



STAFF REPORT ACTION REQUIRED

Preliminary Operating Variance Report for the Year Ended December 31, 2008

Date:	March 2, 2009
To:	Budget Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2009\Internal Services\FP\bc09006FP (AFS# 6967)

SUMMARY

The purpose of this report is to provide Council with the City of Toronto Preliminary Operating Variance for the twelve-month period ended December 31, 2008 and to obtain Council's approval for the allocation of the 2008 preliminary year-end operating surplus. In addition, Council's approval is required for amendments to the City of Toronto's 2008 Operating Budget between programs to ensure accurate reporting and financial accountability with no increase to the 2008 Council Approved Net Operating Budget.

For the twelve-month period ended December 31, 2008, the preliminary year-end net operating surplus amounted to \$79.526 million or 2.4 per cent of the 2008 Council Approved Net Operating Budget. Corporate Accounts contributed \$60.381 million due to higher than expected revenues in supplementary taxes, higher than expected investment and interest earnings, and lower than expected tax deficiencies. Agencies, Boards and Commissions (ABCs) contributed \$14.426 million, mainly due to the one-time revenue resulting from the successful resolution of recent arbitration decisions in litigation with the Toronto Police Association. In addition, City Operations contributed \$4.720 million towards the surplus due to under-spending by most programs which more than offset the higher than budgeted snow removal and winter maintenance costs of \$26.620 million incurred by Transportation Services.

This report recommends that a draw of \$2.443 million from the Transportation Services Extreme Weather Reserve to help mitigate the financial impact resulting from higher than budgeted snow removal and winter maintenance costs. In addition, this report recommends that the preliminary year-end net operating surplus be allocated to fund the 2009 Operating Budget (\$74.178 million); the Social Assistance Stabilization Reserve

Fund (\$2.433 million); the Waste Management Reserve Fund (\$1.460 million); and the Exhibition Place Conference Centre Reserve Fund (\$1.455 million).

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RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. Council approve the allocation of the 2008 preliminary year-end net operating surplus of \$79.526 million to the 2009 Operating Budget – Prior Year Surplus Revenue (\$74.178 million); the Social Assistance Stabilization Reserve Fund (\$2.433 million); the Waste Management Reserve Fund (\$1.460 million); and the Exhibition Place Conference Centre Reserve Fund (\$1.455 million) to help guarantee repayment of a loan for a new conference centre.
2. Council approve the withdrawal of \$2.443 million from the Transportation Services Extreme Weather Reserve to help mitigate the financial impact resulting from the over expenditures by Transportation Services due to higher than budgeted snow removal and winter maintenance costs.
3. Council approve the withdrawal of \$0.025 million from the Planning Act Reserve Fund to fund heritage studies conducted by the Harbord Village Resident’s Association (\$0.010 million) and the Annex Resident’s Corporation (\$0.015 million).
4. Council approve an expenditure increase of \$0.083 million gross and \$0 net to the 2008 Non-Program Operating Budget funded from the Alexander Street Theatre Project Reserve Fund to pay for roofing repairs for the Buddies in Bad Times Theatre.

5. Council approve the budget adjustments detailed in Appendix D to amend the 2008 Approved Net Operating Budget between programs with no budget impact in order to ensure accurate reporting and financial accountability.
6. The Deputy City Manager and Chief Financial Officer report back to the Budget Committee on any changes to the City of Toronto's 2008 year-end financial position after the 2008 financial statements are finalized.
7. Budget Committee forward the 2008 Preliminary Operating Year-end Variance Report to the Executive Committee for its consideration.

Financial Impact

The preliminary net expenditures for the twelve-month period ended December 31, 2008 were under budget by \$79.526 million or 2.4 per cent. Table 1 below summarizes the preliminary year-end net operating results by Cluster and ABC.

Table 1	
2008 Preliminary Net Operating Variance (\$ Millions)	
Over/(Under)	
	Over/(Under) Budget
Citizen Centred Services "A"	(14.2)
Citizen Centred Services "B"	22.2
Internal Services	(6.9)
City Manager	(1.0)
Other City Programs	(4.3)
Council Appointed Programs	(0.4)
Total - City Operations	(4.7)
Agencies, Boards and Commissions	(14.4)
Corporate Accounts	(60.4)
Sub-Total	(74.8)
Total Variance	(79.5)

Table 2 outlines the recommended allocation of the 2008 Preliminary Year-end Net Operating surplus as follows:

Table 2	
2008 Preliminary Net Operating Surplus (\$ Millions)	
Preliminary Operating Surplus	79.526
Recommended Allocation:	
Social Assistance Stabilization Reserve Fund	(2.433)
Waste Management Reserve Fund	(1.460)
Exhibition Place Conference Centre Reserve Fund	(1.455)
2009 Operating Budget - Prior Year Surplus Revenue	<u>74.178</u>

This variance report was prepared based on preliminary accounting information for the year ended December 31, 2008. An annual audit of the City's accounts and financial statements will be completed in April 2009 and any changes to the Preliminary 2008 Year-end Operating Variance Report will be reported to City Council thereafter.

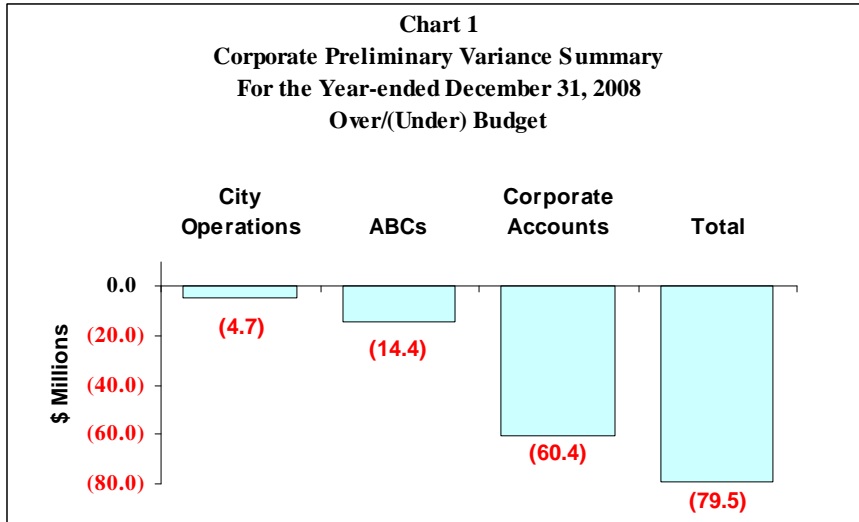
ISSUE BACKGROUND

This report is provided pursuant to good business practice and budgetary control. As part of the City's accountability framework, operating variance reports are submitted to Committees and Council quarterly, to provide information on how the approved operating funds are being spent, and on an exceptions basis, to identify issues that require direction and / or decisions from Council.

Council approval is required to allocate the 2008 Preliminary Year-end Operating surplus and to amend the 2008 Approved Operating Budget between programs to ensure accurate reporting and financial accountability. These budget adjustments have no incremental impact on the 2008 Approved Net Operating Budget.

COMMENTS

Operating results for the twelve-month period ended December 31, 2008 reflected a favourable net variance of \$79.526 million or 2.4 per cent of the 2008 Approved Net Operating Budget. As shown in Chart 1 below, Corporate Accounts contributed \$60.381 million surplus due to higher than expected revenues in supplementary taxes, higher than expected investment and interest earnings, and lower than expected tax deficiencies. Agencies, Boards and Commissions (ABCs) contributed \$14.426 million, mainly due to the one-time revenue resulting from the successful resolution of recent arbitration decisions in litigation with the Toronto Police Association. In addition, City Operations contributed \$4.720 million towards the surplus due to under-spending by most programs which more than offset the higher than budgeted snow removal and winter maintenance costs of \$26.620 million incurred by Transportation Services.



City Operations

Citizen Centred Services "A"

Citizen Centred Services "A" collectively reported a preliminary year-end net operating surplus of \$14.237 million or 1.5 per cent of the 2008 Approved Operating Budget. As summarized in Table 3 below, the preliminary year-end net operating surplus was mainly attributed to the significant under-spending of \$17.723 million in Toronto Employment & Social Services.

Table 3 Citizen Centred Services "A" Net Expenditure Variance (\$ Million)	
	December 2008 Over/(Under)
Affordable Housing Office	0.0
Children's Services	(3.4)
Court Services	3.7
Economic Development, Culture & Tourism	(0.0)
Emergency Medical Services	3.5
Long Term Care Homes and Services	(0.1)
Parks, Forestry & Recreation	2.6
Shelter, Support & Housing Administration	(1.9)
Social Development, Finance & Administration	(0.2)
Social Services	(17.7)
311 Customer Service Strategy	(0.7)
Sub-Total	(14.2)

Children's Services reported a preliminary year-end favourable net variance of \$3.419 million or 5.0 per cent primarily attributed to higher than budgeted user fee revenues due to increased number of families with assessed fees and additional Provincial subsidy.

Court Services had a preliminary year-end unfavourable net variance of \$3.658 million or 31.6 per cent of the 2008 Approved Net Operating Budget. Most of this unfavourable variance, in the amount of \$3.350 million, was due to under-achieved revenue arising from delayed expansion of the Red Light Camera (RLC) Initiative. In addition, overspending in the amount of \$1.890 million was mostly attributed to higher than budgeted legal costs and increased court attendance of off-duty police officers as a result of the growing caseload. This overage was partially offset by higher than budgeted non-RLC revenues in the amount of \$1.580 million.

Emergency Medical Services (EMS) reported a preliminary year-end unfavourable net variance of \$3.474 million or 5.6 per cent as a result of over expenditures in overtime of \$4.4 million due to hospital offloading delays and over expenditures of \$1.4 million due to higher needs for medical and equipment supplies, protective clothing and mobile/equipment replacement parts. This was partially offset by increased gapping, higher provincial subsidies, and other revenues of \$2.3 million altogether.

Long Term Care Homes and Services had preliminary year-end favourable gross and net expenditure variances of \$6.867 million or 3.3 per cent, and \$0.064 million or 0.2 per cent, respectively. The favourable gross expenditure variance was mainly attributed to reduced expenditures in both the community based services and homes programs due to lower than anticipated Provincial subsidies and grants. The anticipated Provincial subsidy increase to long-term care homes has been delayed and the Program deferred the implementation of specific care and service level adjustments until the funding is made available.

Parks, Forestry and Recreation (PF&R) reported a preliminary year-end unfavourable variance of \$2.643 million or 1.1 per cent of planned expenditures for the year ended December 31, 2008. This unfavourable variance was attributed to unrealized revenues for leases and agreements and golf operations, and increased expenditures due to increased fuel prices, increased spending on facilities and parks maintenance, overtime costs for Marine, golf and recreation operations and parks special events during weekends and statutory holidays, as well as emergency clean up for parks and forestry operations.

Shelter, Support and Housing Administration (SSHA) reported a preliminary year-end favourable variance of \$1.918 million or 0.8 per cent below the budget, primarily attributed to savings in salary and benefits resulting from temporary vacancies, and an increase in subsidy resulting from higher than planned bed nights of 31,148 (1,409,024 actual bed nights vs. budgeted volume of 1,377,876) or a 2.3 per cent variance, due to higher refugee claimants in the family sector. As the increase in occupancy levels was in the City operated shelters, where the cost of operations was largely fixed, the increase in occupancy resulted in an increase in subsidy, and a decrease in net expenditures.

Social Development, Finance & Administration (SDF) achieved a preliminary year-end favourable net variance of \$0.186 million or 1.2 per cent below the budget, primarily attributed to savings in salaries and benefits due to staff vacancies and discretionary savings.

Toronto Employment and Social Services' (TESS) favourable net variance of \$17.723 million or 6.4 per cent was mainly attributed to the following:

- Social assistance and administration costs were under-spent by \$14.0 million mainly due to a higher proportion of singles compared to families in the caseload. The Ontario Works average monthly caseload, which included unemployed and underemployed Torontonians who were provided with integrated employment services and supports through the Employment Resource Centres and the Application Centre, was 75,708 in 2008; 1,292 cases lower than the 2008 budgeted caseload of 77,000 cases;
- An unbudgeted prior-year Provincial Ontario Drug Benefit (ODB) rebate of \$1.0 million;
- An unbudgeted Ontario Child Benefit (OCB) implementation subsidy of \$0.8 million; and,
- An unbudgeted Ontario Municipal Partnership Fund (OMPF) subsidy of \$2.433 million, which is recommended to be contributed to the Social Assistance Stabilization Reserve Fund. It is noted that an equivalent amount has been recommended as a funding source for the TESS's 2009 Operating Budget.

311 Customer Service Strategy reported a preliminary year-end favourable variance of \$2.090 million gross or 20.5 per cent and \$0.662 million net or 14.8 per cent of the 2008 Approved Operating Budget. The favourable variances were mainly due to delays in signing the Technology Solution contract which resulted in an overall extension to the original project schedule and delayed staffing requirements with a subsequent corresponding reduction in recoveries from capital funding. In addition, delays in implementation of the new 311 Operating Program led to lower than anticipated spending mainly due to vacancies.

Citizen Centred Services "B"

Citizen Centred Services "B" collectively reported an unfavourable net variance of \$22.162 million or 3.1 per cent of the 2008 Approved Operating Budget. As outlined in Table 4 below, the unfavourable net variance was predominantly attributed to Transportation Services due to higher than budgeted snow removal and winter maintenance costs.

Table 4 Citizen Centred Services "B" Net Expenditure Variance (\$ Million)	
	December 2008 Over/(Under)
City Planning	(0.6)
Fire Services	3.7
Municipal Licensing & Standards	(0.2)
Policy, Planning, Finance and Administration	(2.1)
Solid Waste Management Services	(4.4)
Technical Services	0.4
Toronto Building	(0.1)
Toronto Environment Office	(1.0)
Transportation Services	26.6
Waterfront Secretariat	(0.1)
Sub-Total	22.2

City Planning reported a 2008 preliminary year-end favourable net operating variance of \$0.637 million or 4.7 per cent attributed mainly to delayed hiring of vacant positions. The Program also managed expenditures to ensure they were in line with projected revenues, which were lower than anticipated.

Fire Services reported a preliminary year-end unfavourable net operating variance of \$3.739 million or 1.1 per cent as of December 31, 2008. This was primarily the result of unbudgeted spending of \$7.1 million for WSIB occupational illness claims which was offset by savings from unplanned gapping of \$6.1 million. This unplanned gapping was due to delayed hiring of firefighter recruits until the latter part of 2008. In addition, salaries were overspent by \$1.1 million due to required salary costs for acting positions. Over spending in non-salary accounts was \$2.5 million due to expenditures incurred for the Sunrise Propane incident and higher costs for facilities maintenance, machinery and parts, diesel purchases, and contracted services.

Partially offsetting the expenditure variances, year-end revenues were \$1.2 million higher than expected mainly due to the recovery of \$0.9 million towards the explosion expenses from Sunrise Propane as authorized under the Environmental Act and revenue of \$0.5 million from the sale of scrap vehicles and recoveries from Toronto Hydro and the Province. Additional revenue of \$0.1 million was generated from enforcement of the Fireworks by-law, rental fees, and recruit registration fees. These revenues were partially offset by lower revenue of \$0.4 million due to a lower volume of false alarm calls.

Municipal Licensing and Standards had a \$0.220 million or 1.1 per cent preliminary year-end favourable net variance primarily as a result of the delayed hiring of vacant positions. Expenditure savings were somewhat offset by lower than anticipated revenues resulting from a decrease in permits and licenses issued.

Policy, Planning, Finance and Administration (PPF&A) reported a preliminary year-end net favourable variance of \$2.106 million or 9.4 per cent of planned expenditures. This variance was mainly attributed to staff vacancies that were held pending the restructuring of PPF&A. The restructuring in PPF&A is in the final phase of implementation and vacant positions are expected to be filled at the end of the first quarter of 2009.

Solid Waste Management Services (SWMS) reported a preliminary year-end favourable net variance of \$4.404 million or 3.5 per cent as of December 31, 2008. This was primarily the result of lower costs of \$5.5 million for processing organics, recyclables and hazardous waste, lower costs of \$3 million related to various diversion program delays for printing & reproduction, advertising and systems development, lower costs of \$1.7 million for multi-residential contracted collection and in-unit containers for recycling, lower costs of \$1.5 million for program support, discretionary expenses for supplies, equipment and training and collection vehicle communication systems and lower costs of \$0.6 million from lower tonnages at the Green Lane Landfill.

These savings were offset by higher than anticipated costs of \$5.7 million for single residential and multi-unit collections as a result of inclement weather, higher volumes of yard waste, as well as new collection procedures, staff training and delay of bins. In addition, there were higher costs of \$3.4 million for fleet fuel as well as fleet maintenance mainly for retrofitting collection vehicles. Higher costs of \$1.8 million were also incurred on tonnage for transfer and haulage of waste being delivered to the Green Lane and Michigan Landfills.

Year-end revenues were \$1.8 million higher than expected mainly caused by higher commodity prices for the sale of recyclable materials, higher than estimated revenues from Bin Fees, revenues related to the sale of multi-unit waste and recycling bins and revenue from the Keele Valley Landfill. These higher revenues were offset by revenue shortfalls due to net lower tonnage at the Green Lane Landfill, lower than planned transfers from the Capital Program and reserve funds, lower than expected revenues from the Yellow bag Program and from WDO (Waste Diversion Ontario). This resulted in a preliminary year-end surplus of \$4.404 million or 3.5 per cent of 2008 approved net expenditures.

On March 31 & April 1, 2008, City Council approved the 2008 Operating Budget for Solid Waste Management Services and in so doing approved recommendation 32: “The General Manager of Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer report to the Budget Committee, as part of the 2008 Year-end Variance Report, on the actual net contribution to the Waste Management Reserve Fund as a result of the implementation of new user fees in 2008.” It is recommended that, based on the phased implementation of the Volume Based User Fee program, \$1.460 million of the \$4.404 million 2008 surplus for Solid Waste Management Services be contributed to the Waste Management Reserve Fund.

Technical Services reported a preliminary year-end unfavourable net variance of \$0.403 million or 2.5 per cent of the 2008 Approved Operating Budget of \$15.998 million. The unfavourable net variance was mainly due to unbudgeted emergency planning costs to address the Sunrise Propane explosion.

Toronto Building reported a preliminary year-end favourable net expenditure variance of \$0.142 million or 1.2 per cent of planned expenditures for the year ended December 31, 2008. This favourable variance was largely attributed to an under-expenditure in salaries and benefits due to hiring delays resulting in higher than budgeted gapping rate for 2008. Expenditure savings were somewhat offset by lower than anticipated revenues resulting from developers delaying the acquisition of permits.

The **Toronto Environment Office (TEO)** reported a preliminary year-end net favourable variance of \$0.997 million or 27.7 per cent of planned expenditures for the year ended December 31, 2008. This variance was due to the restructuring of TEO which delayed hiring 8.6 vacant positions early in the year. This resulted in under expenditures in salaries and benefits as well as materials and supplies and services and rents. The recruitment process has now been completed and all vacant positions have been filled.

Transportation Services reported a preliminary year-end unfavourable variance of \$26.620 million net or 16.0 per cent of planned expenditures for the year ended December 31, 2008. This unfavourable variance was primarily due to the large and frequent accumulation of snow, which resulted in over expenditures in overtime payments, salt, sand and for snow removal activities of \$45.563 million. The number of utility cuts was lower than anticipated reducing net revenue by \$0.611 million. The unfavourable variance in net expenditures is partially offset by under expenditures of \$17.111 million in various non-winter maintenance activities due to the extended winter season. Savings in non-winter maintenance activities include contracted services in grass cutting, road and sidewalk maintenance as well as traffic sign maintenance. Further, a total of \$2.443 million will be withdrawn from the Transportation Services Extreme Weather Reserve to help mitigate the financial impact resulting from the over expenditures due to higher than budgeted snow removal and winter maintenance costs.

Waterfront Secretariat reported a preliminary year-end favourable net expenditure variance of \$0.093 million or 8.6 per cent of planned expenditures for the year ended December 31, 2008. This favourable variance was due primarily to higher than anticipated gapping as a result of the transfer of one employee to Long-Term Disability.

Internal Services

For the twelve months ended December 31, 2008, Internal Services reported a surplus of \$6.878 million or 4.7 per cent of the 2008 Approved Net Operating Budget. The Office of the Treasurer was the major contributor to this favourable net variance as indicated in Table 5 below.

Table 5 Internal Services Net Expenditure Variance (\$ Million)	
	December 2008 Over/(Under)
Office of the Chief Financial Officer	(0.9)
Office of the Treasurer	(5.4)
Facilities & Real Estate	(1.1)
Fleet Services	1.8
Information & Technology	(1.3)
Sub-Total	(6.9)

Office of the Chief Financial Officer (inclusive of Financial Planning, Special Projects, Corporate Finance and Finance & Administration Divisions) reported a favourable year-end net variance of \$0.945 million or 9.3 per cent of the 2008 Approved Operating Budget. These savings are mainly attributed to delays in filling vacant positions.

Office of the Treasurer (inclusive of Revenue Services, Accounting Services, Pensions, Payroll & Employee Benefits and Purchasing & Materials Management Divisions) reported a favourable year-end net variance of \$5.350 million or 17.2 per cent of the 2008 Approved Operating Budget. The under expenditure was primarily due to savings in salaries due to delays in filling vacant positions from within the Program resulting in other vacancies and delays experienced in hiring staff for new initiatives. Savings in non-salary expenditures were also realized due to the delayed start of new initiatives. Overall revenues were over-achieved by \$1.662 million as a result of lower than anticipated recoveries for approved positions for delayed new initiatives but offset by higher volume of new user fee revenues introduced in 2008 and accounts payable vendor discounts.

Facilities & Real Estate reported a preliminary year-end favourable net variance of \$1.102 million or 2.0 per cent of the 2008 Approved Operating Budget. This favourable variance was mainly due to lower than planned utility costs of \$1.3 million as a result of the variations in weather patterns and higher than anticipated revenues for maintenance services from various clients of \$0.345 million. These savings were somewhat offset by the early retirement of an energy retrofit loan from Sunlife of \$0.521 million.

Fleet Services reported an unfavourable net variance of \$1.789 million for the year ended December 31, 2008. This was mainly attributed to the impacts of unfunded retroactive pay and year to-date wage increases totaling \$0.500 million for 9 positions resulting from job evaluations. The delay in fully implementing the parts consignment contract at all Fleet locations resulted in a loss of bulk purchase savings in parts supply of \$0.500 million. In addition, actual maintenance costs exceeded the inter-divisional charges budget by \$0.726 million.

Information & Technology reported a favourable net variance of \$1.268 million or 2.6 per cent of planned expenditures for the year ended December 31, 2008. This was primarily due to the secondment of staff to other programs for several IT initiatives, including the 311 Contact Centre, and delays in filling vacancies resulting from significant recruitment challenges facing the Program due to a shortage of IT professionals. As a result, some of the vacant capital positions were filled by external contract professionals. The resultant savings in salaries and benefits were offset by the decrease in corresponding recoveries from the Capital Budget, causing revenues to be below budget. In addition, savings were realized in licensing and maintenance expenditures as a result of better pricing from more effective contract negotiations.

City Manager

The **City Manager's Office** (which includes Human Resources) reported a preliminary year-end favourable variance of \$0.978 million or 2.6 per cent of planned expenditures for 2008. This was result of savings in salaries due to delays in filling vacant positions and higher than budgeted interdepartmental recoveries due to in-year staff arrangements.

Table 6 City Manager Office Net Expenditure Variance (\$ Million)	
December 2008 Over/(Under)	
City Manager's Office	(1.0)

Other City Programs

Other City Programs (see table 7 below) reported a surplus of \$4.342 million or 5.6 per cent of planned expenditures for the year ended December 31, 2008.

Table 7 Other City Programs Net Expenditure Variance (\$ Million)	
December 2008 Over/(Under)	
City Clerk's Office	(0.5)
Legal Services	(2.2)
Mayor's Office	(0.3)
City Council	(1.3)
Sub-Total	(4.3)

City Clerk's Office reported a favourable net variance of \$0.471 million or 1.4 per cent of planned expenditures for the year ended December 31, 2008. This was due to lower spending in materials and supplies as a result of lower printing and copying service demands by clients.

Legal Services reported a preliminary year-end net favourable variance of \$2.242 million or 10.7 per cent primarily due to savings in salaries and benefits due to vacant positions and higher than expected revenues from planning fees, title searches and conveyancing fees.

The Mayor's Office reported a net favourable variance of \$0.287 million or 11.0 per cent of planned expenditures for 2008. This favourable variance was due to leaving 1 position vacant for the full year and cancelling the purchase of the Scheduling and Constituency Management database system.

City Council reported a net favourable variance of \$1.342 million or 6.9 per cent of planned expenditures for 2008. This favourable variance was attributed to the under spending in staff salaries and benefits of \$0.808 million arising from different staffing strategies adopted by various Councillors and under spending in Councillor's Office Budgets of \$0.730 million.

Accountability Offices

The Accountability Offices collectively reported a surplus of \$0.446 million or 8.0 per cent for the twelve-month period ended December 31, 2008 as presented in Table 8 below:

Table 8 Accountability Offices Net Expenditure Variance (\$ Million)	
December 2008 Over/(Under)	
Auditor General's Office	(0.1)
Integrity Commissioner's Office	(0.0)
Lobbyist Registrar	(0.1)
Office of the Ombudsperson	(0.2)
Sub-Total	(0.4)

The Auditor General's Office had a preliminary year-end net favourable variance \$0.121 million or 2.8 per cent of planned expenditures mainly due to delays in filling vacant positions.

The Lobbyist Registrar reported a year-end net favourable variance of \$0.097 million or 13.7 per cent of planned expenditures. This favourable variance was mainly attributed to under spending in salaries and benefits due to delays in hiring staff and lower than expected spending in non payroll expenditures.

The Office of the Ombudsperson reported a year-end net favourable variance of \$0.182 million or 45 per cent of planned expenditures for 2008. This was largely due to a delay in implementing the start-up of Accountability Office.

Agencies, Boards and Commissions (ABCs)

Agencies, Boards and Commissions (ABCs) collectively reported a favourable variance of \$14.426 million or 1.1 per cent of planned net expenditures for the twelve-month period ended December 31, 2008. This favourable variance was mainly due to a surplus of \$13.332 million being generated by Toronto Police Services as a result of the one-time revenue from the successful resolution of recent arbitration decisions in litigation with the Toronto Police Association. The details of the variance by Program are described as follows:

Table 9 Agencies, Boards and Commissions Net Expenditure Variance (\$ Million)	
	December 2008 Over/(Under)
Toronto Public Health	(0.5)
Toronto Public Library	1.7
Association of Community Centres	0.1
Exhibition Place	(1.5)
Heritage Toronto	(0.0)
Theatres	(0.1)
Toronto Zoo	(0.8)
Arena Boards of Management	0.1
Yonge Dundas Square	(0.0)
Toronto & Region Conservation Authority	0.0
Toronto Transit Commission - Conventional	0.1
Toronto Transit Commission - Wheel Trans	(0.4)
Toronto Police Service	(13.3)
Toronto Police Services Board	0.2
Sub-Total	(14.4)

Toronto Public Health (TPH) reported a preliminary year-end net favourable variance of \$0.511 million or 1.2 per cent primarily due to savings in salaries and benefits of \$3.1 million in provincially funded programs and capital funded positions; and an under expenditure of \$1.5 million mainly for materials and supplies, translation services, and advertising and promotions. The gross under spending resulted in a corresponding reduction in provincial subsidies and transfers from capital funds of \$3.5 million, combined with lower revenues from the food handlers training registration fees of \$0.3 million.

Toronto Public Library's (TPL) unfavourable net variance of \$1.692 million or 1.1 per cent above budget was primarily due to the unbudgeted Pay Equity and Job Evaluation settlement that occurred in 2008 with costs of \$1.948 million and higher than budgeted sick leave pay-out costs of \$0.221 million, which were partially offset by savings achieved from cost containment measures intended to partially mitigate these in-year unforeseen costs.

In addition, a retroactive payment of \$6.385 million was required in 2008 as part of the Pay Equity and Job Evaluation settlement to cover the period from March 1, 2004 to December 31, 2007. As past practice has been to fund retroactive payments through the Employee Retiree Benefits Reserve Fund, the \$6.385 million retroactive payment did not impact TPL's 2008 Operating Budget.

At its meeting of December 1, 2 and 3, 2008, Council requested that the "Acting Deputy City Manager and Chief Financial Officer report on a source to fund the final net deficit for the Toronto Public Library as part of the final 2008 Year-End Operating Budget Variance report." While every effort was made by TPL to mitigate the financial impact resulting from job evaluation and pay equity plan settlement with the Toronto Civic Employees' Union Local 416 (CUPE), the unfavourable net variance of \$1.692 million will be offset from under-spending of City Programs, Agencies, Boards and Commissions in the preliminary year-end net operating surplus.

Association of Community Centres (AOCC) had a preliminary year-end unfavourable net variance of \$0.124 million or 1.8 per cent of the 2008 Approved Operating Budget, primarily attributed to an employee relations matter.

Exhibition Place reported a preliminary year-end favourable net variance of \$1.455 million due to additional show, food and beverage revenues at BMO Field and higher than budgeted revenue at the Canadian National Exhibition (CNE). The Deputy City Manager and Chief Financial Officer recommends that the 2008 operating surplus of \$1.455 million be allocated to the Exhibition Place Conference Centre Reserve Fund to help guarantee repayment of a loan for the new conference centre.

Theatres reported a collective preliminary year-end net favourable variance of \$0.070 million or 1.8 per cent of planned expenditures. **The Toronto Centre for the Arts'** favourable variance of \$0.144 million was due to higher revenues from increased show activity at the Main Stage as well as lower than expected utility costs. **Sony Centre for the Performing Arts** reported a favourable variance of \$0.069 million due to savings in utilities and other expenditures as the theatre was closed for renovations in the last half of the year. **The St. Lawrence Centre for the Arts** reported an unfavourable variance of \$0.143 million due to lower revenues as the Centre was unable to secure programming in January, due to a change in a clients' season, as well as during the summer.

Toronto Zoo reported a year-end net favourable variance of \$0.783 million or 6.7 per cent which was primarily due to under spending of \$0.851 million resulting from \$0.601 million in realized utility savings given the moderate weather conditions and \$0.250 million in reduced spending as a result of close monitoring of expenditures. The favourable variance was partially reduced by lower revenues of \$0.068 million.

Arena Boards of Management reported a preliminary year-end unfavourable net variance of \$0.064 million which was mainly attributed to the settlement of prior year arena deficit that had to be funded out of the 2008 Operating Budget.

Toronto Transit Commission (TTC) reported an unfavourable net expenditure variance of \$0.107 million or 0.05 per cent for the year ended December 31, 2008. Year-end total revenues, which exceeded budget by \$18.611 million, were more than offset by expenditures which were \$18.718 million over budget. TTC expenditures were over budget primarily as a result of accident claims expenses which were almost \$20 million higher than anticipated. This unfavourable variance resulted from a reduction in the discount rate and increased requirements for claims which have been incurred but not yet reported. Other expenditures which were higher than expected were: employee benefit costs which were \$6 million over budget, higher than expected overtime expenses of \$5 million, increased snow removal costs of \$2.8 million due to higher than normal snow accumulation, and \$1.5 million in unanticipated expenses for the Work Safe – Home Safe safety initiative. Also impacting the year-end results was the addition of six new Route Supervisors in-year who were hired to improve streetcar service. These increased expenditures were offset by \$4.7 million in higher gapping; \$3.7 million in reduced traction power costs due to lower hydro rates; \$3.2 million in lower taxes due to the reversal of the 2007 accruals for certain properties which the Municipal Property Assessment Corporation has exempted; and \$0.7 million in other favourable expenditures.

As well, passenger revenue was \$9.8 million over budget due to an additional 3 million riders and reduced counterfeiting from the elimination of adult tickets, plus an accounting adjustment regarding revenue from old tickets. There was also \$5 million in additional advertising revenue due to increased advertising toward the end of 2008; \$2.7 million from liquidated damages regarding late bus deliveries from the manufacturer and \$0.8 million in increased recoveries for service levels provided to York Region and Mississauga as well as various other revenue increases of \$1 million.

Wheel-Trans, however, reported a favourable net expenditure variance of \$0.424 million or 0.8 per cent. The favourable variance largely reflected a reduction in the number of passenger trips carried by bus due to increased vehicle maintenance requirements for the ageing bus fleet. The variance was also impacted by unbudgeted taxicab fare increases recently approved by the City.

TTC and Wheel-Trans together had a favourable net variance of \$0.317 million or 0.1 per cent at year-end.

Toronto Police Services had a preliminary favourable net variance of \$13.332 million primarily due to \$12.800 million in liabilities which were brought into income as one-time revenue following the successful resolution of recent arbitration decisions in cases of litigation with the Toronto Police Association. Additional savings primarily in salaries and benefits are the result of higher than anticipated resignations and retirements of uniformed Officers. The Service, on average, was slightly below its authorized strength of 5,510 Officers during 2008, the Service has adjusted recruitment class sizes to ensure they maintain their authorized strength in 2009.

Corporate Accounts

For the period ended December 31, 2008, **Corporate Accounts** realized a favourable variance of \$60.381 million of the 2008 Approved Net Operating Budget. The major reasons for the variances are summarized below.

Table 10 Corporate Accounts Net Expenditure Variance (\$ Million)	
	December 2008 Over/(Under)
Community Partnership and Investment Program	(0.1)
Capital & Corporate Financing	(1.1)
Non-Program Expenditures	(13.2)
Non-Program Revenues	(46.0)
Sub-Total	(60.4)

Community Partnership and Investment Program reported a favourable variance of \$0.092 million or 0.2 per cent primarily due to the following:

- the return of surplus funds (\$0.014 million) from the Homeless Initiative Fund;
- the cancellation of 2007 funding to programs within the Community Services envelope as projects failed to comply with program conditions or funding was no longer required (\$0.021 million);
- an under-expenditure of maintenance costs for the Corporate Grants Information System (\$0.041 million); and,
- an under-expenditure of utility and maintenance costs for the Dovercourt Boys' and Girls' Club due to the mild summer in 2008.

Capital & Corporate Financing resulted in a favourable variance of \$1.065 million or 0.2 per cent for the twelve-month period ending December 31, 2008. The favourable net variance was due to delays in issuing new debt, influenced by the uncertain financial and capital market situation.

The **Non-Program Budget** overall resulted in a strong favourable net variance of \$59.223 million for the twelve-month period ended December 31, 2008. The favourable net variances were attributed to solid interest and investment earnings of \$28.578 million resulting from higher than forecasted rates of return and the change of interest income allocation methodology between the Operating Budget and Reserve Funds; lower than planned tax deficiencies of \$20.089 million as a large number of pending appeals for prior years were closed by the Assessment Review Board or withdrawn by the appellants; and higher than anticipated supplementary taxes of \$18.801 million due to additional assessment revenues included in the supplementary/omit roll

provided by MPAC that would have been received in 2009. These surpluses, however, were partially offset by the underachievement in personal vehicle tax of \$6.476 million since its implementation in September 2008 due to shrinking auto sales.

Non Levy Operations

Table 11 Non Levy Operations Net Expenditure Variance (\$ Million)	
December 2008 Over/(Under) Budget	
Toronto Parking Authority	(3.4)
Toronto Water	(10.8)
Sub-Total	(14.2)

Toronto Parking Authority (TPA) reported a preliminary year-end favourable net variance of \$3.438 million or 6.9 per cent of the 2008 Council Approved Operating Budget of \$49.617 million. The favourable variance was mainly due to higher than planned revenues from off-street and on-street parking with expenditures close to budgeted levels.

Toronto Water reported a preliminary year-end surplus of \$10.776 million. The surplus was due to gross expenditure savings of \$27.4 million largely from unfilled vacancies, utility savings for pumping less water and contract services. These savings were partially off-set by lower than budgeted revenue of \$16.6 million mainly from water sales revenue and sewer surcharges. The projected decline in water sales revenue was attributed to lower consumption throughout the summer months since Toronto experienced the wettest summer on record. The Program's operating surplus will be contributed to Toronto Water's reserves in the final 2008 Year-end Operating Variance report.

Consulting Costs

The total 2008 Budget for consulting costs was \$5.769 million gross and the reported City's actual consulting costs totalled \$5.135 million gross with a favourable variance of \$0.634 million gross or 11.0 per cent as at December 31, 2008.

Approved Positions

The City of Toronto budgets and monitors its staff complement based on Approved Positions. As at December 31, 2008, the City reported 46,129.6 full-time approved positions (43,948.7 permanent and 2,180.9 casual/seasonal) and 4,520.7 part-time approved positions (1,605.1 permanent and 2,915.6 casual/seasonal). This reflected a decrease of 579.0 positions or 1.1 per

cent from the 2008 Council Approved Positions which occurred mainly due to delays in filling vacant positions and seasonal fluctuations within City Programs/ABCs.

Utility Costs

As at December 31, 2008, levy and rate operations reported actual utility costs of \$135.724 million gross (compared to the planned expenditures of \$156.178 million gross) with a favourable variance of \$20.455 million gross or 13.1 per cent. The under-expenditure in utility costs was primarily the result of lower than planned consumption, predominantly in Toronto Water followed by Facilities and Real Estates, and Parks, Forestry and Recreation.

Budget Adjustments

Community Partnership and Investment Program - Section 37 Funding:

On March 3-5, 2008, Council adopted a report (Item EX17.2) which authorized the transfer of funds received as a result of agreements under Section 37 and Section 45 of the Planning Act, to the Planning Act Reserve Fund (PARF). Council approval is required to withdraw funds from PARF for the following:

Annex Resident's Corporation

Council adopted By-Law No.907-2006 for payment of \$0.015 million funded through Section 37 to the Annex Residents Association for conducting the Heritage Conservation District Study on Madison Avenue in Toronto. This study involves a full architectural survey of all buildings on Madison Avenue and the compilation of a Heritage Conservation District Plan for the Street. The district designation will enable the City to protect the heritage value of the District and to manage and guide future change on Madison Avenue.

Harbord Village Resident's Association

Council adopted By-Law No. 345-2004 for payment of \$0.130 million funded through Section 37 for parks improvements or heritage studies. In accordance with the Section 37 agreement, a determination has been made to forward \$0.010 million to the Harbord Village Residents Association (HVRA) for conducting the Heritage Conservation District Study for Harbord Village Phase II. Phase II includes most of Robert Street north of College Street and south of Bloor Street West. Of the \$0.130 million approved funding, \$0.010 million has issued to HVRA in December, 2004 for Phase 1 of the Harbord Village heritage study. This Phase II study involves a full architectural survey of all buildings in Harbord Village Phase II and the compilation of a Heritage Conservation District Plan for area. The district designation will enable the City to protect the heritage value of the District and to manage and guide future change within the District boundaries.

Non-Program Expenditures – Buddies in Bad Times Theatre:

An expenditure of \$0.083 million was incurred in the Non-Program Expenditure Budget in relation to the roofing repairs for the Buddies in Bad Times Theatre. This expenditure was eligible for funding from the Alexander Street Theatre Project Reserve Fund. It is recommended that the 2008 Non-Program Expenditure Budget be increased by \$0.083 million, funded by the Alexander Street Theatre Project Reserve Fund, to enable the theatre to pay for the roofing repair expenditure. This adjustment will have no impact on the 2008 Net Operating Budget.

Appendix D identifies budget adjustments made between October 1 and December 31, 2008. These adjustments amended the 2008 Council Approved Operating Budget between Programs to ensure accurate reporting and financial accountability, and do not increase the overall 2008 Council Approved Operating Budget.

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SIGNATURE

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Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix A – City of Toronto Consolidated Net Expenditures
Appendix B – City of Toronto Consolidated Gross Expenditures
Appendix C – City of Toronto Consolidated Revenues
Appendix D – City of Toronto Budget Adjustments



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
NET EXPENDITURES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

	December 31, 2008			
	Year-End Budget	Actual	Actual vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Affordable Housing Office	1,307.1	1,307.1	0.0	0.0%
Children's Services	68,992.7	65,574.1	(3,418.6)	-5.0%
Court Services	(11,585.7)	(7,927.4)	3,658.4	-31.6%
Economic Development, Culture & Tourism	25,933.8	25,894.1	(39.7)	-0.2%
Emergency Medical Services	62,057.0	65,531.3	3,474.3	5.6%
Long Term Care Homes and Services	41,547.8	41,483.3	(64.5)	-0.2%
Parks, Forestry & Recreation	238,399.4	241,042.5	2,643.1	1.1%
Shelter, Support & Housing Administration	253,819.8	251,901.7	(1,918.1)	-0.8%
Social Development, Finance & Administration	16,117.9	15,931.5	(186.4)	-1.2%
Toronto Employment & Social Services	275,768.0	258,044.4	(17,723.6)	-6.4%
311 Customer Service Strategy	4,465.8	3,803.7	(662.2)	-14.8%
Sub-Total Citizen Centred Services "A"	976,823.6	962,586.3	(14,237.3)	-1.5%
Citizen Centred Services "B"				
City Planning	13,647.6	13,010.2	(637.4)	-4.7%
Fire Services	347,853.7	351,592.4	3,738.7	1.1%
Municipal Licensing & Standards	19,335.7	19,115.5	(220.2)	-1.1%
Policy, Planning, Finance and Administration	22,361.2	20,255.4	(2,105.8)	-9.4%
Solid Waste Management Services	124,312.9	119,908.9	(4,404.0)	-3.5%
Technical Services	15,998.4	16,400.9	402.5	2.5%
Toronto Building	(11,420.1)	(11,562.0)	(141.9)	1.2%
Toronto Environment Office	3,602.6	2,604.9	(997.7)	-27.7%
Transportation Services	167,555.4	194,175.8	26,620.4	15.9%
Waterfront Secretariat	1,082.0	988.9	(93.1)	-8.6%
Sub-Total Citizen Centred Services "B"	704,329.5	726,491.0	22,161.5	3.1%
Internal Services				
Office of the Chief Financial Officer	10,193.0	9,248.0	(945.0)	-9.3%
Office of the Treasurer	31,076.0	25,725.1	(5,350.9)	-17.2%
Facilities & Real Estate	55,269.6	54,167.6	(1,102.0)	-2.0%
Fleet Services	(63.0)	1,725.6	1,788.6	-2839.1%
Information & Technology	49,135.5	47,867.3	(1,268.2)	-2.6%
Sub-Total Internal Services	145,611.1	138,733.6	(6,877.5)	-4.7%
City Manager				
City Manager's Office	37,496.9	36,518.7	(978.2)	-2.6%
Sub-Total City Manager	37,496.9	36,518.7	(978.2)	-2.6%
Other City Programs				
City Clerk's Office	34,619.2	34,148.1	(471.1)	-1.4%
Legal Services	20,922.5	18,680.5	(2,241.9)	-10.7%
Mayor's Office	2,603.5	2,316.7	(286.9)	-11.0%
City Council	19,445.7	18,103.5	(1,342.1)	-6.9%
Sub-Total Other City Programs	77,590.9	73,248.9	(4,342.1)	-5.6%
Accountability Offices				
Auditor General's Office	4,269.6	4,148.6	(121.0)	-2.8%
Integrity Commissioner's Office	201.4	155.4	(46.0)	-22.8%
Lobbyist Registrar	711.2	614.0	(97.2)	-13.7%
Office of the Ombudsperson	404.5	222.3	(182.2)	-45.0%
Sub-Total Council Appointed Programs	5,586.7	5,140.3	(446.4)	-8.0%
TOTAL - CITY OPERATIONS	1,947,438.7	1,942,718.8	(4,719.9)	-0.2%
Agencies, Boards and Commissions				
Toronto Public Health	42,902.2	42,390.8	(511.4)	-1.2%
Toronto Public Library	155,790.6	157,483.0	1,692.4	1.1%



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
NET EXPENDITURES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

Appendix A

	December 31, 2008			
	Year-End Budget	Actual	Actual vs Budget Over / (Under)	%
Association of Community Centres	6,756.5	6,880.2	123.7	1.8%
Exhibition Place	27.7	(1,427.1)	(1,454.8)	-5253.1%
Heritage Toronto	390.0	389.8	(0.2)	-0.1%
Theatres	3,815.9	3,745.6	(70.3)	-1.8%
Toronto Zoo	11,728.1	10,944.7	(783.4)	-6.7%
Arena Boards of Management	42.8	106.5	63.7	148.8%
Yonge Dundas Square	583.8	577.7	(6.1)	-1.1%
Toronto & Region Conservation Authority	3,171.1	3,171.1	0.0	0.0%
Toronto Transit Commission - Conventional	222,890.0	222,997.0	107.0	0.0%
Toronto Transit Commission - Wheel Trans	51,344.8	50,920.9	(423.9)	-0.8%
Toronto Police Service	822,046.7	808,714.6	(13,332.1)	-1.6%
Toronto Police Services Board	2,258.5	2,428.1	169.6	7.5%
TOTAL - AGENCIES, BOARDS & COMMISSIONS	1,323,748.8	1,309,322.9	(14,425.9)	-1.1%
Corporate Accounts				
Community Partnership and Investment Program	43,266.2	43,173.3	(92.9)	-0.2%
Capital & Corporate Financing	530,803.8	529,738.7	(1,065.0)	-0.2%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	78,000.0	57,911.1	(20,088.9)	-25.8%
- Assessment Function (MPAC)	33,500.0	32,802.6	(697.4)	-2.1%
- Temporary Borrowing	400.0	0.0	(400.0)	-100.0%
- Funding of Employee Related Liabilities	39,496.2	39,452.0	(44.1)	-0.1%
- Contingency	0.0	1.7	1.7	n/a
- Other Corporate Expenditures	10,881.5	9,923.4	(958.1)	-8.8%
- Insurance Premiums & Claims	300.0	300.0	(0.0)	0.0%
- Parking Tag Enforcement & Oper.	46,319.4	52,839.0	6,519.6	14.1%
- Vacancy Rebate Program	16,500.0	18,834.2	2,334.2	14.1%
- Heritage Property Taxes Rebate	3,500.0	3,500.0	0.0	0.0%
- Solid Waste Management Rebate	58,079.0	56,640.0	(1,439.0)	-2.5%
- Street & Expressway Lighting Services	24,195.3	25,761.1	1,565.8	6.5%
Non-Program Expenditures	311,171.4	297,964.9	(13,206.5)	-4.2%
Non-Program Revenue				
- Payments in Lieu of Taxes	(82,536.5)	(79,108.8)	3,427.7	-4.2%
- Supplementary Taxes	(35,000.0)	(53,800.9)	(18,800.9)	53.7%
- Tax Penalties	(28,000.0)	(28,213.1)	(213.1)	0.8%
- Interest/Investment Earnings	(68,435.4)	(97,013.8)	(28,578.4)	41.8%
- Prior Year Surplus	(85,265.0)	(85,265.0)	0.0	0.0%
- Other Corporate Revenues	(9,822.8)	(9,845.1)	(22.4)	0.2%
- Toronto Hydro Revenues	(84,900.0)	(86,335.1)	(1,435.1)	1.7%
- Provincial Revenue	(91,600.0)	(91,600.0)	0.0	0.0%
- New CoTA Revenues	(175,000.0)	(168,523.9)	6,476.1	-3.7%
- Parking Authority Revenues	(32,383.7)	(34,321.0)	(1,937.3)	6.0%
- Administrative Support Recoveries - Water	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(17,301.7)	(17,290.6)	11.1	-0.1%
- Parking Tag Enforcement & Oper.	(81,815.0)	(87,325.2)	(5,510.2)	6.7%
- Other Tax Revenues	(15,150.0)	(13,432.3)	1,717.7	-11.3%
- Woodbine Slots	(15,600.0)	(16,751.3)	(1,151.3)	7.4%
Non-Program Revenues	(841,783.1)	(887,799.3)	(46,016.2)	5.5%
TOTAL - CORPORATE ACCOUNTS	43,458.3	(16,922.3)	(60,380.6)	-138.9%
NET OPERATING TAX LEVY	3,314,645.7	3,235,119.4	(79,526.3)	-2.4%
NON LEVY OPERATIONS				
Toronto Parking Authority	(49,617.2)	(53,055.0)	(3,437.8)	6.9%
Toronto Water	0.0	(10,775.8)	(10,775.8)	n/a
NON LEVY OPERATING NET EXPENDITURES	(49,617.2)	(63,830.8)	(14,213.6)	28.6%



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
GROSS EXPENDITURES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

Appendix B

	December 31, 2008			
	Year-End Budget	Actual	Actual vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Affordable Housing Office	2,920.1	2,605.3	(314.8)	-10.8%
Children's Services	360,855.9	352,888.3	(7,967.6)	-2.2%
Court Services	39,132.1	41,023.9	1,891.8	4.8%
Economic Development, Culture & Tourism	33,984.0	33,990.4	6.4	0.0%
Emergency Medical Services	153,893.9	158,017.9	4,124.0	2.7%
Long Term Care Homes & Services	207,426.6	200,559.7	(6,866.9)	-3.3%
Parks, Forestry & Recreation	321,132.5	325,592.4	4,459.9	1.4%
Shelter, Support & Housing Administration	758,843.2	725,005.7	(33,837.5)	-4.5%
Social Development, Finance & Administration	26,347.3	25,051.5	(1,295.8)	-4.9%
Toronto Employment & Social Services	1,059,943.2	1,007,538.6	(52,404.6)	-4.9%
311 Customer Service Strategy	10,206.2	8,115.7	(2,090.5)	-20.5%
Sub-Total Citizen Centred Services "A"	2,974,685.1	2,880,389.4	(94,295.6)	-3.2%
Citizen Centred Services "B"				
City Planning	36,350.6	32,350.0	(4,000.6)	-11.0%
Fire Services	356,029.8	360,994.6	4,964.8	1.4%
Municipal Licensing & Standards	45,205.5	42,201.8	(3,003.7)	-6.6%
Policy, Planning, Finance and Administration	39,406.3	35,628.9	(3,777.4)	-9.6%
Solid Waste Management Services	277,172.6	274,398.4	(2,774.2)	-1.0%
Technical Services	60,135.1	59,341.1	(794.0)	-1.3%
Toronto Buildings	42,152.5	39,829.1	(2,323.4)	-5.5%
Toronto Environment Office	3,742.6	2,690.5	(1,052.1)	-28.1%
Transportation Services	260,511.1	286,113.3	25,602.2	9.8%
Waterfront Secretariat	1,563.0	1,360.1	(202.9)	-13.0%
Sub-Total Citizen Centred Services "B"	1,122,269.0	1,134,907.8	12,638.8	1.1%
Internal Services				
Office of the Chief Financial Officer	14,248.4	12,997.1	(1,251.3)	-8.8%
Office of the Treasurer	70,410.2	63,397.8	(7,012.4)	-10.0%
Facilities & Real Estate	133,847.7	133,091.0	(756.7)	-0.6%
Fleet Services	41,396.8	51,291.4	9,894.6	23.9%
Information & Technology	58,469.0	53,759.1	(4,709.9)	-8.1%
Sub-Total Internal Services	318,372.1	314,536.4	(3,835.7)	-1.2%
City Manager				
City Manager's Office	39,757.7	39,267.8	(489.9)	-1.2%
Sub-Total City Manager	39,757.7	39,267.8	(489.9)	-1.2%
Other City Programs				
City Clerk's Office	49,908.7	48,024.0	(1,884.7)	-3.8%
Legal Services	36,700.0	37,913.2	1,213.2	3.3%
Mayor's Office	2,603.5	2,316.7	(286.9)	-11.0%
City Council	19,465.7	18,210.1	(1,255.6)	-6.5%
Sub-Total Other City Programs	108,678.0	106,464.0	(2,214.0)	-2.0%
Accountability Offices				
Auditor General's Office	4,269.6	4,148.6	(121.0)	-2.8%
Integrity Commissioner's Office	201.4	155.4	(46.0)	-22.8%
Lobbyist Registrar	711.2	614.0	(97.2)	-13.7%
Office of the Ombudsperson	404.5	222.3	(182.2)	-45.0%
Sub-Total Council Appointed Programs	5,586.7	5,140.3	(446.4)	-8.0%
TOTAL - CITY OPERATIONS	4,569,348.7	4,480,705.7	(88,642.9)	-1.9%



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
GROSS EXPENDITURES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

	December 31, 2008			
	Year-End Budget	Actual	Actual vs Budget Over / (Under)	%
Agencies, Boards and Commissions				
Toronto Public Health	210,613.8	205,920.4	(4,693.4)	-2.2%
Toronto Public Library	176,490.0	178,479.8	1,989.8	1.1%
Association of Community Centres	6,926.4	7,050.1	123.7	1.8%
Exhibition Place	53,994.9	59,643.0	5,648.1	10.5%
Heritage Toronto	694.0	623.0	(71.0)	-10.2%
Theatres	23,264.0	20,072.2	(3,191.8)	-13.7%
Toronto Zoo	41,262.1	40,249.8	(1,012.3)	-2.5%
Arena Boards of Management	6,025.4	6,151.8	126.4	2.1%
Yonge Dundas Square	1,351.8	1,604.8	253.0	18.7%
Toronto & Region Conservation Authority	36,733.6	36,947.6	214.0	0.6%
Toronto Transit Commission - Conventional	1,175,981.1	1,194,699.0	18,717.9	1.6%
Toronto Transit Commission - Wheel Trans	74,855.8	74,195.9	(659.9)	-0.9%
Toronto Police Service	865,518.0	886,539.1	21,021.1	2.4%
Toronto Police Services Board	2,258.5	2,428.1	169.6	7.5%
TOTAL - AGENCIES, BOARDS & COMMISSIONS	2,675,969.4	2,714,604.6	38,635.2	1.4%
Corporate Accounts				
Community Partnership and Investment Program	43,590.2	43,876.0	285.8	0.7%
Capital & Corporate Financing	597,315.5	590,655.1	(6,660.4)	-1.1%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	78,000.0	57,911.1	(20,088.9)	-25.8%
- Assessment Function (MPAC)	33,500.0	32,802.6	(697.4)	-2.1%
- Temporary Borrowing	400.0	0.0	(400.0)	-100.0%
- Funding of Employee Related Liabilities	39,496.2	39,504.4	8.2	0.0%
- Contingency	0.0	1.7	1.7	n/a
- Other Corporate Expenditures	12,266.5	11,746.9	(519.6)	-4.2%
- Insurance Premiums & Claims	300.0	300.0	(0.0)	0.0%
- Parking Tag Enforcement & Oper.	46,319.4	52,839.0	6,519.6	14.1%
- Programs Funded from Reserve Funds	91,764.2	93,686.5	1,922.3	2.1%
- Vacancy Rebate Program	16,500.0	18,834.2	2,334.2	14.1%
- Heritage Property Taxes Rebate	3,500.0	3,500.0	0.0	0.0%
- Tax Rebates for Registered Charities	0.0	5,388.6	5,388.6	n/a
- Solid Waste Management Rebate	58,079.0	56,640.0	(1,439.0)	-2.5%
- Street & Expressway Lighting Services	25,075.3	26,641.1	1,565.8	6.2%
- Pandemic Influenza	1,541.7	0.0	(1,541.7)	-100.0%
Non-Program Expenditures	405,200.6	399,795.9	(6,404.7)	-1.7%
Non-Program Revenue				
- Interest/Investment Earnings	564.6	815.1	250.5	44.4%
- Prior Year Surplus	0.0	9,872.0	9,872.0	n/a
- Other Corporate Revenues	0.0	1,723.9	1,723.9	n/a
- Toronto Hydro Revenues	0.0	80,034.6	80,034.6	n/a
- New CoTA Revenues	2,600.0	12,211.4	9,611.4	369.7%
- Other Tax Revenues	0.0	2,091.3	2,091.3	n/a
Non-Program Revenues	3,164.6	106,748.4	103,583.8	3273.2%
TOTAL - CORPORATE ACCOUNTS	1,049,270.9	1,141,075.4	90,262.8	8.6%
LEVY OPERATING GROSS EXPENDITURES	8,294,588.9	8,336,385.7	40,255.1	0.5%
NON LEVY OPERATIONS				
Toronto Parking Authority	63,498.3	63,645.0	146.7	0.2%
Toronto Water	677,393.3	649,954.0	(27,439.3)	-4.1%
NON LEVY OPER. GROSS EXPENDITURES	740,891.6	713,599.0	(27,292.6)	-3.7%



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
REVENUES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

Appendix C

	December 31, 2008			
	Year-End Budget	Actual	Actual vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Affordable Housing Office	1,613.0	1,298.2	(314.8)	-19.5%
Children's Services	291,863.2	287,314.2	(4,549.0)	-1.6%
Court Services	50,717.9	48,951.3	(1,766.6)	-3.5%
Economic Development, Culture & Tourism	8,050.2	8,096.3	46.1	0.6%
Emergency Medical Services	91,836.9	92,486.6	649.7	0.7%
Long Term Care Homes and Services	165,878.8	159,076.4	(6,802.4)	-4.1%
Parks, Forestry & Recreation	82,733.1	84,549.9	1,816.8	2.2%
Shelter, Support & Housing Administration	505,023.4	473,104.0	(31,919.4)	-6.3%
Social Development, Finance & Administration	10,229.4	9,120.0	(1,109.4)	-10.8%
Toronto Employment & Social Services	784,175.2	749,494.2	(34,681.0)	-4.4%
311 Customer Service Strategy	5,740.4	4,312.1	(1,428.3)	-24.9%
Sub-Total Citizen Centred Services "A"	1,997,861.5	1,917,803.1	(80,058.4)	-4.0%
Citizen Centred Services "B"				
City Planning	22,703.0	19,339.8	(3,363.2)	-14.8%
Fire Services	8,176.1	9,402.2	1,226.1	15.0%
Municipal Licensing & Standards	25,869.8	23,086.3	(2,783.5)	-10.8%
Policy, Planning, Finance and Administration	17,045.1	15,373.5	(1,671.6)	-9.8%
Solid Waste Management Services	152,859.6	154,489.5	1,629.9	1.1%
Technical Services	44,136.7	42,940.2	(1,196.5)	-2.7%
Toronto Building	53,572.6	51,391.1	(2,181.5)	-4.1%
Toronto Environment Office	140.0	85.6	(54.4)	-38.9%
Transportation Services	92,955.7	91,937.5	(1,018.2)	-1.1%
Waterfront Secretariat	481.0	371.2	(109.8)	-22.8%
Sub-Total Citizen Centred Services "B"	417,939.6	408,416.9	(9,522.7)	-2.3%
Internal Services				
Office of the Chief Financial Officer	4,055.4	3,749.1	(306.3)	-7.6%
Office of the Treasurer	39,334.2	37,672.7	(1,661.5)	-4.2%
Facilities & Real Estate	78,578.1	78,923.4	345.3	0.4%
Fleet Services	41,459.8	49,565.8	8,105.9	19.6%
Information & Technology	9,333.5	5,891.8	(3,441.7)	-36.9%
Sub-Total Internal Services	172,761.0	175,802.8	3,041.8	1.8%
City Manager				
City Manager's Office	2,260.9	2,749.1	488.2	21.6%
Sub-Total City Manager	2,260.9	2,749.1	488.2	21.6%
Other City Programs				
City Clerk's Office	15,289.5	13,875.9	(1,413.6)	-9.2%
Legal Services	15,777.6	19,232.7	3,455.1	21.9%
Mayor's Office	0.0	0.0	0.0	n/a
City Council	20.0	106.6	86.6	432.8%
Sub-Total Other City Programs	31,087.1	33,215.1	2,128.0	6.8%
Accountability Offices				
Auditor General's Office	0.0	0.0	0.0	n/a
Integrity Commissioner's Office	0.0	0.0	0.0	n/a
Lobbyist Registrar	0.0	0.0	0.0	n/a
Office of the Ombudsperson	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	0.0	0.0	0.0	n/a
TOTAL - CITY OPERATIONS	2,621,910.0	2,537,986.9	(83,923.1)	-3.2%



CITY OF TORONTO
CONSOLIDATED PRELIMINARY OPERATING VARIANCE
REVENUES (\$000s)
FOR YEAR ENDED DECEMBER 31, 2008

Appendix C

	December 31, 2008			
	Year-End		Actual vs Budget	
	Budget	Actual	Over / (Under)	%
Agencies, Boards and Commissions				
Toronto Public Health	167,711.6	163,529.6	(4,181.9)	-2.5%
Toronto Public Library	20,699.4	20,996.8	297.4	1.4%
Association of Community Centres	169.9	169.9	0.0	0.0%
Exhibition Place	53,967.2	61,070.1	7,102.9	13.2%
Heritage Toronto	304.0	233.2	(70.8)	-23.3%
Theatres	19,448.1	16,326.6	(3,121.5)	-16.1%
Toronto Zoo	29,534.0	29,305.1	(228.9)	-0.8%
Arena Boards of Management	5,982.6	6,045.3	62.7	1.0%
Yonge Dundas Square	768.0	1,027.1	259.1	33.7%
Toronto & Region Conservation Authority	33,562.5	33,776.5	214.0	0.6%
Toronto Transit Commission - Conventional	953,091.1	971,702.0	18,610.9	2.0%
Toronto Transit Commission - Wheel Trans	23,511.0	23,275.0	(236.0)	-1.0%
Toronto Police Service	43,471.3	77,824.5	34,353.2	79.0%
Toronto Police Services Board	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS & COMMISSIONS	1,352,220.6	1,405,281.7	53,061.1	3.9%
Corporate Accounts				
Community Partnership and Investment Program	324.0	702.7	378.7	116.9%
Capital & Corporate Financing	66,511.7	60,916.3	(5,595.4)	-8.4%
<u>Non-Program Expenditures</u>				
- Funding of Employee Related Liabilities	0.0	52.3	52.3	n/a
- Other Corporate Expenditures	1,385.0	1,823.5	438.5	31.7%
- Programs Funded from Reserve Funds	91,764.2	93,686.5	1,922.3	2.1%
- Tax Rebates for Registered Charities	0.0	5,388.6	5,388.6	n/a
- Street & Expressway Lighting Services	880.0	880.0	0.0	0.0%
- Pandemic Influenza	1,541.7	0.0	(1,541.7)	-100.0%
Non-Program Expenditures	95,570.9	101,830.9	6,260.0	6.6%
<u>Non-Program Revenue</u>				
- Payments in Lieu of Taxes	82,536.5	79,108.8	(3,427.7)	-4.2%
- Supplementary Taxes	35,000.0	53,800.9	18,800.9	53.7%
- Tax Penalties	28,000.0	28,213.1	213.1	0.8%
- Interest/Investment Earnings	69,000.0	97,828.9	28,828.9	41.8%
- Prior Year Surplus	85,265.0	95,137.0	9,872.0	11.6%
- Other Corporate Revenues	9,822.8	11,569.1	1,746.3	17.8%
- Toronto Hydro Revenues	84,900.0	166,369.7	81,469.7	96.0%
- Provincial Revenue	91,600.0	91,600.0	0.0	0.0%
- New COTA Tax Revenues	177,600.0	180,735.3	3,135.3	1.8%
- Parking Authority Revenues	32,383.7	34,321.0	1,937.3	6.0%
- Administrative Support Recoveries - Water	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,301.7	17,290.6	(11.1)	-0.1%
- Parking Tag Enforcement & Oper.	81,815.0	87,325.2	5,510.2	6.7%
- Other Tax Revenues	15,150.0	15,523.6	373.6	2.5%
- Woodbine Slots	15,600.0	16,751.3	1,151.3	7.4%
Non-Program Revenues	844,947.7	994,547.7	149,600.0	17.7%
TOTAL - CORPORATE ACCOUNTS	1,007,354.3	1,157,997.6	150,643.4	15.0%
LEVY OPERATING REVENUES	4,981,484.9	5,101,266.3	119,781.4	2.4%
NON LEVY OPERATIONS				
Toronto Parking Authority	113,115.5	116,700.0	3,584.5	3.2%
Toronto Water	677,393.3	660,729.8	(16,663.5)	-2.5%
NON LEVY OPERATING REVENUES	790,508.8	777,429.8	(13,079.0)	-1.7%

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FORTH QUARTER ENDED DECEMBER 31, 2008
(\$000s)**

Appendix D

	Gross Expenditure	Revenue	Net Expenditure
Citizen Centred Service "A"			
Affordable Housing Office			
Transferred 1 Housing Dev. Officer to SDF&A	(111.3)		(111.3)
Total Affordable Housing Office	(111.3)		(111.3)
Children's Services			
Transferred Expenses & Subsidies from SDF&A as Clerks Div. will directly charge Programs receiving services through Interdivisional charges	30.0		30.0
Total Children's Services	30.0		30.0
Economic Development, Culture & Tourism			
Cost of 3 projects to be funded by Tourism Toronto, as part of 3 year Memorandum of Understanding signed with COT	560.0	560.0	0.0
Total Economic Development, Culture & Tourism	560.0	560.0	0.0
Homes for the Aged			
Transferred Expenses & Subsidies from SDF&A as Clerks Div. will directly charge Programs receiving services through Interdivisional charges	62.5		62.5
Total Homes for the Aged	62.5		62.5
Social Development Finance & Administration			
Reduction due to consolidation of Multi-media and Production services Unit from SDF&A to Clerks Div. based on Program Reiview	(185.0)	(92.5)	(92.5)
Transferred 1 Housing Dev. Officer from Affordable Housing	111.3		111.3
Total Social Development Finance & Administration	(73.7)	(92.5)	18.8
3-1-1 Project Management Office			
Transfer of 41.33 positions from PPF&A	3,070.5	2,609.9	460.6
Transfer of 32 positions from PICS due to Re-mapping	2,340.4	65.1	2,275.3
Total 3-1-1 Project Management Office	5,410.9	2,675.0	2,735.9
Total Citizen Centred Service "A"	5,878.4	3,142.5	2,735.9

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FORTH QUARTER ENDED DECEMBER 31, 2008
(\$000s)**

Appendix D

	Gross Expenditure	Revenue	Net Expenditure
Citizen Centred Service "B"			
Policy, Planning, Finance & Administration			
Transfer of 41.33 positions to 311 Project	(3,070.5)	(2,609.9)	(460.6)
Total Policy, Planning, Finance & Administration	(3,070.5)	(2,609.9)	(460.6)
Total Citizen Centred Service "B"	(3,070.5)	(2,609.9)	(460.6)
Internal Services			
Public Information & Creative Services			
Transfer of 32 positions to 311 Contact Center due to Re-	(2,340.4)	(65.1)	(2,275.3)
Total Public Information & Creative Services	(2,340.4)	(65.1)	(2,275.3)
Total Internal Services	(2,340.4)	(65.1)	(2,275.3)
Other City Programs			
City Clerk's Office			
Transfer Sal. & Ben. for 5 Receptionists from Council due to Organizational Review	308.3		308.3
Total City Clerk's Office	308.3		308.3
Council			
Transfer Sal. & Ben. for 5 Receptionists to Clerk's due to Organizational Review	(308.3)		(308.3)
Total Council	(308.3)		(308.3)
Total Other City Programs	0.0		0.0
Total	467.5	467.5	0.0