



REPORT FOR ACTION

Operating Variance Report for the Three Months Ended March 31, 2018

Date: May 18, 2018
To: Budget Committee
From: Interim Chief Financial Officer
Wards: All

SUMMARY

The purpose of this report is to provide City Council with the operating variance for the three months ended March 31, 2018 as well as projections to year-end. This report also requests City Council's approval for amendments to the 2018 Approved Operating Budget that have no impact on the City's 2018 Approved Net Operating Budget.

The following table summarizes the financial position of the City's Tax Supported Operations as of the first fiscal quarter and the projection at year-end:

Table 1: Tax Supported Operating Net Variance Summary

Variance	March 31, 2018 Over/(Under)		Projected Y/E 2018 Over/(Under)	
	\$M	% of Budget	\$M	% of Budget
Gross Expenditures	(78.9)	-3.2%	(88.5)	-0.8%
Revenues	(4.1)	-0.3%	(98.6)	-1.4%
Net Expenditures	(74.8)	-7.7%	10.1	0.2%
Less: Toronto Building	(5.1)	105.8%	(9.9)	93.0%
Net Expenditures (Excl. Toronto Building)	(69.6)	-7.1%	20.1	0.5%

In accordance with the Building Code Act, the surplus from Toronto Building must be contributed to the Building Code Act Service Improvement Reserve Fund to create and maintain systems and processes which enable service delivery timelines and reporting requirements of the Province's Bill 124, Building Code Statute Law Amendment Act, and 2002 Legislation to be met.

Year-to-Date Spending Results:

As noted in Table 1 above, Tax Supported Operations reported a favourable net variance of \$74.793 million or 7.7% of planned expenditures for the three months ended March 31, 2018, and are projecting a year-end shortfall of \$10.113 million or 0.2% of the 2018 Approved Operating Budget.

The year-to-date net underspending was primarily driven by:

- Over-achieved Municipal Land Transfer Tax revenue due to higher than anticipated non-residential market activity in the first quarter (\$30.074 million net).
- Underspending by Transportation Services driven by lower contract costs, lower than planned salary and benefit spending due to vacant positions and higher than planned revenue from permit fees (\$8.987 million net).
- Lower than planned Debt Charges in the first quarter as a result of the anticipated debt interest payment being posted a month later than planned (\$8.612 million net).
- Favourable variance in Parks, Forestry & Recreation is primarily driven by underspending in salaries and benefits due to delays in the hiring process of hard-to-fill classifications including the timing of seasonal skilled labour requirements (\$6.666 million net).
- Underspending by the Toronto Transit Commission of \$9.335 million net primarily as a result of lower departmental material expenditures, labour, and utility costs of \$6.419 million net within the Conventional Service, and lower net costs of \$2.916 million associated with lower than planned ridership within Wheel Trans.
- Over-achieved revenue in Toronto Building primarily due to the increasing number of building permit applications (\$5.143 million net).

Year-End Spending Projections:

Contrary to the first quarter trend, the City is projecting a net unfavourable year-end variance of \$10.113 million or 0.2% of the 2018 Approved Operating Budget. The key drivers for the expected unfavourable year-end net position are largely due to the following:

- Over expenditure in Shelter, Support and Housing Administration of \$22.351 million net due to increased occupancy pressures and demand for Hostel Services.

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Ended March 31st, 2018

- Under-achieved revenue in Transportation Services of \$9.974 million net as a result of lower than budgeted utility cut repair net revenue and utility cut fixed permit fee revenue due to lower than budgeted volumes.
- Over spending in Toronto Police Service of \$3.800 million net due to higher than budgeted salary and benefits costs, driven by overtime spending for uniformed officers to meet service demands and an increase in the establishment for Communications Operators in order to meet the standard call centre response times.
- The above over-spending will be partially offset by \$27.027 million as a result of:
 - Higher than budgeted revenue in City Planning and Toronto Building from expected continuation of higher development activity;
 - Higher Dividend Income from Toronto Hydro final 2017 performance based on the receipt of the Corporation's financial statements;
 - Continued under-spending in Municipal Licensing & Standards on salaries and benefits from vacant positions; and
 - Sustained under-spending in Toronto Conventional Service - Wheel Trans programs

Consistent with the City's financial management practices and policies, Programs and Agencies projecting an unfavourable year-end variance are required to identify and implement mitigation strategies to offset these projected overspending or unrealized revenues. The actions taken to address any projected shortfalls will be included as part of the Five Month Operating Variance report.

Rate Supported Programs:

As noted in Table 2 below, Rate Supported Operations reported a favourable net variance of \$26.585 million and are projecting a year-end under-expenditure of \$11.919 million for the three months ended March 31, 2018.

Table 2: Rate Supported Net Variance Summary (\$ Millions)

Rate Supported Programs	March 31, 2018	Projected Y/E 2018
	Over/(Under)	Over/(Under)
Solid Waste Management Services	(2.7)	2.9
Toronto Parking Authority	(0.3)	3.8
Toronto Water	(23.5)	(18.6)
Total Variance	(26.6)	(11.9)

The key year-to-date net underspending in Rate Supported Programs was driven by:

- Under-spending in Solid Waste Management Services of \$2.736 million net or 11.5% in salaries and benefits due to vacancies in Collections and Litter Operations. However, due to anticipated decrease in revenue as a result of changing global market conditions for recyclable materials, an unfavourable year-end projection of \$2.931 million net is anticipated.
- A favourable variance in Toronto Parking Authority of \$0.347 million net or 2.6% is primarily due to lower than anticipated utility costs, parking equipment repair costs, municipal taxes, which partially offset by higher credit card processing fees and lower on-street and off-street parking revenues. Toronto Parking Authority is anticipating a further decrease in revenue for on and off-street parking as well as a delay in acquiring sponsorship for the Bike Share Program, resulting in an unfavourable year-end projection of \$3.750 million net.
- Positive revenue in Toronto Water of \$23.502 million net reflecting the sale of water being posted in advance of the Q1 plan, as well as an overall volume increase for new sewer service connections, private water agreements and one-time compensation from 3rd party for damages related to a previously completed capital project. A favourable year-end variance of \$18.600 million is forecasted on the basis of continued underspending in salary and benefits from vacant positions and the unanticipated one time revenue from a 3rd party.

Complement:

As of March 31, 2018, the City recorded an operating vacancy rate of 1.7% after gapping against an approved complement of 51,875.2 operating or service delivery positions. The year-to-date vacancy rate for capital positions was 26.0% of an approved complement of 3,658.2 positions for capital project delivery.

Table 3: 2018 Year-To-Date Vacancy Rate

Program/Agency	2018 Year-to-Date			
	Operating Vacancy %	Capital Vacancy %	Budgeted Gapping %	Operating* Vacancy Rate (After Gapping)
<i>City Operations</i>	5.0%	27.2%	2.4%	2.6%
<i>Agencies</i>	5.3%	25.1%	4.9%	0.4%
<i>Corporate Accounts**</i>	9.9%	0.0%	0.0%	9.9%
Total Levy Operations	5.2%	25.8%	3.7%	1.5%
<i>Rate Supported Programs</i>	7.5%	33.0%	3.3%	4.2%
Grand Total	5.3%	26.0%	3.7%	1.7%

*Vacancy after Gapping % is based on operating positions only.

**Corporate Accounts are largely driven by Parking Enforcement Unit vacancies

The year-end operating vacancy rate, after gapping, is projected to be on budget for an approved complement of 51,753.2 operating positions. The forecasted vacancy rate for capital positions is projected to be 6.4% for an approved complement of 3,639.2 positions by year-end.

Table 4: 2018 Year-End Projected Vacancy Rate

Program/Agency	2018 Year-End Projection			
	Operating Vacancy %	Capital Vacancy %	Budgeted Gapping %	Operating* Vacancy Rate (After Gapping)
<i>City Operations</i>	2.1%	13.7%	2.4%	0.0%
<i>Agencies</i>	4.1%	2.0%	4.9%	0.0%
<i>Corporate Accounts**</i>	0.7%	0.0%	0.0%	0.7%
Total Levy Operations	3.1%	6.0%	3.7%	0.0%
<i>Rate Supported Programs</i>	6.1%	21.4%	3.3%	2.7%
Grand Total	3.3%	6.4%	3.7%	0.0%

*Vacancy after Gapping % is based on operating positions only.

**Corporate Accounts are largely driven by Parking Enforcement Unit vacancies

A detailed overview of the first quarter complement is provided in the Approved Complement Section of this report.

RECOMMENDATIONS

The Interim Chief Financial Officer recommends that:

1. City Council direct that Heads of City Divisions and Agencies projecting year-end unfavourable variances implement mitigation strategies effective immediately in conjunction with the Interim Chief Financial Officer and that the Interim Chief Financial Officer report back to Executive Committee with the Five Month Operating Variance Report on actions being taken to offset these projected net over-expenditures or unrealized revenues.
2. City Council approve the budget adjustments and any associated complement changes detailed in Appendix F to amend the 2018 Approved Operating Budget that have no impact to the 2018 Approved Net Operating Budget of the City.

FINANCIAL IMPACT

Tax Supported Programs and Agencies reported an under-expenditure of \$78.913 million or 3.2% gross, revenue shortfall of \$4.120 million or 0.3% and \$74.793 million or 7.7% net at the end of the first quarter. By year-end, Tax Supported Programs and Agencies are forecasting a favourable gross-expenditure variance of \$88.484 million or 0.8%, revenue shortfall of \$98.596 million or 1.4% and a net unfavourable variance of \$10.113 million or 0.2%.

As summarized in Table 5 below, actual expenditures are projected to be \$20.054 million net over budget at year-end, after allocating the projected year-end net revenue of \$9.974 million to the Building Code Act Service Improvement Reserve Fund.

Table 1: Net Expenditures as Reported Over/ (Under) (\$ Millions)

Program	Year-end Projection
City Operations	15.3
Agencies	0.4
Corporate Accounts	(5.6)
Net Operating Tax Levy	10.1
Less: Toronto Building	(9.9)
Adjusted Year-End Over-Spending	20.1
<i>Mainly driven by:</i>	
- Overspending of \$40.6 million primarily in Paramedic Services, Parks, Forestry & Recreation, Shelter, Support & Housing Administration, Transportation Services, Toronto Police Service and revenue shortfall in Toronto Parking Authority.	
- Partially offset by under-spending of \$22.2 million primarily in Municipal Licensing & Standards, Toronto Transit Commission - Wheel Trans service, Tax Increment Equivalent Grants and higher than budgeted revenue in City Planning, Dividend Income, Parking Tag Enforcement & Operations Revenues.	

DECISION HISTORY

This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the 2018 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management policies.

At its meeting of December 5-8, 2017, Council approved a 2018 Rate-Supported Operating Budget of \$1.794 billion gross and \$0.067 billion net, on February 12, 2018, Council approved a 2018 Tax Supported Operating Budget of \$11.122 billion gross and \$4.176 billion net. Before pending budget adjustments in this report, the 2018 Operating Budget for City Tax and Rate Programs and Agencies is currently \$12.916 billion gross and \$4.110 billion net.

Dashboard Approach

The "alert" symbols: "R, Y, G" indicate whether the variance is "over", "under" or "on budget" for year-to-date results as well as for projected year-end gross and net expenditures. The "alert" Green, Yellow or Red indicators measure the percentage of the variance from budget with the criteria included in the legend in Figure 1 below. Appendix G includes dashboards and respective narratives explaining individual variances for each City Program and Agency for the three months ended March 31, 2018 as well as projections to year-end.

COMMENTS

Figure 1: Tax Supported Expenditure Variance Dashboard (\$ Millions)

	March 31, 2018 Over/(Under)			Projected Y/E 2018 Over/(Under)		
	Gross	Net	Alert	Gross	Net	Alert
Citizen Centred Services "A"	(37.2)	(5.5)	Ⓞ	9.0	27.2	Ⓡ
Citizen Centred Services "B"	(12.3)	(23.4)	Ⓞ	(53.7)	(9.5)	Ⓞ
Internal Corporate Services	(7.9)	(1.9)	Ⓞ	(10.4)	(1.2)	Ⓞ
Chief Financial Officer	(1.5)	(0.6)	Ⓞ	(3.8)	(1.2)	Ⓞ
City Manager	0.7	0.5	Ⓡ	0.0	0.0	Ⓞ
Other City Programs	0.4	(0.5)	Ⓞ	0.7	(0.0)	Ⓞ
Council Appointed Programs	(0.2)	(0.2)	Ⓞ	0.0	0.0	Ⓞ
Total - City Operations	(58.0)	(31.7)	Ⓞ	(58.1)	15.3	Ⓡ
Total - Agencies	(13.9)	(9.9)	Ⓞ	(16.7)	0.4	Ⓡ
Total - Corporate Accounts	(7.0)	(33.2)	Ⓞ	(13.6)	(5.6)	Ⓞ
Total Variance	(78.9)	(74.8)	Ⓞ	(88.5)	10.1	Ⓡ
Toronto Building	(1.1)	(5.1)	Ⓞ	(4.0)	(9.9)	Ⓞ
Adjusted Variance	(77.8)	(69.6)		(84.5)	20.1	
<small>(Legend for City Programs & Agencies)</small>						
Year-to-Date Net Variance	Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%
Year-End Net Variance	Ⓞ	<=100%	Ⓡ	>100%		

The year-to-date favourable variance for Tax Supported Programs and Agencies is \$74.793 million net or 7.7% of the 2018 Approved Operating Budget. After isolating Toronto Building's favourable year-to-date variance of \$5.143 million net, Tax Supported Programs and Agencies adjusted variance is \$69.650 million net.

Based on the first quarter results, Tax Supported Programs and Agencies are projecting a net unfavourable year-end variance of \$10.113 million or 0.2% of the 2018 Approved Operating Budget. After allocating the projected \$9.942 million net revenue at year-end to the Building Code Act Service Improvement Reserve Fund, the year-end unfavourable variance for Tax Supported Programs and Agencies is projected to be \$20.054 million net or 0.5%.

Appendices A, B and C provide detailed first quarter results and projections to year-end by Program and Agency, for the net expenditures, gross expenditures and revenues, respectively. Appendices D and E provide a detailed variance between the complement and strength for the three months ended March 31, 2018 and year-end projections. Appendix F details the recommended in-year budget adjustments to the 2018 Approved Operating Budget.

City Operations

As of March 31, 2018, City Operations reported a favourable gross expenditure variance of \$57.965 million or 5.0% and a revenue shortfall of \$26.286 million or 3.8%,

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resulting in a favourable net variance of \$31.679 million or 6.8%. The key drivers of this year-to-date favourable net variance are:

- An unfavourable year-to-date variance in Court Services of \$1.250 million net or 45.6% as a result of lower than planned ticket issuance by Toronto Police Services attributable to less officers in the force City-wide and a focus on strategic enforcement in high risk areas such as school zones.
- Favourable variance in Parks, Forestry & Recreation is primarily driven by underspending in salaries and benefits due to delays in the hiring process of hard-to-fill classifications including the seasonal skilled labour requirements (\$6.666 million net).
- Higher than planned revenue in City Planning of \$2.464 million net or 84.2% due to the increased volume of applications to the Committee of Adjustment and development application fees for projects in the South, North and West districts.
- A favourable year-to-date variance in Fire Services of \$2.726 million net or 2.7%, primarily due to higher than planned false alarm fee revenues and HUSAR funding from the province that has not been spent to date.
- Year-to-date under-spending in Municipal Licensing & Standards of \$2.582 million net or 80.2% reflecting lower salary and benefits costs due to delays in filling vacant positions and higher than planned revenues from higher than planned PTC (Private Transportation Company) applications, trip fees, and higher volume for license & permit activity.
- Under-spending of \$1.334 million net in Engineering and Construction Services in salaries and benefits due to vacant positions, and higher than planned revenue from full stream application fees due to higher than planned application activity from utility companies.
- Higher than planned revenue in Toronto Building of \$5.143 million net due to higher volumes of building permit application activity.
- An under-expenditure in Transportation Services of \$8.987 million net or 14.4% as a result of lower costs for road & bridge repair contracts, under-spending in salaries and benefits due to vacant positions and higher than planned right-of-way permit fees and street occupation application fees as a result of higher than anticipated construction activity.

In total, City Operations is projecting a year-end gross expenditure favourable variance of \$58.127 million or 1.0% that will be more than fully offset by a revenue shortfall of \$73.386 million or 2.2%. As a result, the year-end unfavourable net variance is

forecasted to be \$15.259 million. The key drivers of the projected unfavourable net variance include:

- An over-expenditure in Toronto Paramedic Services of \$2.157 million net due to the increased overtime expenditures resulting from anticipated continuation of increased call demand, increased salaries and benefits costs due to legislative changes from Bill 148 (an increased cost for Maternity/Paternity leaves, additional benefits to part-time and probationary staff) and WSIB costs associated with Bill 163 for new "Chronic Mental Stress Policy".
- An unfavourable year-end projection in Parks, Forestry & Recreation of \$2.856 million net as a result of the parks & recreation permit and user fee revenue shortfall. It is important to note, that the impact from Bill 148 for the extended maternity and parental leaves has not been estimated in this projection.
- Shelter, Support and Housing Administration's projected year-end over-expenditure of \$22.351 million net from sustained demand for Hostel Services resulting from continued occupancy pressures.
- Consistent with the year-to-date experience, City Planning is projecting higher than budgeted revenue of \$4.358 million net to year-end, due to the increased volume of applications and development application fees.
- The continued trend in building application permit activity, resulting in a favourable year-end projection of \$9.942 million net in Toronto Building, to be contributed to the Building Code Act Service Improvement Reserve Fund.
- A favourable year-end forecast in Municipal Licensing & Standards of \$4.969 million net due to staff vacancies and under-spending in telecommunications and materials & supplies, as well as higher than budgeted revenue from higher than budgeted PTC (Private Transportation Company) applications.
- A revenue shortfall in Transportation Services of \$9.974 million net from utility cut repair net revenue and utility cut fixed permit fee revenue due to lower than budgeted volumes. For the remainder of 2018, Transportation Services will review all discretionary expenditures and develop a strategy to address the non-weather related over expenditures.

Agencies

As of the three months ended on March 31, 2018, Agencies reported a favourable gross expenditure variance of \$13.909 million or 1.5%, and under-achieved revenue of \$3.960 million or 0.9%, which resulted in a favourable net variance of \$9.949 million or 1.9%.

- An under-expenditure of \$6.419 million net in Toronto Transit Commission - Conventional Service was primarily driven by lower costs for traction power and utilities, departmental material expenditures, labour and employee benefits. However, ridership to April 7th was 2.7% below budget and 1.2% below the 2017 comparable actual, which resulted in a decrease in passenger revenue of \$1.9 million or 0.6% below planned revenue for the first quarter.
- Toronto Transit Commission - Wheel Trans Service's under-spending of \$2.916 million net or 7.8% results from lower than anticipated customer journeys.
- An unfavourable year-to-date variance of \$0.950 million net in Toronto Police Service due to increased use of premium pay to meet policing requirements as a result of the reduced staffing levels and recent high profile cases as well as an increased need to hire additional Communications Operators to ensure the ability to deliver emergency call centre services within the acceptable response times.

Agencies are projecting a year-end gross under-expenditure of \$16.743 million or 0.4% and revenue shortfall of \$17.184 million or 1.0%, resulting in a net unfavourable variance of \$0.441 million.

- Toronto Transit Commission - Conventional Service is projecting a net 0 variance for year-end due to lower than budgeted utility costs and under spending in employee benefits that would fully offset the \$14.0 million stabilization reserve draw, which therefore may not be required this year.
- Toronto Transit Commission - Wheel - Trans Service is projecting to have favourable year-end variance of \$3.859 million net or 2.7% as a result of fewer customer journeys than budgeted. The expected ridership related to the eligibility requirements has not materialized which will result in under-expenditures.
- The trend in Toronto Police Services is expected to continue through to year-end and is driven by the higher than planned use of premium pay spending for uniformed officers to meet services demands and the increase in Communications Operators, expected to remain through to year-end to meet the standard call centre response times, which would result in an unfavourable year-end projection of \$3.800 million net.

Corporate Accounts

As of March 31, 2018, Corporate Accounts experienced gross under-expenditure of \$7.039 million or 2.0% and over-achieved revenue of \$26.126 million or 7.3%, which resulted in a favourable net variance of \$33.165 million. The following are the key drivers which have contributed to the year-to-date favourable variance:

- Under-spending in Debt Charges of \$8.612 million net due to the debt interest payment being paid in April rather than in the first quarter as planned.
- Lower than planned issuance of Tax Increment Equivalent Grants. The estimate for taxation years 2017 and prior was \$0.200 million less than the provision for the first quarter, and the estimate for taxation year 2018 was \$0.600 million less than planned, resulting in actual underspending of \$0.852 million net.
- An under-expenditure in Parking Tag Enforcement & Operations expenses of \$1.210 million net due to Parking Enforcement Officer vacancies and lower than budgeted tribunal member honorarium costs resulting from lower hearings being requested.
- Higher than planned issuance of Solid Waste Management rebates compared to the historical billing experienced on which the first quarter plan was based, resulting in over-spending of \$4.285 million net.
- Lower than planned Interest / Investment Earnings revenue of \$1.127 million net as a result of the one-time adjustment based on the changes in the accounting methodology which recognizes the revenue differently.
- Over-achieved Municipal Land Transfer Tax revenue of \$30.074 million net due to the outperformance of the non-residential market, which is forecasted to be on budget at the year-end.
- Lower than planned Parking Authority revenue of \$4.795 million net due to revenue shortfall in Toronto Parking Authority from on-street and off-street parking due to maintenance work and delayed customer returns to previously closed carparks.
- Lower than planned revenue from Parking Tag Enforcement & Operations of \$1.139 million net as a result of lower than planned ticket issuance for the first quarter.

The projected year-end gross under-expenditure of \$13.613 million or 0.8% combined with \$8.026 million or 0.4% in higher than budgeted revenue, is anticipated to result in a net favourable variance of \$5.587 million by year-end.

- The trend in under-spending in Tax Increment Equivalent Grant (TIEG) is expected to continue until year-end which will result in a favourable variance of \$3.410 million net with payments for taxation years 2017 and prior to be \$0.900 million being less than provision, and for taxation year 2018 is estimated to be \$2.500 million less than budget.

- Consistent with year-to-date experience, Parking Authority Revenues are projected to be lower than budgeted revenue of \$3.238 million net due to unbudgeted closure of Carpark 15 and slower return of customers to Carpark 1 in Toronto Parking Authority as well as yet to be secured sponsorship revenue for the Bike Share program.
- A favourable year-end forecast in Parking Tag Enforcement revenues of \$1.740 million net is projected due to higher MTO Fees recoveries from vehicle owners.

Rate Programs

As per Figure 2 below, Rate Programs reported an under-expenditure of \$8.722 million gross or 2.3% and over-achieved revenue of \$17.863 million or 4.6%, which resulted in a favourable net variance of \$26.585 million.

Figure 2: Rate Supported Expenditure Variance Dashboard (\$ Millions)

	March 31, 2018 Over/(Under)			Projected Y/E 2018 Over/(Under)		
	Gross	Net	Alert	Gross	Net	Alert
Solid Waste Management Services	(3.4)	(2.7)	Ⓞ	(2.1)	2.9	Ⓡ
Toronto Parking Authority	(2.3)	(0.3)	Ⓞ	(1.0)	3.8	Ⓡ
Toronto Water	(3.0)	(23.5)	Ⓞ	(9.9)	(18.6)	Ⓞ
Total Variance	(8.7)	(26.6)	Ⓞ	(13.0)	(11.9)	Ⓞ
<small>(Legend for Rate Programs)</small>						
Year-to-Date Net Variance	Ⓞ	<=100%	Ⓡ	>100%		
Year-End Net Variance	Ⓞ	<=100%	Ⓡ	>100%		

The following are the key drivers which have contributed to the year-to-date favourable variance in Rate Supported Programs:

- The year-to-date favourable variance of \$2.736 million net within Solid Waste Management Services arise from salary and benefit under spending due to vacant positions in Collections and Litter Operations partially offset by lower sale of recyclable and scrap materials. The year-end forecasted unfavourable variance of \$2.931 million net is driven by under-achieved revenue as a result of changing global market conditions for recyclable materials which is causing a decline in the demand and prices for recyclable materials.
- A favourable year-to-date variance of \$0.347 million for Toronto Parking Authority primarily driven by lower than anticipated utility costs, parking equipment repair costs, municipal taxes, partially offset by higher credit card processing fees. It is important to note, that the year-end unfavourable projection for Toronto Parking Authority of \$3.750 million net is due to lower than budgeted on and off-street parking revenues, as a result of the closure of downtown garages, and difficulty in acquiring sponsorship for the Bike Share Program.

- A favourable year-to-date variance of \$23.502 million net in Toronto Water due to earlier than planned for the first quarter posting of water and industrial waste agreement revenues, as well as a one-time compensation from 3rd party for damages related to a previously completed capital project.

Collectively, Rate Supported Programs are projecting a net favourable year-end variance of \$11.919 million. It is primarily driven by Toronto Water as a result of under-spending in salaries and benefits due to vacant positions, lower than anticipated hydro rates and usage efficiencies from process changes at wastewater treatment plants and a one-time compensation from 3rd party for damages related to a previously completed capital project.

Approved Complement

At the end of March 31, 2018, the City reported a strength of 51,829.9 operating and capital positions, representing a vacancy rate for operating or service delivery positions, after approved gapping of 1.7%. The year-end projected strength is forecasted to be 53,452.0 positions (capital and operating), reflecting full complement for service delivery (operating) positions, after accounting for budgeted gapping.

Figure 3: Approved Complement and Strength (Includes Capital and Operating Positions) Comparison

Approved Complement and Strength Comparison (Includes Capital and Operating Positions)										
Program/Agency	March 31, 2018					Year-End Projections				
	Approved Complement	Strength	Vacancies	Vacancy %	Operating Vacancy After Gapping	Approved Complement	Strength	Vacancies	Vacancy %	Operating Vacancy After Gapping
Citizen Centred Services "A"	13,032.0	12,546.0	(486.0)	3.7%	1.3%	13,032.0	12,900.3	(131.7)	1.0%	0.0%
Citizen Centred Services "B"	6,520.3	6,102.9	(417.4)	6.4%	2.7%	6,520.3	6,284.4	(235.9)	3.6%	0.3%
Internal Corporate Services	2,250.1	1,907.1	(343.0)	15.2%	8.0%	2,250.1	2,022.1	(228.0)	10.1%	3.5%
Chief Financial Officer	779.2	663.2	(116.0)	14.9%	10.2%	779.2	768.2	(11.0)	1.4%	0.0%
City Manager's Office	450.0	401.0	(49.0)	10.9%	4.7%	450.0	421.0	(29.0)	6.4%	0.0%
Other City Programs	982.1	932.8	(49.2)	5.0%	1.6%	990.1	976.6	(13.4)	1.4%	0.0%
Accountability Offices	59.3	56.0	(3.3)	5.5%	5.5%	59.3	59.0	(0.3)	0.4%	0.4%
Total City Operations	24,072.9	22,609.1	(1,463.8)	6.1%	2.6%	24,080.9	23,431.7	(649.2)	2.7%	0.0%
Agencies	27,847.6	25,912.9	(1,934.7)	6.9%	0.4%	27,698.6	26,619.8	(1,078.8)	3.9%	0.0%
Corporate Accounts	406.0	366.0	(40.0)	9.9%	9.9%	406.0	403.0	(3.0)	0.7%	0.7%
Total Levy Operations	52,326.5	48,888.0	(3,438.5)	6.6%	1.5%	52,185.5	50,454.5	(1,731.0)	3.3%	0.0%
Rate Supported Programs	3,206.9	2,941.9	(265.0)	8.3%	4.2%	3,206.9	2,997.5	(209.3)	6.5%	2.7%
Grand Total	55,533.4	51,829.9	(3,703.4)	6.7%	1.7%	55,392.4	53,452.0	(1,940.4)	3.5%	0.0%

Appendices D and E provide a detailed overview of the approved operating and capital complement, and strength for the three months ended March 31, 2018 as well as projections to year-end.

City Operations

Year-to-date, City Operations reported a strength of 22,609.1, resulting in 1,463.8 positions below the approved complement of 24,072.9 positions. The vacancy rate for operating positions, after approved gapping, was 2.6%. The key Program areas which contributed to the operating vacancy rate were: Facilities, Real Estate, Environment & Energy, Transportation Services, Shelter, and Support & Housing Administration. The year-end projection for City Operations is forecasted to be 23,431.7 positions, or 649.2 positions under the approved complement of 24,080.9 positions. After approved gapping, City Operations are forecasted to be at full complement for service delivery (operating) positions.

Agencies

The year-to-date strength reported by Agencies was 25,912.9 positions which is 1,934.7 positions below the approved complement of 27,847.6 positions. After approved gapping, the vacancy rate for operating positions is 0.4%.

The year-end strength projection for Agencies is anticipated to be 26,619.8 positions, or 1,078.8 positions below the approved complement of 27,698.6 positions. It represents full complement after taking into account the approved gapping for operating positions. Rate Supported Programs

As of March 31, 2018, Rate Supported Programs reported a strength of 2,941.9 positions, which is 265.0 positions under the approved complement of 3,206.9 positions. The vacancy rate for operating positions, after approved gapping, is 4.2%.

Rate Supported Programs are forecasting a strength of 2,997.5 positions by year-end, which is 209.3 positions under the approved complement of 3,206.9 positions. After approved gapping, the projected vacancy rate for operating positions is expected to be at 2.7%.

Budget Adjustments

City Council approval is required for the in-year budget adjustments detailed in Appendix F. These recommended adjustments do not impact the 2018 Approved Net Operating Budget. The major adjustments are outlined below.

Social Development, Finance & Administration and Office of the Treasurer

Transfer of 1.0 Social Procurement position from SDFA to PMMD

City Council, at its meeting of February 12, 2018, approved the addition of 1.0 temporary Purchasing Coordinator position to the Social Development, Finance and Administration's (SDFA) staff complement at a cost of \$0.055 million gross, \$0 net

effective July 1, 2018 to extend support to the Social Procurement Program, with one-time funding for 2018 provided from the Tax Rate Stabilization Reserve.

The Social Procurement Program, a joint initiative between SDFA and Purchasing Materials Management Division (PMMD), was implemented in 2017 with 1 staff resource that is included in the PMMD's approved staff complement. The program experienced a rapid uptake and created demand for development of protocols requiring additional resources to fully implement the program. The report recommends transferring the temporary position and the associated salary and benefits budget from SDFA to PMMD to accurately capture the cost of delivering the Social Procurement Program in one division with no financial implications in 2018. The reversal of one-time funding source will create an operating pressure for PMMD of \$0.110 million net in 2019.

City Planning

Addition of 4.0 temporary capital-funded positions to support the planning and implementation of the SmartTrack Stations Program and the transit component of the TOCore: Downtown Plan

In April 2018, City Council adopted the implementation plan of the SmartTrack Stations Program and at its May 22 – 24, 2018 meeting, City Council will consider the Downtown Mobility Strategy of the TOCore: Downtown Plan. To support the planning and implementation of six new SmartTrack stations and the transit component of the Downtown Mobility Strategy, 4.0 temporary capital positions for a 6-month period are being recommended. As a result, City Planning's 2018 Operating Budget will be increased by 4.0 temporary positions at a cost of \$0.245 million gross and \$0 net, effective July 1st of 2018 until December 31, 2018, which will be fully recovered from the SmartTrack capital project for 3.0 temporary positions and Growth Studies capital project for 1.0 temporary position.

Facilities, Real Estate, Environment & Energy (FREEE)

Transfer of 2.0 permanent, Field Representative Positions from Parks, Forestry & Recreation to Real Estate Services to centralize real estate activities

Two existing positions will be transferred from PF&R to Real Estate Services as part of the City's centralization of all real estate activities City-wide. These positions will be subsequently converted to a permanent Property Officer 1 and a permanent Property Officer, both dedicated to working on Parks' real estate strategy, portfolio planning, and real estate transaction requirements. As a result, Facilities, Real Estate, Environment & Energy (FREEE)'s 2018 Council Approved Operating Budget will be increased by \$0.224 million gross and net and 2.0 permanent positions with an equivalent decrease in Parks, Forestry & Recreation's 2018 Council Approved Operating Budget and approved complement.

Addition of 2.0 temporary, capital-funded Project Manager positions to support major reconstruction of Toronto Water's existing facilities and construction of new facilities

The addition of 2.0 temporary, capital-funded Project Manager positions for 5 years in Real Estate Services' Acquisition & Expropriations unit is required to support major reconstruction of Toronto Water's existing facilities and construction of new facilities. FREEE's 2018 Council Approved Operating Budget will be increased by \$0.279 million gross and \$0 net for the 2.0 temporary positions, to be fully funded by Toronto Water's 2018 - 2027 Approved Capital Budget and Plan from the *Engineering-Easement Acquisition* project.

Transfer of Real Estate Services' rental budget to Toronto Public Health for the lease in of the property located at 235 Danforth Avenue

The transfer of the rental budget from Real Estate Services to Toronto Public Health for the property located at 235 Danforth Avenue is required. This transfer is consistent with Real Estate Services' strategy to ensure that operating rental costs reside within the Program's budget. FREEE's 2018 Council Approved Operating Budget will be reduced by \$0.503 million with an equivalent increase in Toronto Public Health's 2018 Council Approved Operating Budget to reflect the transfer.

Conversion of 1.0 temporary, vacant capital-funded position from Manager, Business Operating & Change Initiatives to a Manager, Creative Services for the Office Modernization Project

To reflect the scope of work required to support the Office Modernization Project, 1.0 temporary, capital-funded Manager, Business Operating & Change Initiatives position is being converted to a temporary Manager, Creative Services. A reduction of \$0.017 million gross and \$0 net is a result of the lower wage grade for the new position that will be funded from the Office Modernization capital project approved in the FREEE's 2018 - 2027 Capital Budget and Plan.

Deletion of 1.0 permanent, vacant Handyworker 3 and addition of 1.0 Permanent, Supervisor, Audio Visual Technology Services position to manage audio visual services at City Hall and all Civic centres

An adjustment is required to delete 1.0 permanent, vacant Handyworker 3 union position at a cost of \$0.072 million gross and to be replaced by the addition of 1.0 permanent, Supervisor, Audio Visual Technology Services non-union position at a cost of \$0.112 million gross, to facilitate audio visual services requirements at City Hall, Civic Centres and other City sites. The increase in salary and benefit costs of \$0.040 million gross will be offset by a permanent reallocation within salaries & benefits for 2018 and future years.

Reduction of 13.0 Union positions and the creation of 10.0 Non-Union positions to implement Facilities Management (FM)'s transformation

City Council's approval of EX25.9 "City-Wide Real Estate Transformation" will expand the scope of Facilities Management by assuming responsibilities of additional buildings encompassing a range of new clients. The new Facilities Management Office will provide strategic and administrative support to onboard new clients and ensure seamless integration with CreateTO. In order to fulfill this expanded mandate, Facilities Management has completed a restructuring that requires a reduction of 13.0 union positions and the creation of 10.0 non-union positions. The restructuring will result in an increase of \$0.006 million gross and \$0 net to be fully funded by project management fees recovered from various capital projects.

Addition of 1.0 permanent, Head, Asset & Property Management - Civic Assets

A new position is being established to lead multiple large scale City Civic Asset projects. This change results in an increase to FREEE's 2018 Council Approved Operating Budget by \$0.114 million gross and \$0 net, with the 2018 impact to be funded by a reallocation within the non-salary expenditure budget. Future year impact will remain \$0 net as gross salary and benefit costs for this position will be offset by additional leasing revenues.

City Manager's Office

Creation of 2.0 temporary capital-funded positions for e-Recruitment and Organization Management and SAP Security projects

In order to provide support to the e-Recruitment and Organizational Management and SAP Security (SAP Employee Central) capital projects, a budget adjustment is required to create 2.0 temporary capital funded positions at a cost of \$0.274M gross and \$0 net fully funded by the capital projects.

Utility Costs

Tax and Rate Supported Operations reported actual utility costs of \$44.384 million resulting in an under expenditure of \$8.093 million or 15.4% compared to the plan for the first fiscal quarter. The year-to-date over-expenditures in utilities were primarily experienced by Transportation Services, Facilities, Real Estate, Environment & Energy, Toronto Transit Commission - Conventional service and Toronto Water. The favourable year-to-date variance in utility costs is primarily due to warmer March compared to prior years and change in utility billing practices with the new billing system.

Tax and Rate Supported Operations are projecting an overall under-expenditure in utility costs of \$2.434 million or 1.0% by year-end, primarily driven by Toronto Water as a result of lower than anticipated hydro rates and efficiencies in hydro and water.

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Similarly, Toronto Transit Commission – Conventional Service is projecting under spending on utility costs due to lower than forecasted rates and consumption.

Consulting Costs

Tax and Rate Supported Operations reported actual year-to-date consulting costs of \$0.935 million, reflecting an under-expenditure of \$0.230 million or 19.7%. The year-end favourable variance projection is primarily driven by the Office of the Treasurer, PMMD as the Category Management project work will be delayed.

Tax and Rate Supported Operations are forecasting a favourable year-end under expenditure of \$0.625 million or 7.0% for consulting costs.

Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the quarterly variance process. As set out in Figure 3 below, the City received \$111,820 in the first fiscal quarter of 2018.

Figure 3: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000's)	Purpose
Economic Development And Culture		
Gibson House, PWYC/General Cash/From the Box	0.10	General
Montgomery's Inn, PWYC/General Cash/From the Box	2.83	General
Montgomery's Inn, Individual Donor	0.37	Memorial Gift
Fort York, PWYC/General Cash/From the Box	0.15	General
Mackenzie House, PWYC/General Cash/From the Box	0.28	General
Mackenzie House, Individual Donor	0.54	General
Spadina House, General Cash (Yoga Event)	0.20	General
Spadina House, General Cash/From the Box	0.17	General
Scarborough, General Cash/From the Box	0.02	General
Market Gallery, General Cash/From the Box	1.35	General
<i>Sub-Total</i>	<i>6.01</i>	
Parks, Forestry And Recreation		
Sullivans Productions Inc.	1.00	For St. Lawrence Community Centre lobby renovation
Individual Donor	5.00	To support CIMA Mayor's Cricket Tournament
Rio Tinto Inc.	5.00	To support the Pause Platforms project on the West Toronto Railpath
GEP Impulse B Inc.	1.00	For Esther Shiner Stadium Improvement (sport equipment)
Jellystone Films Inc	7.91	For Parks Improvement, Sunnybrook Park
Northwood Anne Duo Inc	2.00	For Parks Improvement, Sunnybrook Park
Four Seasons Hotel	0.60	For Parks Improvement, Sunnybrook Park
<i>Sub-Total</i>	<i>22.51</i>	
Shelter, Support & Housing Administration		
Individual Donor	0.05	Use for Shelters
<i>Sub-Total</i>	<i>0.05</i>	
Municipal Licensing & Standards		
Individual Donors	20.31	Care and services related to animals (Donations over \$100)
Individual Donors	49.84	Care and services related to animals (Donations under \$100)
<i>Sub-Total</i>	<i>70.15</i>	
Toronto Police Service		
Capervco Ltd Partnership	2.5	Sex Crimes Seminar
RBC Donation	5	Sex Crimes Seminar
Cananadian Bankers Association	5	Sex Crimes Seminar
Giiffen LLP	0.5	Sex Crimes Seminar
Police Dog Services	0.1	General
<i>Sub-Total</i>	<i>13.10</i>	
Grand Total	111.82	

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SIGNATURE

Joe Farag
Interim Chief Financial Officer

ATTACHMENTS

- Appendix A – City of Toronto Net Expenditures for Three Months Ended March 31, 2018
- Appendix B – City of Toronto Gross Expenditures for Three Months Ended March 31, 2018
- Appendix C – City of Toronto Revenues for Three Months Ended March 31, 2018
- Appendix D – Approved Complement for Three Months Ended March 31, 2018
- Appendix E – Approved Complement Projections for 2018 Year-End
- Appendix F – Recommended Budget Adjustments
- Appendix G – Operating Dashboards for City Programs and Agencies

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE THREE MONTHS ENDED MARCH 31, 2018 (\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	277.9	220.4	(57.6)	-20.7%	1,170.1	1,170.1	0.0	0.0%
Children's Services	13,244.2	13,244.2	(0.0)	0.0%	82,690.5	82,690.5	0.0	0.0%
Court Services	(2,737.8)	(1,488.3)	1,249.6	-45.6%	1,640.2	1,562.4	(77.8)	-4.7%
Economic Development & Culture	12,271.4	12,045.9	(225.5)	-1.8%	69,578.2	69,578.2	(0.0)	0.0%
Toronto Paramedic Services	5,248.1	5,014.1	(234.1)	-4.5%	73,873.1	76,030.1	2,157.0	2.9%
Long Term Care Homes and Services	356.4	347.0	(9.4)	-2.6%	47,376.1	47,312.0	(64.1)	-0.1%
Parks, Forestry & Recreation	64,908.3	58,242.2	(6,666.1)	-10.3%	322,115.7	324,971.2	2,855.6	0.9%
Shelter, Support & Housing Administration	94,184.0	94,759.2	575.1	0.6%	455,367.1	477,718.0	22,350.9	4.9%
Social Development, Finance & Administration	4,643.4	4,474.1	(169.3)	-3.6%	39,531.0	39,481.0	(50.0)	-0.1%
Toronto Employment & Social Services	12,309.7	12,309.7	(0.0)	0.0%	90,516.5	90,516.5	0.0	0.0%
Sub-Total Citizen Centred Services "A"	204,705.7	199,168.4	(5,537.3)	-2.7%	1,183,858.5	1,211,030.1	27,171.6	2.3%
Citizen Centred Services "B"								
City Planning	2,926.0	462.3	(2,463.6)	-84.2%	15,287.2	10,929.4	(4,357.8)	-28.5%
Fire Services	100,375.9	97,650.3	(2,725.6)	-2.7%	461,659.1	462,159.1	500.0	0.1%
Municipal Licensing & Standards	3,220.6	638.8	(2,581.8)	-80.2%	20,064.4	15,095.9	(4,968.5)	-24.8%
Policy, Planning, Finance and Administration	1,720.2	1,528.3	(191.9)	-11.2%	9,098.6	8,867.4	(231.2)	-2.5%
Engineering and Construction Services	2,327.3	993.4	(1,333.9)	-57.3%	4,081.4	3,596.3	(485.2)	-11.9%
Toronto Building	(4,860.9)	(10,004.2)	(5,143.3)	105.8%	(10,693.7)	(20,635.6)	(9,941.9)	93.0%
Transportation Services	62,337.7	53,350.3	(8,987.4)	-14.4%	224,820.6	234,794.6	9,974.0	4.4%
Sub-Total Citizen Centred Services "B"	168,046.8	144,619.2	(23,427.6)	-13.9%	724,317.6	714,807.0	(9,510.6)	-1.3%
Chief Financial Officer								
Office of the Chief Financial Officer	2,004.0	1,680.7	(323.3)	-16.1%	10,202.2	9,399.5	(802.7)	-7.9%
Office of the Treasurer	5,374.0	5,107.7	(266.3)	-5.0%	28,066.7	27,641.6	(425.1)	-1.5%
Sub-Total Chief Financial Officer	7,378.0	6,788.4	(589.6)	-8.0%	38,268.9	37,041.1	(1,227.8)	-3.2%
Internal Corporate Services								
Facilities, Real Estate, Environment & Energy	26,551.4	26,246.8	(304.6)	-1.1%	71,699.4	71,328.8	(370.7)	-0.5%
Fleet Services	(1,047.7)	(1,430.6)	(382.9)	36.5%	(129.7)	(226.7)	(97.0)	74.8%
Information & Technology	27,783.2	26,931.2	(852.0)	-3.1%	76,423.3	75,758.9	(664.4)	-0.9%
311 Toronto	1,997.5	1,608.3	(389.2)	-19.5%	9,920.4	9,878.2	(42.2)	-0.4%
Sub-Total Internal Corporate Services	55,284.4	53,355.7	(1,928.7)	-3.5%	157,913.4	156,739.2	(1,174.3)	-0.7%
City Manager								
City Manager's Office	8,847.8	9,363.4	515.6	5.8%	48,650.1	48,650.1	0.0	0.0%
Sub-Total City Manager	8,847.8	9,363.4	515.6	5.8%	48,650.1	48,650.1	0.0	0.0%
Other City Programs								
City Clerk's Office	6,664.8	6,378.4	(286.5)	-4.3%	32,846.3	32,846.3	0.0	0.0%
Legal Services	5,726.6	5,667.6	(59.0)	-1.0%	19,209.1	19,209.1	(0.0)	0.0%
Mayor's Office	457.2	460.9	3.7	0.8%	2,251.0	2,251.0	0.0	0.0%
City Council	4,341.9	4,164.8	(177.1)	-4.1%	20,471.4	20,471.4	0.0	0.0%
Sub-Total Other City Programs	17,190.6	16,671.7	(518.9)	-3.0%	74,777.8	74,777.7	(0.0)	0.0%
Accountability Offices								
Auditor General's Office	1,305.6	1,181.8	(123.8)	-9.5%	6,444.9	6,444.9	0.0	0.0%
Integrity Commissioner's Office	102.1	102.9	0.8	0.8%	511.7	511.7	0.0	0.0%
Lobbyist Registrar's Office	243.2	224.6	(18.6)	-7.7%	1,189.6	1,189.6	0.0	0.0%
Ombudsman's Office	396.6	345.7	(50.9)	-12.8%	1,912.3	1,912.3	0.0	0.0%
Sub-Total Council Appointed Programs	2,047.4	1,855.0	(192.5)	-9.4%	10,058.4	10,058.4	0.0	0.0%
TOTAL - CITY OPERATIONS	463,500.6	431,821.8	(31,678.8)	-6.8%	2,237,844.7	2,253,103.6	15,258.9	0.7%

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE THREE MONTHS ENDED MARCH 31, 2018 (\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	10,241.0	10,208.5	(32.5)	-0.3%	63,185.3	63,197.4	12.1	0.0%
Toronto Public Library	47,396.2	46,991.8	(404.4)	-0.9%	182,283.1	182,283.1	0.0	0.0%
Association of Community Centres	1,983.8	1,859.5	(124.3)	-6.3%	7,972.2	7,976.8	4.6	0.1%
Exhibition Place	(1,772.7)	(1,982.1)	(209.4)	11.8%	(150.0)	(150.0)	0.0	0.0%
Heritage Toronto	99.0	(66.6)	(165.6)	-167.3%	422.9	422.9	0.0	0.0%
Theatres	1,845.5	1,521.7	(323.8)	-17.5%	5,274.5	5,274.5	0.0	0.0%
Toronto Zoo	5,991.4	5,973.5	(17.9)	-0.3%	12,082.8	12,483.8	401.0	3.3%
Arena Boards of Management	(253.6)	(583.4)	(329.8)	130.0%	30.6	112.4	81.8	267.5%
Yonge Dundas Square	100.1	143.5	43.4	43.4%	(0.0)	(0.0)	0.0	0.0%
CreateTO	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Toronto & Region Conservation Authority	995.5	995.5	0.0	0.0%	3,650.3	3,650.3	0.0	0.0%
Toronto Transit Commission - Conventional	151,002.2	144,583.0	(6,419.2)	-4.3%	578,841.8	578,841.8	0.0	0.0%
Toronto Transit Commission - Wheel Trans	37,455.9	34,540.4	(2,915.5)	-7.8%	143,424.1	139,565.1	(3,859.0)	-2.7%
Toronto Police Service	259,950.5	260,900.5	950.0	0.4%	996,325.5	1,000,125.5	3,800.0	0.4%
Toronto Police Services Board	350.9	350.9	0.0	0.0%	2,309.1	2,309.1	0.0	0.0%
TOTAL - AGENCIES	515,385.6	505,436.7	(9,949.0)	-1.9%	1,995,652.3	1,996,092.8	440.5	0.0%
Corporate Accounts								
Capital Financing - Capital from Current	117,637.9	117,637.9	0.0	0.0%	353,462.2	353,462.2	0.0	0.0%
Technology Sustainment	4,977.9	4,977.9	0.0	0.0%	19,911.6	19,911.6	0.0	0.0%
Debt Charges	27,579.1	18,967.3	(8,611.8)	-31.2%	556,041.5	556,041.5	0.0	0.0%
Capital & Corporate Financing	150,194.9	141,583.1	(8,611.8)	-5.7%	929,415.3	929,415.3	0.0	0.0%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	22,082.3	22,062.5	(19.8)	-0.1%	82,607.4	82,607.4	0.0	0.0%
Tax Increment Equivalent Grants (TIEG)	9,254.7	8,402.3	(852.4)	-9.2%	37,018.8	33,609.3	(3,409.5)	-9.2%
Assessment Function (MPAC)	11,010.0	10,963.8	(46.2)	-0.4%	44,040.0	43,855.1	(184.9)	-0.4%
Funding of Employee Related Liabilities	17,707.2	17,707.2	0.0	0.0%	70,828.6	70,828.6	0.0	0.0%
Other Corporate Expenditures	1,820.8	(619.5)	(2,440.2)	-134.0%	45,155.2	45,400.9	245.8	0.5%
Insurance Premiums & Claims	75.0	75.0	0.0	0.0%	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	17,979.8	16,770.2	(1,209.5)	-6.7%	72,203.6	72,419.7	216.2	0.3%
Programs Funded from Reserve Funds	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%
Vacancy Rebate Program	1,500.0	1,439.9	(60.1)	-4.0%	6,000.0	6,000.0	0.0	0.0%
Heritage Property Taxes Rebate	437.5	436.0	(1.5)	-0.3%	1,750.0	1,750.0	0.0	0.0%
Tax Rebates for Registered Charities	0.0	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%
Solid Waste Management Rebates	48,532.6	52,817.3	4,284.7	8.8%	144,301.9	144,301.9	0.0	0.0%
Non-Program Expenditures	130,399.8	130,054.7	(345.0)	-0.3%	504,205.5	501,073.0	(3,132.4)	-0.6%
Non-Program Revenue								
Payments in Lieu of Taxes	(38,300.3)	(38,173.7)	126.6	-0.3%	(95,480.4)	(95,480.4)	0.0	0.0%
Supplementary Taxes	0.0	0.0	0.0	0.0%	(45,000.0)	(45,000.0)	0.0	0.0%
Tax Penalty Revenue	(6,245.1)	(6,464.9)	(219.8)	3.5%	(29,800.0)	(29,800.0)	0.0	0.0%
Interest/Investment Earnings	(15,548.6)	(14,422.0)	1,126.6	-7.2%	(104,279.0)	(104,279.0)	0.0	0.0%
Other Corporate Revenues	(1,544.9)	(1,281.0)	263.9	-17.1%	(12,018.7)	(12,071.5)	(52.8)	0.4%
Dividend Income	(21,250.0)	(22,225.0)	(975.0)	4.6%	(85,000.0)	(88,900.0)	(3,900.0)	4.6%
Provincial Revenue	(22,900.0)	(22,900.0)	0.0	0.0%	(91,600.0)	(91,600.0)	0.0	0.0%
Municipal Land Transfer Tax	(114,534.8)	(144,608.6)	(30,073.8)	26.3%	(770,000.0)	(770,000.0)	0.0	0.0%
Third Party Sign Tax	(10,706.6)	(10,819.1)	(112.5)	1.1%	(10,742.5)	(10,742.5)	0.0	0.0%
Parking Authority Revenues	(14,295.5)	(9,501.0)	4,794.5	-33.5%	(57,182.1)	(53,944.1)	3,238.0	-5.7%
Administrative Support Recoveries - Water	(4,743.3)	(4,743.3)	0.0	0.0%	(18,973.0)	(18,973.0)	0.0	0.0%
Administrative Support Recoveries - Health & EMS	(2,606.7)	(2,606.7)	0.0	0.0%	(16,326.7)	(16,326.7)	0.0	0.0%
Parking Tag Enforcement & Operations Rev	(27,123.3)	(25,984.8)	1,138.5	-4.2%	(109,218.0)	(110,957.7)	(1,739.7)	1.6%
Other Tax Revenues	(3,840.9)	(4,043.6)	(202.7)	5.3%	(13,221.1)	(13,221.1)	0.0	0.0%
Hotel & Lodging Tax	0.0	0.0	0.0	0.0%	(16,100.0)	(16,100.0)	0.0	0.0%
Woodbine Slots Revenues	(850.0)	(924.7)	(74.7)	8.8%	(16,000.0)	(16,000.0)	0.0	0.0%
Non-Program Revenues	(284,489.9)	(308,698.3)	(24,208.4)	8.5%	(1,490,941.5)	(1,493,396.0)	(2,454.5)	0.2%
TOTAL - CORPORATE ACCOUNTS	(3,895.2)	(37,060.4)	(33,165.2)	851.4%	(57,320.8)	(62,907.7)	(5,586.9)	9.7%
NET OPERATING TAX LEVY	974,991.0	900,198.0	(74,793.0)	-7.7%	4,176,176.2	4,186,288.7	10,112.5	0.2%
NON LEVY OPERATIONS								
Solid Waste Management Services	(23,705.9)	(26,442.1)	(2,736.1)	11.5%	0.0	2,931.1	2,931.1	n/a
Toronto Parking Authority	(13,417.9)	(13,764.7)	(346.8)	2.6%	(66,538.2)	(62,788.2)	3,750.0	-5.6%
Toronto Water	32,751.8	9,249.6	(23,502.2)	-71.8%	0.0	(18,600.0)	(18,600.0)	n/a
NON LEVY OPERATING NET EXPENDITURES	(4,372.0)	(30,957.2)	(26,585.1)	608.1%	(66,538.2)	(78,457.1)	(11,918.9)	n/a

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix B

CITY OF TORONTO CONSOLIDATED GROSS EXPENDITURES VARIANCE FOR THE THREE MONTHS ENDED MARCH 31, 2018 (\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	782.2	680.8	(101.4)	-13.0%	3,670.5	3,620.5	(50.0)	-1.4%
Children's Services	97,131.5	92,663.7	(4,467.8)	-4.6%	621,409.9	618,909.9	(2,500.0)	-0.4%
Court Services	11,407.3	10,527.6	(879.7)	-7.7%	50,488.0	49,267.3	(1,220.7)	-2.4%
Economic Development & Culture	13,586.4	13,473.5	(113.0)	-0.8%	80,212.0	80,545.3	333.4	0.4%
Toronto Paramedic Services	40,318.3	40,209.5	(108.8)	-0.3%	215,449.5	217,510.9	2,061.4	1.0%
Long Term Care Homes and Services	53,530.2	46,121.6	(7,408.6)	-13.8%	260,156.4	257,212.0	(2,944.4)	-1.1%
Parks, Forestry & Recreation	89,744.2	82,202.1	(7,542.1)	-8.4%	467,984.0	461,462.9	(6,521.1)	-1.4%
Shelter, Support & Housing Administration	191,653.3	182,193.6	(9,459.7)	-4.9%	862,605.0	886,008.3	23,403.3	2.7%
Social Development, Finance & Administration	6,979.6	6,810.3	(169.3)	-2.4%	55,289.4	55,239.4	(50.0)	-0.1%
Toronto Employment & Social Services	265,243.4	258,335.0	(6,908.4)	-2.6%	1,096,897.5	1,093,397.5	(3,500.0)	-0.3%
Sub-Total Citizen Centred Services "A"	770,376.4	733,217.7	(37,158.7)	-4.8%	3,714,162.1	3,723,174.0	9,011.9	0.2%
Citizen Centred Services "B"								
City Planning	10,064.3	9,437.1	(627.2)	-6.2%	51,303.4	50,340.8	(962.6)	-1.9%
Fire Services	104,313.6	104,042.9	(270.7)	-0.3%	479,878.8	480,378.8	500.0	0.1%
Municipal Licensing & Standards	10,817.1	9,487.0	(1,330.1)	-12.3%	57,000.8	54,209.5	(2,791.3)	-4.9%
Policy, Planning, Finance and Administration	4,461.7	4,009.8	(451.9)	-10.1%	23,180.6	21,902.3	(1,278.3)	-5.5%
Engineering and Construction Services	15,123.1	12,416.7	(2,706.4)	-17.9%	75,220.1	65,901.3	(9,318.9)	-12.4%
Toronto Building	10,777.6	9,702.9	(1,074.7)	-10.0%	56,346.1	52,364.4	(3,981.7)	-7.1%
Transportation Services	80,389.3	74,589.9	(5,799.4)	-7.2%	409,202.6	373,329.6	(35,873.0)	-8.8%
Sub-Total Citizen Centred Services "B"	235,946.8	223,686.2	(12,260.5)	-5.2%	1,152,132.5	1,098,426.7	(53,705.7)	-4.7%
Chief Financial Officer								
Office of the Chief Financial Officer	3,577.6	3,074.2	(503.4)	-14.1%	17,627.2	15,776.0	(1,851.2)	-10.5%
Office of the Treasurer	15,123.3	14,112.9	(1,010.4)	-6.7%	75,576.7	73,661.1	(1,915.6)	-2.5%
Sub-Total Chief Financial Officer	18,700.9	17,187.1	(1,513.8)	-8.1%	93,203.9	89,437.1	(3,766.8)	-4.0%
Internal Corporate Services								
Facilities, Real Estate, Environment & Energy	43,460.3	39,853.2	(3,607.2)	-8.3%	197,621.5	199,696.0	2,074.5	1.0%
Fleet Services	8,413.7	7,391.9	(1,021.8)	-12.1%	57,738.9	60,075.2	2,336.3	4.0%
Information & Technology	37,271.3	34,216.8	(3,054.5)	-8.2%	130,364.8	116,907.9	(13,457.0)	-10.3%
311 Toronto	3,635.1	3,408.3	(226.8)	-6.2%	18,719.2	17,398.7	(1,320.5)	-7.1%
Sub-Total Internal Corporate Services	92,780.4	84,870.2	(7,910.2)	-8.5%	404,444.4	394,077.7	(10,366.6)	-2.6%
City Manager								
City Manager's Office	10,830.6	11,513.1	682.5	6.3%	58,051.2	58,051.2	0.0	0.0%
Sub-Total City Manager	10,830.6	11,513.1	682.5	6.3%	58,051.2	58,051.2	0.0	0.0%
Other City Programs								
City Clerk's Office	10,698.8	10,447.0	(251.8)	-2.4%	62,079.3	62,079.3	0.0	0.0%
Legal Services	12,030.3	12,704.9	674.5	5.6%	62,476.2	63,176.2	700.0	1.1%
Mayor's Office	457.2	460.9	3.7	0.8%	2,251.0	2,251.0	0.0	0.0%
City Council	4,341.9	4,304.1	(37.9)	-0.9%	23,268.4	23,268.4	0.0	0.0%
Sub-Total Other City Programs	27,528.3	27,916.8	388.6	1.4%	150,074.9	150,774.9	700.0	0.5%
Accountability Offices								
Auditor General's Office	1,305.6	1,182.0	(123.6)	-9.5%	6,444.9	6,444.9	0.0	0.0%
Integrity Commissioner's Office	102.1	102.9	0.8	0.8%	511.7	511.7	0.0	0.0%
Lobbyist Registrar's Office	243.2	224.6	(18.6)	-7.7%	1,189.6	1,189.6	0.0	0.0%
Ombudsman's Office	396.6	345.7	(50.9)	-12.8%	1,912.3	1,912.3	0.0	0.0%
Sub-Total Council Appointed Programs	2,047.4	1,855.2	(192.3)	-9.4%	10,058.4	10,058.4	0.0	0.0%
TOTAL - CITY OPERATIONS	1,158,210.8	1,100,246.3	(57,964.5)	-5.0%	5,582,127.4	5,524,000.1	(58,127.3)	-1.0%

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	48,304.1	47,657.7	(646.4)	-1.3%	251,292.4	250,912.3	(380.1)	-0.2%
Toronto Public Library	50,605.9	50,722.0	116.1	0.2%	201,606.8	202,061.3	454.5	0.2%
Association of Community Centres	2,077.7	1,953.3	(124.3)	-6.0%	8,274.9	8,279.5	4.6	0.1%
Exhibition Place	13,111.4	11,333.0	(1,778.4)	-13.6%	55,110.6	55,110.6	0.0	0.0%
Heritage Toronto	236.6	162.4	(74.2)	-31.4%	946.4	946.4	0.0	0.0%
Theatres	7,536.4	5,768.1	(1,768.3)	-23.5%	32,359.1	32,359.1	0.0	0.0%
Toronto Zoo	9,749.7	9,965.5	215.8	2.2%	52,092.0	52,493.0	401.0	0.8%
Arena Boards of Management	2,571.6	2,440.8	(130.8)	-5.1%	9,044.7	9,029.7	(15.0)	-0.2%
Yonge Dundas Square	451.7	403.9	(47.8)	-10.6%	3,106.5	3,106.5	0.0	0.0%
CreateTO	2,655.0	2,628.6	(26.5)	-1.0%	11,434.0	11,434.0	0.0	0.0%
Toronto & Region Conservation Authority	10,400.6	10,850.5	449.9	4.3%	45,631.0	45,631.0	0.0	0.0%
Toronto Transit Commission - Conventional	480,551.9	472,669.0	(7,882.9)	-1.6%	1,822,821.4	1,806,221.4	(16,600.0)	-0.9%
Toronto Transit Commission - Wheel Trans	39,661.7	36,475.5	(3,186.2)	-8.0%	152,055.2	147,547.2	(4,508.0)	-3.0%
Toronto Police Service	275,444.4	276,419.4	975.0	0.4%	1,136,249.4	1,140,149.4	3,900.0	0.3%
Toronto Police Services Board	350.9	350.9	0.0	0.0%	2,809.1	2,809.1	0.0	0.0%
TOTAL - AGENCIES	943,709.5	929,800.5	(13,909.0)	-1.5%	3,784,833.6	3,768,090.5	(16,743.1)	-0.4%
Corporate Accounts								
Capital Financing - Capital from Current	117,637.9	117,637.9	0.0	0.0%	353,462.2	353,462.2	0.0	0.0%
Technology Sustainment	4,977.9	4,977.9	0.0	0.0%	19,911.6	19,911.6	0.0	0.0%
Debt Charges	39,649.5	31,852.0	(7,797.5)	-19.7%	603,870.9	603,870.9	0.0	0.0%
Capital & Corporate Financing	162,265.4	154,467.8	(7,797.5)	-4.8%	977,244.7	977,244.7	0.0	0.0%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	22,082.3	22,062.5	(19.8)	-0.1%	90,303.5	90,303.5	0.0	0.0%
Tax Increment Equivalent Grants (TIEG)	9,254.7	8,402.3	(852.4)	-9.2%	37,018.8	33,609.3	(3,409.5)	-9.2%
Assessment Function (MPAC)	11,010.0	10,963.8	(46.2)	-0.4%	44,040.0	43,855.1	(184.9)	-0.4%
Funding of Employee Related Liabilities	17,707.2	17,707.2	0.0	0.0%	70,828.6	70,828.6	0.0	0.0%
Other Corporate Expenditures	13,780.9	11,503.0	(2,277.9)	-16.5%	76,900.5	66,642.0	(10,258.5)	-13.3%
Insurance Premiums & Claims	75.0	75.0	0.0	0.0%	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	17,979.8	16,770.2	(1,209.5)	-6.7%	72,203.6	72,419.7	216.2	0.3%
Programs Funded from Reserve Funds	33,937.0	33,937.0	0.0	0.0%	146,004.9	146,004.9	0.0	0.0%
Vacancy Rebate Program	1,500.0	1,439.9	(60.1)	-4.0%	6,000.0	6,000.0	0.0	0.0%
Heritage Property Taxes Rebate	437.5	436.0	(1.5)	-0.3%	1,750.0	1,750.0	0.0	0.0%
Tax Rebates for Registered Charities	2,609.7	2,958.1	348.4	13.4%	5,502.3	5,502.3	0.0	0.0%
Solid Waste Management Rebates	48,532.6	52,817.3	4,284.7	8.8%	144,301.9	144,301.9	0.0	0.0%
Non-Program Expenditures	178,906.6	179,072.3	165.7	0.1%	695,154.1	681,517.4	(13,636.8)	-2.0%
Non-Program Revenue								
Payments in Lieu of Taxes	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Supplementary Taxes	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Tax Penalty Revenue	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Interest/Investment Earnings	674.4	674.4	0.0	0.0%	6,938.5	6,938.5	0.0	0.0%
Other Corporate Revenues	156.1	594.9	438.8	281.1%	1,323.8	1,347.4	23.6	1.8%
Dividend Income	1,250.0	1,250.0	0.0	0.0%	5,000.0	5,000.0	0.0	0.0%
Provincial Revenue	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Municipal Land Transfer Tax	11,433.2	11,493.8	60.6	0.5%	47,721.4	47,721.4	0.0	0.0%
Third Party Sign Tax	0.0	0.0	0.0	n/a	1,153.7	1,153.7	0.0	0.0%
Parking Authority Revenues	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Water	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Health & EMS	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Operations Rev	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Other Tax Revenues	0.0	93.1	93.1	n/a	0.0	0.0	0.0	n/a
Hotel & Lodging Tax	0.0	0.0	0.0	n/a	20,900.0	20,900.0	0.0	0.0%
Woodbine Slots Revenues	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Revenues	13,513.7	14,106.1	592.5	4.4%	83,037.5	83,061.1	23.6	0.0%
TOTAL - CORPORATE ACCOUNTS	354,685.6	347,646.3	(7,039.4)	-2.0%	1,755,436.3	1,741,823.2	(13,613.2)	-0.8%
LEVY OPERATING GROSS EXPENDITURES	2,456,605.9	2,377,693.1	(78,912.8)	-3.2%	11,122,397.3	11,033,913.8	(88,483.5)	-0.8%
NON LEVY OPERATIONS								
Solid Waste Management Services	65,636.1	62,204.0	(3,432.1)	-5.2%	405,188.8	403,119.9	(2,068.9)	-0.5%
Toronto Parking Authority	25,339.4	23,039.8	(2,299.6)	-9.1%	99,662.1	98,662.1	(1,000.0)	-1.0%
Toronto Water	293,539.9	290,549.5	(2,990.4)	-1.0%	1,288,977.1	1,279,077.1	(9,900.0)	-0.8%
NON LEVY OPERATING GROSS EXPENDITURES	384,515.4	375,793.3	(8,722.1)	-2.3%	1,793,828.0	1,780,859.1	(12,968.9)	-0.7%

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix C

CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE THREE MONTHS ENDED MARCH 31, 2018 (\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	504.2	460.4	(43.8)	-8.7%	2,500.4	2,450.4	(50.0)	-2.0%
Children's Services	83,887.3	79,419.5	(4,467.8)	-5.3%	538,719.4	536,219.4	(2,500.0)	-0.5%
Court Services	14,145.1	12,015.9	(2,129.2)	-15.1%	48,847.8	47,704.9	(1,142.9)	-2.3%
Economic Development & Culture	1,315.0	1,427.6	112.6	8.6%	10,633.7	10,967.1	333.4	3.1%
Toronto Paramedic Services	35,070.2	35,195.5	125.3	0.4%	141,576.4	141,480.7	(95.7)	-0.1%
Long Term Care Homes and Services	53,173.8	45,774.6	(7,399.2)	-13.9%	212,780.3	209,900.0	(2,880.3)	-1.4%
Parks, Forestry & Recreation	24,835.9	23,959.9	(876.0)	-3.5%	145,868.3	136,491.7	(9,376.6)	-6.4%
Shelter, Support & Housing Administration	97,469.3	87,434.4	(10,034.8)	-10.3%	407,237.8	408,290.2	1,052.4	0.3%
Social Development, Finance & Administration	2,336.2	2,336.2	0.0	0.0%	15,758.4	15,758.4	0.0	0.0%
Toronto Employment & Social Services	252,933.7	246,025.3	(6,908.4)	-2.7%	1,006,381.0	1,002,881.0	(3,500.0)	-0.3%
Sub-Total Citizen Centred Services "A"	565,670.8	534,049.3	(31,621.5)	-5.6%	2,530,303.6	2,512,143.9	(18,159.7)	-0.7%
Citizen Centred Services "B"								
City Planning	7,138.4	8,974.8	1,836.4	25.7%	36,016.2	39,411.4	3,395.2	9.4%
Fire Services	3,937.7	6,392.6	2,454.9	62.3%	18,219.7	18,219.7	0.0	0.0%
Municipal Licensing & Standards	7,596.5	8,848.2	1,251.7	16.5%	36,936.4	39,113.6	2,177.2	5.9%
Policy, Planning, Finance and Administration	2,741.5	2,481.5	(260.0)	-9.5%	14,082.0	13,035.0	(1,047.0)	-7.4%
Engineering and Construction Services	12,795.9	11,423.3	(1,372.5)	-10.7%	71,138.7	62,305.0	(8,833.7)	-12.4%
Toronto Building	15,638.5	19,707.0	4,068.5	26.0%	67,039.8	73,000.0	5,960.2	8.9%
Transportation Services	18,051.6	21,239.6	3,188.0	17.7%	184,382.0	138,535.0	(45,847.0)	-24.9%
Sub-Total Citizen Centred Services "B"	67,900.0	79,067.0	11,167.1	16.4%	427,814.9	383,619.8	(44,195.1)	-10.3%
Chief Financial Officer								
Office of the Chief Financial Officer	1,573.6	1,393.5	(180.1)	-11.4%	7,425.0	6,376.5	(1,048.5)	-14.1%
Office of the Treasurer	9,749.3	9,005.2	(744.1)	-7.6%	47,510.0	46,019.5	(1,490.5)	-3.1%
Sub-Total Chief Financial Officer	11,322.9	10,398.7	(924.2)	-8.2%	54,935.0	52,396.0	(2,539.0)	-4.6%
Internal Corporate Services								
Facilities, Real Estate, Environment & Energy	16,908.9	13,606.3	(3,302.6)	-19.5%	125,922.1	128,367.2	2,445.2	1.9%
Fleet Services	9,461.4	8,822.5	(638.9)	-6.8%	57,868.6	60,301.8	2,433.3	4.2%
Information & Technology	9,488.1	7,285.6	(2,202.5)	-23.2%	53,941.5	41,149.0	(12,792.6)	-23.7%
311 Toronto	1,637.6	1,800.0	162.4	9.9%	8,798.8	7,520.5	(1,278.3)	-14.5%
Sub-Total Internal Corporate Services	37,496.0	31,514.5	(5,981.6)	-16.0%	246,531.0	237,338.6	(9,192.4)	-3.7%
City Manager								
City Manager's Office	1,982.9	2,149.7	166.9	8.4%	9,401.2	9,401.2	0.0	0.0%
Sub-Total City Manager	1,982.9	2,149.7	166.9	8.4%	9,401.2	9,401.2	0.0	0.0%
Other City Programs								
City Clerk's Office	4,034.0	4,068.6	34.6	0.9%	29,233.0	29,233.0	0.0	0.0%
Legal Services	6,303.7	7,037.3	733.5	11.6%	43,267.1	43,967.1	700.0	1.6%
Mayor's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
City Council	0.0	139.3	139.3	n/a	2,797.0	2,797.0	0.0	0.0%
Sub-Total Other City Programs	10,337.7	11,245.1	907.4	8.8%	75,297.1	75,997.1	700.0	0.9%
Accountability Offices								
Auditor General's Office	0.0	0.2	0.2	n/a	0.0	0.0	0.0	n/a
Integrity Commissioner's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Lobbyist Registrar's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Ombudsman's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	0.0	0.2	0.2	n/a	0.0	0.0	0.0	n/a
TOTAL - CITY OPERATIONS	694,710.3	668,424.5	(26,285.7)	-3.8%	3,344,282.7	3,270,896.5	(73,386.2)	-2.2%

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix C

CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE THREE MONTHS ENDED MARCH 31, 2018 (\$000s)

	March 31, 2018				December 31, 2018			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	38,063.1	37,449.2	(614.0)	-1.6%	188,107.1	187,715.0	(392.2)	-0.2%
Toronto Public Library	3,209.7	3,730.2	520.5	16.2%	19,323.7	19,778.1	454.5	2.4%
Association of Community Centres	93.9	93.8	(0.1)	-0.1%	302.7	302.7	0.0	0.0%
Exhibition Place	14,884.0	13,315.1	(1,569.0)	-10.5%	55,260.6	55,260.6	0.0	0.0%
Heritage Toronto	137.6	229.0	91.4	66.4%	523.5	523.5	0.0	0.0%
Theatres	5,690.9	4,246.4	(1,444.5)	-25.4%	27,084.6	27,084.6	0.0	0.0%
Toronto Zoo	3,758.3	3,992.0	233.7	6.2%	40,009.2	40,009.2	0.0	0.0%
Arena Boards of Management	2,825.2	3,024.2	199.0	7.0%	9,014.1	8,917.2	(96.9)	-1.1%
Yonge Dundas Square	351.6	260.4	(91.2)	-25.9%	3,106.5	3,106.5	0.0	0.0%
CreateTO	2,655.0	2,628.6	(26.5)	-1.0%	11,434.0	11,434.0	0.0	0.0%
Toronto & Region Conservation Authority	9,405.1	9,855.0	449.9	4.8%	41,980.7	41,980.7	0.0	0.0%
Toronto Transit Commission - Conventional	329,549.6	328,086.0	(1,463.6)	-0.4%	1,243,979.6	1,227,379.6	(16,600.0)	-1.3%
Toronto Transit Commission - Wheel Trans	2,205.8	1,935.1	(270.7)	-12.3%	8,631.1	7,982.1	(649.0)	-7.5%
Toronto Police Service	15,493.9	15,518.9	25.0	0.2%	139,923.9	140,023.9	100.0	0.1%
Toronto Police Services Board	0.0	0.0	0.0	n/a	500.0	500.0	0.0	0.0%
TOTAL - AGENCIES	428,323.8	424,363.8	(3,960.0)	-0.9%	1,789,181.3	1,771,997.7	(17,183.6)	-1.0%
Corporate Accounts								
Capital Financing - Capital from Current	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Technology Sustainment	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Debt Charges	12,070.4	12,884.7	814.3	6.7%	47,829.5	47,829.5	0.0	0.0%
Capital & Corporate Financing	12,070.4	12,884.7	814.3	6.7%	47,829.5	47,829.5	0.0	0.0%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	0.0	0.0	0.0	n/a	7,696.1	7,696.1	0.0	0.0%
Tax Increment Equivalent Grants (TIEG)	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Assessment Function (MPAC)	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Funding of Employee Related Liabilities	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Other Corporate Expenditures	11,960.2	12,122.5	162.3	1.4%	31,745.3	21,241.0	(10,504.3)	-33.1%
Insurance Premiums & Claims	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Oper.	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Programs Funded from Reserve Funds	33,937.0	33,937.0	0.0	0.0%	146,004.9	146,004.9	0.0	0.0%
Vacancy Rebate Program	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Heritage Property Taxes Rebate	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Tax Rebates for Registered Charities	2,609.7	2,958.1	348.4	13.4%	5,502.3	5,502.3	0.0	0.0%
Solid Waste Management Rebates	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Expenditures	48,506.8	49,017.6	510.7	1.1%	190,948.6	180,444.3	(10,504.3)	-5.5%
Non-Program Revenue								
Payments in Lieu of Taxes	38,300.3	38,173.7	(126.6)	-0.3%	95,480.4	95,480.4	0.0	0.0%
Supplementary Taxes	0.0	0.0	0.0	n/a	45,000.0	45,000.0	0.0	0.0%
Tax Penalty Revenue	6,245.1	6,464.9	219.8	3.5%	29,800.0	29,800.0	0.0	0.0%
Interest/Investment Earnings	16,222.9	15,096.4	(1,126.6)	-6.9%	111,217.6	111,217.6	0.0	0.0%
Other Corporate Revenues	1,701.0	1,875.9	174.9	10.3%	13,342.5	13,418.9	76.4	0.6%
Dividend Income	22,500.0	23,475.0	975.0	4.3%	90,000.0	93,900.0	3,900.0	4.3%
Provincial Revenue	22,900.0	22,900.0	0.0	0.0%	91,600.0	91,600.0	0.0	0.0%
Municipal Land Transfer Tax	125,968.0	156,102.4	30,134.4	23.9%	817,721.4	817,721.4	0.0	0.0%
Third Party Sign Tax	10,706.6	10,819.1	112.5	1.1%	11,896.2	11,896.2	0.0	0.0%
Parking Authority Revenues	14,295.5	9,501.0	(4,794.5)	-33.5%	57,182.1	53,944.1	(3,238.0)	-5.7%
Administrative Support Recoveries - Water	4,743.3	4,743.3	0.0	0.0%	18,973.0	18,973.0	0.0	0.0%
Administrative Support Recoveries - Health & EMS	2,606.7	2,606.7	0.0	0.0%	16,326.7	16,326.7	0.0	0.0%
Parking Tag Enforcement & Operations Rev	27,123.3	25,984.8	(1,138.5)	-4.2%	109,218.0	110,957.7	1,739.7	1.6%
Other Tax Revenues	3,840.9	4,136.7	295.8	7.7%	13,221.1	13,221.1	0.0	0.0%
Hotel & Lodging Tax	0.0	0.0	0.0	n/a	37,000.0	37,000.0	0.0	0.0%
Woodbine Slots Revenues	850.0	924.7	74.7	8.8%	16,000.0	16,000.0	0.0	0.0%
Non-Program Revenues	298,003.6	322,804.4	24,800.9	8.3%	1,573,979.0	1,576,457.1	2,478.1	0.2%
TOTAL - CORPORATE ACCOUNTS	358,580.8	384,706.7	26,125.9	7.3%	1,812,757.1	1,804,730.9	(8,026.2)	-0.4%
LEVY OPERATING REVENUES	1,481,614.9	1,477,495.0	(4,119.8)	-0.3%	6,946,221.2	6,847,625.1	(98,596.1)	-1.4%
NON LEVY OPERATIONS								
Solid Waste Management Services	89,342.1	88,646.1	(696.0)	-0.8%	405,188.8	400,188.8	(5,000.0)	-1.2%
Toronto Parking Authority	38,757.3	36,804.5	(1,952.8)	-5.0%	166,200.3	161,450.3	(4,750.0)	-2.9%
Toronto Water	260,788.1	281,299.9	20,511.8	7.9%	1,288,977.1	1,297,677.1	8,700.0	0.7%
NON LEVY OPERATING REVENUES	388,887.5	406,750.5	17,863.0	4.6%	1,860,366.2	1,859,316.2	(1,050.0)	-0.1%

Staff report for action on Operating Variance Report for the Three Months
Ended March 31st, 2018

Appendix F1

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2019 Incremental Outlook (Net)
Citizen Centred Services "A"					
Economic Development & Culture					
Two new temporary capital project delivery positions are required to accelerate assessment and develop new and redevelop existing digital applications and can be accommodated within the approved Digital Service Delivery Project.	118.1	118.1	0.0	2.0	0.0
EDC will complete the photography of properties that are managed by Museums and Heritage Services for promotion, education and archival purposes, with funds from the Community Heritage Reserve Fund (XR1044). This project was approved and initiated in 2017.	10.3	10.3	0.0	0.0	0.0
The Canada 150 Legacy Project to plant "Canada 150" maple trees in each of the 44 Wards of the City of Toronto, with funding allocated from the Major Special Events Reserve Fund (XR1218) was not completed in 2017. This adjustment requests allocation of the unused funding for this project from the Major Special Events Reserve Fund to complete the project in 2018.	200.0	200.0	0.0	0.0	0.0
Total Economic Development & Culture	328.5	328.5	0.0	2.0	0.0
Parks, Forestry & Recreation					
To extend the Project Manager, Business Transformation position for 12 weeks from June 30th to September 30th, 2018 to complete the transition of the Waterfront Lifeguard Program from the Toronto Police Service to Parks, Forestry and Recreation. The extension to be fully funded from funds previously allocated but unspent in 2017 in the Toronto Police Service Modernization Reserve (XQ1903).	19.5	19.5	0.0	0.0	0.0
Transfer of two (2) permanent Field Representative positions from Parks, Forestry and Recreation to Real Estate Service. These positions will be converted by Real Estate Services into a permanent Property Officer 1 position and permanent Property Officer 2 position which will be dedicated to working on Parks, Forestry and Recreation real estate requirements.	(224.3)	0.0	(224.3)	(2.0)	0.0
Total Parks, Forestry & Recreation	(204.8)	19.5	(224.3)	(2.0)	0.0
Shelter, Support & Housing Administration					
To decrease the 2018 Operating Budget for SSHA by \$1.825 million gross to realign the plan for the construction and renovation of various 2018 Council Approved Affordable Housing projects with revised construction and renovation schedules. Lower plan expenditures have been offset by returning previously budgeted revenues back to Federal-Provincial Affordable Housing grant funded programs.	(1,825.3)	(1,825.3)	0.0	0.0	0.0
Total Shelter, Support & Housing Administration	(1,825.3)	(1,825.3)	0.0	0.0	0.0
Social Development, Finance & Administration					
To consolidate the Social Procurement program that was implemented in 2017, SDFR will transfer one Purchasing Coordinator position and associated funding of \$55,000 from the Tax Rate Stabilization Reserve to Purchasing & Materials Management Division.	(55.0)	(55.0)	0.0	(1.0)	(37.3)
Total Social Development, Finance & Administration	(55.0)	(55.0)	0.0	(1.0)	(37.3)

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F1

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2019 Incremental Outlook (Net)
Toronto Paramedic Services					
Additional ongoing 100% Provincial CACC Grant Funding of \$0.638 million will be used to fund two permanent positions and to increase the overtime budget.	637.8	637.8	0.0	2.0	0.0
To add one permanent Community Paramedic position and medical equipment resulting in an increase of \$0.221 million gross and \$0 net to reflect the receipt of ongoing Provincial Community Medicine Funding.	221.3	221.3	0.0	1.0	0.0
Total Toronto Paramedic Services	859.2	859.2	0.0	3.0	0.0
Total Citizen Centred Services "A"	(897.5)	(673.2)	(224.3)	2.0	(37.3)
Citizen Centred Services "B"					
City Planning					
To add 4.0 temporary 6 months capital positions to support the transit component of the TOCore study and the delivery of the SmartTrack initiative. The 4.0 positions will be fully funded from capital projects.	244.5	244.5	0.0	4.0	0.0
Total City Planning	244.5	244.5	0.0	4.0	0.0
Engineering & Construction Services					
To convert two Ontario Land Surveyor (TM0575) positions to two Senior Ontario Land Surveyor (TM0283) positions. This change reflects operational needs to fully deliver City services on Metrolinx transit projects. Both positions are permanent and 100% recovered from Metrolinx.	38.6	38.6	0.0	0.0	0.0
Total Engineering & Construction Services	38.6	38.6	0.0	0.0	0.0
Total Citizen Centred Services "B"	283.1	283.1	0.0	4.0	0.0
Internal Corporate Services					
Facilities, Real Estate, Environment & Energy					
Reduction of 13.0 Union positions and the creation of 10.0 Non-Union positions reflective of Facilities Management (FM)'s transformation with the incremental costs to be funded by project management fees recovered from various capital projects.	5.7	5.7	0.0	(3.0)	0.0
To add 2.0 temporary Project Manager positions to support major reconstruction of Toronto Water's existing facilities and construction of new facilities resulting in an increase of \$0.279 million gross and \$0 net to be funded by Toronto Water's 2018 - 2027 Council Approved Capital Budget (CPW537-05 Engineering-Easement Acquisition).	278.9	278.9	0.0	2.0	0.0
To delete 1.0 permanent, vacant Handyworker 3 union position (\$0.072 million gross \$0 net) and to be replaced by the addition of 1.0 permanent, Supervisor, Audio Visual Technology Services non-union position (\$0.112 million gross and \$0 net) to facilitate audio visual services requirements at City sites. The increase in gross expenditure is offset by a permanent reallocation within salaries & benefits for 2018 and future years.	0.0	0.0	0.0	0.0	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F1

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2019 Incremental Outlook (Net)
To transfer 2.0 permanent, Field Representative Positions from Parks, Forestry & Recreation to Real Estate Services. The two positions will be subsequently converted to a permanent Property Officer 1 and a permanent Property Officer that will increase in Facilities, Real Estate, Environment & Energy (FREEE)'s 2018 Council Approved Operating Budget by \$0.224 million gross and net and 2.0 position to the approved complement.	224.3	0.0	224.3	2.0	7.9
To transfer Real Estate Services' rental budget to Toronto Public Health for the lease in of the property located at 235 Danforth Avenue with a decrease in FREEE's 2018 Council Approved Operating Budget by \$0.503 million gross and net.	(503.1)	0.0	(503.1)	0.0	0.0
To reflect the scope of work required to support the Office Modernization Project, 1.0 temporary, Manager, Business Operating & Change Initiatives position is being converted to Manager, Creative Services. This conversion will result in a \$0.017 million gross and \$0 net reduction, funded from the Office Modernization project in the FREEE's 2018 - 2027 Council Approved Capital Budget and Plan.	(17.2)	(17.2)	0.0	0.0	(7.1)
To create 1.0 temporary, capital-funded Senior Business and Systems Analyst position that supports FREEE's Management Reporting Initiative (MRI) capital project (CCA215-07).	96.3	96.3	0.0	1.0	0.0
To add a new, permanent Head, Asset & Property Management, Civic Assets position to lead multiple and large scale City civic asset projects. The costs of this position will be funded by additional leasing revenue.	0.0	0.0	0.0	1.0	0.0
Total Facilities, Real Estate, Environment & Energy	84.8	363.6	(278.8)	3.0	0.8
Information & Technology					
To reflect the repurposing of current positions required to support the 2 new service portfolios, the proposed change will result in a decrease of one (1) council approved position in the I&T complement from 850 to 849. There is no financial implication.	0.0	0.0	0.0	(1.0)	0.0
Total Information & Technology	0.0	0.0	0.0	(1.0)	0.0
Total Internal Corporate Services	84.8	363.6	(278.8)	2.0	0.8
Chief Financial Officer					
Office of the Treasurer					
To consolidate the Social Procurement program that was implemented in 2017, SDFA will transfer one Purchasing Coordinator position and associated funding of \$55,000 from the Tax Rate Stabilization Reserve to Purchasing & Materials Management Division. There is no net financial impact.	55.0	55.0	0.0	1.0	92.0
Total Office of the Treasurer	55.0	55.0	0.0	1.0	92.0
Total Chief Financial Officer	55.0	55.0	0.0	1.0	92.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F1

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2019 Incremental Outlook (Net)
City Manager's Office					
To increase gross operating expenditures by \$0.274M and 2.0 temporary capital positions, fully funded by e-Recruitment (CIT048-12) and Organization Management & SAP Security (CIT048-14) capital projects resulting in net zero impact.	274.0	274.0	0.0	2.0	0.0
Total City Manager's Office	274.0	274.0	0.0	2.0	0.0
Total City Programs	(200.7)	302.5	(503.1)	11.0	55.5
Agencies					
Theatres					
Civic Theatres Toronto will utilize the remaining funds of \$1,152 in the St Lawrence Ctre Arts Improvement Reserve(XR1046) to purchase office furniture due to the relocation of offices.	1.2	1.2	0.0	0.0	0.0
Total Theatres	1.2	1.2	0.0	0.0	0.0
Toronto Public Health					
Adjustment to integrate Peer Nutrition Program, previously reported as a stand-alone program under the Chronic Diseases and Injuries service, to Family Health services to conform to the new cost and reporting structure.					
Chronic Disease and Injuries	(1,192.5)	(894.4)	(298.1)	(13.0)	0.0
Family Health	1,192.5	894.4	298.1	13.0	0.0
To transfer the rental budget for the lease of the property located at 235 Danforth Avenue from Real Estate Services to Toronto Public Health, consistent with Real Estate Services' agreement with City-wide Programs and realignment strategy to ensure that operating rental costs reside within the Program's budget.	503.1	0.0	503.1	0.0	0.0
Adjustment to correct cost centres for non-salary items, overtime, vacation and gapping cost elements related to positions moved in 2017 through an in-year adjustment. Positions were correctly booked but non-salary items, overtime, vacation and gapping remained in the original cost centres.					
Foundational Standard	(5.7)	4.3	(10.0)	0.0	0.0
Chronic Disease and Injuries	(13.1)	9.8	(23.0)	0.0	0.0
Infectious Disease	(17.2)	12.9	(30.1)	0.0	0.0
Family Health	6.6	(4.9)	11.5	0.0	0.0
Environmental Health	18.0	(13.5)	31.6	0.0	0.0
Emergency Preparedness	11.5	(8.6)	20.1	0.0	0.0
Transfer of staff between Infectious Disease, Chronic Disease and Injuries, Family Health and Emergency Preparedness to better match changed reporting relationships.					
Infectious Disease	(74.5)	(55.9)	(18.6)	(1.0)	0.0
Chronic Disease and Injuries	41.0	30.7	10.2	0.6	0.0
Family Health	29.8	22.3	7.4	0.4	0.0
Emergency Preparedness	3.7	2.8	0.9	0.1	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F1

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2019 Incremental Outlook (Net)
Adjustment to increase the 2018 Approved Operating Budget for Toronto Public Health by \$0.113 million gross, \$0 net to reflect one-time funding from Toronto Central Local Health Integration Network for the Overdose Prevention and Response for Health Community Service .	112.5	112.5	0.0	0.0	(112.5)
Adjustment to increase the 2018 Approved Staff Complement for Toronto Public Health by changing Public Health Nurse position in Infectious Disease service from 0.9 FTE to 1.0 FTE for a total cost of \$0.002 million to ensure provision of better service delivery to Sexual Health Clinics. This change is funded from reallocating existing resources such as prescription drugs costs for \$0 net.	0.0	0.0	0.0	0.1	0.0
Total Toronto Public Health	615.6	112.5	503.1	0.1	(112.5)
Total Agencies	616.8	113.6	503.1	0.1	(112.5)
Total Tax Supported Operations	416.1	416.1	0.0	11.1	(56.9)
Total City Operations	416.1	416.1	0.0	11.1	(56.9)

Appendix F2

CITY OF TORONTO
ALLOCATION OF COST OF LIVING ADJUSTMENT FOR NON-UNION
FROM NON-PROGRAM TO CITY PROGRAMS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Citizen Centred Services "A"				
Affordable Housing Office				
Non Union COLA transfer from Non Program	16.8	0.0	16.8	0.0
Total Affordable Housing Office	16.8	0.0	16.8	0.0
Children's Services				
Non Union COLA transfer from Non Program	326.8	0.0	326.8	0.0
Total Children's Services	326.8	0.0	326.8	0.0
Court Services				
Non Union COLA transfer from Non Program	44.2	0.0	44.2	0.0
Total Court Services	44.2	0.0	44.2	0.0
Economic Development & Culture				
Non Union COLA transfer from Non Program	167.9	0.0	167.9	0.0
Total Economic Development & Culture	167.9	0.0	167.9	0.0
Toronto Paramedic Services				
Non Union COLA transfer from Non Program	242.2	0.0	242.2	0.0
Total Toronto Paramedic Services	242.2	0.0	242.2	0.0
Long-Term Care Homes & Services				
Non Union COLA transfer from Non Program	248.1	0.0	248.1	0.0
Total Long-Term Care Homes & Services	248.1	0.0	248.1	0.0
Parks, Forestry & Recreation				
Non Union COLA transfer from Non Program	457.4	0.0	457.4	0.0
Total Parks, Forestry & Recreation	457.4	0.0	457.4	0.0
Shelter, Support & Housing Administration				
Non Union COLA transfer from Non Program	329.3	0.0	329.3	0.0
Total Shelter, Support & Housing Administration	329.3	0.0	329.3	0.0
Social Development, Finance & Administration				
Non Union COLA transfer from Non Program	138.8	0.0	138.8	0.0
Total Social Development, Finance & Administration	138.8	0.0	138.8	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F2

CITY OF TORONTO
ALLOCATION OF COST OF LIVING ADJUSTMENT FOR NON-UNION
FROM NON-PROGRAM TO CITY PROGRAMS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Toronto Employment & Social Services				
Non Union COLA transfer from Non Program	486.7	0.0	486.7	0.0
Total Toronto Employment & Social Services	486.7	0.0	486.7	0.0
Total Citizen Centred Services "A"	2,458.3	0.0	2,458.3	0.0
Citizen Centred Services "B"				
City Planning				
Non Union COLA transfer from Non Program	150.4	0.0	150.4	0.0
Total City Planning	150.4	0.0	150.4	0.0
Fire Services				
Non Union COLA transfer from Non Program	131.5	0.0	131.5	0.0
Total Fire Services	131.5	0.0	131.5	0.0
Municipal Licensing & Standards				
Non Union COLA transfer from Non Program	142.5	0.0	142.5	0.0
Total Municipal Licensing & Standards	142.5	0.0	142.5	0.0
Policy, Planning, Finance & Administration				
Non Union COLA transfer from Non Program	108.4	0.0	108.4	0.0
Total Policy, Planning, Finance & Administration	108.4	0.0	108.4	0.0
Engineering & Construction Services				
Non Union COLA transfer from Non Program	23.7	0.0	23.7	0.0
Total Engineering & Construction Services	23.7	0.0	23.7	0.0
Toronto Building				
Technical adjustment to salaries and benefits to reflect Non Union COLA increase by reallocating previously budgeted allowance.	141.0	0.0	141.0	0.0
Technical adjustment to reduce capital contribution to reserve funds in order to transfer Non Union COLA allowance.	(141.0)	0.0	(141.0)	0.0
Total Toronto Building	0.0	0.0	0.0	0.0
Transportation Services				
Non Union COLA transfer from Non Program	351.0	0.0	351.0	0.0
Total Transportation Services	351.0	0.0	351.0	0.0
Total Citizen Centred Services "B"	907.5	0.0	907.5	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F2

CITY OF TORONTO
ALLOCATION OF COST OF LIVING ADJUSTMENT FOR NON-UNION
FROM NON-PROGRAM TO CITY PROGRAMS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Internal Corporate Services				
Facilities, Real Estate, Environment & Energy				
Non Union COLA transfer from Non Program	401.1	0.0	401.1	0.0
Total Facilities, Real Estate, Environment & Energy	401.1	0.0	401.1	0.0
Fleet Services				
Non Union COLA transfer from Non Program	57.9	0.0	57.9	0.0
Total Fleet Services	57.9	0.0	57.9	0.0
Information & Technology				
Non Union COLA transfer from Non Program	402.2	0.0	402.2	0.0
Total Information & Technology	402.2	0.0	402.2	0.0
311 Toronto				
Non Union COLA transfer from Non Program	39.1	0.0	39.1	0.0
Total 311 Toronto	39.1	0.0	39.1	0.0
Total Internal Corporate Services	900.3	0.0	900.3	0.0
Chief Financial Officer				
Office of the Chief Financial Officer				
Non Union COLA transfer from Non Program	158.8	0.0	158.8	0.0
Total Office of the Chief Financial Officer	158.8	0.0	158.8	0.0
Office of the Treasurer				
Non Union COLA transfer from Non Program	197.5	0.0	197.5	0.0
Total Office of the Treasurer	197.5	0.0	197.5	0.0
Total Chief Financial Officer	356.3	0.0	356.3	0.0
City Manager's Office				
Non Union COLA transfer from Non Program	589.8	0.0	589.8	0.0
Total City Manager's Office	589.8	0.0	589.8	0.0
Other City Programs				
City Clerk's Office				
Non Union COLA transfer from Non Program	215.5	0.0	215.5	0.0
Total City Clerk's Office	215.5	0.0	215.5	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

Appendix F2

CITY OF TORONTO
ALLOCATION OF COST OF LIVING ADJUSTMENT FOR NON-UNION
FROM NON-PROGRAM TO CITY PROGRAMS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Legal Services				
Non Union COLA transfer from Non Program	392.8	0.0	392.8	0.0
Total Legal Services	392.8	0.0	392.8	0.0
Mayor's Office				
Non Union COLA transfer from Non Program	23.6	0.0	23.6	0.0
Total Mayor's Office	23.6	0.0	23.6	0.0
City Council				
Non Union COLA transfer from Non Program	148.7	0.0	148.7	0.0
Total City Council	148.7	0.0	148.7	0.0
Auditor General's Office				
Non Union COLA transfer from Non Program	58.6	0.0	58.6	0.0
Total Auditor General's Office	58.6	0.0	58.6	0.0
Integrity Commissioner's Office				
Non Union COLA transfer from Non Program	5.9	0.0	5.9	0.0
Total Integrity Commissioner's Office	5.9	0.0	5.9	0.0
Office of the Lobbyist Registrar				
Non Union COLA transfer from Non Program	13.0	0.0	13.0	0.0
Total Office of the Lobbyist Registrar	13.0	0.0	13.0	0.0
Office of the Ombudsman				
Non Union COLA transfer from Non Program	19.4	0.0	19.4	0.0
Total Office of the Ombudsman	19.4	0.0	19.4	0.0
Total Other City Programs	1,467.3	0.0	1,467.3	0.0
Total City Programs	6,089.7	0.0	6,089.7	0.0
Agencies				
Toronto Public Health				
Non Union COLA transfer from Non Program	429.9	0.0	429.9	0.0
Total Toronto Public Health	429.9	0.0	429.9	0.0

Appendix F2

CITY OF TORONTO
ALLOCATION OF COST OF LIVING ADJUSTMENT FOR NON-UNION
FROM NON-PROGRAM TO CITY PROGRAMS
FOR THE THREE MONTHS ENDED MARCH 31, 2018
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Association of Community Centres				
Non Union COLA transfer from Non Program	55.0	0.0	55.0	0.0
Total Association of Community Centres	55.0	0.0	55.0	0.0
Total Agencies	484.9	0.0	484.9	0.0
Corporate Accounts				
Non-Program Expenditures				
Non Union COLA transfer to City Programs	(6,574.6)	0.0	(6,574.6)	0.0
Total Non-Program Expenditures	(6,574.6)	0.0	(6,574.6)	0.0
Total Corporate Accounts	(6,574.6)	0.0	(6,574.6)	0.0
Total Tax Supported Operations	0.0	0.0	0.0	0.0
Solid Waste Management Operations				
Technical adjustment to salaries and benefits to reflect Non Union COLA increase by reallocating previously budgeted allowance.	210.6	0.0	210.6	0.0
Technical adjustment to reduce capital contribution to reserve funds in order to transfer Non Union COLA allowance.	(210.6)	0.0	(210.6)	0.0
Total Solid Waste Management Operations	0.0	0.0	0.0	0.0
Toronto Water				
Technical adjustment to salaries and benefits to reflect Non Union COLA increase by reallocating previously budgeted allowance.	523.4	0.0	523.4	0.0
Technical adjustment to reduce capital contribution to reserve funds in order to transfer Non Union COLA allowance.	(523.4)	0.0	(523.4)	0.0
Total Toronto Water	0.0	0.0	0.0	0.0
Total Rate Supported Operations	0.0	0.0	0.0	0.0
Total City Operations	0.0	0.0	0.0	0.0

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

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Operating Variance report for the Three Months Ended March 31, 2018 Operating Dashboards for City Programs and Agencies

Citizen Centred Services "A"

Figure 4: Net Variance Summary

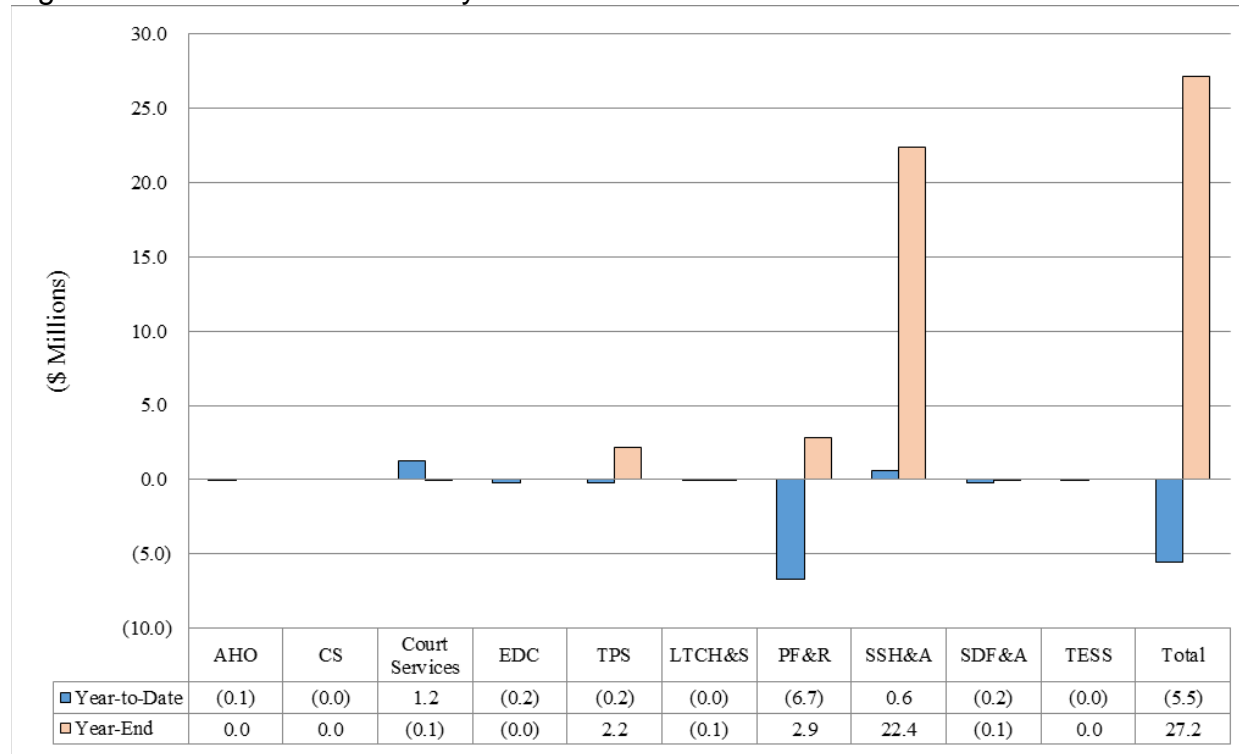


Figure 4 illustrates **Citizen Centred Services "A"** year-to-date and year-end projected net variances. As of March 31, 2018 the Cluster was reporting a net favourable variance of \$5.537 million or 2.7%, and projecting a year-end unfavourable variance of \$27.172 million or 2.3% compared to the 2018 Approved Net Operating Budget.

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

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Figure 5: Citizen Centred Services "A" Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
			trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Affordable Housing Office	3-Month	(0.1)	▼	(0.0)	—	(0.1)	▼	Ⓢ	(0.1)	▼	(0.1)	▼	0.0	—	Ⓢ
Children's Services	3-Month	(4.5)	▼	(4.5)	▼	(0.0)	—	Ⓢ	(2.5)	▼	(2.5)	▼	0.0	—	Ⓢ
Court Services	3-Month	(0.9)	▼	(2.1)	▼	1.2	▲	Ⓢ	(1.2)	▼	(1.1)	▼	(0.1)	▼	Ⓢ
Economic Development & Culture	3-Month	(0.1)	▼	0.1	▲	(0.2)	▼	Ⓢ	0.3	▲	0.3	▲	(0.0)	—	Ⓢ
Toronto Paramedic Services	3-Month	(0.1)	▼	0.1	▲	(0.2)	▼	Ⓢ	2.1	▲	(0.1)	▼	2.2	▲	Ⓢ
Long Term Care Homes and Services	3-Month	(7.4)	▼	(7.4)	▼	(0.0)	—	Ⓢ	(2.9)	▼	(2.9)	▼	(0.1)	▼	Ⓢ
Parks, Forestry & Recreation	3-Month	(7.5)	▼	(0.9)	▼	(6.7)	▼	Ⓢ	(6.5)	▼	(9.4)	▼	2.9	▲	Ⓢ
Shelter, Support & Housing Administration	3-Month	(9.5)	▼	(10.0)	▼	0.6	▲	Ⓢ	23.4	▲	1.1	▲	22.4	▲	Ⓢ
Social Development, Finance & Administration	3-Month	(0.2)	▼	0.0	—	(0.2)	▼	Ⓢ	(0.1)	▼	0.0	—	(0.1)	▼	Ⓢ
Toronto Employment & Social Services	3-Month	(6.9)	▼	(6.9)	▼	(0.0)	—	Ⓢ	(3.5)	▼	(3.5)	▼	0.0	—	Ⓢ
Total	3-Month	(37.2)	▼	(31.6)	▼	(5.5)	▼	Ⓢ	9.0	▲	(18.2)	▼	27.2	▲	Ⓢ
Year-to-Date Net Variance		Ⓢ	85% to 105%	Ⓢ	0% to 85%	Ⓢ	>105%	Year-End	Ⓢ	<=100%	Ⓢ	>100%			



Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018

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Citizen Centred Services "A"

Three Month Results	Year-End Projections
<p>Affordable Housing Office:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$0.101 million due to underspending in Salaries and benefits resulting from delays in filling vacant positions. • Underachieved federal-provincial affordable housing grant revenues of \$0.044 million corresponding to underspending in Q1-2018. • Favourable net variance of \$0.058 million due to underspending in Salary and benefits resulting from vacancies and underachieved revenues from federal-provincial social housing programs. <hr/> <ul style="list-style-type: none"> • 3.0 positions or 12% below the approved complement, which represents the equivalent of a 10.3% vacancy rate. • Key drivers for year-to-date vacancies include; 2 new positions added to AHO's complement with a January 1st start date and delay hiring for 1 position realigned late in 2017 to support the division's operating requirements. 	<p style="text-align: center;">Y</p> <ul style="list-style-type: none"> • Consistent with historical trends, AHO is projecting a net zero variance at the end of 2018 with revenues matched to anticipated program expenditures. <hr/> <ul style="list-style-type: none"> • Full complement is projected at the end of 2018. <p style="text-align: center;">G</p>
<p>Children's Services:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$4.468 million primarily due to delay in the delivery of purchased child care, with underspending in contracted building services, capital grants for upgrades and the construction of new child care centres. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> • Projected underspending of \$2.5 million gross reflects underspending in contracted services for building maintenance and capital grants for upgrades and construction of new child care centres. <p style="text-align: center;">G</p>



Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018



<ul style="list-style-type: none"> • Under achieved revenues of \$4.468 million are primarily due to the delayed receipt of provincial subsidies for delivering purchased child care and the delay in the transfer of capital grants. • Children's Services is budgeting \$0 net variance, with underspending in gross expenditures fully offset by underachieved revenues. 		<ul style="list-style-type: none"> • Revenues are projected to be underachieved by \$2.5 million, with IDRs below budget for facilities maintenance and for the transfer of capital grants. • Children's Services is projecting \$0 net variance, with underspending in gross expenditures fully offset by underachieved revenues. 	
<ul style="list-style-type: none"> • 53 positions or 4.9% below the approved complement, which represents the equivalent of 4.8% vacancy rate after budgeted gapping. • The key driver for year-to-date vacancies is the timing of filling the 73 new positions added to the complement through the 2018 Operating Budget, with the new hires approved to manage program expansion and scheduled to join the program in Q2. 		<ul style="list-style-type: none"> • Full complement. 	
<p>Court Service:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$0.880 million due to delays in hiring and lower than expected expenditures for honorarium for tribunal members, materials and supplies and interpretation services. • Unfavourable revenue variance of \$2.129 million mainly due to decline in volume of tickets issued by Toronto Police Services (TPS). • Unfavourable net variance of \$1.250 million mainly due to revenue shortfall as a result of lower than budgeted tickets issued by TPS. 		<ul style="list-style-type: none"> • Projected favourable gross expenditure variance of \$1.221 million due to delays in hiring and lower other non-payroll expenditures such as honorarium for tribunal members, materials and supplies, interpretation services and interdivisional charges for legal services. • Year-end projected revenue shortfall of \$1.143 million due to lower volume of tickets predominantly filed by TPS. • Projected favourable year-end net variance of \$0.078 million resulting from delays in hiring and other non-salary expenses. 	

<ul style="list-style-type: none"> • 17.0 positions or 7.4% below the approved complement, which represents the equivalent of 4.8% vacancy rate. • Key driver for year-to-date vacancies include delays in the hiring process. 		<ul style="list-style-type: none"> • Full complement 	
<p>Economic Development & Culture:</p> <ul style="list-style-type: none"> • Favourable net expenditures driven by: <ul style="list-style-type: none"> • The receipt of provincial grants for the Starter Company program of \$0.056 million received earlier than anticipated. • DARP revenues received were \$0.028 million higher than budgeted. • Delayed trade missions and contracted services resulted in lower expenditures of \$0.113 million. • These are partially offset by \$0.053 million of urgent unbudgeted consulting study cost related to the film industry, which will be offset by underspending later in the year. 	G	<ul style="list-style-type: none"> • Economic Development and Culture (EDC) projects that revenues and gross expenditures will increase proportionally with no net significant variance at year-end. <ul style="list-style-type: none"> • Unbudgeted severance costs of \$0.298 million continuing from 2017 restructuring are expected to be offset by a planned corporate recovery. • The loss \$0.500 million of sponsorship support for Nuit Blanche will be accommodated by lower expenditures for the event. 	G
<ul style="list-style-type: none"> • 5.0 positions below approved complement due to staff turnover. This represents full complement after budgeted gapping. 		<ul style="list-style-type: none"> • Full complement is projected at year-end; with the 2.9% gapping rate achieved as a result of gapping from a number of planned retirements in the year. 	
<p>Toronto Paramedic Services:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$0.109 million due to the increased overtime costs as a result of increased call volumes (7.3% while emergency transports increased by 4.2%) more than offset by under spending in expenditures such as uniforms, delayed billings from hospitals for Dedicated Offload Nurses (DON) Program and various other savings in non-payroll costs. 	G	<ul style="list-style-type: none"> • Projected unfavourable gross expenditure variance of \$2.061 million due to increased overtime expenditures resulting from anticipated call demand increases, increased salaries and benefits costs due to legislative changes (Bill 148) and WSIB costs associated with Bill 163 for new "Chronic Mental Stress Policy". These 	R

<ul style="list-style-type: none"> Favourable revenue variance of \$0.125 million mainly due to increased revenue recovery from Shelter, Support and Housing Administration for Extreme Weather assistance. Favourable net variance of \$0.234 million due to reduced operating costs and increased revenue recovery. 		<p>pressures are projected to be partially offset by gapping savings and various non-salary expenditures such as stationary, education materials and vehicle maintenance.</p> <ul style="list-style-type: none"> Year-end projected revenue shortfall of \$0.096 million due to lower vehicle auction revenues. Projected unfavourable year-end net variance of \$2.157 million due to call volume increases and legislative changes. The program will take all steps necessary to mitigate over spending resulting from the legislative changes. 	
<ul style="list-style-type: none"> 11 positions or 0.7% below the approved complement, which represents full complement after budgeted gapping. 		<ul style="list-style-type: none"> 7 positions or 0.5% below the approved complement, which represents full complement after budgeted gapping. 	
<p>Long-Term Care Homes & Services:</p> <ul style="list-style-type: none"> Favourable gross expenditure variance of \$7.409 underspending from cost-control measures in areas where provincial funding enhancements have been delayed and lower 100% claims-based program spending Underachieved revenues of \$7.399 million due to lower provincial subsidies corresponding to underspending in 100% claims-based programs Favourable net variance of \$0.009 million reflecting expenditure underspending that are offset by lower claim-based subsidies 	G	<ul style="list-style-type: none"> Projected favourable gross expenditure variance of \$2.944 million due to underspending in 100% claims-based programs. Revenues are projected to be underachieved by \$2.880 million to reflect lower provincial subsidies on claims-based programs. Projected under-spending at year-end of \$0.064 million net. 	G
<p>Parks, Forestry & Recreation:</p>	G		●

<ul style="list-style-type: none"> • Under-spending in salaries and benefits due to delayed hiring for hard-to-fill classifications including the timing of skilled seasonal labour requirements. • This underspending is partially offset by the salary impacts of Bill 148 - Fair Workplaces, Better Jobs Act as well as under-achieved user fee revenue for recreation facilities and lower than expected ferry ticket sales due to inclement weather conditions. • Hydro costs are also overspent by \$1.221 million or 40.1 due colder weather than forecasted. 	G	<ul style="list-style-type: none"> • Underachieved revenues of \$9.377 million related to parks & recreation permit and user fees are projected to year-end. This revenue shortfall will be partially offset by expenditure savings of \$6.521 million, resulting in an unfavourable year-end projection of \$2.856 million. • The year-end projection includes an estimate of the potential 2018 impact of Bill 148 of \$2.91 million. This includes \$1.81 million for the impact of increasing the minimum wage and \$1.11 for personal emergency days. The impact of the extended maternity and parental leaves have not been estimated but are expected to be significant. • The City has made a provision for Bill 148 as part of the 2018 Budget. The distribution of this provision will be reported separately. 	R
<ul style="list-style-type: none"> • 195.7 positions below approved complement due to delays in filling seasonal and newly created positions. After considering budgeted gapping, this represents the equivalent of a 0.5% vacancy rate. 		<ul style="list-style-type: none"> • 96.7 positions below approved complement. After considering budgeted gapping, this represents the equivalent of a 0% vacancy rate. 	
<p>Shelter, Support & Housing Administration:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$9.460 million. Social Housing Administration service experienced under spending in social housing provider subsidies as well as delays in projects funded by federal-provincial social housing programs. The underspending in Social Housing 	G	<ul style="list-style-type: none"> • Unfavourable net variance of \$22.351 million anticipated from overspending in Hostel Services for emergency shelter and motel beds as the City continues to experience strong demand for shelter 	R

<p>has been partially offset by overspending in Hostel Services for the provision of emergency shelter and motel beds to meet strong demand for emergency shelter services.</p> <ul style="list-style-type: none"> • Underachieved revenues corresponding to under spending in federal-provincial funded social housing projects. • Unfavourable net variance of \$0.575 million resulting from overspending in Hostel Services offset by under spending in Social Housing Administration. 		<p>services from the influx of new arrivals to the City.</p> <ul style="list-style-type: none"> • SSHA will continue to monitor shelter occupancy rates and spending trends while seeking appropriate strategies to mitigate the year-end projected overspending. 	
<ul style="list-style-type: none"> • 115.3 positions or 13.3% below the approved complement, which represents the equivalent of a 7.9% vacancy rate. • Key drivers for year-to-date vacancies include the hiring of 59 new positions added to SSHA's complement through the 2018 Budget Process scheduled to start in Q2 and Q3 of 2018. Twelve (12) capital delivery positions are also vacant due to capital project implementation delays. 		<ul style="list-style-type: none"> • 28 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 0.2% vacancy rate. • No service level impacts are anticipated from these vacancies as the positions are expected to be filled during the year. While the hiring process to fill vacant positions may result in temporary vacancies throughout the year, SSHA maintains a pool of part-time staff that can be used to mitigate any service level impacts. 	
<p>Social Development, Finance and Administration:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$0.169 million due to under spending in Salaries & benefits and other non-payroll expenditures. • Revenues are on target. 		<ul style="list-style-type: none"> • Projected favourable gross expenditure variance of \$0.050 million reflecting underspending in non-salary expenditures. • Fully achieved revenues. • Projected favourable year-end net variance of \$0.050 million reflecting underspending 	

<ul style="list-style-type: none"> Favourable net variance of \$0.169 million reflects the under spending in Salary & benefits and non-payroll expenditures. 		<p>in non-salary related expenditures, with fully achieved revenues.</p>	
<ul style="list-style-type: none"> 18.0 positions or 11.2% below the approved complement, which represents the equivalent of 8.6% vacancy rate. SDFA is in the process of filling vacancies, including the 11 positions that are budgeted for hire in Q2, which were added to the complement through the 2018 Operating Budget. 		<ul style="list-style-type: none"> Full Complement 	
<p>Toronto Employment & Social Services:</p> <ul style="list-style-type: none"> Favourable gross expenditure variance of \$6.908 million due to lower program delivery expenditures Underachieved revenue variance of \$6.908 due to lower cost-shared expenditures. Net variance is projected to be nil as lower than anticipated Ontario Works (OW) benefits are offset by lower expenditure based provincial subsidies. The average caseload of 83,515 cases is 485 cases lower than budget. 		<ul style="list-style-type: none"> Projected favourable gross expenditure variance of \$3.500 million Revenues are projected to be underachieved by \$3.500 million as a result of lower cost-shared expenditures. Projected zero year-end net variance as lower gross expenditures will be fully offset by lower expenditure based provincial subsidies. 	
<ul style="list-style-type: none"> 64.0 positions or 2.1% below the approved complement, which after represents the equivalent of 0.7% operating vacancy rate. 		<ul style="list-style-type: none"> Full Complement 	

Appendix G

Citizen Centred Services "B"

Figure 2: Net Variance Summary

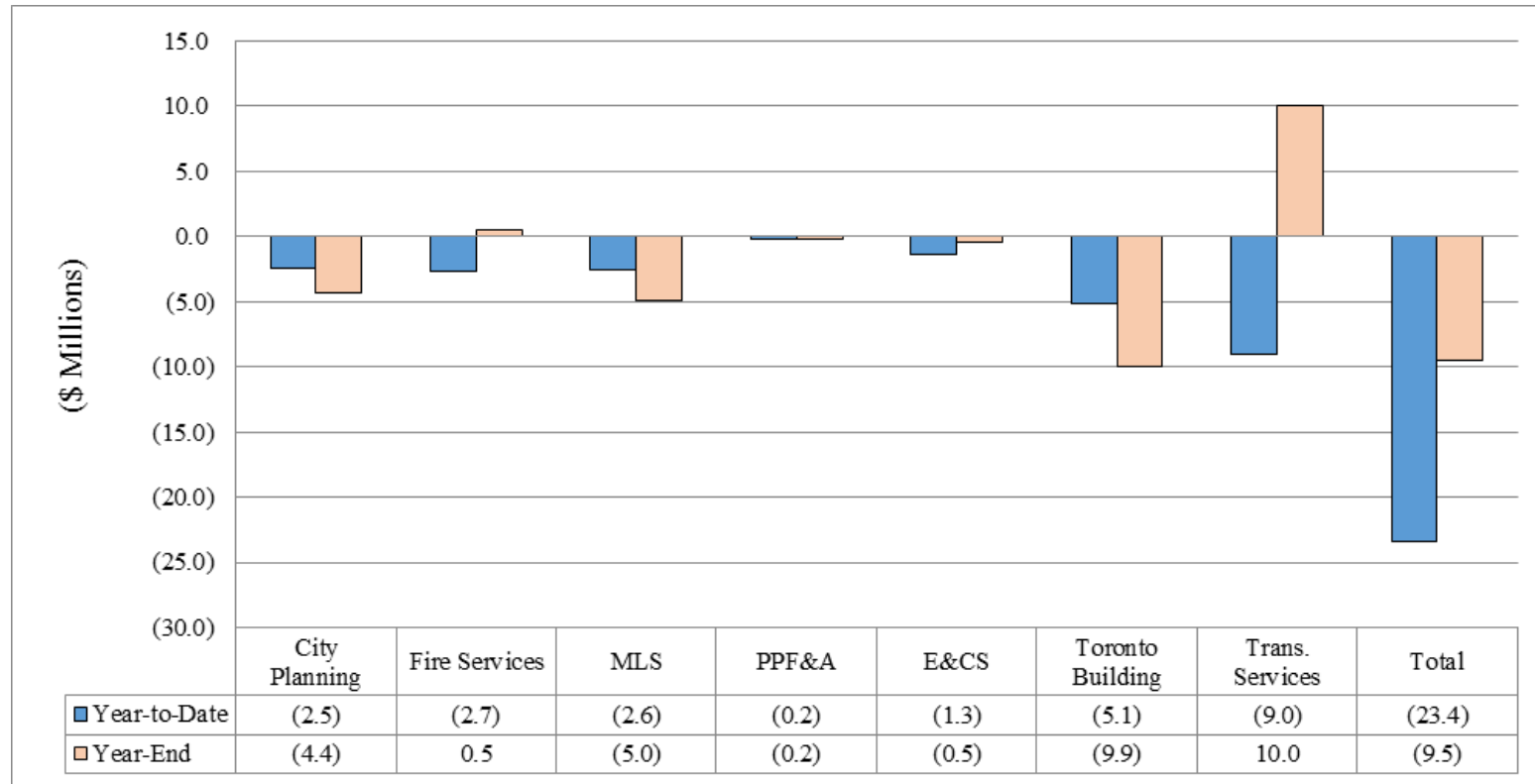


Figure 6 provides an overview of **Citizen Centred Services "B"** is year-to-date and year-end projected net variances. As of March 31, 2018 the Cluster is reporting a net favourable variance of \$23.428 million or 13.9%, and projecting a year-end positive variance of \$9.511 million or 1.3% compared to the 2018 Approved Net Operating Budget

Appendix G



Figure 3: Citizen Centred Services "B" Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Planning	3-Month	(0.6)	▼	1.8	▲	(2.5)	▼	⊙	(1.0)	▼	3.4	▲	(4.4)	▼	⊙
Fire Services	3-Month	(0.3)	▼	2.5	▲	(2.7)	▼	⊙	0.5	▲	0.0	—	0.5	▲	Ⓡ
Municipal Licensing & Standards	3-Month	(1.3)	▼	1.3	▲	(2.6)	▼	Ⓜ	(2.8)	▼	2.2	▲	(5.0)	▼	⊙
Policy, Planning, Finance and Administration	3-Month	(0.5)	▼	(0.3)	▼	(0.2)	▼	⊙	(1.3)	▼	(1.0)	▼	(0.2)	▼	⊙
Engineering and Construction Services	3-Month	(2.7)	▼	(1.4)	▼	(1.3)	▼	Ⓜ	(9.3)	▼	(8.8)	▼	(0.5)	▼	⊙
Toronto Building	3-Month	(1.1)	▼	4.1	▲	(5.1)	▼	⊙	(4.0)	▼	6.0	▲	(9.9)	▼	⊙
Transportation Services	3-Month	(5.8)	▼	3.2	▲	(9.0)	▼	⊙	(35.9)	▼	(45.8)	▼	10.0	▲	Ⓡ
Total	3-Month	(12.3)	▼	11.2	▲	(23.4)	▼	⊙	(53.7)	▼	(44.2)	▼	(9.5)	▼	⊙
Year-to-Date Net Variance		⊙	85% to 105%	Ⓜ	0% to 85%	Ⓡ	>105%	Year-End	⊙	<=100%	Ⓡ	>100%			

Appendix G



Citizen Centred Services "B"

Three Month Results	Year-End Projections
<p>City Planning:</p> <ul style="list-style-type: none"> Favourable gross expenditures of \$0.627 million mainly due to staff vacancies and underspending in inter-divisional charges due to timing. Favourable revenue of \$1.836 million due to user fees from Community Planning applications for development projects in the South, North and West districts and high volumes of Committee of Adjustment applications. <hr/> <ul style="list-style-type: none"> 47.0 positions below approved complement of 412.0, which after considering the budgeted gapping rate, is equivalent to 7.6% operating vacancy rate. City Planning is actively working on recruitment but faces challenges with the temporary nature of positions and capacity constraints. 	<p>City Planning:</p> <ul style="list-style-type: none"> Favourable projected gross expenditures of \$0.963 million mainly due to staff vacancies. Favourable projected revenue of \$3.395 million due to strong volumes of development applications in Community Planning and the Committee of Adjustment units. <hr/> <ul style="list-style-type: none"> City Planning is projected to be 29.0 positions below the approved complement, which after considering the budgeted gapping rate, is equivalent to 3.5% operating vacancy rate.
<p>Fire Services:</p> <ul style="list-style-type: none"> Favourable gross expenditure variance of \$0.271 million primarily due to underspending in salary and benefits, and in materials and supplies. Over achieved revenues of \$2.455 million reflects higher than planned false alarm fee revenues and HUSAR funding from the province. Toronto Fire Services is \$2.726 million below the budgeted net, reflecting the program underspending and over achieved revenues. 	<ul style="list-style-type: none"> An unfavourable net variance of \$0.500 million is projected, due primarily to overspending for uniform-station wear, with other expenses and revenues projected to be on budget.

<ul style="list-style-type: none"> • 87 positions or 2.7% below the approved complement, which represents the equivalent of 0.7% operating vacancy rate after budgeted gapping. • The key driver for year-to-date vacancies is the start date for the next graduation class from the Fire Academy to replace retirements and the timing of filling the 29 new positions added to the complement through the 2018 Operating Budget with a start date of December 1st, with the new hires approved to deliver the expansion of the TCHC Safety and the opening of the Downsview Fire Station (Station B) 		<ul style="list-style-type: none"> • 36 positions or 1.1% below the approved complement, reflecting anticipated retirements which, after considering gapping, represents full complement. 	
<p>Municipal Licensing & Standards:</p> <ul style="list-style-type: none"> • Under-expenditures of \$1.330 million mainly arise from salaries and benefits (\$1.45 million) which are mainly due to processing time to fill vacancies. • The balance of underspending of \$0.311 million mainly included the delayed procurement of new uniforms and computer software, lower than planned credit related merchant fees and in-town meterage and parking. Staff vacancies are causing less spending for protective equipment, external training, software, wireless telecom and meterage. <ul style="list-style-type: none"> • Underspending was partially offset by over-expenditures of \$0.436 million and mainly includes an impact of \$0.301 million due to reserve fund contributions and inter-divisional charges. Miscellaneous expenditure accounts (\$0.135 million) were also overspent including construction, cell phone replacements, medical supplies, emergency veterinary expenditures due increased activity. 		<ul style="list-style-type: none"> • Projecting to be under budget by \$4.970 million with net, expenditures of \$15.10 million at year-end. • Expenditures of \$57 million are projected to be under budget by \$2.79 million or 4.9% at year-end mainly due to staff vacancies and related accounts such as telecommunications and materials & supplies. <ul style="list-style-type: none"> • Hiring and complement functions have been centralized to streamline the process to manage consistency and timing. Measures such as succession planning initiatives have been established through developmental opportunities with the goal of securing a pool of qualified candidates to fill vacancies in a more timely manner. 	

<ul style="list-style-type: none"> Higher than planned revenue of \$1.309 million was comprised of higher revenue of \$0.910 million due to higher than expected volumes of PTC (Private Transportation Company) applications, trip fees and higher than planned revenue from licenses & permits (\$0.399 million) including increased revenue from business licenses (\$0.326 million). <ul style="list-style-type: none"> Offsetting these increased revenues was a shortfall of \$0.057 million in sundry revenue. 		<ul style="list-style-type: none"> Revenue of \$36.94 million is estimated to be over-achieved by \$2.18 million or 5.9% or at year-end. <ul style="list-style-type: none"> The Program is anticipating underachievement in Animal Services revenue due to waived fees for low-income individuals and lower than planned volumes for animal adoptions. These shortfalls are expected to be offset by higher revenues from PTC. 	
<ul style="list-style-type: none"> As of the 1st quarter, ML&S is 49 positions below total approved complement of 492.5 positions due to an on-going recruiting process with most of the positions planned to be filled this year. After considering budgeted gapping, this is equivalent to an 8% operating vacancy rate. The Program is continuing the process of recruiting qualified candidates and repurposing positions. 		<ul style="list-style-type: none"> It is anticipated that ML&S will be 15 positions below the total approved complement of 492.5 due to on-going recruiting issues. After considering budgeted gapping, this is equivalent to a 1.1% operating vacancy rate. The Division will hire temporary staff to mitigate the length of time it takes to fill positions permanently. 	
<p>Policy, Planning, Finance & Administration:</p> <ul style="list-style-type: none"> Favourable gross expenditures of \$0.452 million mainly due to staff vacancies. Unfavourable revenue of \$0.260 million due to timing of inter-divisional recoveries and lower inter-divisional recoveries from Toronto Water and Solid Waste Management due to vacancies in positions servicing the Divisions. 	G	<ul style="list-style-type: none"> Favourable gross expenditures of \$1.278 million projected due to project delays with the Metrolinx Regional Express Rail (RER) and reduced expenditures from staff vacancies. Unfavourable revenue of \$1.047 million projected due to timing of recoveries from Metrolinx for the RER project and reduced inter-divisional recoveries due to vacancies in positions servicing Toronto Water and Solid Waste Management. 	G
<ul style="list-style-type: none"> 17.0 positions below approved complement of 193.1, which after considering the budgeted 		<ul style="list-style-type: none"> PPF&A is projecting to be 8.0 positions below the approved complement, which 	

gapping rate, is equivalent to a 3.5% operating vacancy rate.		after considering the budgeted gapping rate, is equivalent to a 0.3% operating vacancy rate.	
Engineering and Construction Services: <ul style="list-style-type: none"> • Under-spending in salaries and benefits due to vacant positions. • Lower recoveries from client capital projects resulting from vacant positions. • Partially offset by higher full stream application fees due to higher volume of applications from utility companies. 	Y	<ul style="list-style-type: none"> • Under-spending in salaries and benefits expected to continue due to vacant positions. • Lower recoveries from client capital projects will also continue as a result of the vacant positions. • Partially offset by higher full stream application fees due to projection of higher volume of applications from utility companies. 	G
<ul style="list-style-type: none"> • 74.0 positions below the approved complement due to a combination of challenges, namely exits (retirements and transfers to other Divisions) and internal promotions which result in no net change to the vacancy rate, lack of success attracting and recruiting senior technical professionals, and a limited supply of top calibre talent in key business areas (e.g., bridge engineers). • After considering budgeted gapping, it is equal to a 4.7% operating vacancy rate. 		<ul style="list-style-type: none"> • Significant targeted recruitment efforts will continue with the aim of reducing vacancies to 52.0 positions below the approved complement. A combination of issues will continue to pose staffing challenges, including exits (retirements and transfers to other Divisions) and internal promotions which result in no net change to the vacancy rate, difficulties attracting senior technical professionals, and a limited supply of top calibre talent in key business areas. • After considering budgeted gapping, it is equal to a 9.1% operating vacancy rate. 	
Toronto Building: <ul style="list-style-type: none"> • Other gross expenditures are \$1.059 million under budget mainly due to: <ul style="list-style-type: none"> • Under spending in salaries and benefits as a result of vacant positions. 	G	<ul style="list-style-type: none"> • Projecting positive net expenditures of \$9.942 million at year end. Gross expenditures will be under budget by 	G

<ul style="list-style-type: none"> • Under-spending in equipment, professional services, credit card merchant fees and inter-divisional charges also contribute to positive gross expenditure variance. • Positive revenue variance of \$4.069 million driven by a higher volume of building permit applications than anticipated. 		<p>\$3.982 million mainly due to vacant positions.</p> <ul style="list-style-type: none"> • Revenue will be over-achieved by \$5.960 million due to higher than expected building permit applications. • Toronto Building continues to actively monitor its spending against the Council Approved 2018 Operating Budget. Any year end surplus or deficit will be contributed to or from the Building Code Act Service Improvement Reserve Fund. The fund creates and maintains systems and processes which enable service delivery timelines and reporting requirements of the Province's Bill 124, Building Code Statute Law Amendment Act, and 2002 Legislation to be met. 	
<ul style="list-style-type: none"> • 31 positions below approved complement, which after gapping is equivalent to a 3.5% vacancy rate. • Toronto Building continues to actively recruit to fill vacant positions. 		<ul style="list-style-type: none"> • 29 positions below approved complement of 468.0 positions. 	
<p>Transportation Services:</p> <ul style="list-style-type: none"> • Lower costs for road & bridge repair contracts/materials due to lower than expected volumes, under-spending in salaries and benefits due to vacant positions, and lower traffic signal maintenance contract costs also due to lower than expected volumes. • Partially offset by higher costs for salt usage in the winter maintenance program in the 1st quarter of 2018 due to the higher than planned number of salting events. 		<ul style="list-style-type: none"> • Under-achieved utility cut repair net revenue and utility cut fixed permit fee revenue due to lower than expected volumes. • Partially offset by lower costs for road & bridge repair contracts/materials due to lower than expected volumes, under-spending in salaries and benefits due to vacant positions, higher right-of-way permit fees and street occupation application fees due to higher than expected construction 	

<ul style="list-style-type: none"> Higher right-of-way permit fees and street occupation application fees due to higher than expected construction activity, and higher boulevard parking permit fees. 		<p>activity, and higher boulevard parking permit fees.</p> <ul style="list-style-type: none"> For the remainder of 2018, Transportation Services will review all discretionary expenditures and a strategy to deal with the non-weather related over expenditures will be coordinated with the office of the Interim CFO and presented as part of the Five Month Variance Report. 	
<ul style="list-style-type: none"> 113.4 positions below the approved complement due to a combination of events that result in a 'domino effect' within the Program (i.e. retirements and transfers to other Divisions are often then filled through internal promotions which result in no net change to the vacancy rate while the hiring process proceeds). After considering budgeted gapping, it is equal to a 3.8% operating vacancy rate. 		<ul style="list-style-type: none"> 66.9 positions below the approved complement, after considering budgeted gapping this essentially reflects full complement. Transportation Services continues to implement an accelerated hiring program to address the filling of vacant positions. 	

Appendix G

Chief Financial Officer

Figure 4: Net Variance Summary



Figure 8 is summarizing Chief Financial Officer year-to-date and year-end projected net variances. As of March 31, 2018 **Chief Financial Officer** reported a net favourable variance of \$0.590 million or 8.0%, and projecting a year-end positive variance of \$1.228 million or 3.2% compared to the 2018 Approved Net Operating Budget.

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Figure 5: Chief Financial Officer Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer	3-Month	(0.5)	▼	(0.2)	▼	(0.3)	▼	Ⓚ	(1.9)	▼	(1.0)	▼	(0.8)	▼	Ⓚ
Office of the Treasurer	3-Month	(1.0)	▼	(0.7)	▼	(0.3)	▼	Ⓚ	(1.9)	▼	(1.5)	▼	(0.4)	▼	Ⓚ
Total	3-Month	(1.5)	▼	(0.9)	▼	(0.6)	▼	Ⓚ	(3.8)	▼	(2.5)	▼	(1.2)	▼	Ⓚ
Year-to-Date Net Variance		Ⓚ	85% to 105%	Ⓚ	0% to 85%	Ⓚ	>105%	Year-End	Ⓚ	<=100%	Ⓚ	>100%			

Appendix G

Chief Financial Officer

Three Month Results	Year-End Projections
<p>Office of the Chief Financial Officer:</p> <ul style="list-style-type: none"> Favourable gross expenditures variance of \$0.503 million, mainly due to delay in filling vacant positions, is offset by resulting \$0.180 million in lower recoveries from Non-Program, Reserves and capital projects. 25.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 15.9% operating vacancy rate. 	<p>Office of the Chief Financial Officer:</p> <ul style="list-style-type: none"> Projected year-end net favourable variance of \$0.803 million due to vacancies. 1.0 position below the approved complement which, after considering budgeted gapping, represents a 0% operating vacancy rate.
<p>Office of the Treasurer:</p> <ul style="list-style-type: none"> Favourable net expenditures of \$0.266 million are mainly attributable to underspent salaries and benefits on vacancies partially offset by lower interdivisional- and capital-recoveries and under-achieved external revenue for late payment charges. 91.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 9.2% operating vacancy rate. Recruitment strategies are underway, and include a dedicated arrangement with HR to foster positive 	<p>Office of the Treasurer:</p> <ul style="list-style-type: none"> Projected overall favourable gross expenditures of \$1.916 million includes salary savings related to vacant positions and non-salary savings due to delay in category management implementation. Revenues are projected to be \$1.491 million under-achieved at year-end mainly due to lower transfers from reserve/reserve funds offset by higher than budgeted user fee revenue. 10 positions below the approved complement which, after considering budgeted gapping, represents a 0% operating vacancy rate.

recruitment for vacant positions, including 22 positions recently added through the 2018 operating budget process.

Appendix G

Internal Corporate Services

Figure 6: Net Variance Summary

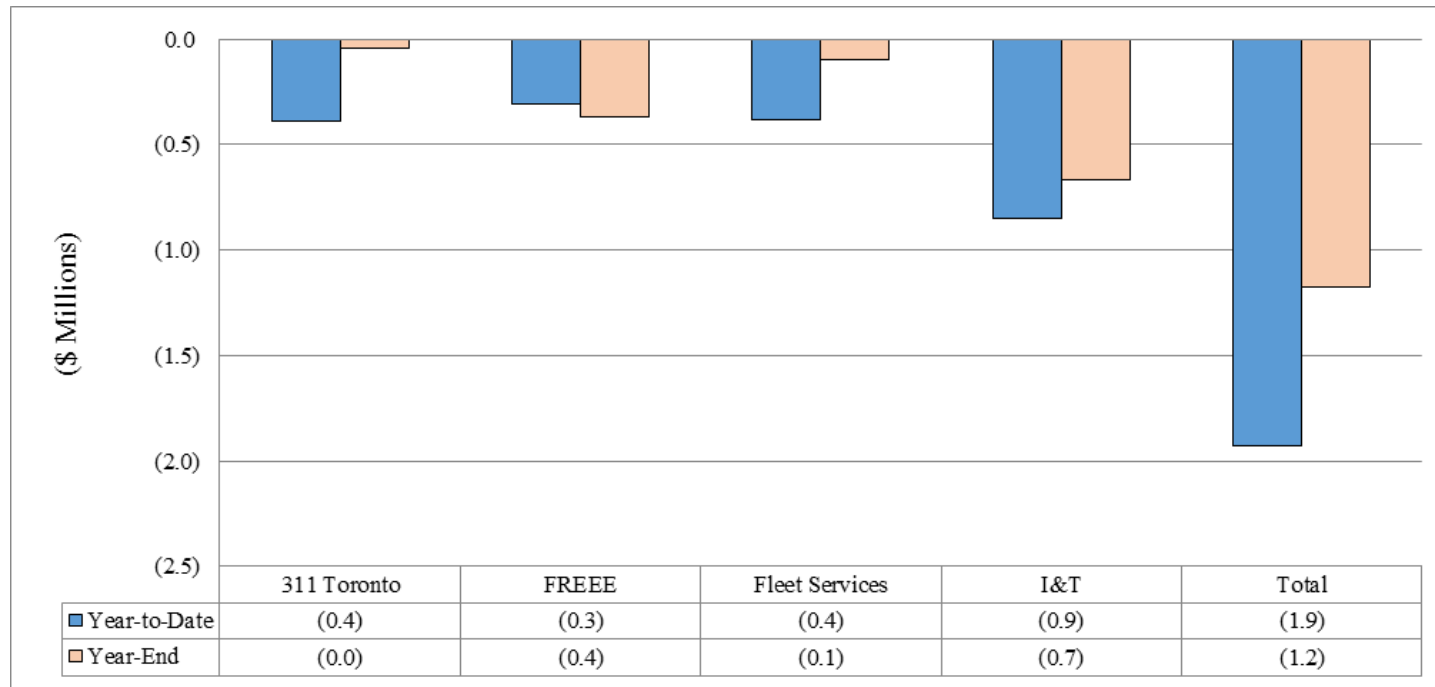


Figure 10 is summarizing Internal Corporate Services year-to-date and year-end projected net variances. As of March 31, 2018 **Internal Corporate Services** reported a net favourable variance of \$1.929 million or 3.5%, and projecting a year-end positive variance of \$1.174 million or 0.7% compared to the 2018 Approved Net Operating Budget.

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Figure 7: Internal Corporate Services Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Facilities, Real Estate, Environment & Energy	3-Month	(3.6)	▼	(3.3)	▼	(0.3)	▼	Ⓞ	2.1	▲	2.4	▲	(0.4)	▼	Ⓞ
Fleet Services	3-Month	(1.0)	▼	(0.6)	▼	(0.4)	▼	Ⓞ	2.3	▲	2.4	▲	(0.1)	▼	Ⓞ
Information & Technology	3-Month	(3.1)	▼	(2.2)	▼	(0.9)	▼	Ⓞ	(13.5)	▼	(12.8)	▼	(0.7)	▼	Ⓞ
311 Toronto	3-Month	(0.2)	▼	0.2	▲	(0.4)	▼	Ⓜ	(1.3)	▼	(1.3)	▼	(0.0)	—	Ⓞ
Total	3-Month	(7.9)	▼	(6.0)	▼	(1.9)	▼	Ⓞ	(10.4)	▼	(9.2)	▼	(1.2)	▼	Ⓞ





Year-to-Date Net Variance	Ⓞ 85% to 105%	Ⓜ 0% to 85%	Ⓡ >105%	Year-End	Ⓞ <=100%	Ⓡ >100%
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Appendix G

Internal Corporate Services

Three Month Results	Year-End Projections
<p>Facilities, Real Estate, Environment & Energy:</p> <ul style="list-style-type: none"> Favourable gross expenditures of \$3.607 million is mainly driven by lower utility expenditures due to a warmer winter, and vacancies across the Division (38.8% of total vacancies coming from Facilities Management (FM) due to reorganization and 15.1% from Energy & Environment with regards to timing of a staffing strategy for TransformTO), partially offset by overspending in contracted services related to demand maintenance work. Unfavourable revenue of \$3.303 million is attributed to timing of leasing revenues, as well as reduced recoveries from capital and reserve funds due to underspending in Environment & Energy programs and consulting services related to the City-Wide Real Estate Review project. 	<ul style="list-style-type: none"> Projected net favourability of \$0.371 million primarily resulting from savings related to vacancies, offset by anticipated over spend in utilities and contracted services related to demand maintenance requests.
<ul style="list-style-type: none"> 166.0 positions below the approved complement. Vacancy drivers include hiring delays for Facilities Management Division in relation to their reorganization, timing of implementation of staffing strategy for Energy & Environment Division, as well as, staff taking on new opportunities across the City. After considering budgeted gapping, current vacancies represent the equivalent of an 11.1% operating vacancy rate. The program is mitigating the impact of vacancies to meet service levels by existing staff working extra hours to cover 24/7 and critical operations, a 	<ul style="list-style-type: none"> 100.0 positions below the approved complement. Key drivers of projected vacancies include staff turnover resulting from retirements, staff taking on new opportunities across the City and general delays in the hiring process. After considering budgeted gapping, this represents the equivalent of a 5.6% operating vacancy rate. The vacancy rate is expected to decrease by the end of 2018 as the new FM structure is implemented and, a number of these

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018.

<p>greater reliance on external contractors to support operations and delays to address work order requests.</p>		<p>positions will be filled. FREEE is working with Corporate HR to ensure vacant positions are filled in a timely manner.</p>	
<p>Fleet Services:</p> <ul style="list-style-type: none"> • Favourable gross expenditures of \$1.022 million is due to timing of maintenance costs, lower fuel usage and underspending from staff vacancies due to shortage of trade workers in the industry. • Lower recoveries from client divisions due to lower expenditure for maintenance and fuel costs. 		<ul style="list-style-type: none"> • Projected year-end net favourable variance of \$0.097 million is mainly due to underspending from staff vacancies and recoveries from client divisions. This is partially offset by anticipated higher maintenance costs for vehicles and equipment that have passed their optimum life, and higher fuel price. 	
<ul style="list-style-type: none"> • 37.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 15.5% operating vacancy rate. • Service levels are being maintained through increased overtime. 		<ul style="list-style-type: none"> • 13.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 2.1% operating vacancy rate. 	
<p>Information & Technology:</p> <ul style="list-style-type: none"> • Favourable gross expenditures of \$3.055 million are mainly attributable to vacancies in capital and client-funded positions, offset by \$2.203 million in lower capital and interdivisional recoveries. Underspending from operating vacancies and lower software and hardware maintenance expense are the main drivers of the favourable net expenditure variance of \$0.852 million. 		<ul style="list-style-type: none"> • Savings help absorb divisional pressures such as unfunded students, co-op recruitments and higher overtime to maintain service levels, as well as funding the IT HR recruitment team with no budget. As a result of a higher projection on office modernization expenditures than planned, savings are lowered to \$0.664 million. 	
<ul style="list-style-type: none"> • 128.0 positions below the approved complement (55 operating and 73 capital). After considering budgeted gapping of 5.5%, this represents the equivalent of a 3.2% operating vacancy rate. 		<ul style="list-style-type: none"> • 111.0 positions (45 operating and 66 capital) below the approved complement, and after considering 5.5% budgeted gapping, this represents the equivalent of a 1.6% operating vacancy rate. 	

<p>311 Toronto:</p> <ul style="list-style-type: none"> • Favourable net expenditure of \$0.389 million is mainly attributable to vacancies in the Project Management Office (PMO) and an earlier than budgeted recovery from capital projects. • Achieved 82% of calls answered within 75 seconds, compared to the 80% Council approved service level. 		<ul style="list-style-type: none"> • Net favourable variance at year-end of \$0.042 million reflects underspending in contracts and aligned recoveries from capital projects. 	
<ul style="list-style-type: none"> • 12.0 positions below the approved complement. After considering budgeted gapping, this represents the equivalent of 0.3% operating vacancy rate. • There is no service level impact resulting from these vacancies. 		<ul style="list-style-type: none"> • 4.0 positions below the approved complement due to 4.0 gapped operating positions expected to be vacant to meet the divisional gapping target. After considering budgeted gapping, this represents the equivalent of 0.3% operating vacancy rate. • There is no service level impact resulting from these vacancies. 	

Appendix G

City Manager's Office

The City Manager's Office reported net unfavourable year-to-date variance of \$0.516 million and is forecasting year-end net 0 variance compared to the 2018 Approved Net Operating Budget.

Figure 8: City Manager's Office Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Manager's Office	3-Month	0.7	▲	0.2	▲	0.5	▲	Ⓜ	0.0	—	0.0	—	0.0	—	Ⓜ
Year-to-Date Net Variance	Ⓜ	85% to 105%	Ⓜ	0% to 85%	Ⓜ	>105%		Year-End	Ⓜ	<=100%	Ⓜ	>100%			

Three Month Results

Year-End Projections

City Manager's Office:

- Unfavourable net variance of \$0.516 million due to overspend in salaries and benefits for temporary delegated authority positions and timing of computer software maintenance costs, offset by higher inter-divisional recoveries from temporary short-term delegated authority service agreements.
- 49.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 4.7% operating vacancy rate.

Ⓜ

- The projection is to be on budget at year-end.
- 29.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 0% operating vacancy rate.

Ⓜ

Appendix G

Other City Programs

Figure 9: Net Variance Summary

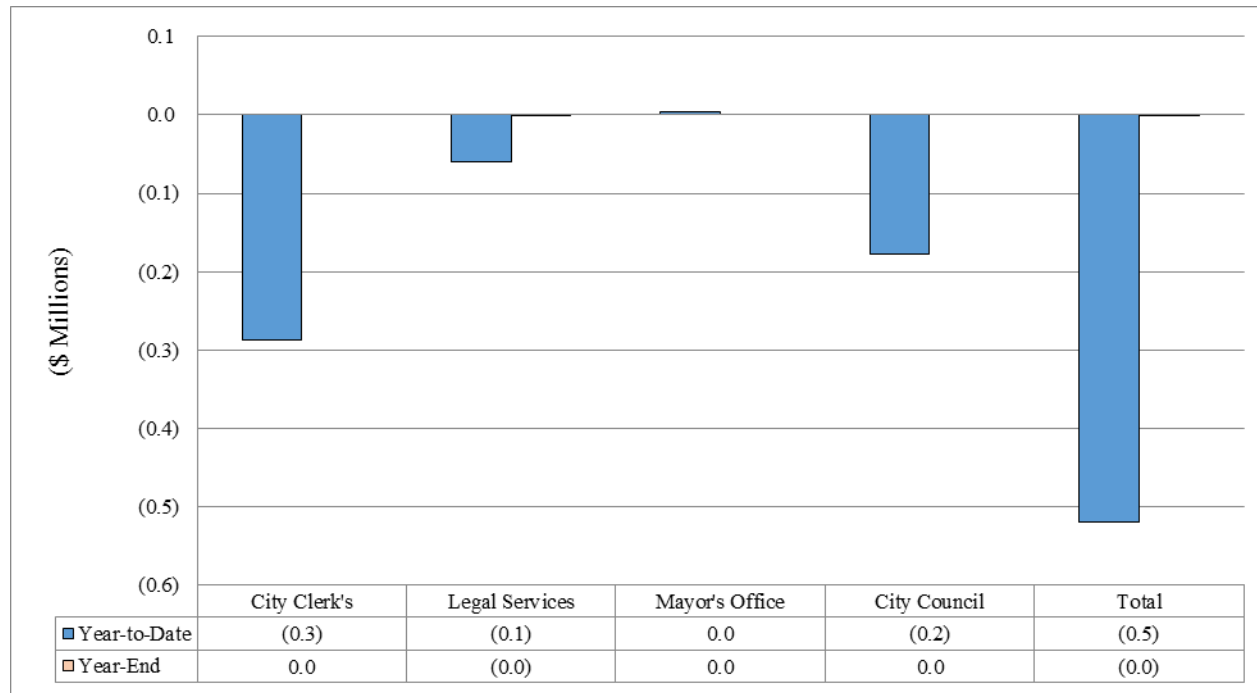


Figure 21 illustrates program specific year-to-date and year-end projected net variances. As of March 31, 2018 **Other City Programs** are reporting a net favourable variance of \$0.519 million or 3.0%, and projecting to be on target at year-end.

Appendix G





Figure 10: Other City Programs Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend			
City Clerk's Office	3-Month	(0.3)	▼	0.0	—	(0.3)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Legal Services	3-Month	0.7	▲	0.7	▲	(0.1)	▼	⊕	0.7	▲	0.7	▲	(0.0)	—	⊕
Mayor's Office	3-Month	0.0	—	0.0	—	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
City Council	3-Month	(0.0)	—	0.1	▲	(0.2)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Total	3-Month	0.4	▲	0.9	▲	(0.5)	▼	⊕	0.7	▲	0.7	▲	(0.0)	—	⊕
Year-to-Date Net Variance		⊕	85% to 105%	⊕	0% to 85%	⊕	>105%	Year-End	⊕	<=100%	⊕	>100%			

Appendix G

Other City Programs

Three Month Results	Year-End Projections
<p>City Clerk's Office:</p> <ul style="list-style-type: none"> Favourable net variance of \$0.287 million due to underspending in contracted services and paper supplies partially offset by higher internal cost for mailing services. 14.2 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 0.2% operating vacancy rate. 	<p>G</p> <ul style="list-style-type: none"> The projection is to be on budget at year-end. 3.4 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 0% operating vacancy rate. <p>G</p>
<p>Legal Services:</p> <ul style="list-style-type: none"> Unfavourable gross expenditure of \$0.675 million is due to higher surveying costs and online services fees for conveyancing which will be fully recovered from client programs; and partially offset by favourable salaries and benefits resulting from staff vacancies. On a net basis, \$0.059 million lower than budget is mainly due to higher inter-divisional recoveries resulting from vacancies. 	<p>G</p> <ul style="list-style-type: none"> Projected year-end to be on budget. The higher expenditure will be fully recovered from client programs. Legal is actively filling the vacant positions. <p>G</p>
<ul style="list-style-type: none"> Down 35 positions or 6.4% below the approved complement after budgeted gapping. Hiring process is underway to fill vacancies. Legal staff are working overtime to maintain service levels. 	<ul style="list-style-type: none"> 10 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 0.4% vacancy rate.

<p>Mayor's Office:</p> <ul style="list-style-type: none"> Unfavourable net variance of \$0.004 million due to overspending in salaries and benefits. Full complement. 		<ul style="list-style-type: none"> The projection is to be on budget at year-end. Full complement. 	
<p>City Council:</p> <ul style="list-style-type: none"> Favourable net variance of \$0.177 million due to underspending in Councillor's Constituency Services and Office budgets, and salaries and benefits, offset by overspending in Council General Expense budget related to staff replacement costs and office leases. 		<ul style="list-style-type: none"> The projection is to be on budget at year-end. 	
<ul style="list-style-type: none"> Full complement. 		<ul style="list-style-type: none"> Full complement. 	

Appendix G

Accountability Offices

Figure 11: Net Variance Summary

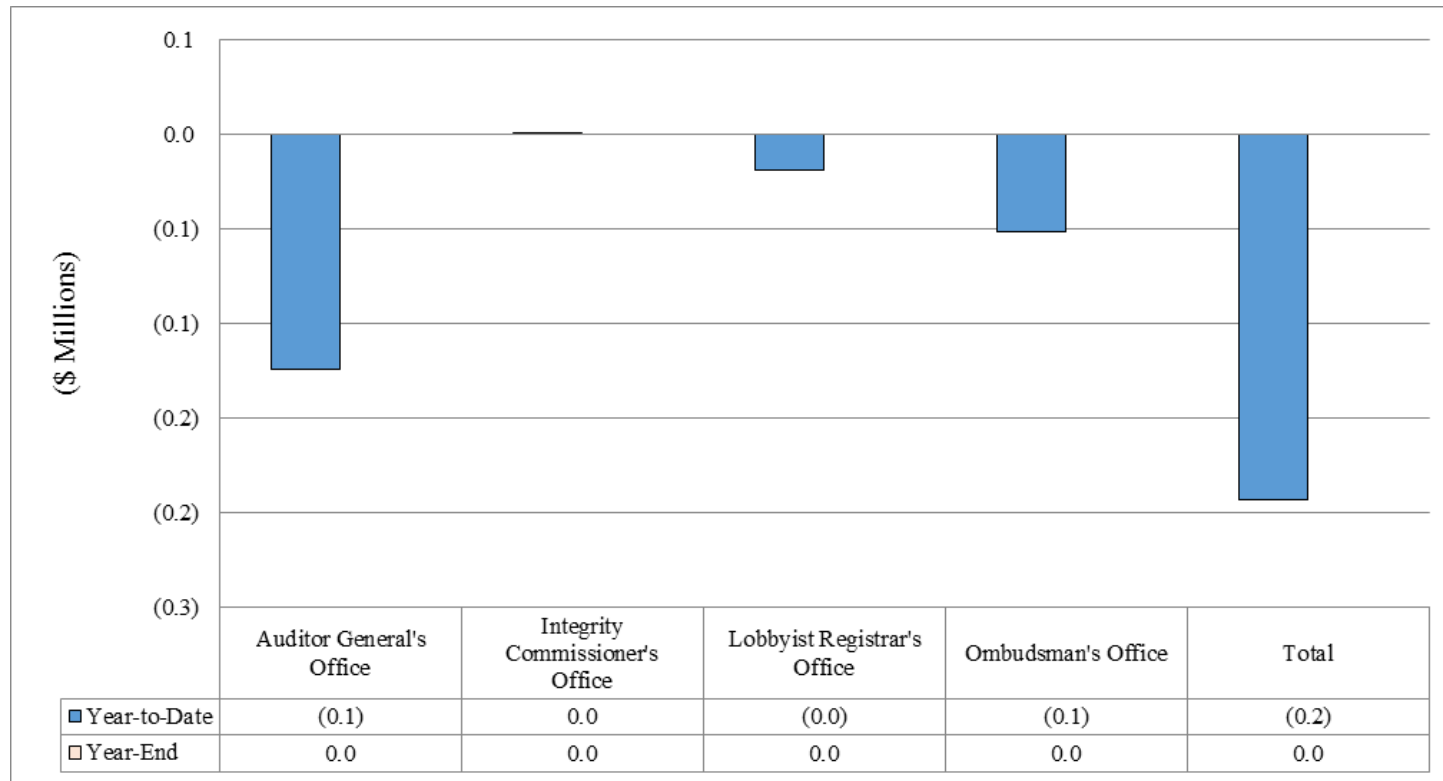


Figure 15 provides an overview of the Accountability Offices year-to-date and year-end projected net variances. As of March 31, 2018 **Accountability Offices** are reporting a net favourable variance of \$0.193 million or 9.4%, and projecting to be on target at year-end.

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Figure 12: Accountability Offices Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Auditor General's Office	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Integrity Commissioner's Office	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Lobbyist Registrar's Office	3-Month	(0.0)	—	0.0	—	(0.0)	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Ombudsman's Office	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Total	3-Month	(0.2)	▼	0.0	—	(0.2)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Year-to-Date Net Variance	⊙	85% to 105%	Ⓜ	0% to 85%	Ⓡ	>105%	Year-End	⊙	<=100%	Ⓡ	>100%				

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Accountability Offices

Three Month Results	Year-End Projections
<p>Auditor General's Office:</p> <ul style="list-style-type: none"> Favourable net variance of \$0.124 million due to underspending in salaries and benefits and services and rents. 2.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 5.6% operating vacancy rate. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> The projection is to be on budget at year-end. Full complement. <p style="text-align: center;">G</p>
<p>Integrity Commissioner's Office:</p> <ul style="list-style-type: none"> Unfavourable variance of \$0.001 million due to slight overspending in salaries and benefits. 1.0 position below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 33.3% operating vacancy rate. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> The projection is to be on budget at year-end. Full complement. <p style="text-align: center;">G</p>
<p>Lobbyist Registrar's Office:</p> <ul style="list-style-type: none"> Favourable variance of \$0.019 million due to underspending in services and rents. 0.3 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 33.3% operating vacancy rate. The 0.3 temporary position is only filled if operational needs arise. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> The projection is to be on budget at year-end. 0.3 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 3.0% operating vacancy rate. <p style="text-align: center;">G</p>

Ombudsman's Office: <ul style="list-style-type: none"> Favourable variance of \$0.051 million due to underspending in services and rents, partially offset by overspend in salaries and benefits. 		<ul style="list-style-type: none"> The projection is to be on budget at year-end. 	
<ul style="list-style-type: none"> Full complement. 		<ul style="list-style-type: none"> Full complement. 	

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Agencies

Figure 13: Net Variance Summary

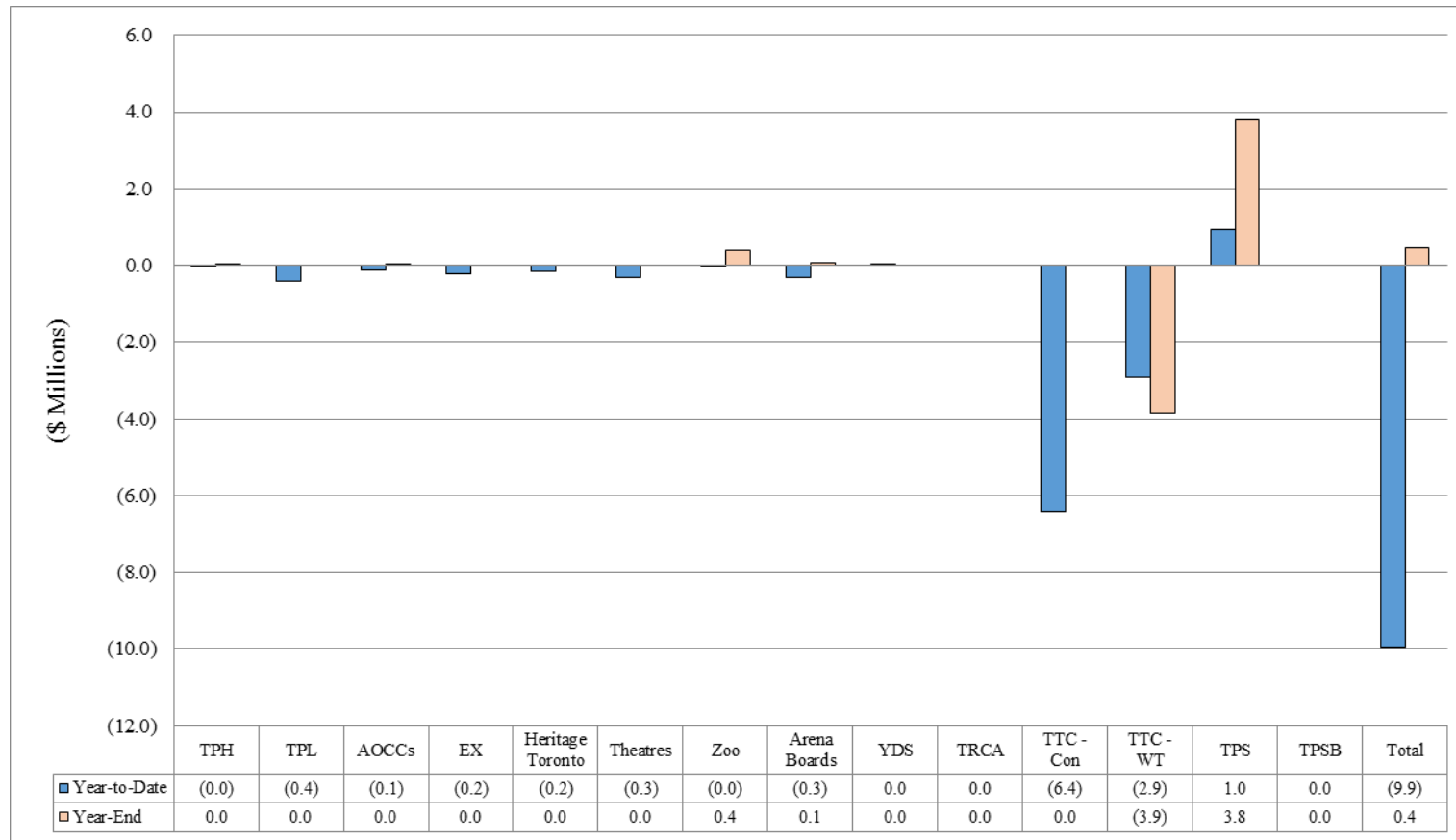


Figure 17 illustrates **Agencies'** specific year-to-date and year-end projected net variances. As of March 31, 2018 **Agencies** are reporting a net favourable variance of \$9.949 million or 1.9%, and are projecting a year-end negative variance of \$0.441 million or 0% compared to the 2018 Approved Net Operating Budget.

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Figure 14: Agencies Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto Public Health	3-Month	(0.6)	▼	(0.6)	▼	(0.0)	—	⊕	(0.4)	▼	(0.4)	▼	0.0	—	⊕
Toronto Public Library	3-Month	0.1	▲	0.5	▲	(0.4)	▼	⊕	0.5	▲	0.5	▲	0.0	—	⊕
Association of Community Centres	3-Month	(0.1)	▼	(0.0)	—	(0.1)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Exhibition Place	3-Month	(1.8)	▼	(1.6)	▼	(0.2)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Heritage Toronto	3-Month	(0.1)	▼	0.1	▲	(0.2)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Theatres	3-Month	(1.8)	▼	(1.4)	▼	(0.3)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Toronto Zoo	3-Month	0.2	▲	0.2	▲	(0.0)	—	⊕	0.4	▲	0.0	—	0.4	▲	⊗
Arena Boards of Management	3-Month	(0.1)	▼	0.2	▲	(0.3)	▼	⊕	(0.0)	—	(0.1)	▼	0.1	▲	⊗
Yonge Dundas Square	3-Month	(0.0)	—	(0.1)	▼	0.0	—	⊗	0.0	—	0.0	—	0.0	—	⊕
CreateTO	3-Month	(0.0)	—	(0.0)	—	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
Toronto & Region Conservation Authority	3-Month	0.4	▲	0.4	▲	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
Toronto Transit Commission - Conventional	3-Month	(7.9)	▼	(1.5)	▼	(6.4)	▼	⊕	(16.6)	▼	(16.6)	▼	0.0	—	⊕
Toronto Transit Commission - Wheel Trans	3-Month	(3.2)	▼	(0.3)	▼	(2.9)	▼	⊕	(4.5)	▼	(0.6)	▼	(3.9)	▼	⊕

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Figure 15: Agencies Year-to-Date Variance and Year-End Variance Projection Summary







City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto Police Service	3-Month	1.0	▲	0.0	—	1.0	▲	Ⓞ	3.9	▲	0.1	▲	3.8	▲	Ⓜ
Toronto Police Services Board	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	3-Month	(13.9)	▼	(4.0)	▼	(9.9)	▼	Ⓞ	(16.7)	▼	(17.2)	▼	0.4	▲	Ⓜ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓜ	0% to 85%	Ⓜ	>105%	Year-End	Ⓞ	<=100%	Ⓜ	>100%			

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City Agencies

Three Month Results	Year-End Projections
<p>Toronto Public Health:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$0.646 million mainly in non-payroll costs such as advertising and promotion, professional and general contracted services mostly in 100% provincially funded programs. • Favourable revenue variance of \$0.614 million mainly due to lower revenue recovery from the Province as a result of reduced expenditures. • Favourable net variance of \$0.033 million mainly due to reduced expenditures. 	<p>Toronto Public Health:</p> <ul style="list-style-type: none"> • Projected favourable gross expenditure variance of \$0.380 million due to lower than expected non-payroll expenditures. • Year-end projected under achieved revenues of \$0.392 million due to lower revenue recovery from the Province as a result of reduced expenditures • Projected unfavourable year-end net variance of \$0.012 million due to underachieved revenues from the Province.
<p>• 91.8 positions or 4.9% below the approved complement, which represents the equivalent of 0% vacancy rate.</p> <p>Toronto Public Library:</p> <ul style="list-style-type: none"> • Toronto Public Library reported favourable year-to-date revenues of \$0.521 million relating to unbudgeted grants received in advance from the TPL Foundation to fund specific library initiatives. This revenue is partially offset by the expenditures incurred to date for the same initiatives. • In addition to the additional spending related to the one-time grant received, TPL also experienced underspending in salaries and benefits as a result of temporary branch closures and lower than expected benefit costs. TPL also incurred higher 	<p>• 91.8 positions or 4.9% below the approved complement, which represents the equivalent of 0% vacancy rate</p> <p>Toronto Public Library:</p> <ul style="list-style-type: none"> • Toronto Public Library expects to receive additional revenues of \$0.455 million to fully offset by additional spending in programming initiatives. • Toronto Public Library expects no year-end variance at this time.





costs for utility costs as a result of the cooler temperatures.			
<ul style="list-style-type: none"> 79.0 positions below approved complement due the temporary closure of branches for capital works. After budgeted gapping, this represents 1.8% operating vacancy rate. 		<ul style="list-style-type: none"> Year-end complement is forecasted to be 49 positions below the approved complement of 1,734.8 operating positions due to temporary branch closures. 	
<p>Association of Community Centres:</p> <ul style="list-style-type: none"> Favourable gross and net expenditure variance of \$0.124 due to underspending in salary and benefits, expenses for merit pay and various office administration costs. 	G	<ul style="list-style-type: none"> Projected minor unfavourable gross and net variance of \$0.005 million due to legislative changes (Bill 148) related to statutory holiday pay for part-time staff. Fully achieved revenues 	G
<ul style="list-style-type: none"> 2.8 positions below approved complement which represents the equivalent to a 3.5% operating vacancy rate. Key driver for year-to-date vacancies is the timing of hiring for the new positions added through the 2018 Operating Budget process. 		<ul style="list-style-type: none"> Full Complement 	
<p>Exhibition Place:</p> <ul style="list-style-type: none"> Exhibition Place reported a favourable net variance of \$0.209 million below the 2018 Approved Operating Budget. <ul style="list-style-type: none"> Favourable expenditure variance of \$1.778 million driven primarily by a favourable expenditure variance of \$0.584 million arising from energy savings initiatives which were offset by a unfavourable revenue variance of \$1.569 million due to the timing of new businesses at Exhibition Place facilities. 	G	<ul style="list-style-type: none"> No variance is expected at year-end at this time. 	G
<ul style="list-style-type: none"> Full Complement 		<ul style="list-style-type: none"> Full Complement 	



<p>Heritage Toronto:</p> <ul style="list-style-type: none"> Heritage Toronto reported favourable net variance \$0.166 million below the 2018 Approved Operating Budget. <ul style="list-style-type: none"> The favourable net expenditure is driven by grants being received which are intended to support events/programs (Heritage Awards, year-end donation drive and the historical plaques program) which will take place in the fourth quarter. 		<ul style="list-style-type: none"> No variance is expected at year-end at this time. 	
<ul style="list-style-type: none"> Full Complement 		<ul style="list-style-type: none"> Full Complement 	
<p>Theatres:</p> <ul style="list-style-type: none"> Civic Theatres Toronto (CTT) reported favourable net expenditure variances of \$0.324 million or 17.5%. <ul style="list-style-type: none"> Low volume of activity resulted in underspending in expenditures, partially offset by low ticket sales and small capital expenditures offset by contributions from Facility Fee Reserve Fund are \$0.4M underspent. 		<ul style="list-style-type: none"> Civic Theatres Toronto (CTT) is expected to be on budget by year-end. 	
<ul style="list-style-type: none"> 2.0 positions below approved complement of 232.5 due to vacancies yet to be filled. There is no budgeted gapping for CTT. 		<ul style="list-style-type: none"> Full complement 	
<p>Toronto Zoo:</p> <ul style="list-style-type: none"> Overall favorable net expenditures are driven by: <ul style="list-style-type: none"> Higher than budgeted attendance in Q1 due to the final showing of Panda resulting in favorable admission, retail and food revenues. These are partially offset by higher cost of goods sold from retail and food sales and timing of expenditure in general equipment. 		<ul style="list-style-type: none"> Toronto Zoo projects unfavorable year-end net expenditure of \$0.401 million in salaries and benefits due to the introduction of Bill 148. 	

<ul style="list-style-type: none"> 14.0 positions below approved complement of 396.0 due to retirements and staff turnovers. This represents a 1.3% operating vacancy rate after 2.2% of budgeted gapping. 		<ul style="list-style-type: none"> 4.0 positions below approved complement of 396.0. This represents full complement after budgeted gapping. 	
<p>Arena Boards of Management:</p> <ul style="list-style-type: none"> Arena Boards of Management reported a favourable net expenditure variance of \$0.330 million below the 2018 Approved Operating Budget <ul style="list-style-type: none"> William H. (Bill) Bolton Arena, Moss Park Arena, Leaside Arena, and North Toronto Arena reported favourable net expenditure variances of \$0.144 million, \$0.080 million, \$0.064 million and \$0.043 million respectively, due to prepaid revenue from hockey leagues, hockey schools, and winter leagues Ted Reeve Arena reported an unfavourable net expenditure variance of \$0.145 million primarily due to an outstanding receivable from a 3P partner. 	G	<ul style="list-style-type: none"> Arena Boards of Management project an unfavourable year-end net variance of \$0.082 million above the 2018 Approved Operating Budget <ul style="list-style-type: none"> Ted Reeve Arena projects an unfavourable net variance of \$0.090 million due to an outstanding receivable from a 3P partner George Bell Arena projects a favourable variance of \$0.008 million driven by lower than expected expenditures 	R
<ul style="list-style-type: none"> Full Complement 		<ul style="list-style-type: none"> Full Complement 	
<p>Yonge Dundas Square (YDS):</p> <ul style="list-style-type: none"> Yonge-Dundas Square reported net unfavourable variance of \$0.043 million below the 2018 Approved Operating Budget <ul style="list-style-type: none"> Favourable expenditure variance of \$0.048 million due to events and program activity level. Unfavourable revenue variance of \$0.091 million due to the timing of sponsorships and signage revenues to be received. 	R	<ul style="list-style-type: none"> No variance is expected at year-end at this time. 	G
<ul style="list-style-type: none"> Full Complement 		<ul style="list-style-type: none"> Full Complement 	

<p>CreateTO</p> <ul style="list-style-type: none"> • With minimal underspend in salaries and benefits (\$0.000 million), CreateTO is on plan. <ul style="list-style-type: none"> • 2.0 positions below the approved complement due to hiring delays and unexpected resignations. After considering budgeted gapping, this represents the equivalent of 3.9% operating vacancy rate. • There is no service level impact resulting from these vacancies. 		<ul style="list-style-type: none"> • Year-end projection is on plan. <ul style="list-style-type: none"> • Complement is projected to be on plan, and equivalent to a 0% operating vacancy rate. • There is no service level impact resulting from these vacancies. 	
<p>Toronto & Region Conversation Authority:</p> <ul style="list-style-type: none"> • As planned for this period. 		<ul style="list-style-type: none"> • Each year, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. In 2018, TRCA will receive the full funding amount as approved by Council, resulting in no year-end variance. 	
<ul style="list-style-type: none"> • Full Complement 		<ul style="list-style-type: none"> • Full Complement 	
<p>Toronto Transit Commission – Conventional: Ridership to April 7th was 2.7% below budget and 1.2% below the 2017 comparable actual.</p> <p>Passenger Revenues: \$1.9 million decrease - ridership was approximately 2.7% below budget; however, passenger revenues were 0.6% below budget.</p> <p>The more favourable revenue position is mainly due to the current trend of customers switching from pass-based fare media to single-ride fare media, particularly PRESTO e-purse, which has resulted in an increase in the average fare.</p>		<p>Current forecasts indicate that ridership could fall approximately 4.4 million rides below the target of 539.4million (or 535.0 million).</p> <p>Passenger revenue. \$3.2 million decrease: Year-end ridership is expected to be approximately 0.8% below budget; however, passenger revenues are expected to be only 0.3% below budget. The more favourable revenue projection is mainly due to the current trend of customers switching from pass-based fare media to single-ride fare media, particularly PRESTO e-purse, which has resulted in an increase in the average fare.</p>	

<p>Other Revenues: \$0.6 million increase – an increase in interest revenue is the main driver of this favourable variance.</p> <p>Operating expenses were under budget, due to the following:</p> <ul style="list-style-type: none"> • Traction Power and Utilities: \$4 million decrease - expenses to date have been less than anticipated primarily due to lower than forecasted rates and consumption. • Employee Benefits: \$0.6 million decrease - savings related to lower healthcare expenses. • Departmental Labour: \$4.1 million increase – various items account for this unfavourable variance including the impact of Bill 148 (such as the two paid emergency leave days), and increased requirements for bus replacement service on streetcar routes due to the declining reliability of the legacy streetcar fleet. • Departmental Non-Labour: \$5.5 million decrease – this favourable variance is mostly due to timing differences related to invoices and procurement. • All other variances net to a \$1.8 million favourable variance. 		<p>Projected Expenditures decreases:</p> <ul style="list-style-type: none"> • Traction Power and Utilities: \$10.6 million decrease. Expenses to date have been less than anticipated primarily due to lower than forecasted rates and consumption. • Employee Benefits: \$5.0 million decrease. The year-to-date trend in healthcare expenses indicates that employee benefit expenses will fall below budget by year-end. • Stabilization Reserve Draw: \$14.0 million decrease. Due to the favourable variances from traction power and employee benefits, the \$14.0 million stabilization reserve draw may not be required this year. This is subject to review of risks associated with the impact of Bill 148 (such as the two paid emergency leave days), implementation of planned overcrowding initiatives and increased requirements for bus replacement service on streetcar routes due to the declining reliability of the legacy streetcar fleet. • All other variances net to a \$1.6 million favourable variance. 	
<ul style="list-style-type: none"> • 774 positions below the approved complement primarily due to staffing variances related to capital projects. 		<ul style="list-style-type: none"> • Projected strength of 14,376 positions reflects 47 positions below complement, after considering and achieving the gapping target throughout the year. 	

<p>Toronto Transit Commission – Wheel-Trans:</p> <ul style="list-style-type: none"> • There were 330K customer journeys taken during May, which was 22K (6.3%) less than the budget of 352K journeys. • The number of customer journeys taken year-to-date to the end of May was 1.672M, which was 65K (3.7%) less than the budget of 1.737M journeys <p>Passenger revenue is \$0.3M below budget, mainly due to 153K fewer customer journeys than budgeted.</p> <p>Operating Expenses: The decrease in costs is attributable to contracted services being \$3M under budget, due to lower than budgeted ridership and lower cost per passenger trip.</p> <ul style="list-style-type: none"> • All other expense variances net to a savings of \$0.2M <ul style="list-style-type: none"> • 39.0 positions below approved complement due to hiring challenges. 		<ul style="list-style-type: none"> • Customer journeys are projected to be below target at 4.312M vs budget of 4.723M. • Currently, a \$3.9 million (or -2.7%) year-end subsidy surplus is projected, primarily due to lower than budgeted ridership. <ul style="list-style-type: none"> • Projected strength of 618.0 positions reflects a projection of 30 positions above the approved complement. These positions are required to ensure sufficient resources to meet ridership demand given the impacts of Bill 148 (Paid Emergency Leave) and the recent implementation of a 48 hour maximum on the number of operator weekly hours. 	
<p>Toronto Police Service:</p> <ul style="list-style-type: none"> • The Service incurred over-spending in salaries of \$0.975 million due to an increased use of premium pay to meet policing requirements as a result of the reduced staffing levels and recent high profile cases as well as an increased need to hire additional Communications Operators to ensure the 		<ul style="list-style-type: none"> • A net unfavourable variance of \$3.8 million is expected at year end and is driven by the higher than planned use of premium pay spending for uniformed officers to meet services demands and the increase in Communications Operators, expected to 	

<p>ability to deliver emergency call centre services within the acceptable response times. The Board has approved an increase of 50 Communication operator positions to achieve the required response standards.</p> <ul style="list-style-type: none"> • This overspending has been partially offset by \$0.025 million in higher than planned revenues for a net unfavourable variance of \$0.950 million. • While the Toronto Police Service is expected, on average to be below its budgeted strength throughout the year, underspending in salaries and benefits from these vacancies has been fully allocated to support additional service demands. 		<p>remain through to year-end to meet the standard call centre response times.</p> <ul style="list-style-type: none"> • The Service will try to reduce and defer expenditures wherever possible in an attempt to come within the approved budget; however, expenditures are subject to the exigencies of policing and uncontrollable events that limit the Service's ability to realize savings 	
<ul style="list-style-type: none"> • 930 positions below full complement is a result of increased separations and higher than expected attrition rates. After budgeting gapping, this represents a 0.2% operating vacancy rate. 		<ul style="list-style-type: none"> • 887 positions below approved complement. After gapping considerations, this represents a full complement. 	
<p>Toronto Police Services Board:</p> <ul style="list-style-type: none"> • As the Board is at full complement, there is no year-to-date variance. 		<ul style="list-style-type: none"> • Toronto Police Services Board expects no year-end variance at this time. 	
<ul style="list-style-type: none"> • Full Complement 		<ul style="list-style-type: none"> • Full Complement 	

Appendix G

Corporate Accounts

Figure 16: Net Variance Summary

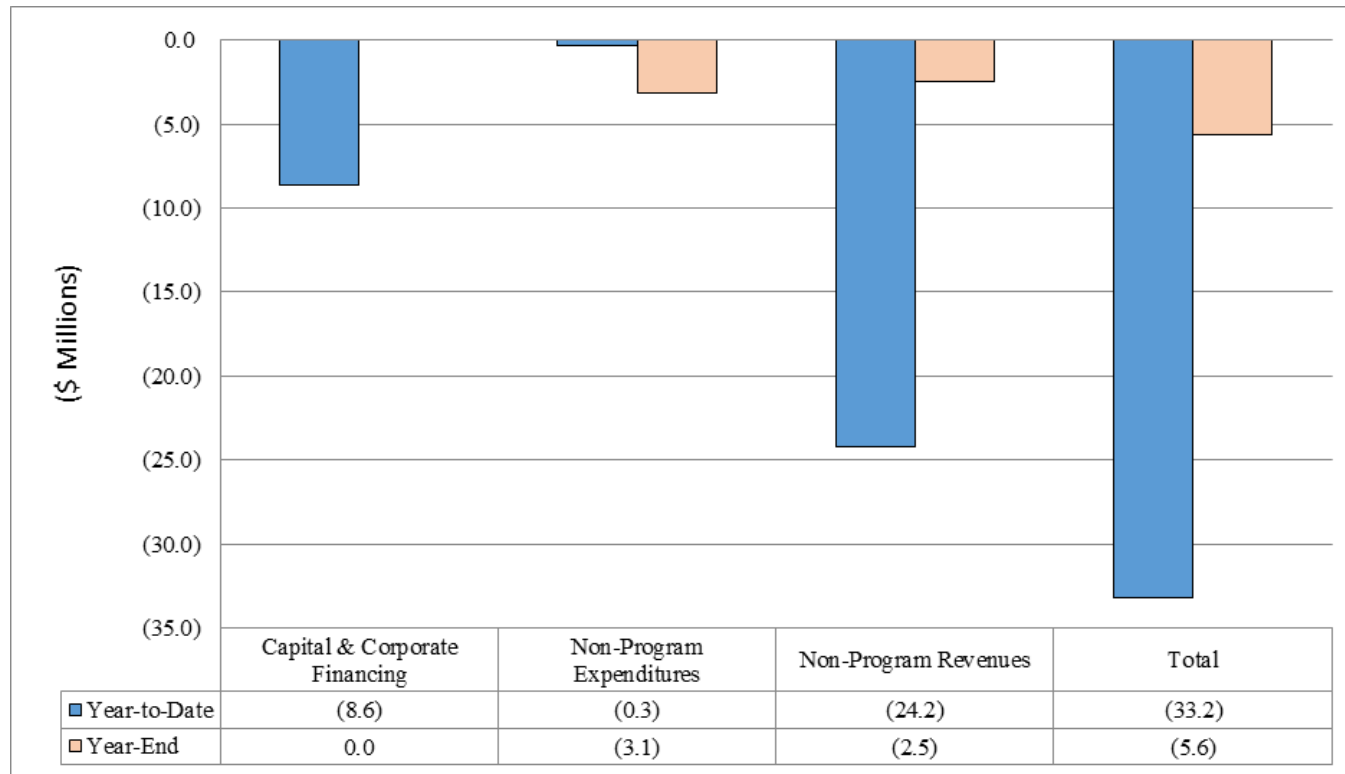


Figure 20 provides an overview of year-to-date and year-end projected net variances. As of March 31, 2018 **Corporate Accounts** have experienced a net favourable variance of \$33.165 million, and are expected to result in a year-end positive variance of \$5.587 million or 9.7% compared to the 2018 Approved Net Operating Budget.

Appendix G

Capital & Corporate Financing

The Capital and Corporate Financing accounts were under-spent by \$8.612 million or 5.7% for the three months ended March 31, 2018 and is expected to be on target at year-end.

Figure 17: Capital & Corporate Financing Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Capital Financing - Capital from Current	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Technology Sustainment	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Debt Charges	3-Month	(7.8)	▼	0.8	▲	(8.6)	▼	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	3-Month	(7.8)	▼	0.8	▲	(8.6)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

Appendix G

Capital & Corporate Financing

Three Month Results		Year-End Projections	
Capital & Corporate Financing: <ul style="list-style-type: none"> Actual expenses have been incurred as planned. 	G	<ul style="list-style-type: none"> Projected to be on budget at year-end. 	G
Technology Sustainment: <ul style="list-style-type: none"> Actual expenses have been incurred as planned. 	G	<ul style="list-style-type: none"> Projected to be on budget at year-end. 	G
Debt Charges: <ul style="list-style-type: none"> End of March debt interest payment was recorded in Q2 (5.9 million impact). Debt settled in early April instead of first quarter as planned (1.8 million impact). 	Y	<ul style="list-style-type: none"> Projected to be on budget at year-end. 	G

Appendix G

Non-Program Expenditures

Non-Program Expenditures have a favourable net year-to-date variance of \$0.345 million or 0.3%, and are forecasted to result in a favourable net variance of \$3.132 million or 0.6% at year-end.

Figure 18: Non-Program Expenditures Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Tax Deficiencies/Writeoffs	3-Month	(0.0)	—	0.0	—	(0.0)	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Tax Increment Equivalent Grants (TIEG)	3-Month	(0.9)	▼	0.0	—	(0.9)	▼	⊙	(3.4)	▼	0.0	—	(3.4)	▼	⊙
Assessment Function (MPAC)	3-Month	(0.0)	—	0.0	—	(0.0)	—	⊙	(0.2)	▼	0.0	—	(0.2)	▼	⊙
Funding of Employee Related Liabilities	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Other Corporate Expenditures	3-Month	(2.3)	▼	0.2	▲	(2.4)	▼	⊙	(10.3)	▼	(10.5)	▼	0.2	▲	⊙
Insurance Premiums & Claims	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Parking Tag Enforcement & Oper.	3-Month	(1.2)	▼	0.0	—	(1.2)	▼	⊙	0.2	▲	0.0	—	0.2	▲	⊙
Programs Funded from Reserve Funds	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Vacancy Rebate Program	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Heritage Property Taxes Rebate	3-Month	(0.0)	—	0.0	—	(0.0)	—	⊙	0.0	—	0.0	—	0.0	—	⊙

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Figure 19: Non-Program Expenditures Year-to-Date Variance and Year-End Variance Projection Summary



City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Tax Rebates for Registered Charities	3-Month	0.3	▲	0.3	▲	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Solid Waste Management Rebates	3-Month	4.3	▲	0.0	—	4.3	▲	Ⓡ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	3-Month	0.2	▲	0.5	▲	(0.3)	▼	Ⓞ	(13.6)	▼	(10.5)	▼	(3.1)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

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Non-Program Expenditures

Three Month Results	Year-End Projections
<p>Tax Deficiencies/Write-Offs:</p> <ul style="list-style-type: none"> As of March 2018, a small favourable variance was realized because appeals posted and provision were slightly less than budget. By year-end, the estimated actuals are projected to budget. 	<p>G</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p>G</p>
<p>Tax Increment Equivalent Grants (TIEG)</p> <ul style="list-style-type: none"> Lower than planned issuance of Tax Increment Equivalent Grants. The estimate for taxation years 2017 and prior was \$0.200 million less than the provision for the first quarter, and the estimate for taxation year 2018 was \$0.600 million less than planned, resulting in actual underspending of \$0.852 million net. 	<p>G</p> <ul style="list-style-type: none"> The trend in under-spending in Tax Increment Equivalent Grant (TIEG) is expected to continue until year-end which will result in a favourable variance of \$3.410 million net with payments for taxation years 2017 and prior to be \$0.900 million being less than provision, and for taxation year 2018 is estimated to be \$2.500 million less than budget. <p>G</p>
<p>Assessment Function (MPAC):</p> <ul style="list-style-type: none"> The favourable variance of \$0.046 million for the first three months is expected to increase to \$0.185 million by year-end as a result of MPAC fees being higher than anticipated. 	<p>G</p> <ul style="list-style-type: none"> The favourable variance of \$0.046 million for the first three months is expected to increase to \$0.185 million by year-end as a result of MPAC fees being higher than anticipated. <p>G</p>
<p>Funding Employee Related Liabilities:</p> <ul style="list-style-type: none"> As planned for this period. 	<p>G</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p>G</p>

<p>Other Corporate Expenditures:</p> <ul style="list-style-type: none"> Under-spending is largely attributed to the actual historical billings being lower than the plan. 		<ul style="list-style-type: none"> A slight unfavourable variance is forecasted as a result of higher than budgeted expenditures on corporate stores inventory. 	
<p>Insurance Premiums & Claims:</p> <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Parking Tag Enforcement & Operations:</p> <ul style="list-style-type: none"> Favourable gross expenditures of \$1.210 million due to Parking Enforcement Officer vacancies, and lower tribunal member honorarium, which is partially offset by higher MTO Search Fees. The MTO Search Fees are higher in the Q1 transition period for both POA fines and new APS fines, and expected to decrease in Q3 & Q4. 		<ul style="list-style-type: none"> Unfavourable gross expenditures of \$0.216 million due to higher MTO Search Fees, offset by Parking Enforcement Officer vacancies savings. 	
<ul style="list-style-type: none"> 40 vacancies or 10.2% below the approved complement. 		<ul style="list-style-type: none"> 3 vacancies or 0.8% below the approved complement. 	
<p>Programs Funded from Reserve Funds:</p> <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Vacancy Rebate Program:</p> <ul style="list-style-type: none"> The vacancy rebates processed and expected to be processed were below budget by \$0.060 million for the first three months of this year. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Heritage Property Tax Rebates:</p> <ul style="list-style-type: none"> For the first three months of 2018, the heritage rebates processed and expected to be processed were slightly below budget by \$0.002 million. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Tax Rebates for Registered Charities:</p> <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	

<p>Solid Waste Management Rebates:</p> <ul style="list-style-type: none"> Higher than planned issuance of Solid Waste Management rebates compared to the historical billing experienced on which the first quarter plan was based, resulting in over-spending of \$4.285 million net. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
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Non-Program Revenues are reported to have a favourable variance of \$24.208 million or 8.5% for the three months ended March 31, 2018; and it is projected that Non-Program Revenues will be \$2.455 million or 0.2% above the 2018 Approved Net Operating Budget at year-end.

Figure 20: Non-Program Revenues Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	3-Month	0.0	—	(0.1)	▼	0.1	▲	⊙	0.0	—	0.0	—	0.0	—	⊙
Supplementary Taxes	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Tax Penalty Revenue	3-Month	0.0	—	0.2	▲	(0.2)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Interest/Investment Earnings	3-Month	0.0	—	(1.1)	▼	1.1	▲	Ⓡ	0.0	—	0.0	—	0.0	—	⊙
Other Corporate Revenues	3-Month	0.4	▲	0.2	▲	0.3	▲	Ⓡ	0.0	—	0.1	▲	(0.1)	▼	⊙
Dividend Income	3-Month	0.0	—	1.0	▲	(1.0)	▼	⊙	0.0	—	3.9	▲	(3.9)	▼	⊙
Provincial Revenue	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Municipal Land Transfer Tax	3-Month	0.1	▲	30.1	▲	(30.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Third Party Sign Tax	3-Month	0.0	—	0.1	▲	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Parking Authority Revenues	3-Month	0.0	—	(4.8)	▼	4.8	▲	Ⓡ	0.0	—	(3.2)	▼	3.2	▲	Ⓡ
Administrative Support Recoveries - Water	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Administrative Support Recoveries - Health & EMS	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Parking Tag Enforcement & Operations Rev	3-Month	0.0	—	(1.1)	▼	1.1	▲	⊙	0.0	—	1.7	▲	(1.7)	▼	⊙

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Figure 21: Non-Program Revenues Year-to-Date Variance and Year-End Variance Projection Summary













City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Other Tax Revenues	3-Month	0.1	▲	0.3	▲	(0.2)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Hotel & Lodging Tax	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Woodbine Slots Revenues	3-Month	0.0	—	0.1	▲	(0.1)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	3-Month	0.6	▲	24.8	▲	(24.2)	▼	Ⓞ	0.0	—	2.5	▲	(2.5)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	>=95%	Ⓜ	<95%			Year-End	Ⓞ	<=100%	Ⓜ	>100%			













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Non-Program Revenues

Three Month Results	Year-End Projections
<p>Payments In Lieu of Taxes (PILs):</p> <ul style="list-style-type: none"> As of March 2018, \$0.127 million unfavourable variance was realized, primarily because appeals posted and provision were slightly higher than budgeted. At year-end, the estimated actual is projected to go to budget. However, this is subject to change because 2018 Final Levy for assessment-based properties was not levied as of March 31, 2018, as rates are not yet approved by Council. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p style="text-align: center;">G</p>
<p>Supplementary Taxes:</p> <ul style="list-style-type: none"> As of March 2018, no variance was incurred because no supplementary/omit rolls have been received. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p style="text-align: center;">G</p>
<p>Tax Penalties:</p> <ul style="list-style-type: none"> The favorable variance for this period is due to more tax interest/penalties than expected from the historical trend, but it's projected to go to the budget by year-end. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p style="text-align: center;">G</p>
<p>Interest & Investment Earnings:</p> <ul style="list-style-type: none"> Lower than planned Interest / Investment Earnings revenue of \$1.127 million net as a result of the one-time adjustment based on the changes in the accounting methodology which recognizes the revenue differently. 	<p style="text-align: center;">R</p> <ul style="list-style-type: none"> Projected to be on budget at year-end. <p style="text-align: center;">G</p>

Staff report for action on Operating Variance Report for the Three Months Ended March 31st, 2018.

<p>Other Corporate Revenues:</p> <ul style="list-style-type: none"> An unfavourable variance of \$0.264 million as the result of lower than planned sundry revenue. 		<ul style="list-style-type: none"> A slightly favourable revenue of \$0.053 million or 0.4% at year-end as a result of net impact of higher revenues from marriage licences and death registration. 	
<p>Dividend Income:</p> <ul style="list-style-type: none"> Higher than planned hydro dividend revenue of \$0.975 million as a result of higher Toronto Hydro earnings in 2017. 		<ul style="list-style-type: none"> Favourable year-end variance of \$3.900 million due to higher Toronto Hydro earnings in 2017. 	
<p>Provincial Revenue:</p> <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Municipal Land Transfer Tax (MLTT):</p> <ul style="list-style-type: none"> Revenue is higher than budget by \$30.074 million for the first three months of this year. This is mainly due to higher than expected sales revenue during this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Third Party Sign Tax:</p> <ul style="list-style-type: none"> Favourable variance of \$0.113 million as a result of the actual revenue being higher than first quarter plan, which is based on the historical actuals. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
<p>Parking Authority Revenues:</p> <ul style="list-style-type: none"> Lower than planned Parking Authority revenue of \$4.795 million net due to revenue shortfall in Toronto Parking Authority from on-street and off-street parking due to maintenance work and delayed customer returns to previously closed carparks. 		<ul style="list-style-type: none"> Consistent with year-to-date experience, Parking Authority Revenues are projected to be lower than budgeted revenue of \$3.238 million net due to unbudgeted closure of Carpark 15 and slower return of customers to Carpark 1 in Toronto Parking Authority as well as yet to be secured sponsorship revenue for the Bike Share program. 	

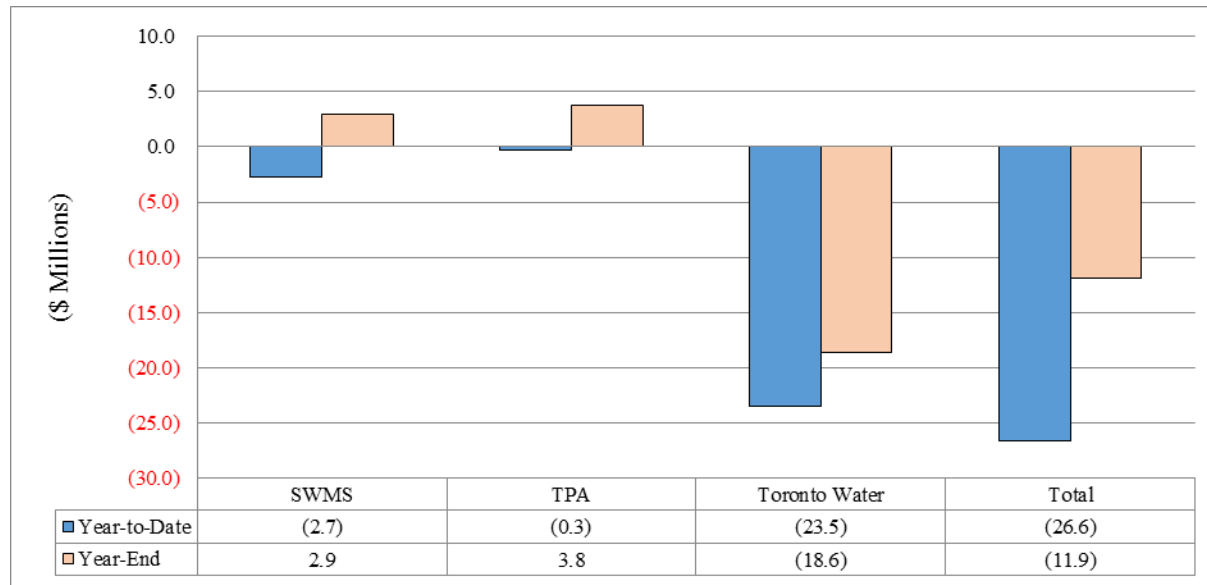
Administrative Support Recoveries – Toronto Water: <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
Administrative Support Recoveries – Health & EMS: <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
Parking Tag and Enforcement Operations: <ul style="list-style-type: none"> Lower than planned revenue from Parking Tag Enforcement & Operations of \$1.139 million net as a result of lower than planned ticket issuance for the first quarter. 481,802 parking tickets issued to March 31, 2018. 		<ul style="list-style-type: none"> Revenue is expected to be favourable by \$1.740 by year-end due higher MTO Fees recoveries from vehicle owners. 	
Other Tax Revenues: <ul style="list-style-type: none"> As of March 2018, \$0.203 million favourable variance was realized, primarily because the 2018 Interim Billing for hydro properties was higher than budgeted. At year-end, estimated actual projected to go to budget. However, this is subject to change because 2018 Final Levy for Hydro properties were not levied as of March 31, 2018, as rates are not yet approved by Council. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
Hotel and Lodging Tax: <ul style="list-style-type: none"> As planned for this period. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	
Woodbine Slots: <ul style="list-style-type: none"> For Q1, the actual hosting fee was higher than the budget by \$0.075 million (or 8.8%) due to higher-than-expected gaming revenues. Total 2018 revenue is expected to be on target. 		<ul style="list-style-type: none"> Projected to be on budget at year-end. 	

<ul style="list-style-type: none"> • The service provider has begun renovating the Grandstand to expand the gaming area. By 2022 when the development is fully built through due process (staff report EX33.2), the area may hold up to 5000 slots and 300 tables. • OLG expected that the City's hosting fees might increase by \$10-\$15 million a year (to a total of \$26 - \$31 million) by 2022. During the expansion phase, hosting fees might increase by \$2-\$5 million a year depending on the OLG final approved number of slots and tables, and timing of their introduction. 			
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Rate Supported Programs

Figure 22: Net Variance Summary



Rate Supported Programs, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, have reported a favourable net variance \$26.585 million at the end of the first fiscal quarter, and are projecting a positive year-end variance of \$11.919 million as outlined in Figure 26 above.

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Figure 23: Rate Supported Programs Year-to-Date Variance and Year-End Variance Projection Summary



City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	3-Month	(3.4)	▼	(0.7)	▼	(2.7)	▼	Ⓞ	(2.1)	▼	(5.0)	▼	2.9	▲	Ⓜ
Toronto Parking Authority	3-Month	(2.3)	▼	(2.0)	▼	(0.3)	▼	Ⓞ	(1.0)	▼	(4.8)	▼	3.8	▲	Ⓜ
Toronto Water	3-Month	(3.0)	▼	20.5	▲	(23.5)	▼	Ⓞ	(9.9)	▼	8.7	▲	(18.6)	▼	Ⓞ
Total	3-Month	(8.7)	▼	17.9	▲	(26.6)	▼	Ⓞ	(13.0)	▼	(1.0)	▼	(11.9)	▼	Ⓞ



Year-to-Date	Ⓞ	<=100%	Ⓜ	>100%	Year-End	Ⓞ	<=100%	Ⓜ	>100%
Net Variance									

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Rate Supported Programs

Three Month Results	Year-End Projections
<p>Solid Waste Management Services (SWMS):</p> <ul style="list-style-type: none"> • Under-expenditures totaling \$4.442 million mainly arise from a combination of salaries and benefits savings of \$2.283 million due to vacancies in Collections and Litter Operations. <ul style="list-style-type: none"> • There was also year-to-date savings of \$1.922 million including lower than planned tonnes for contracted collection services (\$0.579 million), low spending on advertising & promotion (\$0.433 million) and lower than anticipated spending on inter-divisional charging (\$0.910 million). • These savings are partially offset mainly by higher than planned payments in lieu of taxes (\$0.991 million). • Lower than planned revenue of \$4.232 million was primarily due to the impact of lower Sale of Recyclables and Scrap (\$2.825 million), lower than planned capital recoveries for staff working on capital projects (\$0.760 million) and lower than budgeted inter-divisional recoveries (\$0.530 million) mainly due from PF&R, Transportation Services and Toronto Water. <ul style="list-style-type: none"> • Offsetting higher than planned revenues of \$3.535 million were mainly due to collection bin fees of \$3.464 million and bag tag fees of \$0.245 million. 	<p style="text-align: center;">G</p> <ul style="list-style-type: none"> • Projecting a net capital contribution decrease of \$2.931 million at year end. • Expenditures are estimated to be \$2.069 million under-spent primarily related to ongoing staff vacancies (\$6.319 million) and lower than planned advertising & promotion expenditures (\$0.750 million). These savings will be offset by: <ul style="list-style-type: none"> • Net over-spending of \$5 million for Collections & Litter Operations due to contamination issues and contractor charges related to the quality of recyclable material. • Revenue is anticipated to be under-achieved by \$5 million at year-end. <ul style="list-style-type: none"> • Changing global markets for recyclables are causing a decline in the demand and prices for recyclable material. The shift is due to a China's policy to impose stringent new purity standards limiting and sometimes banning recyclable materials to be accepted by the country. <p style="text-align: center;">R</p>

<ul style="list-style-type: none"> • Combined, this results in a Net Under-expenditure of \$2.736 million or 11.5% as of the 1st quarter. • As of the 1st quarter, SWMS is 77 positions below total approved complement of 1,116.7 positions due to an on-going difficult recruiting process for qualified candidates for Solid Waste Collection Operator positions and capital project staff as well as staff movements related to the divisions' Talent Growth Plan (TGP). • After considering budgeted gapping, this is equivalent to a 2% operating vacancy rate. The Program is continuing the process of seeking qualified candidates in order to manage operations to plan. 		<ul style="list-style-type: none"> • It is anticipated that SWMS will be 76 positions below the total approved complement of 1,116.7 due to on-going recruiting issues. • After considering budgeted gapping, this is equivalent to a 2.4% operating vacancy rate. 	
<p>Toronto Parking Authority:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$2.300 million mainly due to lower than anticipated utility costs, parking equipment repair costs, municipal taxes, partially offset by higher credit card processing fees. • Lower than anticipated off-street parking revenues, mostly due to maintenance work and delayed customer returns to previously closed carparks. • Lower than anticipated revenues for on-street parking due to delays in implementing approved rate increases and lower volume in the downtown core. • Favourable year-to-date net variance of \$0.347 million. 		<ul style="list-style-type: none"> • Projected favourable gross expenditure variance of \$1.000 million mostly due to lower utility costs, repair costs, municipal taxes and other administrative costs. It is anticipated that savings will be offset by higher credit card processing fees. • Projected decrease in on-street and off-street parking revenues of \$4.000 million due to unbudgeted closure of Carpark 15, and slower return of customers to Carpark 1. • Projected decrease in Bike Share revenue of \$0.750 million due to delay in acquiring sponsorship, resulting in an unfavourable year-end projected net variance of \$3.750 million. 	

<ul style="list-style-type: none"> • 12.6 positions or 3.8% below approved complement. 		<ul style="list-style-type: none"> • Projecting staff strength of 318.5 is 10 positions or 3% below the staff complement of 328.5 positions. 	
<p>Toronto Water:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$2.990 million: underspending in salaries and benefits as a result of vacancies, lower than anticipated demand/dosages for chemicals, hydro billings and payments in-lieu of taxes totalling \$4.580 million, were offset by over expenditure in contracted services as a result of extreme cold weather in the early winter months and increased emergency work, higher interdivisional charges and advanced contributions to vehicle reserves previously not planned. • Favourable revenue variance of \$21.015 million primarily due to early postings of sale of water revenues (\$10.930 million), an overall increase in a volume of water sold to Region of York (\$0.646 million) and other revenues (\$1.239 million), as well as a one-time recovery from 3rd party for damages related to a previously completed capital project (\$8.2 million). • This favourable variance was partially offset by lower than anticipated revenues from the industrial waste agreements and recoveries for the work on the Metrolinx projects (\$0.503 million) resulting in a net favourable variance of \$20.512 million • It is anticipated that variances resulting from unplanned postings/billings will be reduced gradually by the year-end. 		<ul style="list-style-type: none"> • Projected net under expenditure of \$9.9 million at year end, mainly because of projected underspending in salaries and benefits due to vacancies, lower than anticipated hydro rates and more efficient usage, underspending in chemicals as a result of efficiencies from process changes at wastewater treatment plants, and savings in parts, materials and professional and technical services mostly due to anticipated project delays, partially offset by overspending resulting from the extreme cold weather earlier in the year. • Revenues are projected to be lower than budgeted by \$8.7 million mostly due to a one-time recovery from 3rd party for damages related to a previously completed capital project, as well as an increase in new water and service connections and private water agreements. • The year-end revenues from sale of water are expected to be as planned, reflecting a 2% drop from 2015 actual consumption. Toronto Water will continue to monitor water consumption throughout the peak period (July to September) and address changes in water consumption as appropriate in subsequent variance reports. 	

<ul style="list-style-type: none"> • 175.4 positions below approved complement due to the aging workforce / retirements, staff promotions and transfers, as well as extended recruitment period for certain positions such as skilled trades and certified operators. In addition, Toronto Water's recent Customer Service restructuring resulted in approximately 39 positions being backfilled. The adjusted vacancies once these positions are filled will be 136.4. • After considering budgeted gapping it equals to 6.1% vacancy rate. • Due to operational vacancies, Toronto Water has been deferring some pro-active preventative maintenance activities causing modest increases to overtime costs. • The 2010-2020 Strategic Plan includes enhancement of recruiting strategies and development and implementation of an Enterprise Knowledge Retention Program 		<ul style="list-style-type: none"> • Projected favourable year-end net variance is \$18.6 million. • It is anticipated that there will be 123.4 positions below approved complement, which equals to 3.5% vacancy rate after considering budgeted gapping. 	
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