>11.41</b>	<b>0.20</b>

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	1	0.04
<b>Total</b>	<b>1</b>	<b>\$0.04</b>

The Office of the City Clerk net expenditure has a favourable variance at year-end.

Other expenditures include a \$1.7M transfer of funds to the Insurance reserve to mitigate any future insurance-related expenses. The excess funds were due to a competitive RFP for Insurance that was awarded towards the end of 2016 with a revised annual premium effective January 2017.

Work continued in Q4 on two active capital projects. The Claims Management System was completed and the SAMS System Enhancement project is expected to be completed Q4-2018.

## 2017 Q4 Fiscal Health Report

### Office: Transformation and Strategy

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenue	0.26	0.30	0.03
0			
Labour	0.90	0.70	0.20
Other Expenditures	0.09	0.03	0.06
Total Expenditures	0.99	0.73	0.26
<b>Net</b>	<b>0.73</b>	<b>0.43</b>	<b>0.30</b>

The Office of the Transformation and Strategy ended 2017 with a favourable variance mainly driven by savings due to vacancies in the department.

Work continues to progress well on open capital projects.

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2017	2	0.59
2016	10	1.44
2015	1	0.01
2013	1	0.00
<b>Total</b>	<b>14</b>	<b>\$2.04</b>

### Vaughan Public Libraries

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Revenues	0.40	0.38	(0.02)
Labour	13.34	12.98	0.36
Other Expenditures	4.54	4.39	0.15
Total Expenditures	17.88	17.37	0.51
<b>Net</b>	<b>17.48</b>	<b>17.00</b>	<b>0.48</b>

Vaughan Public Libraries has a favourable variance at year-end driven mainly by:

- Lower than budgeted labour costs as a result of vacancies.
- Reduced expenses for computer hardware, utilities and general maintenance costs

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

<b>Year (\$M)</b>	<b>Open #</b>	<b>Unspent</b>
2016	5	0.53
2015	2	0.57
2014	3	0.75
2013	1	0.00
<b>Total</b>	<b>11</b>	<b>\$1.85</b>

Work continued in Q4 on a number of ongoing city-wide capital projects relating to resource purchases and technology upgrades. Project work related to Vellore Village South Library continued, and the library is anticipated to open in 2018.

## 2017 Q4 Fiscal Health Report

### City Council

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	1.30	1.15	0.15
Other Expenditures	0.38	0.25	0.13
Total Expenditures	1.68	1.40	0.28
<b>Net</b>	<b>1.68</b>	<b>1.40</b>	<b>0.28</b>

City Council operating financial result was on budget. No material variance.

### Integrity Commissioner

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.33	0.28	0.05
Other Expenditures	0.23	0.06	0.16
Total Expenditures	0.56	0.34	0.22
<b>Net</b>	<b>0.56</b>	<b>0.34</b>	<b>0.22</b>

The Integrity Commissioner net expenditure results is positive to budget driven mainly by:

- The favorable variance in the consolidated Integrity Commissioner's Office and Lobbyist Registrar Office was attributable to implementation of the Council Approved Lobbyist Registrar budget of \$250,000, which has not been fully spent.

### Internal Audit

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.48	0.50	(0.03)
Other Expenditures	0.09	0.04	0.05
Total Expenditures	0.57	0.55	0.02
<b>Net</b>	<b>0.57</b>	<b>0.55</b>	<b>0.02</b>

Internal Audit's operating financial result was on budget. No material variance.

### City Manager

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

<b>(\$M)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Labour	0.50	0.48	0.02
Other Expenditures	0.10	0.15	(0.05)
Total Expenditures	0.60	0.63	(0.03)
<b>Net</b>	<b>0.60</b>	<b>0.63</b>	<b>(0.03)</b>

The City Manager operating financial result was on budget. No material variance.





# **CITY OF VAUGHAN**

## **2017 City Operating Budget**

### **Property Tax Based Budget Fiscal Position as of December 31, 2017**

**CITY OF VAUGHAN**  
**2017 City Operating Budget**  
**Fiscal Position as of December 31, 2017**  
**REVENUE / EXPENDITURE SUMMARY**

	2017	2017 YTD		VARIANCE	
	ANNUAL BUDGET	BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
<b>TAXATION</b>	<b>182,886,336</b>	<b>182,886,336</b>	<b>182,753,552</b>	<b>-132,784</b>	<b>-0.1%</b>
<b>SUPPLEMENTAL TAXATION</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>3,241,814</b>	<b>41,814</b>	<b>1.3%</b>
<b>GRANT / PAYMENT IN LIEU</b>	<b>2,725,200</b>	<b>2,725,200</b>	<b>2,696,198</b>	<b>-29,002</b>	<b>-1.1%</b>
<b>RESERVES AND OTHER TRANSFERS</b>	<b>19,119,237</b>	<b>19,119,237</b>	<b>16,532,637</b>	<b>-2,586,600</b>	<b>-13.5%</b>
<b>FEES AND SERVICE CHARGES</b>	<b>50,104,353</b>	<b>50,104,353</b>	<b>52,290,815</b>	<b>2,186,462</b>	<b>4.4%</b>
<b>CORPORATE</b>	<b>20,321,755</b>	<b>20,321,755</b>	<b>19,494,628</b>	<b>-827,127</b>	<b>-4.1%</b>
<b>TOTAL REVENUES</b>	<b>278,356,881</b>	<b>278,356,881</b>	<b>277,009,644</b>	<b>-1,347,237</b>	<b>-0.5%</b>
<b>EXPENDITURES:</b>					
<b>DEPARTMENTAL</b>	<b>249,702,437</b>	<b>249,702,437</b>	<b>241,418,866</b>	<b>8,283,571</b>	<b>3.3%</b>
<b>RESERVE CONTRIB. &amp; CORP. EXP.</b>	<b>10,332,642</b>	<b>10,332,642</b>	<b>18,356,152</b>	<b>-8,023,510</b>	<b>-77.7%</b>
<b>LONG TERM DEBT</b>	<b>10,050,751</b>	<b>10,050,751</b>	<b>9,627,055</b>	<b>423,696</b>	<b>4.2%</b>
<b>CONTINGENCY</b>	<b>900,550</b>	<b>900,550</b>	<b>237,069</b>	<b>663,481</b>	<b>73.7%</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>TOTAL EXPENDITURES</b>	<b>278,356,881</b>	<b>278,356,881</b>	<b>277,009,644</b>	<b>1,347,237</b>	<b>0.5%</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Note: The total expenditures include year end reserve transfers of approximately \$0.8 million					

**CITY OF VAUGHAN**  
**2017 City Operating Budget**  
**Fiscal Position as of December 31, 2017**  
**December 31, 2017**

**REVENUE BY MAJOR SOURCE**

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$ %	
<b>TAXATION</b>					
Tax Levy	182,886,336	182,886,336	182,753,552	(132,784)	-0.1%
Supplementals	3,200,000	3,200,000	3,241,814	41,814	1.3%
<b>GRANT</b>					
Library Grant	145,200	145,200	152,171	6,971	4.8%
<b>PAYMENT IN LIEU / OTHER</b>					
Payment In Lieu / Other	2,580,000	2,580,000	2,544,027	-35,973	-1.4%
<b>RESERVES AND OTHER TRANSFERS</b>					
Engineering Reserve	7,243,440	7,243,440	6,032,839	-1,210,601	-16.7%
Election Cost	148,270	148,270	47,035	-101,235	-68.3%
CIL Recreation Land Reserve	924,000	924,000	924,000	0	0.0%
Administrative Recovery from Capital	1,500,000	1,500,000	2,318,907	818,907	54.6%
Building Standards Service Continuity Reserve	3,095,721	3,095,721	932,296	-2,163,425	-69.9%
Insurance Reserve	0	0	2,755	2,755	0.0%
Employer Benefit Reserve	18,770	18,770	18,770	0	0.0%
Working Capital Reserve	2,408,036	2,408,036	2,408,036	0	0.0%
Debenture Payment Reserve	1,350,000	1,350,000	1,350,000	0	0.0%
Winterization Reserve	0	0	0	0	0.0%
Water & Wastewater Recovery	2,431,000	2,431,000	2,498,000	67,000	2.8%
<b>TOTAL RESERVES</b>	<b>19,119,237</b>	<b>19,119,237</b>	<b>16,532,637</b>	<b>-2,586,600</b>	<b>-13.5%</b>
<b>FEES/SERVICE CHARGES</b>					
Office of Chief Corporate Initiatives & Intergov. Relations	318,766	318,766	220,960	-97,806	-30.7%
Economic Development & Culture Services	50,936	50,936	45,238	-5,698	-11.2%
Corporate Communications	0	0	0	0	0.0%
<b>TOTAL OFFICE OF CHIEF CORPORATE INITIATIVES &amp; INTERGOV. RELATIONS</b>	<b>369,702</b>	<b>369,702</b>	<b>266,198</b>	<b>-103,504</b>	<b>-41.9%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>262,374</b>	<b>262,374</b>	<b>297,329</b>	<b>34,955</b>	<b>13.3%</b>
Clerks	249,498	249,498	290,350	40,852	16.4%
Committee Of Adjustment	766,528	766,528	679,439	-87,090	-11.4%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	<b>1,016,026</b>	<b>1,016,026</b>	<b>969,788</b>	<b>-46,238</b>	<b>-4.6%</b>
Tax Certificates And Documents	829,621	829,621	1,049,437	219,816	26.5%
Cashiering Services	54,635	54,635	56,275	1,640	3.0%
Financial Planning & Development Finance	387,255	387,255	384,688	-2,567	-0.7%
Procurement Services	58,200	58,200	105,515	47,315	81.3%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	<b>1,329,711</b>	<b>1,329,711</b>	<b>1,595,915</b>	<b>266,204</b>	<b>20.0%</b>
<b>Office of the Chief Human Resources Officer</b>	<b>0</b>	<b>0</b>	<b>12,223</b>	<b>12,223</b>	<b>0.0%</b>
<b>OFFICE OF THE CITY SOLICITOR</b>	<b>344,109</b>	<b>344,109</b>	<b>68,424</b>	<b>-275,685</b>	<b>-80.1%</b>
Community Grants & Advisory Committees	0	0	0	0	0.0%
Recreation Services	20,328,550	20,328,550	19,796,313	-532,237	-2.6%
Community Development & Events	610,400	610,400	766,430	156,030	25.6%
Facility Maintenance Services	309,590	309,590	575,902	266,312	86.0%
Fire And Rescue Services	907,603	907,603	954,385	46,782	5.2%
By-Law, Compliance, Licensing and Permits	3,923,159	3,923,159	4,423,726	500,567	12.8%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>26,079,302</b>	<b>26,079,302</b>	<b>26,516,757</b>	<b>437,455</b>	<b>1.7%</b>
Development Planning	5,735,016	5,735,016	6,205,443	470,427	8.2%
Development Eng & Infrastructure Planning	843,252	843,252	543,920	-299,332	-35.5%
Policy Planning & Environmental Sustainability	697,818	697,818	432,476	-265,342	-38.0%
Parks Development	273,500	273,500	275,616	2,116	0.8%
Building Standards - Licenses/Permits	8,941,551	8,941,551	10,499,216	1,557,665	17.4%
- Plumbing Permits	749,624	749,624	766,023	16,399	2.2%
- Service Charges	754,941	754,941	832,992	78,051	10.3%
<b>TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT</b>	<b>17,995,702</b>	<b>17,995,702</b>	<b>19,555,687</b>	<b>1,559,985</b>	<b>8.7%</b>
Infrastructure Delivery	258,479	258,479	316,209	57,730	22.3%
Environmental Services	1,386,608	1,386,608	1,485,212	98,604	7.1%
Fleet Management	0	0	0	0	0.0%
Trans Serv and Parks & Forestry Ops	556,905	556,905	730,501	173,596	31.2%
Cemeteries	107,535	107,535	108,915	1,380	1.3%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>2,309,527</b>	<b>2,309,527</b>	<b>2,640,837</b>	<b>331,310</b>	<b>14.3%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>397,900</b>	<b>397,900</b>	<b>367,657</b>	<b>-30,243</b>	<b>-7.6%</b>
<b>TOTAL FEES / SERVICE CHARGES</b>	<b>50,104,353</b>	<b>50,104,353</b>	<b>52,290,815</b>	<b>2,186,462</b>	<b>4.4%</b>
<b>TOTAL CORPORATE REVENUES</b>	<b>20,321,755</b>	<b>20,321,755</b>	<b>19,494,628</b>	<b>-827,127</b>	<b>-4.1%</b>
<b>TOTAL REVENUE</b>	<b>278,356,881</b>	<b>278,356,881</b>	<b>277,009,644</b>	<b>-1,347,237</b>	<b>-0.5%</b>

CITY OF VAUGHAN  
2017 City Operating Budget  
Fiscal Position as of December 31, 2017  
December 31, 2017

REVENUE BY MAJOR SOURCE

CORPORATE REVENUE DETAIL :

Fines And Penalties

Investment Income

Powerstream Investment Income

Powerstream Dividends

Miscellaneous Revenue

Sale of Fixed Assets

Mayor's Gala/Golf Classic

TOTAL CORPORATE REVENUE

2017 ANNUAL BUDGET	2017 YTD		VARIANCE	
	BUDGET	ACTUAL	FAV. / (UNFAV.) \$ %	
5,200,000	5,200,000	5,308,299	108,299	2.1%
2,500,000	2,500,000	2,893,962	393,962	15.8%
4,700,000	4,700,000	3,843,223	-856,777	-18.2%
7,420,020	7,420,020	5,781,755	-1,638,265	-22.1%
170,000	170,000	327,191	157,191	92.5%
30,000	30,000	80,989	50,989	170.0%
301,735	301,735	1,259,208	957,473	317.3%
20,321,755	20,321,755	19,494,628	-827,127	-4.1%

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

December 31, 2017

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

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
<b>COUNCIL</b>	<b>1,678,920</b>	<b>1,678,920</b>	<b>1,399,981</b>	<b>278,939</b>	<b>16.6%</b>
<b>OFFICE OF THE INTEGRITY COMMISSIONER</b>	<b>559,323</b>	<b>559,323</b>	<b>343,626</b>	<b>215,697</b>	<b>38.6%</b>
<b>INTERNAL AUDIT</b>	<b>567,057</b>	<b>567,057</b>	<b>546,076</b>	<b>20,981</b>	<b>3.7%</b>
<b>CITY MANAGER</b>	<b>597,741</b>	<b>597,741</b>	<b>632,553</b>	<b>-34,812</b>	<b>-5.8%</b>
Office of Corporate Communication	1,338,895	1,338,895	1,200,784	138,111	10.3%
Economic Development & Culture Services	2,183,839	2,183,839	1,955,972	227,867	10.4%
Office of the Chief Corporate Initiatives & Intergov Relations	853,926	853,926	419,864	434,062	27.4%
<b>OFFICE OF THE CHIEF CORPORATE INITIATIVES &amp; INTERGOV. RELATIONS</b>	<b>4,376,660</b>	<b>4,376,660</b>	<b>3,576,620</b>	<b>800,040</b>	<b>48.2%</b>
<b>OFFICE OF TRANSFORMATION &amp; STRATEGY</b>	<b>991,668</b>	<b>991,668</b>	<b>731,147</b>	<b>260,521</b>	<b>26.3%</b>
<b>OFFICE OF THE CHIEF INFORMATION OFFICER</b>	<b>10,917,807</b>	<b>10,917,807</b>	<b>10,628,446</b>	<b>289,361</b>	<b>2.7%</b>
Office of the City Clerk	5,399,019	5,399,019	5,086,517	312,503	5.8%
City Clerk - Insurance	6,494,467	6,494,467	6,667,255	-172,788	-2.7%
Committee of Adjustment	639,855	639,855	546,006	93,849	14.7%
Council Corporate	99,573	99,573	84,848	14,725	14.8%
<b>TOTAL OFFICE OF THE CITY CLERK</b>	<b>12,632,914</b>	<b>12,632,914</b>	<b>12,384,626</b>	<b>248,288</b>	<b>2.0%</b>
Office of the Chief Financial Officer/City Treasurer	530,908	530,908	431,900	99,008	18.6%
Financial Services	3,637,664	3,637,664	3,349,952	287,712	7.9%
Financial Planning & Development Finance	3,448,071	3,448,071	3,298,329	149,742	4.3%
Procurement Services	2,281,402	2,281,402	2,204,354	77,048	3.4%
<b>TOTAL OFFICE OF THE CFO/CITY TREASURER</b>	<b>9,898,045</b>	<b>9,898,045</b>	<b>9,284,535</b>	<b>613,510</b>	<b>6.2%</b>
Office of Deputy City Manager Legal & Human Resources	326,023	326,023	327,925	-1,902	-0.6%
Office of the City Solicitor	2,793,664	2,793,664	2,219,974	573,690	20.5%
Office of the Chief Human Resources Officer	4,466,762	4,466,762	4,560,419	-93,657	-2.1%
<b>TOTAL DEPUTY CITY MANAGER LEGAL &amp; HR</b>	<b>7,586,449</b>	<b>7,586,449</b>	<b>7,108,318</b>	<b>478,131</b>	<b>6.3%</b>
Office of Deputy City Manager Community Services	587,987	587,987	494,169	93,818	16.0%
Community Grants & Advisory Committees	70,333	70,333	38,667	31,666	45.0%
Access Vaughan	1,254,595	1,254,595	1,267,889	-13,294	-1.1%
Recreation Services	20,944,259	20,944,259	20,235,337	708,922	3.4%
Community Development & Events	1,670,338	1,670,338	1,884,677	-214,339	-12.8%
Facility Maintenance Services	21,933,851	21,933,851	21,638,895	294,956	1.3%
Fire and Rescue Services	48,265,316	48,265,316	48,512,784	-247,468	-0.5%
Emergency Planning	209,492	209,492	211,298	-1,806	-0.9%
By-Law, Compliance, Licensing & Permits	7,301,237	7,301,237	6,671,398	629,839	8.6%
<b>TOTAL DEPUTY CITY MANAGER COMMUNITY SERVICES</b>	<b>102,237,408</b>	<b>102,237,408</b>	<b>100,955,116</b>	<b>1,282,292</b>	<b>1.3%</b>
Office of Deputy City Manager Planning & Growth Management	565,315	565,315	527,556	37,759	6.7%
Development Planning	4,478,286	4,478,286	4,031,644	446,642	10.0%
Development Eng & Infrastructure Planning	6,579,076	6,579,076	5,257,202	1,321,874	20.1%
Policy Planning & Environmental Sustainability	2,495,426	2,495,426	2,115,801	379,625	15.2%
Parks Development	1,753,620	1,753,620	1,771,861	-18,241	-1.0%
Building Standards	8,833,535	8,833,535	8,768,792	64,743	0.7%
<b>TOTAL DEPUTY CITY MANAGER PLANNING GROWTH MANAGEMENT</b>	<b>24,705,258</b>	<b>24,705,258</b>	<b>22,472,855</b>	<b>2,232,403</b>	<b>9.0%</b>
Office of Deputy City Manager Public Works	474,137	474,137	465,600	8,537	1.8%
Corporate Asset Management	442,305	442,305	448,456	-6,151	-1.4%
Fleet Management	2,785,044	2,785,044	2,658,343	126,701	4.5%
Infrastructure Delivery	3,302,924	3,302,924	2,993,622	309,302	9.4%
Environmental Services	11,126,931	11,126,931	10,983,309	143,622	1.3%
Trans Serv and Parks & Forestry Ops	36,945,304	36,945,304	36,439,564	505,740	1.4%
<b>TOTAL DEPUTY CITY MANAGER PUBLIC WORKS</b>	<b>55,076,645</b>	<b>55,076,645</b>	<b>53,988,892</b>	<b>1,087,753</b>	<b>2.0%</b>
<b>VAUGHAN PUBLIC LIBRARIES</b>	<b>17,876,542</b>	<b>17,876,542</b>	<b>17,366,076</b>	<b>510,466</b>	<b>2.9%</b>
<b>TOTAL DEPARTMENTAL EXPENDITURES</b>	<b>249,702,437</b>	<b>249,702,437</b>	<b>241,418,866</b>	<b>8,283,571</b>	<b>3.3%</b>
<b>RESERVE CONTRIBUTIONS &amp; CORP. EXP.</b>	<b>10,332,642</b>	<b>10,332,642</b>	<b>18,356,152</b>	<b>-8,023,510</b>	<b>-77.7%</b>
<b>LONG TERM DEBT</b>	<b>10,050,751</b>	<b>10,050,751</b>	<b>9,627,055</b>	<b>423,696</b>	<b>4.2%</b>
<b>CONTINGENCY</b>	<b>900,550</b>	<b>900,550</b>	<b>237,069</b>	<b>663,481</b>	<b>73.7%</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>TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES</b>	<b>278,356,881</b>	<b>278,356,881</b>	<b>277,009,644</b>	<b>1,347,237</b>	<b>0.5%</b>

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

CITY OF VAUGHAN  
2017 City Operating Budget

December 31, 2017

DEPARTMENTAL EXPENDITURES BY MAJOR CATEGORY (1)

	2017 ANNUAL BUDGET	2017 YTD		VARIANCE	
		BUDGET	ACTUAL	FAV. / (UNFAV.) \$	%
<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%
Roads Infrastructure Reserve Contribution	446,206	446,206	446,206	0	0.0%
Parks Infrastructure Reserve Contribution	1,106,163	1,106,163	1,106,163	0	0.0%
Bldg Stds. Service Continuity Reserve Contribution	0	0	0	0	0.0%
Election Reserve Contribution	450,000	450,000	450,000	0	0.0%
Additional Vehicle Contribution	499,924	499,924	499,924	0	0.0%
Fire & Rescue Contrib.	1,537,425	1,537,425	1,537,425	0	0.0%
Heritage Contrib.	225,276	225,276	225,276	0	0.0%
Streetscapes Contrib.	475,651	475,651	475,651	0	0.0%
City Playhouse Contrib.	15,000	15,000	15,000	0	0.0%
Tax Rate Stabilization Reserve Contribution	1,409,401	1,409,401	1,823,805	-414,404	-29.4%
Year-End Reserve	0	0	392,868	-392,868	0.0%
ITM Reserve Contrib.	1,235,570	1,235,570	1,235,570	0	0.0%
<b>TOTAL RESERVE CONTRIBUTIONS</b>	<b>10,827,683</b>	<b>10,827,683</b>	<b>11,634,955</b>	<b>-807,272</b>	<b>-7.5%</b>
<b>CORPORATE EXPENDITURES:</b>					
Mayor's Gala/Golf Classic	301,735	301,735	1,259,208	-957,473	-317.3%
Bank Charges	100,000	100,000	86,431	13,569	13.6%
Bank Investment Fees	0	0	20,600	-20,600	0.0%
Professional Fees	221,860	221,860	266,524	-44,664	-20.1%
OMB Hearings, Professional Fees & Resources	1,677,875	1,677,875	1,173,598	504,277	30.1%
VMC Development & Implementation	18,025	18,025	0	18,025	100.0%
Joint Services ( Payroll/Cashiering)	517,323	517,323	526,363	-9,040	-1.7%
Sundry	0	0	56,113	-56,113	0.0%
Charitable Organization Rebate	0	0	-170,286	170,286	0.0%
City Hall Funding	0	0	0	0	0.0%
Tax Adjustments	2,300,000	2,300,000	3,240,545	-940,545	-40.9%
Amo Membership	19,800	19,800	18,630	1,170	5.9%
Conferences	0	0	7,422	-7,422	0.0%
Election	148,270	148,270	47,035	101,235	68.3%
Transfers to/(from) Reserves	0	0	189,012	-189,012	0.0%
Corporate Reorganization	0	0	0	0	0.0%
Anticipated Labour Savings	-5,799,929	-5,799,929	0	-5,799,929	100.0%
<b>TOTAL CORPORATE EXPENSES</b>	<b>-495,041</b>	<b>-495,041</b>	<b>6,721,197</b>	<b>-7,216,238</b>	<b>1457.7%</b>
<b>TOTAL RESERVE CONTRIBUTIONS &amp; CORPORATE EXP.</b>	<b>10,332,642</b>	<b>10,332,642</b>	<b>18,356,152</b>	<b>-8,023,510</b>	<b>-77.7%</b>
<b>LONG TERM DEBT</b>	<b>10,050,751</b>	<b>10,050,751</b>	<b>9,627,055</b>	<b>423,696</b>	<b>4.2%</b>
<b>CONTINGENCY</b>	<b>900,550</b>	<b>900,550</b>	<b>237,069</b>	<b>663,481</b>	<b>73.7%</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>

Attachment 3

2017 Projects Closed as of December 31 2017

Portfolio/Departments	Budget	Actual	Remaining	Number of projects
City Clerk				
CL-2517-12	51,500	50,048	1,452	1
City Clerk Total	\$51,500	\$50,048	\$1,452	1
Development Engineering and Infrastructure Planning Services				
DT-7024-11	355,350	0	355,350	1
DT-7039-10	75,000	74,682	318	1
DT-7073-11	279,700	248,193	31,507	1
Development Engineering and Infrastructure Planning Services Total	710,050	322,875	387,175	3
Emergency Planning				
EP-0080-15	32,445	31,444	1,001	1
Emergency Planning Total	32,445	31,444	1,001	1
Environmental Services				
EV-2087-16	224,622	124,955	99,667	1
EV-2101-17	2,510	2,510	0	1
PW-2070-14	75,000	57,386	17,614	1
Environmental Services Total	302,132	184,851	117,281	3
Financial Planning & Development Finance				
DI-0072-13	1,748,000	1,604,754	143,246	1
Financial Planning & Development Finance Total	1,748,000	1,604,754	143,246	1
Infrastructure Delivery				
EN-1854-11	275,000	111,111	163,889	1
Infrastructure Delivery Total	275,000	111,111	163,889	1
Parks Development				
PK-6273-10	895,240	894,829	411	1
PK-6504-15	156,674	155,696	978	1
PK-6525-15	278,612	268,659	9,953	1
Parks Development Total	1,330,526	1,319,184	11,342	3
Recreation Services				
RE-9503-10	755,550	754,921	629	1
RE-9525-14	56,650	46,350	10,300	1
RE-9529-16	51,500	46,309	5,191	1
RE-9535-17	25,750	25,750	0	1
Recreation Services Total	889,450	873,330	16,120	4
Facility Maintenance Services				
BF-8279-12	63,000	61,345	1,655	1
BF-8318-14	61,800	23,085	38,715	1
BF-8356-14	61,800	23,085	38,715	1
BF-8428-15	61,800	60,910	890	1
BF-8431-16	35,128	34,520	608	1
BF-8432-15	82,400	82,153	247	1
BF-8433-15	82,400	61,097	21,303	1
BF-8440-14	61,800	58,112	3,688	1
BF-8441-14	137,200	100,670	36,530	1
Facility Maintenance Services Total	647,328	504,977	142,351	9
Transportation Services Parks & Forestry Operations				
EN-1842-11	87,550	87,363	187	1
Transportation Services Parks & Forestry Operations Total	87,550	87,363	187	1
Fire & Rescue Services				
FR-3589-17	40,140	40,307	-167	1
FR-3595-15	109,000	51,254	57,746	1
FR-3615-17	45,000	31,398	13,602	1
FR-3616-17	38,460	31,398	7,062	1
FR-3641-17	76,000	72,536	3,464	1
Fire & Rescue Services Total	308,600	226,893	81,707	5
Human Resources				
HR-9537-13	72,100	69,308	2,792	1
Human Resources Total	72,100	69,308	2,792	1
Policy Planning & Environmental Sustainability				
PL-9539-13	75,000	66,214	8,786	1
Policy Planning & Environmental Sustainability Total	75,000	66,214	8,786	1
Grand Total	6,529,681	5,452,352	1,077,329	34