

**COMMITTEE OF THE WHOLE- SEPTEMBER 4, 2001**

**SECOND QUARTER OPERATING RESULTS – 2001  
(BUDGET SUB- COMMITTEE MEETING OF AUGUST 28, 2001)**

**Recommendation**

The Budget-Sub-Committee recommends:

That the recommendation contained in the following report of the Director of Finance, dated August 28, 2001, be approved.

**Report of the Director of Finance**

The Director of Finance in consultation with the Commissioner of Corporate Services recommends:

That the following 2001 Second Quarter Operating report be received for information purposes.

**Purpose**

To report the operating budget vs actual results to June 30, 2001.

**Background - Analysis and Options**

The June second quarter variance analysis attached compares actual operating results for the first six months of 2001 to the year-to-date operating budget. The year-to-date budget presented in this report was based on spending patterns of last year. The overall departmental calendarization of the operating budget has not been completed as yet. This review is prepared on a partial accrual basis that is, only large revenue streams or expenditures incurred have been accrued. This report provides the current status of both departmental and corporate expenses and revenues for the six-month period ending June 30, relative to the 2001 year-to-date operating budget.

The combined excess of revenues over expenses (balances transferred to reserves) is not directly indicative of the final year-end results.

**Second Quarter Ahead of Budget**

At the end of the second quarter, as show below, the excess of revenues over expenses is \$1.4m. This result is made up of revenues exceeding budget by \$390,000 and expenses that are below budget by \$1.0m. This difference represents a 1.3% positive variance from the annual budget and the main factors giving rise to the variance are summarized below:

Revenues	
PIL's (Payments in Lieu of Taxes)	0.2
Planning Revenues	(0.3)
Investment Income	<u>0.5</u>
	0.4
Expenses	<u>1.0</u>
Year-to-Date Revenues Net of Expenses	<u>\$1.4M</u>

This year-to-date variance is not necessarily indicative of the final year-end results. More detailed comments are provided in the following paragraphs.

## Revenue

Actual Revenues shown below are at \$49.1m as of June 2001, \$390,000 over year-to-date budget of \$48.7m. The majority of the second quarter increase is in corporate revenues and grants-in-lieu of taxes which were reduced somewhat by planning revenues being below budget.

(Millions)	2001 Budget	YTD Budget	2001 Actual	Variance
	\$	\$	\$	\$
Taxation	59.9	24.0	24.0	0.0
Reserve	8.8	4.3	4.2	(0.1)
Fees & Services	28.4	14.9	14.7	(0.2)
Corporate	7.6	3.5	4.0	0.4
Grant-in-Lieu / Other	<u>5.4</u>	<u>2.0</u>	<u>2.2</u>	<u>0.2</u>
	110.1	48.7	49.1	0.4

## Taxation

Property tax revenue of \$23.9m represents the interim billing for residential, commercial, industrial properties. The final residential property tax billing was issued in July 2001. The final commercial & industrial property tax billing is expected to be issued in September 2001.

## Supplemental Taxes

Supplemental taxes represent those taxes billed annually for newly constructed properties that were not placed on the roll at the beginning of the year. Supplemental taxes have not been billed as yet. These bills are expected to be issued in the third quarter.

## Grant-in-Lieu

The grant-in-lieu revenue is the final property tax billings for Provincial, Federal, Hydro, Railway lands and Regional properties. The majority of the Grant-in-lieu billings will be issued in the third quarter.

## Reserves & Corporate Revenue

Reserves of \$4.2m are primarily booked based on budget and are slightly under at this point.

Corporate revenue is currently at \$3.4m and exceeds the year-to-date budget of \$71,000. Fines and penalty charges of \$1.8m and is on target at this point. Interest income is currently at \$2.0m and exceeds the YTD budget by \$500,000. This is the result of a stronger than expected cash position. The balance of corporate revenues are close to target.

## Fees and Service Charges

Fees and service charges total \$14.6m at the second quarter mark and are slightly under year-to-date budget by \$212,000 or 1.4%. Building Standards permit revenue at \$6.4m, \$788,000 over the year-to-date budget of \$5.6m. This is the result of the continued growth in residential, commercial and industrial development in the City. The City's development reflects a continued strong Provincial and GTA economy. The building permit revenue excess over budget at year-end will be placed in the new reserve set up last year to assist in stabilizing the tax rate in future years when building permits start to decline.

Highlights of other fees and service charges are as follows: Planning revenue at \$503,000 is lower than the year-to-date budget of \$828,000; Engineering revenue of \$424,000 is slightly

higher to the year-to-date budget of \$369,000; Recreation revenue at \$5.4m is on target when compared to year-to-date budget of \$5.4m; By-law revenues \$459,000 is on target when compared to year-to-date budget of \$451,000. Plumbing permits revenue at \$534,000 is on target when compared to year-to-date budget of \$490,000.

**Expenditures**

Actual departmental expenditures as shown below are \$41.1m for the first six months below when compared to the calendarized budget of \$42.0m. The majority of the departments are below budget at this point as a result of a delay in the hiring of staff. The balance of the non-salary expenditures consists of a multitude of contracts for road and building maintenance, winter control, other contracts, supplies and services.

Corporate expenditures as shown below including debenture payments, professional fees, reserve contributions, etc. are on target currently at \$3.4m and which is close to the year-to-date budget of \$3.5m.

(Millions)	2001 Budget	YTD Budget	2001 Actual	Variance
	\$	\$	\$	\$
Departmental	95.0	42.0	41.1	0.9
Corporate	7.6	3.6	3.5	0.1
Contingency	2.0	0.1	0.1	0.0
Capital / Revenue	<u>5.5</u>	<u>2.8</u>	<u>2.8</u>	<u>0.0</u>
	110.1	48.5	47.5	1.0

**Conclusion**

Based on the year-to-date budget for the Second Quarter of 2001, the excess of revenue over expenses is \$1.4m. This represents a 1.3% positive variance to-date. The actual year-end variance may be different. Any year-end balance will be transferred as per the City's policy to the appropriate reserves.

**Attachments**

2001 Second Quarter Operating Results

**Report prepared by:**

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Respectfully submitted,

Councillor B. Di Vona  
 Chair  
 Budget Sub-Committee

**CITY OF VAUGHAN  
2001 OPERATING BUDGET  
SECOND QUARTER REPORT**

**REVENUE / EXPENDITURE SUMMARY**

	2001 ANNUAL BUDGET	2001 YTD BUDGET AS AT JUNE 30/01	2001 YTD ACTUAL AS AT JUNE 30/01	2001 ACT / 2001 BUD	2001 ACT / 2001 BUD
				VARIANCE FAV / (UNFAV.) \$	VARIANCE FAV / (UNFAV.) %
<b>REVENUES:</b>					
GENERAL TAXATION	56,433,280	23,988,000	23,988,000	0	0.00%
SUPPLEMENTAL TAXATION	3,400,000	0	0	0	0.00%
SUBSIDY	140,200	0	0	0	0.00%
GRANTS IN LIEU / OTHER	1,800,000	220,485	460,380	231,885	101.48%
RESERVES	8,779,210	4,320,885	4,216,075	(114,810)	-2.66%
CORPORATE	7,645,475	3,555,390	4,941,720	486,330	13.84%
FEES AND SERVICE CHARGES	26,480,700	14,881,740	14,679,000	(212,140)	-1.42%
PROR YEAR'S SURPLUS CARRYFORWARD TO REDUCE 2001 TAX LEVY	3,500,000	1,750,000	1,750,000	0	0.00%
<b>TOTAL REVENUES</b>	<b>110,191,960</b>	<b>48,745,160</b>	<b>49,136,230</b>	<b>390,970</b>	<b>0.80%</b>
<b>EXPENDITURES:</b>					
DEPARTMENTAL	95,988,340	42,873,190	41,396,785	916,405	2.18%
CORPORATE	7,581,750	3,578,400	3,499,300	71,000	1.99%
CONTINGENCY	2,019,600	119,070	98,100	22,915	19.28%
CAPITAL / REVENUE	5,522,000	2,761,000	2,761,000	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>110,191,960</b>	<b>48,823,710</b>	<b>47,515,330</b>	<b>1,316,380</b>	<b>2.69%</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>0</b>	<b>221,480</b>	<b>1,621,900</b>	<b>1,498,450</b>	

**CITY OF VAUGHAN  
2001 OPERATING BUDGET  
SECOND QUARTER REPORT**

**REVENUE BY MAJOR SOURCE**

	2001 ANNUAL BUDGET	2001 YTD BUDGET AS AT JUNE 2001	2001 YTD ACTUAL AS AT JUNE 2001	2001 ACT / 2001 BUD VARIANCE FAV / UNFAV \$	2001 ACT / 2001 BUD VARIANCE FAV / UNFAV %
<b>TAXATION</b>					
SUPPLEMENTALS	2,400,000	0	0	0	0.00%
FIRE AREA LEVY	1,600,000	0	0	0	0.00%
<b>TOTAL</b>	<b>3,400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>GRANTS</b>					
LIBRARY GRANT	143,220	0	0	0	0.00%
<b>TOTAL</b>	<b>143,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>GRANTS IN LIEU / OTHER</b>	<b>1,800,000</b>	<b>228,495</b>	<b>490,390</b>	<b>231,895</b>	<b>101.46%</b>
<b>RESERVES</b>					
HERITAGE	188,000	70,125	70,125	0	0.00%
ENGINEERING	1,801,480	862,305	795,440	(66,865)	-7.64%
LIBRARY	68,000	34,000	34,890	0	0.00%
URBAN DESIGN AND ENVIRONMENT	585,670	272,140	243,490	(28,748)	-10.96%
FINANCE - FROM CAPITAL	630,000	315,000	315,000	0	0.00%
FLEET ( OPERATIONS )	495,000	263,315	235,110	(28,205)	-7.90%
BUILDING STANDARDS	2,100,000	1,050,000	1,030,930	0	0.00%
TAX RATE STABILIZATION	1,788,000	890,000	890,000	0	0.00%
WATER & WASTE WATER RECOVERY	1,230,000	615,000	615,000	0	0.00%
<b>TOTAL</b>	<b>8,779,210</b>	<b>4,330,885</b>	<b>4,210,375</b>	<b>(114,810)</b>	<b>-6.89%</b>
<b>FEES/SERVICE CHARGES</b>					
NON-PROFIT HOUSING	4,000	366	1,279	366	247.50%
CLERKS	37,830	8,266	30,889	22,889	206.56%
LICENSING - CLERKS	648,700	451,420	439,815	8,264	1.90%
COMMITTED OF ADJUSTMENT	361,380	186,648	186,895	12,250	7.82%
LANDFILL	1,520,000	186,000	195,800	8,800	5.05%
LEGAL	23,000	8,000	10,340	2,339	29.17%
LEGAL - BY LAW ENFORCEMENT	788,230	396,788	422,848	22,290	5.38%
FIRE AND RESCUE SERVICES	340,000	194,060	180,568	(14,492)	-7.20%
BUILDING STANDARDS - LICENSES/PERMITS	10,780,000	5,085,120	6,473,820	788,700	15.87%
- PLUMBING PERMITS	780,000	486,040	534,435	44,395	9.06%
- SERVICE CHARGES	482,000	257,760	294,585	(83,679)	-30.82%
BUILDING STANDARDS - SURPLUS TO RESERVE	0	0	(786,733)	(786,733)	-100.00%
ECONOMIC & TECH. DEVELOP.	187,500	37,270	26,178	900	3.32%
ENGINEERING	532,850	369,562	424,830	88,268	14.90%
PUBLIC WORKS - OPERATIONS	114,300	77,270	64,885	(13,183)	-17.06%
BUILDINGS AND FACILITIES	288,100	86,000	82,849	2,845	3.00%
RECREATION	8,871,370	5,271,765	5,402,970	31,205	0.98%
PARKS OPERATIONS	127,790	3,625	13,255	9,730	268.41%
CEMETERIES	48,800	22,679	24,520	1,841	8.14%
COMMUNITY PLANNING	1,333,000	828,015	803,478	(24,540)	-3.19%
RECYCLING	386,130	193,065	152,000	(41,965)	-11.27%
FRONTAGE CHARGES	358,890	0	0	0	0.00%
VAUGHAN PUBLIC LIBRARIES	177,310	78,115	80,360	14,260	18.78%
<b>TOTAL</b>	<b>26,690,730</b>	<b>14,891,749</b>	<b>14,878,585</b>	<b>(212,140)</b>	<b>-1.42%</b>
<b>CORPORATE</b>	<b>7,840,470</b>	<b>3,998,880</b>	<b>4,041,120</b>	<b>485,140</b>	<b>11.84%</b>
<b>TOTAL REVENUE</b>	<b>50,250,820</b>	<b>23,897,180</b>	<b>23,387,170</b>	<b>(509,971)</b>	<b>-1.73%</b>

**CITY OF VAUGHAN  
2001 OPERATING BUDGET  
SECOND QUARTER REPORT**

**REVENUE BY MAJOR SOURCE  
FINANCE REVENUE DETAIL**

**FINANCE REVENUE DETAIL :**

	2001 ANNUAL BUDGET	2001 YTD BUDGET AS AT JUNE 2001	2001 YTD ACTUAL AS AT JUNE 2001	2001 ACT / 2001 BUD VARIANCE FAV / (UNFAV.) \$	2001 ACT / 2001 BUD VARIANCE FAV / (UNFAV.) %
FINES & PENALTIES	3,792,000	1,823,166	1,827,529	4,363	-0.24%
TAX CERTIFICATES	288,000	130,000	112,638	(17,372)	-13.36%
INTEREST INCOME	3,893,000	1,500,000	2,893,766	900,766	23.39%
PROVINCIAL OFFENCES ACT	479,000	0	0	0	0.00%
MISCELLANEOUS REVENUE	186,479	60,000	79,418	(8,582)	-11.89%
PURCHASING	25,000	12,500	27,116	14,616	116.88%
CAPITAL ADMIN. REVENUE	15,000	10,315	2,689	(7,625)	-74.02%
<b>TOTAL FINANCE REVENUE</b>	<b>7,845,479</b>	<b>3,995,981</b>	<b>4,941,123</b>	<b>485,142</b>	<b>13.84%</b>

**CITY OF VAUGHAN  
2001 OPERATING BUDGET  
SECOND QUARTER REPORT**

**EXPENSES BY MAJOR CATEGORY ( 1 )**

	2001	2001 YTD	2001 YTD	2001 ACT / 2001 BUD	2001 ACT / 2001 BUD
	ANNUAL	BUDGET	ACTUAL	VARIANCE	VARIANCE
	BUDGET	AS AT JUNE 30/01	AS AT JUNE 30/01	FAV / UNFAV	FAV / UNFAV
				\$	%
COUNCIL	648,540	299,619	298,630	890	0.26%
CITY MANAGER	378,480	195,969	194,019	12,890	7.71%
DEPUTY CITY MANAGER	339,990	191,648	197,048	14,899	9.03%
FIRE AND RESCUE SERVICES	19,773,199	7,015,379	8,996,899	18,520	0.26%
LEGAL SERVICES	2,897,918	1,193,859	1,695,089	69,155	7.21%
LABOUR RELATIONS	218,849	85,879	90,579	3,399	5.32%
POLICY AND CORPORATE COMMUNICATIONS	848,529	325,429	315,679	13,355	4.07%
CITY CLERK	2,441,266	1,079,378	1,839,858	38,326	3.65%
COMMISSIONER OF CORPORATE SERVICES	187,938	196,829	33,689	73,326	66.49%
CITY FINANCIAL SERVICES	1,076,528	669,369	883,759	25,815	3.82%
RESERVES & INVESTMENTS	490,239	219,429	196,448	12,873	6.44%
PURCHASING SERVICES	490,965	234,325	220,289	4,139	1.84%
FLEET MANAGEMENT	490,965	233,319	232,119	28,299	7.46%
HUMAN RESOURCES	1,282,748	673,328	672,279	1,299	0.19%
COMMISSIONER OF COMMUNITY SERVICES	280,369	128,389	113,488	12,719	10.28%
COMMUNITY GRANTS AND ADVISORY COMMITTEES	37,069	38,209	9,258	11,839	64.39%
RECREATION	16,280,129	4,883,109	4,876,288	(22,181)	-0.45%
CULTURAL SERVICES	490,965	89,879	89,219	780	1.09%
BUILDINGS AND FACILITIES	9,521,329	4,588,189	4,491,739	97,410	2.12%
PARKS GREEN, MAINTENANCE AND CONSTRUCTION	5,680,789	2,533,858	2,329,269	4,793	0.20%
COMMISSIONER OF PLANNING	183,969	78,869	75,039	1,699	2.16%
COMMUNITY PLANNING	2,319,599	1,034,899	899,679	98,220	9.52%
URBAN DESIGN AND ENVIRONMENT	619,499	288,779	247,719	41,860	14.86%
BUILDING STANDARDS	4,250,600	1,787,429	1,796,899	98,790	4.82%
COMMISSIONER OF DEVELOPMENT SERVICES & PUBLIC WORKS	246,219	121,869	120,879	899	0.74%
ECONOMIC AND TECHNOLOGY DEVELOPMENT	1,788,919	733,828	731,089	2,149	0.29%
ENGINEERING SERVICES	4,082,249	1,824,899	1,894,899	149,149	7.64%
INFORMATION TECHNOLOGY SERVICES	1,229,969	494,309	483,089	28,420	5.93%
PUBLIC WORKS - OPERATIONS	20,683,038	8,886,889	8,882,119	2,270	0.04%
VAUGHAN PUBLIC LIBRARIES	3,419,499	2,327,719	2,228,489	48,810	3.65%
TOTAL DEPARTMENTAL EXPENDITURES	60,888,348	40,073,199	41,158,789	918,489	2.30%
CORPORATE & ELECTIONS	7,281,738	3,876,438	3,498,289	71,890	1.89%
CONTINGENCY	2,019,808	118,879	98,189	22,819	19.24%
CAPITAL PROFIT REVENUE	3,322,000	2,781,800	2,781,200	0	0.00%
TOTAL EXPENDITURES	116,181,894	46,852,316	47,512,320	1,810,280	2.04%

( 1 ) - EXPENSES ARE NET OF HYDRO JOINT SERVICES REVENUE AND LIBRARY JOINT SERVICE CHARGES.

**CITY OF VAUGHAN  
2001 OPERATING BUDGET  
SECOND QUARTER REPORT**

**CORPORATE AND ELECTION EXPENSES - DETAILS**

	2001 ANNUAL BUDGET	2001 YTD		2001 ACT / 2001 BUD	
		BUDGET	ACTUAL	VARIANCE	VARIANCE
		AS AT JUNE 2001	AS AT JUNE 2001	FW / (B/F) %	FW / (B/F) %
<b>CORPORATE &amp; ELECTIONS DETAIL:</b>					
BANK CHARGES	55,000	5,689	5,289	670	12.17%
DEBENTURE PAYMENTS	1,290,000	1,190,675	1,190,675	0	0.00%
PROFESSIONAL FEES	180,000	85,690	85,343	3,347	7.01%
MAYOR'S HEARINGS - PROFESSIONAL FEES	60,000	335,690	325,695	9,995	1.76%
WILLOWFORD SPORTS COMPLEX OPERATING BUDGET IMPACT	375,000	0	0	0	0.00%
1997 & 1998 BLDG & FACIL. INFRASTR. RES. CONTRIB.	475,000	237,500	237,500	0	0.00%
POST 1998 BLDG & FACIL. INFRASTR. RES. CONTRIB.	125,000	62,500	62,500	0	0.00%
ROADS APPRAISAL RESERVE CONTRIBUTION	475,000	237,500	237,500	0	0.00%
PARKS RESERVE CONTRIBUTION	275,000	137,500	137,500	0	0.00%
VEHICLE RESERVE CONTRIBUTION	1,150,000	585,690	581,333	3,783	0.07%
JOINT SERVICES	180,000	0	0	0	0.00%
JOINT SERVICES PHASE OUT	380,000	0	0	0	0.00%
LAUNDRY, DUES & MUNICIPAL GRANTS	33,888	0	0	0	0.00%
SPECIAL RESERVE CONTRIBUTION	280,000	130,000	130,000	0	0.00%
TAX ADJUSTMENTS	1,230,000	990,000	446,315	53,685	5.74%
CORPORATE INSURANCE	182,180	91,675	91,675	0	0.00%
AND MEMBERSHIP	10,100	6,690	6,695	280	4.34%
CONFERENCES	30,000	1,690	655	45	4.80%
CHARITABLE & SIMILAR ORG'S RESATES	30,000	0	0	0	0.00%
ELECTION RESERVE CONTRIBUTION	125,000	62,500	62,500	0	0.00%
<b>TOTAL CORPORATE &amp; ELECTIONS</b>	<b>7,881,790</b>	<b>3,875,450</b>	<b>3,498,380</b>	<b>71,800</b>	<b>1.88%</b>
<b>PUBLIC WORKS DETAIL:</b>					
ADMINISTRATION	1,838,833	918,882	917,815	767	0.10%
ROADS MAINTENANCE	18,121,840	4,893,592	4,598,570	22	0.00%
WASTE MANAGEMENT	8,912,475	3,693,339	3,696,725	2,380	0.07%
<b>TOTAL PUBLIC WORKS</b>	<b>28,873,148</b>	<b>9,505,813</b>	<b>8,902,110</b>	<b>3,279</b>	<b>0.04%</b>
<b>BUILDINGS AND FACILITIES DETAIL:</b>					
ADMINISTRATION	934,429	469,708	458,810	18,898	2.27%
TRADES SHOPS	201,140	102,440	178,740	13,700	1.10%
CIVIC CENTRE	802,898	478,178	453,250	23,828	5.47%
BUILDING OPERATIONS	7,323,730	3,447,895	3,408,795	47,900	1.27%
<b>TOTAL BUILDINGS AND FACILITIES</b>	<b>9,262,200</b>	<b>4,498,221</b>	<b>4,491,775</b>	<b>67,418</b>	<b>2.12%</b>