



REPORT FOR ACTION

Operating Variance Report for the Year Ended December 31, 2018

Date: June 14, 2019

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The purpose of this report is to provide Council with the City of Toronto's Operating Variance results for the year ended December 31, 2018 and the disposition of the 2018 year-end operating surplus.

As of December 31, 2018 the City experienced a favourable variance of \$147.200 million net. The following table summarizes the financial position of the City's Tax Supported Operations at year-end:

Table 1: Tax Supported Operating Variance Summary (\$ Millions)

Variance (\$M) Favourable / (Unfavourable)	2018 Year-End Results		
	Budget	Actual	Variance
City Operations	2,254.2	2,166.5	87.7
Agencies	2,015.6	1,990.7	24.8
Corporate Accounts	(94.5)	(129.2)	34.7
Total Variance	4,175.2	4,028.0	147.2
Less: Council Directed/Legislative Requirements			(21.4)
Adjusted Variance			125.8
% of Gross Budget			1.1%

In accordance with Council and legislative requirements, a portion of the surplus, \$21.434 million net, will be allocated to reserve funds primarily for the following Programs and Agency: Toronto Building, City Planning, and Exhibition Place.

As noted in Table 1 above, for the year ended December 31, 2018 Tax Supported Operations experienced a favourable net variance of \$147.200 million or 1.3% of budgeted gross expenditures. The key factors contributing to the favourable year-end variance are lower than planned salary and benefits from vacant positions, and revenue driven by volume in City Operations, as well as under spending in employee benefits, utility costs, non-labour costs by Toronto Transit Commission. **It is important to note lower than budgeted Municipal Land Transfer Tax revenue of \$82.403 million net due to lower residential market activity.** An overview of the key variance drivers can be found in the "Comments" section of this report as well as in a detailed summary provided in Appendix E.

Consistent with the Council approved Surplus Management Policy, at least 75 percent or \$94.324 million will be allocated to the Capital Financing Reserve and the remaining \$31.441 million will be allocated to underfunded liabilities and/or reserve funds.

Rate Supported Programs:

Rate Supported Programs reported a favourable year-end variance of \$65.414 million. The favourable variance is primarily attributed to both underspending and over achieved revenue in Toronto Water.

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

Variance (\$M) Favourable / (Unfavourable)	2018 Year-End		
	Budget	Actual	Variance
Solid Waste Management Services	0.0	0.0	0.0
Toronto Parking Authority	(66.5)	(67.0)	0.4
Toronto Water	0.0	(65.0)	65.0
Total Variance	(66.5)	(132.0)	65.4

For the year ended December 31, 2018 Tax Supported Operations experienced a favourable variance of \$147.200 million net. After meeting Council and legislative requirements, the year-end surplus available for distribution is \$125.765 million net. As per City Council's Surplus Management Policy, 75% of the 2018 final year-end surplus of \$94.324 million will be allocated to the Capital Financing Reserve and the remaining 25% or \$31.441 million will be allocated to underfunded liabilities and/or reserves/reserve funds.

RECOMMENDATIONS

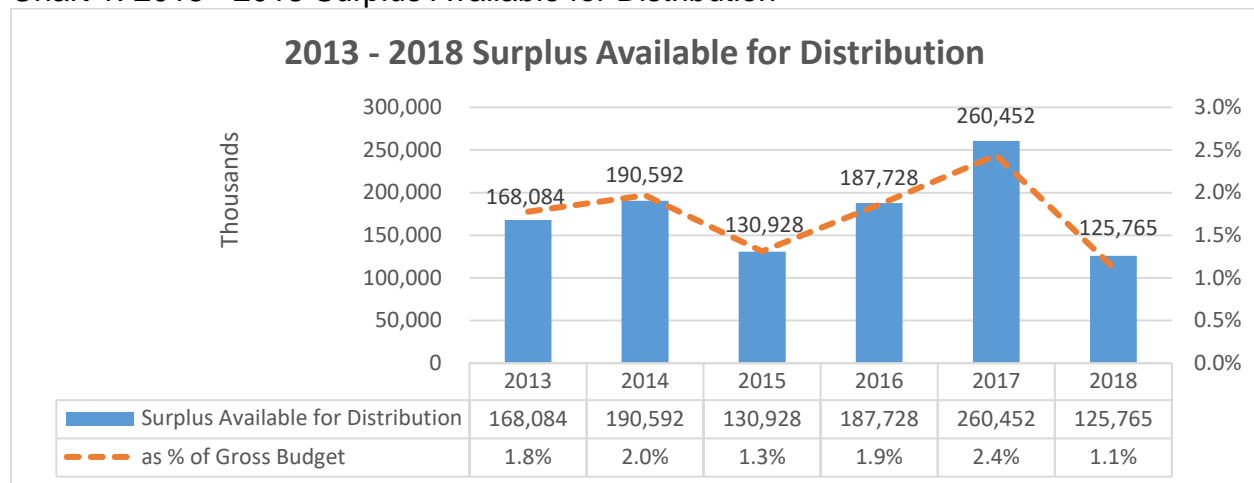
The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the transfer of \$8.000 million from the Water (43 percent) and Wastewater (57 percent) Stabilization Reserves to Toronto Water's Vehicle and Equipment Replacement Reserve (XQ1012) to fund future year vehicle purchases.
2. City Council approve the withdrawal from Emergency Human Services Reserve (XQ1111) of \$0.077 million to supplement funding in the Emergency Human Services Expense Account to mitigate the deficit position in 2018.

FINANCIAL IMPACT

For the year ended December 31, 2018 Tax Supported Operations experienced a favourable net variance of \$147.200 million. After meeting Council and legislative requirements, the year-end surplus available for disposition is \$125.765 million for Tax Supported Operations. The 2018 year-end surplus available for disposition represents 1.1% of the City's Gross Expenditure Tax Supported Operating Budget. The 2018 year-end results are below the historical experience as summarized in Chart 1:

Chart 1: 2013 - 2018 Surplus Available for Distribution



The primary factor for lower than historical average surplus in 2018 is Municipal Land Transfer Tax revenue shortfall of \$82.403 million net that is driven by lower residential market activity.

Table 3 summarizes the 2018 proposed year-end surplus distribution of \$125.765 million after Council directions and legislative requirements are met. A total of \$94.324 million will be allocated to the Capital Financing Reserve to fund approved capital

projects and the remaining \$31.441 will be allocated towards underfunded liabilities and/or reserve funds.

Table 3: 2018 Year-End Operating Results – Tax Supported Programs and Agencies (Millions)

Final Year-End Operating Results	147.200
Council Direction/Legislative Requirements:	
Building Code Act Service Improvement Reserve Fund	15.524
Development Application Review Reserve Fund	3.609
Exhibition Place Conference Centre Reserve Fund	2.071
CP Development Technology Reserve Fund	0.230
Sub-Total	21.434
Year-End Surplus Available for Distribution	125.765
Capital:	
Capital Financing Reserve (75% Allocation of the Year-End Surplus Available for Distribution)	94.324
Sub-Total - Capital Financing Reserve	94.324
Remaining Final Year-End Surplus Available for Distribution	31.441
Underfunded Liabilities and/or Reserve Funds	
Tax Rate Stabilization Reserve Fund	25.701
Assessment Appeal Stabilization Reserve	5.000
TO Live Programming Reserve Fund	0.388
Council Transition Reserve	0.300
Council Furniture and Equipment Reserves	0.050
Association of Community Centres 2017 Settlement	0.002
Sub-Total	31.441
Surplus Remaining / (Shortfall)	0.000

Solid Waste Management Services and Toronto Water's respective 2018 year-end surpluses will be transferred to the Wastewater and Water Stabilization Reserves and Waste Management Reserve Fund to finance capital investments and ongoing operations. The 2018 final year-end operating results for Rate Supported Operations, excluding Toronto Parking Authority, will be allocated based on the following:

Table 4: 2018 Year-End Net Operating Results – Rate Supported Programs (Millions)

Toronto Water Final Year-End Surplus Available for Distribution	64.978
Wastewater Stabilization Reserve	37.037
Water Stabilization Reserve	27.941
Surplus Remaining / (Shortfall)	0.000
Solid Waste Management Services Final Year-End Surplus Available for Distribution	0.000
Waste Management Reserve Fund	0.000
Surplus Remaining / (Shortfall)	0.000

DECISION HISTORY

On December 7, 2017, City Council approved a 2018 Rate-Supported Operating Budget of \$1.794 billion gross and \$0.067 billion net. On February 12, 2018, City Council approved a 2018 Tax Supported Operating Budget of \$11.122 billion gross and \$4.176 billion net.

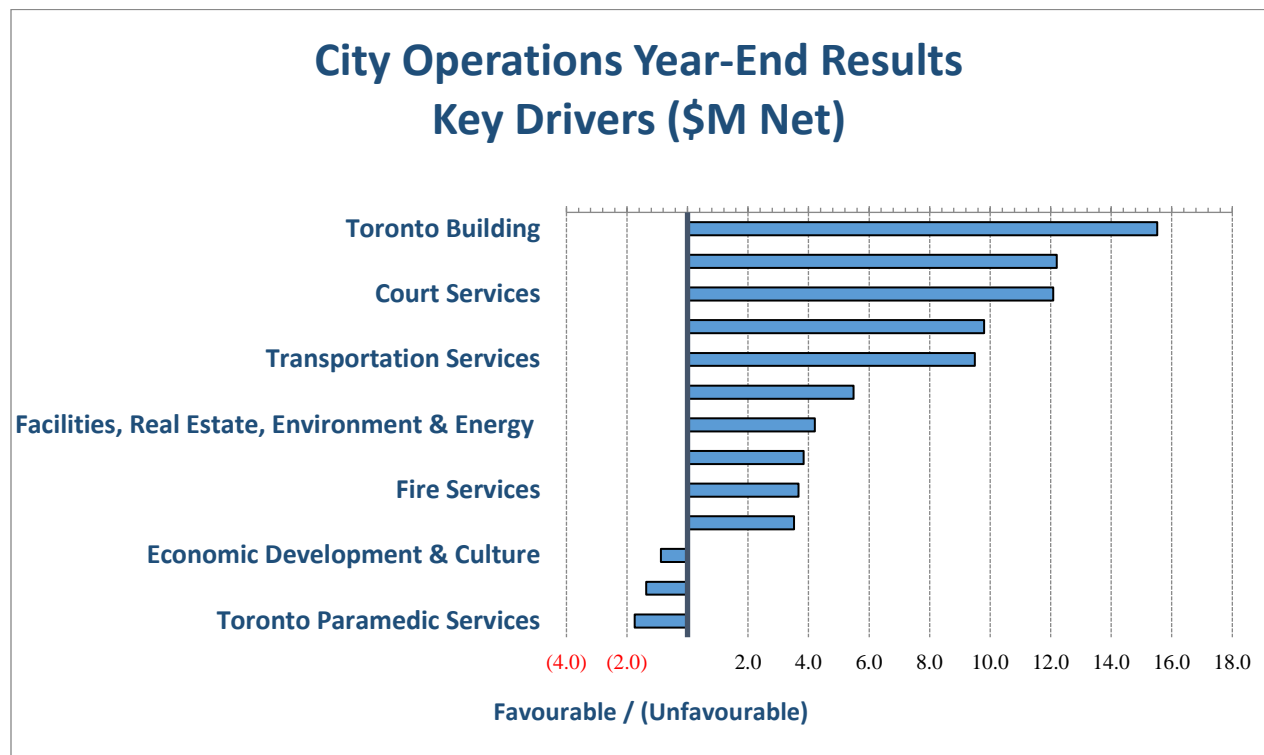
This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information 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.

COMMENTS

City Operations

As of December 31, 2018, City Operations reported a favourable gross expenditure variance of \$195.911 million or 3.5% and a revenue shortfall of \$108.247 million or 3.2%, resulting in a favourable net variance of \$87.665 million or 3.9%. The key drivers of this year-end favourable net variance are outlined in Figure 1 below:

Figure 1: City Operations Variance Summary of Key Program Drivers



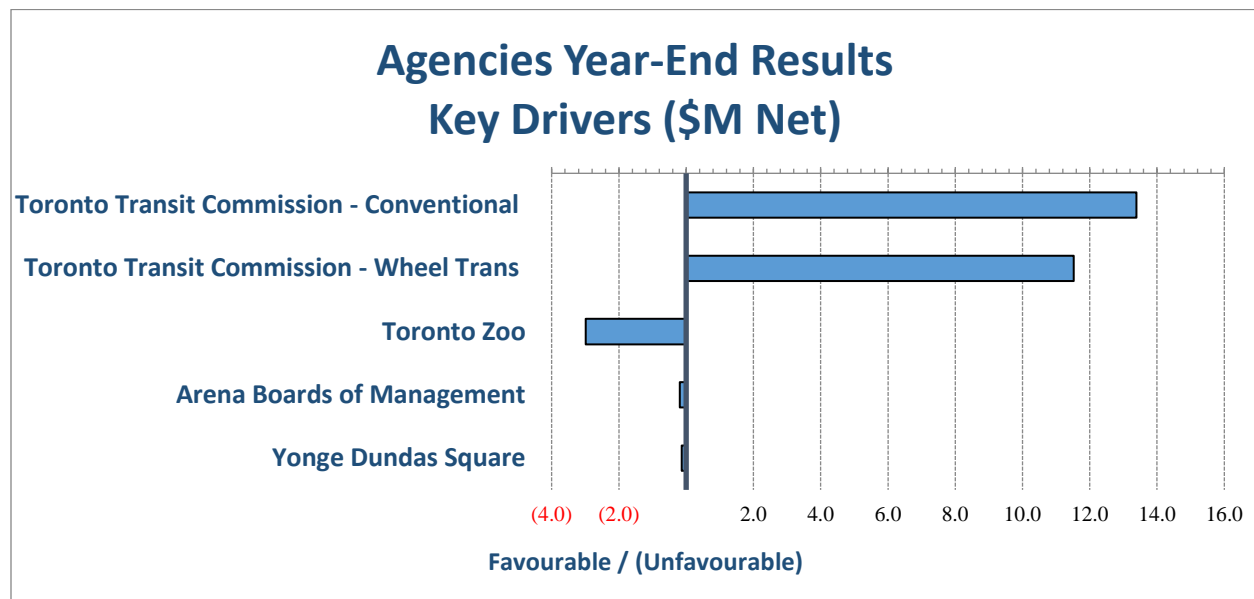
- Children's Services (\$12.199 million net favourable): gross under expenditure due to age-mix, delays in hiring new positions, and higher than budgeted revenue from user fees (based on increases in family income) that more than fully offset under-utilized enveloped programming funding from the Province and community grant funding.
- Court Services (\$12.088 million net favourable): gross under expenditure in salaries and benefits from vacant positions, honorarium for tribunal members and higher than budgeted revenue from red light camera ticket issuance.
- Economic Development & Culture (\$0.875 million net unfavourable): revenue shortfall that is primarily driven by the loss of funding from Tourism Toronto due to the implementation of Municipal Accommodation Tax (MAT).
- Toronto Paramedic Services (\$1.750 million net unfavourable): gross over expenditure due to increased number of WSIB claims as a result of legislative changes, Bill 163 for "Post-Traumatic Stress Disorder", and increased overtime costs due to increased call volume.
- City Planning (\$3.841 million net favourable): higher than budgeted revenue driven by volume of development applications for projects in the South, North and West districts, and gross under expenditure in salaries and benefits.

- Fire Services (\$3.665 million net favourable): higher than budgeted false alarm fee revenue and gross under expenditure in salaries and benefits due to hiring delays and attrition.
- Municipal Licensing & Standards (\$9.800 million net favourable): gross under expenditure in salaries and benefits due to the long processing time to fill vacant positions, and higher than budgeted revenue from higher than anticipated volumes of PTC (Private Transportation Company) applications and trip fees.
- Engineering and Construction Services (\$5.482 million net favourable): gross under expenditure primarily in salaries and benefits from delays in filling vacant positions as a result of the highly competitive market for engineering professionals.
- Toronto Building (\$15.524 million net favourable): higher than budgeted revenue driven by the sustained volume of building permit application activity.
- Transportation Services (\$9.493 million net favourable): gross under expenditure in salaries and benefits from vacant positions, lower costs for contracted services, and higher than budgeted revenue from increased volume of temporary parking permits. It is important to note that the shortfall in utility cut revenue has been more than offset by underspending from the factors mentioned above, including utility cut repair contracts due to lower than expected work volumes and underspending on winter maintenance supply and service contracts due to a milder winter.
- Facilities, Real Estate, Environment & Energy (\$4.204 million net favourable): gross under expenditure in salaries and benefits as a result of hiring delays, ongoing implementation of the new Facilities Management service delivery model, and lower than budgeted utility costs.
- City Council (\$1.363 million net unfavourable): gross over expenditure driven by higher Council transition costs due to the impacts of Bill 5, Better Local Government Act which reduced the size of Toronto City Council in the new term of Council from 47 to 25 wards, and the outcome of the 2018 Municipal Elections.

Agencies

As of December 31, 2018, Agencies reported a favourable gross expenditure variance of \$59.626 million or 1.6%, and under-achieved revenue of \$34.808 million or 1.9%, which resulted in a favourable net variance of \$24.818 million or 1.2%. The key drivers of this year-end favourable net variance are outlined in Figure 2 below:

Figure 2: Agencies Variance Summary of Key Program Drivers

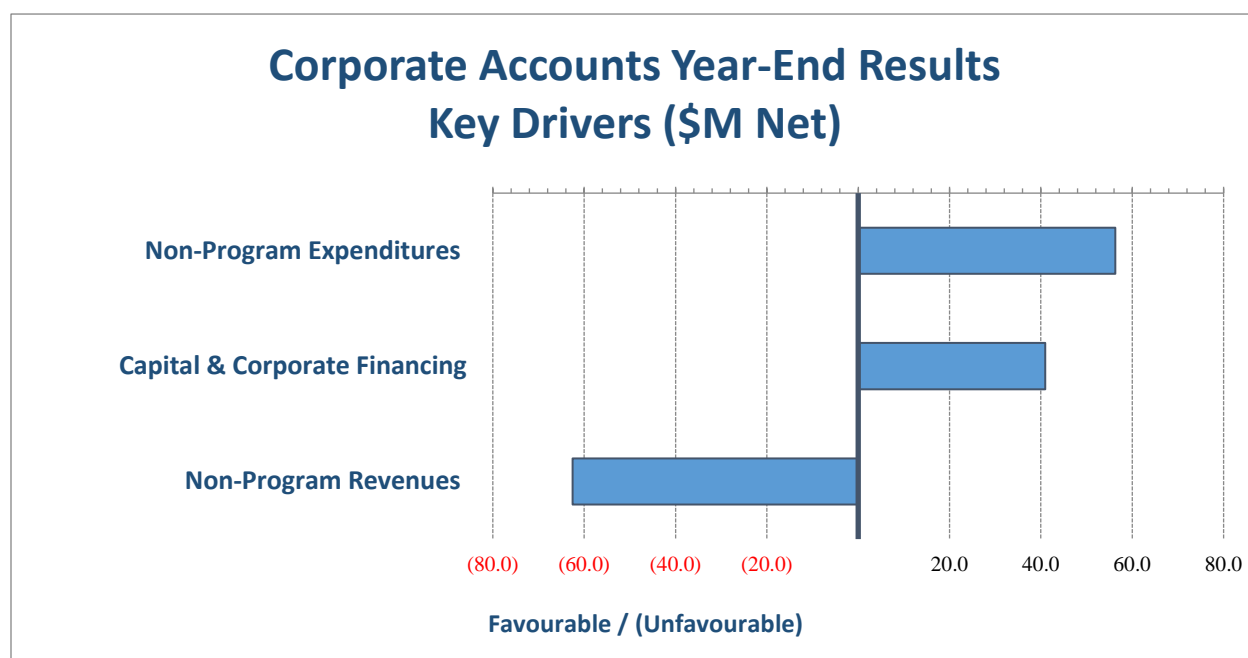


- Toronto Transit Commission - Conventional Service (\$13.385 million net favourable): underspending in employee benefits, departmental non-labour, PRESTO commission expenditure, and utilities costs. Year-end ridership is 3.3% below budget, and passenger revenues are only 0.7% below budget. As a result of the favourable year-end variance in Toronto Transit Commission - Conventional Service, the \$14.000 million budgeted withdrawal from the stabilization reserve was not required.
- Toronto Transit Commission - Wheel - Trans Service (\$11.525 million net favourable): gross under expenditure in contracted costs due to a lower ridership and a lower cost per passenger trip estimate.
- Toronto Zoo (\$2.982 million net unfavourable): lower than budgeted revenue due to poor weather conditions, including extreme cold weather, unexpected ice storms and extreme heat warnings which resulted in decreased attendance.
- Arena Boards of Management (\$0.193 million net unfavourable): gross over expenditure primarily within Bill Bolton arena that incurred additional maintenance costs outside of the renovation project and higher than anticipated salaries and benefits from staff working during the renovations without offsetting revenues.
- Yonge Dundas Square (\$0.129 million net unfavourable): gross over expenditure driven by seasonal business fluctuations and additional costs related to a promotional event to introduce new digital screens on the Square, and revenue shortfall from a major event cancellation.

Corporate Accounts

As of December 31, 2018, Corporate Accounts experienced a cumulative gross under-expenditure of \$103.617 million or 6.0% and revenue shortfall of \$68.900 million or 3.8%, which resulted in an unfavourable net variance of \$34.717 million. The following key drivers have contributed to the year-end favourable net variance:

Figure 3: Corporate Accounts Variance Summary of Key Drivers



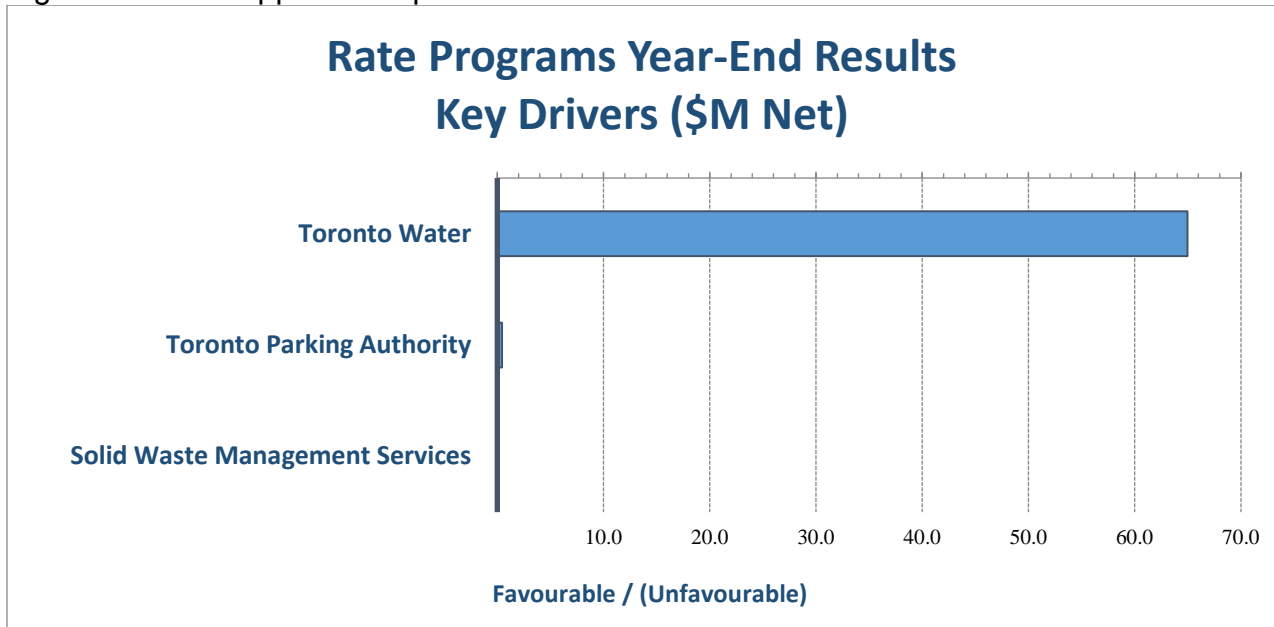
- Capital & Corporate Financing (\$40.963 million net favourable): gross under expenditure in Debt Charges primarily as a result of unspent amount of \$29.000 million for internal loans to address future capital requirements. The remaining under expenditure is due to lower than forecasted interest rates and a delay of the third planned debt issuance in 2018.
- Non-Program Expenditures (\$56.278 million net favourable): lower than anticipated appeals and provision adjustments in Tax Deficiencies, lower than budgeted issuance of Tax Increment Equivalent Grants (TIEG), lower than expected rebates processed as part of Vacancy Rebate Program, staff vacancies in Parking Tag Enforcement and Operations, and under expenditure from the provision for collective agreement arbitration results.
- Non-Program Revenues (\$62.524 million net unfavourable): lower than budgeted Municipal Land Transfer Tax revenue due to lower residential market activity, lower than planned Supplementary Tax revenue due to a reduction in residential assessment, and revenue shortfall in Parking Tag Enforcement and Operations from lower ticket issuance.

- The year-end unfavourable Non Program Revenue variance was partially offset by higher than anticipated Interest and Tax Penalties revenue, Interest / Investment Earnings revenue from bond investments and deposits, lower than planned gross expenditures in Toronto Investment Board, higher Dividend Income Toronto Hydro earnings realized in 2017, and higher Municipal Accommodation Tax revenue that is driven by higher than planned hotel tax remittances.

Rate Programs

As per Figure 4 below, Rate Programs reported an under-expenditure of \$42.654 million gross or 2.4% and over-achieved revenue of \$22.761 million or 1.2%, which resulted in a favourable net variance of \$65.414 million.

Figure 4: Rate Supported Expenditure Variance Dashboard



- Solid Waste Management Services (\$5.675 million net unfavourable): revenue shortfall due to changing global markets for recyclable materials, causing a decline in their demand and price. The unfavourable variance was partially offset by under expenditure in salaries and benefits, materials and supplies, higher revenue from Green Lane and Transfer Stations.
- At its meeting on March 27, 2019, City Council adopted report: "*Administrative Amendments to Reserve Fund Accounts*" with the recommendation to amend Waste Management Reserve Fund purpose in order to permit withdrawals as part of the annual operating budget or to fund any operating deficit occurring at year-end, subject to the approval of the Chief Financial Officer and Treasurer, who will ensure that all other avenues to close the deficit are undertaken first. Solid Waste Management Services explored and exhausted all other avenues to

close the deficit at year-end. Thus, a corresponding withdrawal from Waste Management Reserve Fund has been made in the amount of \$5.675 million to cover the deficit in Solid Waste Management Services and bring the program to a net zero expenditures for 2018.

- Toronto Parking Authority (\$0.436 million net favourable): gross under expenditure in salaries and benefits, utility costs, lower repair and maintenance fees, reduced operating costs associated with Pay and Display machines, and lower rental costs as a result of carpark closures. However, revenue was lower than anticipated primarily for off-street parking as well as a delay in acquiring sponsorship for the Bike Share Program.
- Toronto Water (\$64.978 million net favourable): gross under expenditure in salaries and benefits from vacant positions, lower than planned demand for chemicals and lower hydro costs, higher water revenue as a result of hot and dry weather in the summer, new water and sewer service connections, and one-time compensation from 3rd party for damages related to a previously completed capital project.

Allocation of the 2018 Surplus - Tax Supported Operations

The 2018 year-end operating results for Tax Supported Operations is adjusted for the following Council directives, and mandatory legislative requirements:

Building Code Act Service Improvement Reserve Fund:

- In compliance with Section 7 of the Building Code Act, the net operating favourable variance of \$15.524 million for Toronto Building operations must be contributed to the Building Code Act Service Improvement Reserve Fund. Section 7 of the Act stipulates that the total amount of authorized fees collected must not exceed the anticipated reasonable costs to administer and enforce this Act. It also requires the establishment of an obligatory reserve fund to manage fluctuations in volumes of permit activity and allow for investments in service delivery improvements to meet new legislative requirements of the Act regarding the collection of permit fees, expenditures and related reporting requirements.

Development Application Review Reserve Fund:

- City Council established the discretionary Development Application Review Reserve Fund to ensure that funds received in the current year but not applied would be available in future years to fund the continuation of work required to deliver the development review process for those applications. In accordance with City Council's direction, City Planning's operating surplus of \$3.609 million from its development review service (Community Planning and Committee Adjustment) will be transferred to the Development Application Review Reserve Fund.

Exhibition Place Conference Centre Reserve Fund:

- City Council, at its meeting of January 17, 2012, reaffirmed the policy that Exhibition Place continue to contribute future operating budget surpluses (if any) to the Exhibition Place Conference Centre Reserve Fund. The Reserve Fund provides financing for short-falls in loan payments to the City from Exhibition Place for a new conference centre. In accordance with Council's direction, \$2.071 million of the Exhibition Place operating surplus will be allocated to the Exhibition Place Conference Centre Reserve Fund.

CP Development Technology Reserve Fund

- As part of the 2012 Approved Operating Budget, City Council adopted a report entitled: "*Development Application Review Fees*", which among other things, increased development application fees to fully recover the City's cost of delivering this service. Included in these costs is the amortized capital cost for replacement of capital assets that support the development application review activity. In accordance with City Council's direction, \$0.230 million of the operating surplus from development application review fees will be transferred to the CP Development Technology Reserve Fund.

Allocation of the 2018 Final Year-End Surplus Available for Distribution Capital Financing

\$94.324 million or 75% of the 2018 final year-end surplus available for distribution will be allocated to the Capital Financing Reserve in accordance with Council's Surplus Management Policy. This funding is dedicated to approved capital projects, primarily for Toronto Transit Commission and Transportation Services in the 2019-2028 Approved Capital Budget and Plan.

Underfunded Liabilities and/or Reserve Funds

Tax Rate Stabilization Reserve:

- To ensure the City would have sufficient operating funds in the event of a deficit situation in any given year, a \$25.701 million of the 2018 final year-end surplus available for distribution will be allocated to the Tax Rate Stabilization Reserve. This contribution, added to the 2019 opening balance of \$66.818 million, will ensure that the reserve has an adequate balance to absorb potential future one-time risks. Thus, the Tax Rate Stabilization Reserve balance will be at 2.0% of the 2019 Tax Levy after 2019 Council Approved Budget commitments.

Assessment Appeal Stabilization Reserve

- At its meeting, on May 24, 2017, City Council adopted item EX25.10 Future of the City's Vacant Commercial and Industrial Tax Rebate Program that included recommendation to discontinue the Vacancy Rebate program for commercial and industrial properties effective July 1, 2018. It is important to note that a number of pending applications are still outstanding and may take several years to be finalized. Furthermore, previously finalized vacancy rebates may need to be reopened as a result of appeals causing the rebate amount to be higher or lower than previous actuals. In 2018, the actuals (including provision adjustments) in the Vacancy Rebate program were lower than budget by \$5.545 million. In the event rebates exceed our current provision, and to ensure sufficient funding is available, it is recommend that \$5.000 million be allocated to Assessment Appeal Stabilization Reserve.

TO Live Programming Reserve Fund

- TO Live Programming Reserve Fund was established to provide funding for research and development of programming initiatives (TO Live Presents). The Board of Directors of TO Live requested that the Chief Financial Officer and Treasurer transfer TO Live's 2018 operating surplus in the amount of \$0.388 million to the TO Live Programming Reserve Fund as part of the 2018 year-end surplus allocations. TO Live will use this reserve fund to support new programs/exhibitions.

Council Transition Reserve and Council Furniture and Equipment Reserves:

- Council Transition Reserve funds the end of Council term transition costs including severance for Members of Council and their staff, costs related to transition team, and other requirements related to Council transition. The Council Furniture and Equipment Reserve funds furniture and equipment requirements of Councillors' and Mayor's Office to meet health & safety and operational requirements. Their funding comes from the annual surplus of the City Council budget at a level to be determined by the Deputy City Manager and Chief Financial Officer. The annual surplus from the Council budget has traditionally been the amount contributed to these reserves. In 2018 the City Council budget ended the year with an unfavourable variance as a result of higher Council transition costs due to the impact of Bill 5, Better Local Government Act, and the outcome of the 2018 Municipal Elections. As such, an allocation from the overall surplus of \$0.350 million (\$0.300 million to Council Transition Reserve and \$0.050 million to Council Furniture and Equipment Reserves) is proposed to ensure adequate reserve balances to fund future needs.

Association of Community Centres 2017 Settlement

- Executive Committee at its meeting of June 6, 2019 adopted a report entitled "Association of Community Centres Settlement of Operating Results for Year Ended 2017 ". The net operating expenditures payable to Community Centres of \$0.002

million primarily related to higher than budgeted telephone costs, higher than budgeted audit fees as a result of a new contract, unexpected costs related to emergency tree pruning to mitigate health and safety risks, and unanticipated elevator service call costs related to upgrades to the fire detection system.

Allocation of Surplus – Rate Supported Operations

The 2018 year-end operating results for Rate Supported Operations, excluding the Toronto Parking Authority of \$64.978 million, will be allocated based on the following:

Toronto Water:

- Toronto's Water's operating surplus of \$64.978 million will be transferred to the Water Stabilization Reserve (43%) and Wastewater Stabilization Reserve (57%). The Water and Wastewater Stabilization Reserves are used to offset unanticipated budget variances so as not to unduly impact the Wastewater and Water Operating and Capital Program.
- Toronto Water currently has 918 vehicles that will require replacement over the next 10-years. According to the vehicle replacement schedule for 2019, 2020 and 2021 Toronto Water will need to replace close to 428 vehicles at cost of approximately \$40.000 million. Included in the \$40.000 million, approximately \$16.900 million (or 170 units primarily dump trucks, sewer trucks, backhoe) has already been committed, with delivery expected to be from 2019-2021. Another \$9.800 million (or 97 units of various sizes) is expected to be included as part of the 2020 budget process and further \$12.900 million (or approximately 160 units) is planned for 2021. Transferring part of Toronto Water's 2018 surplus of \$8.000 million will provide additional funding for future year vehicle purchases which otherwise would not be sufficient based on the current vehicle and equipment reserve contribution levels.

Approved Complement

At year-end, the City reported a strength of 52,670 operating and capital positions, 3,148 below the approved complement of 55,818, this represents a vacancy rate for operating (service delivery) positions, after approved gapping of 1.1%. Table 5 provides a detailed overview of the approved complement and strength at December 31, 2018 for both Tax and Rate Supported Programs.

Table 5: Summary of Approved Complement (Includes Capital and Operating Positions)

Approved Complement and Strength Comparison (Includes Capital and Operating Positions)					
Program/Agency	December 31, 2018				
	Approved Complement	Strength	Vacancies	Vacancy %	Operating Vacancy After Gapping
Community and Social Services	13,075.0	12,669.2	(405.8)	3.1%	0.7%
Infrastructure and Development Services	6,576.8	6,224.8	(352.0)	5.4%	1.4%
Corporate Services	2,258.6	1,935.6	(323.0)	14.3%	7.7%
Finance and Treasury Services	797.7	706.2	(91.5)	11.5%	7.6%
City Manager's Office	456.0	414.0	(42.0)	9.2%	3.7%
Other City Programs	817.7	763.5	(54.3)	6.6%	3.6%
Accountability Offices	59.3	56.0	(3.3)	5.5%	5.5%
Total City Operations	24,041.1	22,769.2	(1,271.8)	5.3%	1.9%
Agencies	28,161.4	26,522.6	(1,638.8)	5.8%	0.1%
Corporate Accounts	406.0	397.0	(9.0)	2.2%	2.2%
Total Tax Supported Programs and Agencies	52,608.5	49,688.8	(2,919.7)	5.5%	0.9%
Rate Supported Programs	3,209.5	2,981.6	(227.9)	7.1%	3.3%
Grand Total	55,817.9	52,670.4	(3,147.5)	5.6%	1.1%

Appendix D provides a detailed overview of the approved operating and capital complement, and strength for the year ended December 31, 2018.

City Operations

At year-end, City Operations reported a strength of 22,769, resulting in 1,272 positions below the approved complement of 24,041 positions. The vacancy rate for operating (service delivery) positions, after approved gapping, is 1.9%. The key Program areas which contributed to the operating vacancy rate were: Facilities, Real Estate, Environment & Energy, Information & Technology, and Legal Services.

Agencies

The year-end strength reported by Agencies was 26,523 positions which was 1,639 positions below the approved complement of 28,161 positions. After approved gapping, the vacancy rate for operating (service delivery) positions is 0.1%.

Rate Supported Programs

Rate Supported Programs reported strength of 2,982 positions by year-end, which is 228 positions under the approved complement of 3,210 positions. After approved gapping, the year-end vacancy rate for operating positions is 3.3% that is primarily driven by Toronto Water.

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 year-end variance process. As set out in Table 6 below, the City received \$0.574 million at year-end.

Table 6: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000s)	Purpose
Economic Development And Culture		
Colborne Lodge, Donations From the Box	0.77	General
Gibson House, Individual Donor	0.10	General
Gibson House, PWYC/General Cash/From the Box	1.00	General
Montgomery's Inn, PWYC/General Cash/From the Box	11.68	General
Montgomery's Inn, Individual Donor	5.49	General
Montgomery's Inn, Reno & Re-presentation projects	39.80	General
Fort York, PWYC/General Cash/From the Box	3.54	General
Mackenzie House, PWYC/General Cash/From the Box	0.95	General
Mackenzie House, Individual Donor	1.34	General
Spadina House, General Cash (Yoga Event)	0.72	General
Spadina House, General Cash/From the Box	0.86	General
Spadina House, General Cash (Music from the Orchard Event)	0.81	General
Spadina House, Individual Donor	2.30	General
Scarborough, PWYC/General Cash/From the Box	3.38	General
Market Gallery, Individual Donor	1.05	General
Market Gallery, General Cash/From the Box	0.42	General
Nuit Blanche	2.00	General
Assembly Hall, Donation Box	0.01	General
Assembly Hall, Individual Donor	0.85	Tis the Season' Art Show Sponsorship
<i>Sub-Total</i>	<i>77.07</i>	
Toronto Paramedic Services		
Individual Donor	0.10	Safe City - First Aid, CPR, AED trainings
Multiple Donors	0.30	Voluntary Contribution Program
<i>Sub-Total</i>	<i>0.40</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
Equitas	2.50	Youth Action Project
Individual Donor	0.31	Anonymous
Beaches Recreation Centre Advisory Council	0.50	Community Youth Event
Pegasus Toronto	1.50	Matty Eckler Community Centre Upgrades
Individual Donor	1.00	For Parks Improvement, Miliken Park
Individual Donor	0.40	For Parks Improvement, Rouge Valley
SUNEEVA Ltd.	0.40	Rouge Valley Park Upgrades
Individual Donor	0.10	St. Lawrence Community Centre Recreation Program
Epitome Pictures	0.35	Sunnybrook Park Upgrades
Second Beford Productions Inc.	1.80	For Parks Improvement, Sunnybrook Park
Toronto Parks and Trees Foundation	17.57	Greenwood Dog Park Upgrades
Individual Donor	0.11	High Park Teaching Centre
Etobicoke Girls Softball League	4.80	Eringate Park Baseball Diamond Upgrades
West Hill Basebal League	10.00	Scarborough Village Park Baseball Diamond Upgrades
DUCA Credit Union LTd.	1.50	Edithvale Community Center Social Event
Second Bedford Productions Inc.	4.00	E.T Seton Park Upgrades
Second Bedford Productions Inc.	8.00	Sunnybrook Park Upgrades
Second Bedford Productions Inc.	4.00	Wilket Creek Park Upgrades

Table 6: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000s)	Purpose
Epitome Pictures	0.50	Rouge Park Upgrades
Princessa Productions Ltd.	2.00	Chorley Park Upgrades
Spy Films	1.00	Rouge Beaches Park Upgrades
Spruce Court Co-op Inc.	0.20	Program Supplies for Riverdale Farm
The Daniels Corporation	15.00	SH Armstrong Community Centre Pool Programming Reinstatement
Sierra Building Group	30.00	SH Armstrong Community Centre Pool Programming Reinstatement
Maple Leaf Sports & Entertainment	1.00	Raptors OVO Community Court Event
Individual Donor	0.05	Parks Improvement for High Park
Ready or Not Production	4.42	Parks Improvement for Sunnybrook Park
Northern State Productions Inc	2.00	Parks Improvement for Riverlea Parks
Coroner Productions Inc.	0.50	Parks Improvement for Riverlea Parks
YP Productions Inc	0.50	Parks Improvement for Toronto Island Park
<i>Sub-Total</i>	<i>138.51</i>	
Shelter, Support & Housing Administration		
Individual Donors	3.12	To be used at various hostel locations
<i>Sub-Total</i>	<i>3.12</i>	
Municipal Licensing & Standards		
Individual Donors (multiple donations of small value)	291.94	Care and services for animals
<i>Sub-Total</i>	<i>291.94</i>	
City Council		
Roadsport Honda	5.00	Ward 38 Community Event
<i>Sub-Total</i>	<i>5.00</i>	
Heritage Toronto		
Individual Donor	6.50	General Programming
International Brotherhood of Electrical Workers	1.00	General Programming
Woodcliffe Corporation	5.00	General Programming
Wawanesa	3.50	General Programming
Toronto Foundation	10.00	General Programming
McLean Foundation	10.00	State of Heritage Report
United Way	2.00	General Programming
<i>Sub-Total</i>	<i>38.00</i>	
Toronto Police Service		
Capervco Ltd Partnership	2.50	Sex Crimes Seminar
RBC Donation	5.00	Sex Crimes Seminar
Cananadian Bankers Association	5.00	Sex Crimes Seminar
Giiffen LLP	0.50	Sex Crimes Seminar
Deloitte	5.00	Sex Crimes Seminar
Police Dog Services	2.10	General
<i>Sub-Total</i>	<i>20.10</i>	
Grand Total	574.14	

CONTACT

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SIGNATURE

Heather Taylor
Chief Financial Officer & Treasurer

ATTACHMENTS

Appendix A – City of Toronto Net Expenditures for Year Ended December 31, 2018
Appendix B – City of Toronto Gross Expenditures for Year Ended December 31, 2018
Appendix C – City of Toronto Revenues for Year Ended December 31, 2018
Appendix D – Approved Complement for 2018 Year-End
Appendix E – Operating Variance Dashboard for City Programs and Agencies

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE YEAR ENDED DECEMBER 31, 2018 (\$000s)

	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
December 31, 2018				
Community and Social Services				
Housing Secretariat	1,170.1	1,170.1	0.0	0.0%
Children's Services	83,017.4	70,818.4	12,198.9	14.7%
Court Services	1,607.0	(10,480.6)	12,087.6	752.2%
Economic Development & Culture	69,745.6	70,621.1	(875.4)	-1.3%
Toronto Paramedic Services	81,183.7	82,934.0	(1,750.3)	-2.2%
Long Term Care Homes and Services	49,835.5	47,348.1	2,487.4	5.0%
Parks, Forestry & Recreation	323,487.3	323,117.9	369.4	0.1%
Shelter, Support & Housing Administration	455,696.4	455,696.5	(0.0)	0.0%
Social Development, Finance & Administration	39,669.8	39,638.8	31.0	0.1%
Toronto Employment & Social Services	91,003.1	91,003.1	(0.0)	0.0%
Sub-Total Community and Social Services	1,196,415.9	1,171,867.4	24,548.5	2.1%
Infrastructure and Development Services				
City Planning	15,437.6	11,596.6	3,841.0	24.9%
Fire Services	461,790.6	458,125.8	3,664.9	0.8%
Municipal Licensing & Standards	20,201.0	10,400.6	9,800.4	48.5%
Policy, Planning, Finance and Administration	9,207.0	8,034.3	1,172.7	12.7%
Engineering and Construction Services	4,102.7	(1,379.5)	5,482.2	133.6%
Toronto Building	(10,694.2)	(26,218.0)	15,523.8	-145.2%
Transportation Services	225,079.8	215,587.0	9,492.8	4.2%
Sub-Total Infrastructure and Development Services	725,124.5	676,146.8	48,977.7	6.8%
Finance and Treasury Services				
Office of the Chief Financial Officer	11,401.2	10,017.7	1,383.5	12.1%
Office of the Controller	28,263.6	25,382.3	2,881.3	10.2%
Sub-Total Finance and Treasury Services	39,664.8	35,400.0	4,264.8	10.8%
Corporate Services				
Facilities, Real Estate, Environment & Energy	72,109.5	67,905.9	4,203.6	5.8%
Fleet Services	164.6	102.0	62.5	38.0%
Information & Technology	76,825.4	76,712.6	112.9	0.1%
311 Toronto	9,959.6	9,910.0	49.6	0.5%
Sub-Total Corporate Services	159,059.1	154,630.5	4,428.5	2.8%
City Manager				
City Manager's Office	48,941.8	46,948.7	1,993.1	4.1%
Sub-Total City Manager	48,941.8	46,948.7	1,993.1	4.1%
Other City Programs				
City Clerk's Office	32,319.3	31,549.3	770.0	2.4%
Legal Services	19,602.0	16,078.8	3,523.2	18.0%
Mayor's Office	2,274.6	2,156.6	118.0	5.2%
City Council	20,620.1	21,983.3	(1,363.2)	-6.6%
Sub-Total Other City Programs	74,815.9	71,768.0	3,048.0	4.1%
Accountability Offices				
Auditor General's Office	6,503.5	6,265.3	238.2	3.7%
Integrity Commissioner's Office	517.6	507.2	10.4	2.0%
Lobbyist Registrar's Office	1,202.5	1,127.3	75.2	6.3%
Ombudsman's Office	1,931.7	1,851.5	80.2	4.2%
Sub-Total Accountability Offices	10,155.3	9,751.3	404.0	4.0%
TOTAL - CITY OPERATIONS	2,254,177.3	2,166,512.7	87,664.6	3.9%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE YEAR ENDED DECEMBER 31, 2018 (\$000s)

	December 31, 2018			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	63,796.7	63,745.5	51.2	0.1%
Toronto Public Library	182,393.0	182,333.6	59.4	0.0%
Association of Community Centres	8,027.1	7,990.9	36.2	0.5%
Exhibition Place	(150.0)	(2,221.4)	2,071.4	-1381.0%
Heritage Toronto	422.9	422.9	0.0	0.0%
TO Live	5,274.5	4,886.4	388.1	7.4%
Toronto Zoo	12,483.8	15,466.0	(2,982.2)	-23.9%
Arena Boards of Management	30.6	223.9	(193.3)	-631.6%
Yonge Dundas Square	0.0	128.9	(128.9)	n/a
CreateTO	0.0	0.0	0.0	n/a
Toronto & Region Conservation Authority	3,650.3	3,650.3	0.0	0.0%
Toronto Transit Commission - Conventional	596,641.8	583,256.6	13,385.2	2.2%
Toronto Transit Commission - Wheel Trans	144,224.1	132,699.3	11,524.8	8.0%
Toronto Police Service	996,452.4	995,895.6	556.8	0.1%
Toronto Police Services Board	2,309.1	2,260.1	49.0	2.1%
TOTAL - AGENCIES	2,015,556.3	1,990,738.5	24,817.8	1.2%
Corporate Accounts				
Capital Financing - Capital from Current	353,462.2	353,237.6	224.6	0.1%
Technology Sustainment	19,911.6	19,911.6	0.0	0.0%
Debt Charges	556,041.5	515,303.2	40,738.2	7.3%
Capital & Corporate Financing	929,415.3	888,452.4	40,962.9	4.4%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	82,383.3	51,493.1	30,890.2	37.5%
Tax Increment Equivalent Grants (TIEG)	37,018.8	26,529.5	10,489.3	28.3%
Assessment Function (MPAC)	44,040.0	43,855.1	184.9	0.4%
Funding of Employee Related Liabilities	70,828.6	70,821.0	7.6	0.0%
Other Corporate Expenditures	9,142.8	5,812.4	3,330.5	36.4%
Insurance Premiums & Claims	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	72,203.6	68,766.0	3,437.6	4.8%
Programs Funded from Reserve Funds	(0.0)	0.0	(0.0)	100.0%
Vacancy Rebate Program	5,057.0	(487.5)	5,544.5	109.6%
Heritage Property Taxes Rebate	1,750.0	798.6	951.4	54.4%
Tax Rebates for Registered Charities	0.0	0.0	0.0	0.0%
Solid Waste Management Rebates	144,301.9	142,859.6	1,442.3	1.0%
Non-Program Expenditures	467,026.1	410,747.7	56,278.3	12.1%
Non-Program Revenue				
Payments in Lieu of Taxes	(95,480.4)	(100,897.7)	5,417.3	-5.7%
Supplementary Taxes	(45,000.0)	(35,815.9)	(9,184.1)	20.4%
Tax Penalty Revenue	(29,800.0)	(36,761.9)	6,961.9	-23.4%
Interest/Investment Earnings	(104,279.0)	(110,304.6)	6,025.6	-5.8%
Other Corporate Revenues	(12,018.7)	(14,664.4)	2,645.7	-22.0%
Dividend Income	(85,000.0)	(88,900.0)	3,900.0	-4.6%
Provincial Revenue	(91,600.0)	(91,600.0)	0.0	0.0%
Municipal Land Transfer Tax	(770,000.0)	(687,596.9)	(82,403.1)	10.7%
Third Party Sign Tax	(10,742.5)	(9,568.2)	(1,174.3)	10.9%
Parking Authority Revenues	(57,182.1)	(56,464.6)	(717.5)	1.3%
Administrative Support Recoveries - Water	(18,973.0)	(18,973.0)	0.0	0.0%
Administrative Support Recoveries - Health & EMS	(16,326.7)	(16,326.7)	0.0	0.0%
Parking Tag Enforcement & Operations Rev	(109,218.0)	(104,812.8)	(4,405.2)	4.0%
Other Tax Revenues	(13,221.1)	(10,792.8)	(2,428.3)	18.4%
Municipal Accommodation Tax	(16,100.0)	(25,789.5)	9,689.5	-60.2%
Casino Woodbine	(16,000.0)	(19,148.4)	3,148.4	-19.7%
Non-Program Revenues	(1,490,941.6)	(1,428,417.5)	(62,524.0)	4.2%
TOTAL - CORPORATE ACCOUNTS	(94,500.2)	(129,217.4)	34,717.2	-36.7%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	4,175,233.4	4,028,033.9	147,199.5	3.5%
RATE SUPPORTED PROGRAMS				
Solid Waste Management Services	0.0	0.0	0.0	n/a
Toronto Parking Authority	(66,538.0)	(66,974.0)	436.0	-0.7%
Toronto Water	0.0	(64,978.1)	64,978.1	n/a
TOTAL RATE SUPPORTED PROGRAMS	(66,538.0)	(131,952.1)	65,414.1	-98.3%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(\$000s)

	December 31, 2018			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	3,687.4	3,255.8	431.6	11.7%
Children's Services	663,065.9	620,245.0	42,820.9	6.5%
Court Services	50,954.8	46,078.1	4,876.8	9.6%
Economic Development & Culture	81,257.8	81,812.4	(554.6)	-0.7%
Toronto Paramedic Services	224,452.2	225,669.0	(1,216.8)	-0.5%
Long Term Care Homes and Services	262,615.8	258,760.9	3,854.9	1.5%
Parks, Forestry & Recreation	466,627.6	453,073.4	13,554.2	2.9%
Shelter, Support & Housing Administration	868,433.6	872,057.5	(3,623.9)	-0.4%
Social Development, Finance & Administration	56,685.4	53,731.3	2,954.0	5.2%
Toronto Employment & Social Services	1,101,506.2	1,089,575.3	11,930.9	1.1%
Sub-Total Community and Social Services	3,779,286.6	3,704,258.5	75,028.0	2.0%
Infrastructure and Development Services				
City Planning	52,503.1	50,989.5	1,513.6	2.9%
Fire Services	480,403.2	479,410.7	992.5	0.2%
Municipal Licensing & Standards	57,139.9	53,411.6	3,728.2	6.5%
Policy, Planning, Finance and Administration	23,915.5	19,887.1	4,028.4	16.8%
Engineering and Construction Services	75,886.1	64,638.7	11,247.4	14.8%
Toronto Building	57,113.7	51,891.3	5,222.5	9.1%
Transportation Services	410,728.2	353,248.9	57,479.4	14.0%
Sub-Total Infrastructure and Development Services	1,157,689.7	1,073,477.7	84,212.0	7.3%
Finance and Treasury Services				
Office of the Chief Financial Officer	19,489.8	16,467.1	3,022.7	15.5%
Office of the Controller	76,555.6	68,911.5	7,644.1	10.0%
Sub-Total Finance and Treasury Services	96,045.5	85,378.6	10,666.8	11.1%
Corporate Services				
Facilities, Real Estate, Environment & Energy	198,732.6	195,775.3	2,957.3	1.5%
Fleet Services	58,483.1	58,505.4	(22.3)	0.0%
Information & Technology	130,948.8	116,700.8	14,248.0	10.9%
311 Toronto	18,758.4	17,354.0	1,404.3	7.5%
Sub-Total Corporate Services	406,922.8	388,335.6	18,587.3	4.6%
City Manager				
City Manager's Office	58,810.0	58,633.3	176.7	0.3%
Sub-Total City Manager	58,810.0	58,633.3	176.7	0.3%
Other City Programs				
City Clerk's Office	63,620.3	60,814.1	2,806.2	4.4%
Legal Services	63,888.7	58,648.1	5,240.6	8.2%
Mayor's Office	2,274.6	2,156.6	118.0	5.2%
City Council	23,417.1	24,730.3	(1,313.2)	-5.6%
Sub-Total Other City Programs	153,200.7	146,349.1	6,851.6	4.5%
Accountability Offices				
Auditor General's Office	6,503.5	6,265.5	238.0	3.7%
Integrity Commissioner's Office	517.6	507.2	10.4	2.0%
Lobbyist Registrar's Office	1,202.5	1,137.7	64.8	5.4%
Ombudsman's Office	1,931.7	1,856.3	75.4	3.9%
Sub-Total Accountability Offices	10,155.3	9,766.7	388.6	3.8%
TOTAL - CITY OPERATIONS	5,662,110.6	5,466,199.5	195,911.1	3.5%

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(\$000s)

	December 31, 2018			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	254,861.8	253,427.2	1,434.6	0.6%
Toronto Public Library	201,716.7	204,267.1	(2,550.4)	-1.3%
Association of Community Centres	8,329.8	8,360.6	(30.8)	-0.4%
Exhibition Place	55,592.6	50,374.3	5,218.3	9.4%
Heritage Toronto	946.4	1,114.8	(168.4)	-17.8%
TO Live	34,682.5	30,089.2	4,593.3	13.2%
Toronto Zoo	52,493.0	48,470.4	4,022.6	7.7%
Arena Boards of Management	9,044.7	9,177.4	(132.7)	-1.5%
Yonge Dundas Square	3,106.5	3,172.6	(66.1)	-2.1%
CreateTO	11,434.0	11,432.6	1.4	0.0%
Toronto & Region Conservation Authority	48,087.9	46,688.9	1,399.0	2.9%
Toronto Transit Commission - Conventional	1,847,721.4	1,809,446.6	38,274.8	2.1%
Toronto Transit Commission - Wheel Trans	152,855.2	140,135.1	12,720.1	8.3%
Toronto Police Service	1,141,876.3	1,147,510.6	(5,634.3)	-0.5%
Toronto Police Services Board	3,434.1	2,889.9	544.2	15.8%
TOTAL - AGENCIES	3,826,182.9	3,766,557.3	59,625.6	1.6%
Corporate Accounts				
Capital Financing - Capital from Current	353,462.2	353,237.6	224.6	0.1%
Technology Sustainment	19,911.6	19,911.6	0.0	0.0%
Debt Charges	603,870.9	565,205.3	38,665.6	6.4%
Capital & Corporate Financing	977,244.7	938,354.5	38,890.3	4.0%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	90,079.4	51,493.1	38,586.3	42.8%
Tax Increment Equivalent Grants (TIEG)	37,018.8	26,529.5	10,489.3	28.3%
Assessment Function (MPAC)	44,040.0	43,855.1	184.9	0.4%
Funding of Employee Related Liabilities	70,828.6	70,821.0	7.6	0.0%
Other Corporate Expenditures	52,289.6	40,852.7	11,436.9	21.9%
Insurance Premiums & Claims	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	72,203.6	68,766.0	3,437.6	4.8%
Programs Funded from Reserve Funds	146,004.9	153,396.9	(7,392.0)	-5.1%
Vacancy Rebate Program	5,057.0	(487.5)	5,544.5	109.6%
Heritage Property Taxes Rebate	1,750.0	798.6	951.4	54.4%
Tax Rebates for Registered Charities	5,502.3	5,549.0	(46.8)	-0.8%
Solid Waste Management Rebates	144,301.9	142,859.6	1,442.3	1.0%
Non-Program Expenditures	669,376.2	604,734.1	64,642.1	9.7%
Non-Program Revenue				
Payments in Lieu of Taxes	0.0	0.0	0.0	n/a
Supplementary Taxes	0.0	0.0	0.0	n/a
Tax Penalty Revenue	0.0	0.0	0.0	n/a
Interest/Investment Earnings	6,938.5	1,812.2	5,126.3	73.9%
Other Corporate Revenues	1,323.8	5,466.3	(4,142.5)	-312.9%
Dividend Income	5,000.0	5,000.0	0.0	0.0%
Provincial Revenue	0.0	0.0	0.0	n/a
Municipal Land Transfer Tax	47,721.4	45,594.2	2,127.2	4.5%
Third Party Sign Tax	1,153.7	999.1	154.6	13.4%
Parking Authority Revenues	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Water	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Health & EMS	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Operations Rev	0.0	0.0	0.0	n/a
Other Tax Revenues	0.0	356.5	(356.5)	n/a
Municipal Accommodation Tax	18,567.0	21,371.6	(2,804.6)	-15.1%
Casino Woodbine	0.0	19.7	(19.7)	n/a
Non-Program Revenues	80,704.5	80,619.6	84.9	0.1%
TOTAL - CORPORATE ACCOUNTS	1,727,325.4	1,623,708.1	103,617.2	6.0%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	11,215,618.8	10,856,464.9	359,153.9	3.2%
RATES SUPPORTED PROGRAMS				
Solid Waste Management Services	405,188.8	402,143.8	3,045.0	0.8%
Toronto Parking Authority	99,662.0	92,229.0	7,433.0	7.5%
Toronto Water	1,289,286.9	1,257,111.4	32,175.5	2.5%
TOTAL RATES SUPPORTED PROGRAMS	1,794,137.7	1,751,484.2	42,653.5	2.4%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix C

**CITY OF TORONTO
CONSOLIDATED REVENUE VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(\$000s)**

	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
December 31, 2018				
Community and Social Services				
Housing Secretariat	2,517.3	2,085.7	(431.6)	-17.1%
Children's Services	580,048.5	549,426.5	(30,622.0)	-5.3%
Court Services	49,347.8	56,558.6	7,210.8	14.6%
Economic Development & Culture	11,512.2	11,191.4	(320.8)	-2.8%
Toronto Paramedic Services	143,268.5	142,735.0	(533.5)	-0.4%
Long Term Care Homes and Services	212,780.3	211,412.8	(1,367.5)	-0.6%
Parks, Forestry & Recreation	143,140.3	129,955.5	(13,184.8)	-9.2%
Shelter, Support & Housing Administration	412,737.1	416,361.0	3,623.9	0.9%
Social Development, Finance & Administration	17,015.6	14,092.5	(2,923.1)	-17.2%
Toronto Employment & Social Services	1,010,503.0	998,572.1	(11,930.9)	-1.2%
Sub-Total Community and Social Services	2,582,870.7	2,532,391.1	(50,479.5)	-2.0%
Infrastructure and Development Services				
City Planning	37,065.5	39,392.9	2,327.4	6.3%
Fire Services	18,612.6	21,284.9	2,672.3	14.4%
Municipal Licensing & Standards	36,938.9	43,011.0	6,072.2	16.4%
Policy, Planning, Finance and Administration	14,708.4	11,852.8	(2,855.7)	-19.4%
Engineering and Construction Services	71,783.4	66,018.2	(5,765.2)	-8.0%
Toronto Building	67,807.9	78,109.2	10,301.3	15.2%
Transportation Services	185,648.5	137,661.8	(47,986.6)	-25.8%
Sub-Total Infrastructure and Development Services	432,565.2	397,330.9	(35,234.3)	-8.1%
Finance and Treasury Services				
Office of the Chief Financial Officer	8,088.6	6,449.4	(1,639.2)	-20.3%
Office of the Controller	48,292.0	43,529.2	(4,762.8)	-9.9%
Sub-Total Finance and Treasury Services	56,380.7	49,978.6	(6,402.1)	-11.4%
Corporate Services				
Facilities, Real Estate, Environment & Energy	126,623.1	127,869.4	1,246.3	1.0%
Fleet Services	58,318.6	58,403.4	84.8	0.1%
Information & Technology	54,123.4	39,988.3	(14,135.1)	-26.1%
311 Toronto	8,798.8	7,444.0	(1,354.8)	-15.4%
Sub-Total Corporate Services	247,863.8	233,705.0	(14,158.7)	-5.7%
City Manager				
City Manager's Office	9,868.2	11,684.5	1,816.3	18.4%
Sub-Total City Manager	9,868.2	11,684.5	1,816.3	18.4%
Other City Programs				
City Clerk's Office	31,301.0	29,264.8	(2,036.2)	-6.5%
Legal Services	44,286.8	42,569.4	(1,717.4)	-3.9%
Mayor's Office	0.0	0.0	0.0	n/a
City Council	2,797.0	2,747.0	(50.0)	-1.8%
Sub-Total Other City Programs	78,384.8	74,581.2	(3,803.6)	-4.9%
Accountability Offices				
Auditor General's Office	0.0	0.2	0.2	n/a
Integrity Commissioner's Office	0.0	0.0	0.0	n/a
Lobbyist Registrar's Office	0.0	10.4	10.4	n/a
Ombudsman's Office	0.0	4.8	4.8	n/a
Sub-Total Accountability Offices	0.0	15.4	15.4	n/a
TOTAL - CITY OPERATIONS	3,407,933.3	3,299,686.8	(108,246.5)	-3.2%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix C

**CITY OF TORONTO
CONSOLIDATED REVENUE VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2018
(\$000s)**

	December 31, 2018			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	191,065.1	189,681.7	(1,383.4)	-0.7%
Toronto Public Library	19,323.7	21,933.5	2,609.8	13.5%
Association of Community Centres	302.7	369.7	67.0	22.1%
Exhibition Place	55,742.6	52,595.8	(3,146.8)	-5.6%
Heritage Toronto	523.5	691.9	168.4	32.2%
TO Live	29,408.0	25,202.8	(4,205.2)	-14.3%
Toronto Zoo	40,009.2	33,004.4	(7,004.8)	-17.5%
Arena Boards of Management	9,014.1	8,953.5	(60.5)	-0.7%
Yonge Dundas Square	3,106.5	3,043.7	(62.8)	-2.0%
CreateTO	11,434.0	11,432.6	(1.4)	0.0%
Toronto & Region Conservation Authority	44,437.6	43,038.6	(1,399.0)	-3.1%
Toronto Transit Commission - Conventional	1,251,079.6	1,226,190.0	(24,889.6)	-2.0%
Toronto Transit Commission - Wheel Trans	8,631.1	7,435.8	(1,195.3)	-13.8%
Toronto Police Service	145,423.9	151,615.0	6,191.1	4.3%
Toronto Police Services Board	1,125.0	629.8	(495.2)	-44.0%
TOTAL - AGENCIES	1,810,626.6	1,775,818.8	(34,807.8)	-1.9%
Corporate Accounts				
Capital Financing - Capital from Current	0.0	0.0	0.0	n/a
Technology Sustainment	0.0	0.0	0.0	n/a
Debt Charges	47,829.5	49,902.1	2,072.6	4.3%
Capital & Corporate Financing	47,829.5	49,902.1	2,072.6	4.3%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	7,696.1	0.0	(7,696.1)	-100.0%
Tax Increment Equivalent Grants (TIEG)	0.0	0.0	0.0	n/a
Assessment Function (MPAC)	0.0	0.0	0.0	n/a
Funding of Employee Related Liabilities	0.0	0.0	0.0	n/a
Other Corporate Expenditures	43,146.8	35,040.4	(8,106.4)	-18.8%
Insurance Premiums & Claims	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Oper.	0.0	0.0	0.0	n/a
Programs Funded from Reserve Funds	146,004.9	153,396.9	7,392.0	5.1%
Vacancy Rebate Program	0.0	0.0	0.0	n/a
Heritage Property Taxes Rebate	0.0	0.0	0.0	n/a
Tax Rebates for Registered Charities	5,502.3	5,549.0	46.8	0.8%
Solid Waste Management Rebates	0.0	0.0	0.0	n/a
Non-Program Expenditures	202,350.1	193,986.3	(8,363.7)	-4.1%
Non-Program Revenue				
Payments in Lieu of Taxes	95,480.4	100,897.7	5,417.3	5.7%
Supplementary Taxes	45,000.0	35,815.9	(9,184.1)	-20.4%
Tax Penalty Revenue	29,800.0	36,761.9	6,961.9	23.4%
Interest/Investment Earnings	111,217.6	112,116.8	899.2	0.8%
Other Corporate Revenues	13,342.5	20,130.7	6,788.2	50.9%
Dividend Income	90,000.0	93,900.0	3,900.0	4.3%
Provincial Revenue	91,600.0	91,600.0	0.0	0.0%
Municipal Land Transfer Tax	817,721.4	733,191.1	(84,530.3)	-10.3%
Third Party Sign Tax	11,896.2	10,567.3	(1,328.9)	-11.2%
Parking Authority Revenues	57,182.1	56,464.6	(717.5)	-1.3%
Administrative Support Recoveries - Water	18,973.0	18,973.0	0.0	0.0%
Administrative Support Recoveries - Health & EMS	16,326.7	16,326.7	0.0	0.0%
Parking Tag Enforcement & Operations Rev	109,218.0	104,812.8	(4,405.2)	-4.0%
Other Tax Revenues	13,221.1	11,149.3	(2,071.9)	-15.7%
Municipal Accommodation Tax	34,667.0	47,161.1	12,494.1	36.0%
Casino Woodbine	16,000.0	19,168.2	3,168.2	19.8%
Non-Program Revenues	1,571,646.0	1,509,037.1	(62,608.9)	-4.0%
TOTAL - CORPORATE ACCOUNTS	1,821,825.5	1,752,925.5	(68,900.0)	-3.8%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	7,040,385.4	6,828,431.1	(211,954.3)	-3.0%
RATES SUPPORTED PROGRAMS				
Solid Waste Management Services	405,188.8	402,143.8	(3,045.0)	-0.8%
Toronto Parking Authority	166,200.0	159,203.0	(6,997.0)	-4.2%
Toronto Water	1,289,286.9	1,322,089.5	32,802.6	2.5%
TOTAL RATES SUPPORTED PROGRAMS	1,860,675.7	1,883,436.3	22,760.6	1.2%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix D

CITY OF TORONTO CONSOLIDATED APPROVED COMPLEMENT FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2018

Program/Agency	Operating Positions				Capital Positions				Total Positions				Operating Vacancy	
	Approved Complement	Strength	Over / (Under)	%	Approved Complement	Strength	Over / (Under)	%	Approved Complement	Strength	Over / (Under)	%	Budgeted Gapping	After Gapping
Community and Social Services														
Housing Secretariat	25.0	23.0	(2.0)	8.0%					25.0	23.0	(2.0)	8.0%	1.7%	6.3%
Children's Services	1,084.6	1,065.6	(19.0)	1.8%	4.0	3.0	(1.0)	25.0%	1,088.6	1,068.6	(20.0)	1.8%	0.2%	1.6%
Court Services	229.0	206.0	(23.0)	10.0%					229.0	206.0	(23.0)	10.0%	2.7%	7.4%
Economic Development & Culture	290.5	282.0	(8.5)	2.9%	12.0	10.0	(2.0)	16.7%	302.5	292.0	(10.5)	3.5%	2.9%	0.0%
Toronto Paramedic Services	1,475.3	1,456.3	(19.0)	1.3%	2.0	1.0	(1.0)	50.0%	1,477.3	1,457.3	(20.0)	1.4%	1.6%	0.0%
Long Term Care Homes & Services	2,390.0	2,390.0	0.0	0.0%					2,390.0	2,390.0	0.0	0.0%	0.0%	0.0%
Parks, Forestry & Recreation	4,374.2	4,281.9	(92.3)	2.1%	148.0	88.0	(60.0)	40.5%	4,522.2	4,369.9	(152.3)	3.4%	2.5%	0.0%
Shelter, Support & Housing Administration	841.4	787.4	(54.0)	6.4%	45.0	16.0	(29.0)	64.4%	886.4	803.4	(83.0)	9.4%	3.2%	3.2%
Social Development, Finance & Administration	169.0	154.0	(15.0)	8.9%					169.0	154.0	(15.0)	8.9%	2.7%	6.2%
Toronto Employment & Social Services	1,974.0	1,897.0	(77.0)	3.9%	11.0	8.0	(3.0)	27.3%	1,985.0	1,905.0	(80.0)	4.0%	2.1%	1.8%
Sub-Total Community and Social Services	12,853.0	12,543.2	(309.8)	2.4%	222.0	126.0	(96.0)	43.2%	13,075.0	12,669.2	(405.8)	3.1%	1.7%	0.7%
Infrastructure and Development Services														
City Planning Division	404.5	363.9	(40.6)	10.0%	25.5	19.1	(6.4)	25.1%	430.0	383.0	(47.0)	10.9%	3.8%	6.2%
Fire Services	3,214.3	3,161.3	(53.0)	1.6%					3,214.3	3,161.3	(53.0)	1.6%	2.0%	0.0%
Municipal Licensing & Standards	490.5	455.5	(35.0)	7.1%	2.0	0.0	(2.0)	100.0%	492.5	455.5	(37.0)	7.5%	2.0%	5.1%
Policy, Planning, Finance and Administration	187.1	177.1	(10.0)	5.3%	13.0	3.0	(10.0)	76.9%	200.1	180.1	(20.0)	10.0%	3.9%	1.4%
Engineering and Construction Services	126.9	112.6	(14.3)	11.3%	465.2	408.5	(56.7)	12.2%	592.1	521.1	(71.0)	12.0%	4.1%	7.2%
Toronto Building	468.0	440.0	(28.0)	6.0%					468.0	440.0	(28.0)	6.0%	2.9%	3.1%
Transportation Services	1,068.6	989.7	(78.9)	7.4%	111.3	94.2	(17.1)	15.4%	1,179.8	1,083.8	(96.0)	8.1%	5.7%	1.7%
Sub-Total Infrastructure and Development Services	5,959.8	5,700.0	(259.8)	4.4%	617.0	524.8	(92.2)	14.9%	6,576.8	6,224.8	(352.0)	5.4%	3.0%	1.4%
Finance and Treasury Services														
Office of the Chief Financial Officer	122.0	112.0	(10.0)	8.2%	11.0	6.0	(5.0)	45.5%	133.0	118.0	(15.0)	11.3%	2.1%	6.1%
Office of the Controller	641.7	572.2	(69.5)	10.8%	23.0	16.0	(7.0)	30.4%	664.7	588.2	(76.5)	11.5%	3.0%	7.8%
Sub-Total Finance and Treasury Services	763.7	684.2	(79.5)	10.4%	34.0	22.0	(12.0)	35.3%	797.7	706.2	(91.5)	11.5%	2.9%	7.6%
Corporate Services														
Facilities, Real Estate, Environment & Energy	943.6	801.6	(142.0)	15.0%	98.5	68.5	(30.0)	30.5%	1,042.1	870.1	(172.0)	16.5%	3.3%	11.7%
Fleet Services	179.0	158.0	(21.0)	11.7%	8.0	4.0	(4.0)	50.0%	187.0	162.0	(25.0)	13.4%	2.9%	8.8%
Information & Technology	629.0	574.0	(55.0)	8.7%	220.0	158.0	(62.0)	28.2%	849.0	732.0	(117.0)	13.8%	5.5%	3.2%
311 Toronto	163.5	159.5	(4.0)	2.4%	17.0	12.0	(5.0)	29.4%	180.5	171.5	(9.0)	5.0%	2.1%	0.3%
Sub-Total Corporate Services	1,915.1	1,693.1	(222.0)	11.6%	343.5	242.5	(101.0)	29.4%	2,258.6	1,935.6	(323.0)	14.3%	3.9%	7.7%
City Manager														
City Manager's Office	430.0	392.0	(38.0)	8.8%	26.0	22.0	(4.0)	15.4%	456.0	414.0	(42.0)	9.2%	5.1%	3.7%
Sub-Total City Manager	430.0	392.0	(38.0)	8.8%	26.0	22.0	(4.0)	15.4%	456.0	414.0	(42.0)	9.2%	5.1%	3.7%
Other City Programs														
City Clerk's Office	407.0	396.2	(10.8)	2.7%	6.8	4.9	(2.0)	28.7%	413.8	401.1	(12.8)	3.1%	3.1%	0.0%
Legal Services	377.4	336.4	(41.0)	10.9%	0.5	0.0	(0.5)	100.0%	377.9	336.4	(41.5)	11.0%	2.4%	8.5%
Mayor's Office	1.0	1.0	0.0	0.0%					1.0	1.0	0.0	0.0%	0.8%	0.0%
City Council	25.0	25.0	0.0	0.0%					25.0	25.0	0.0	0.0%	4.2%	0.0%
Sub-Total Other City Programs	810.4	758.6	(51.8)	6.4%	7.3	4.9	(2.5)	33.6%	817.7	763.5	(54.3)	6.6%	2.8%	3.6%
Accountability Offices														
Auditor General's Office	36.0	33.0	(3.0)	8.3%					36.0	33.0	(3.0)	8.3%	0.0%	8.3%
Integrity Commissioner's Office	3.0	3.0	0.0	0.0%					3.0	3.0	0.0	0.0%	0.0%	0.0%
Lobbyist Registrar's Office	8.3	8.0	(0.3)	3.0%					8.3	8.0	(0.3)	3.0%	0.0%	3.0%
Ombudsman's Office	12.0	12.0	0.0	0.0%					12.0	12.0	0.0	0.0%	0.0%	0.0%
Sub-Total Accountability Offices	59.3	56.0	(3.3)	5.5%	0.0	0.0	0.0	0.0%	59.3	56.0	(3.3)	5.5%	0.0%	5.5%
TOTAL - CITY OPERATIONS	22,791.3	21,827.1	(964.2)	4.2%	1,249.8	942.2	(307.6)	24.6%	24,041.1	22,769.2	(1,271.8)	5.3%	2.4%	1.9%
Agencies														
Toronto Public Health	1,857.4	1,799.8	(57.5)	3.1%	24.0	21.0	(3.0)	12.5%	1,881.4	1,820.8	(60.5)	3.2%	5.1%	0.0%
Toronto Public Library	1,729.8	1,680.8	(49.0)	2.8%	5.0	5.0	0.0	0.0%	1,734.8	1,685.8	(49.0)	2.8%	2.8%	0.0%
Association of Community Centres	80.6	79.6	(1.0)	1.2%					80.6	79.6	(1.0)	1.2%	0.0%	1.2%
Exhibition Place	351.0	351.0	0.0	0.0%	5.0	5.0	0.0	0.0%	356.0	356.0	0.0	0.0%	0.6%	0.0%
Heritage Toronto	7.5	7.5	0.0	0.0%					7.5	7.5	0.0	0.0%	0.0%	0.0%
TO Live	232.5	211.2	(21.3)	9.2%					232.5	211.2	(21.3)	9.2%	0.0%	9.2%
Toronto Zoo	396.0	375.0	(21.0)	5.3%					396.0	375.0	(21.0)	5.3%	2.2%	3.1%
Arena Boards of Management	65.6	65.6	0.0	0.0%					65.6	65.6	0.0	0.0%	0.0%	0.0%
Yonge Dundas Square	8.0	8.0	0.0	0.0%					8.0	8.0	0.0	0.0%	0.0%	0.0%
CreateTO	51.0	51.0	0.0	0.0%					51.0	51.0	0.0	0.0%	0.0%	0.0%
Toronto & Region Conservation Authority	446.7	446.7	0.0	0.0%	366.2	366.2	0.0	0.0%	812.9	812.9	0.0	0.0%	0.0%	0.0%
Toronto Transit Commission - Conventional	12,414.0	12,372.0	(42.0)	0.3%	2,433.0	2,078.0	(355.0)	14.6%	14,847.0	14,450.0	(397.0)	2.7%	1.4%	0.0%
Toronto Transit Commission - Wheel Trans	613.0	583.0	(30.0)	4.9%					613.0	583.0	(30.0)	4.9%	0.9%	4.0%
Toronto Police Service	7,881.0	6,822.0	(1,059.0)	13.4%					7,881.0	6,822.0	(1,059.0)	13.4%	11.7%	1.8%
Toronto Police Services Board	7.0	7.0	0.0	0.0%					7.0	7.0	0.0	0.0%	0.0%	0.0%
TOTAL - AGENCIES	25,694.4	24,413.6	(1,280.8)	5.0%	2,833.2	2,475.2	(358.0)	12.6%	28,161.4	26,522.6	(1,638.8)	5.8%	4.9%	0.1%
Corporate Accounts														
Corporate Accounts	406.0	397.0	(9.0)	2.2%					406.0	397.0	(9.0)	2.2%	0.0%	2.2%
TOTAL - CORPORATE ACCOUNTS	406.0	397.0	(9.0)	2.2%	0.0	0.0	0.0	0.0%	406.0	397.0	(9.0)	2.2%	0.0%	2.2%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	48,891.7	46,637.7	(2,254.0)	4.6%	4,083.0	3,417.4	(665.6)	16.3%	52,608.5	49,688.8	(2,919.7)	5.5%	3.7%	0.9%
Rate Supported Programs														
Solid Waste Management Services	1,078.1	1,029.4	(48.7)	4.5%	38.2	31.9	(6.3)	16.5%	1,116.3	1,061.3	(55.0)	4.9%	4.0%	0.5%
Toronto Parking Authority	328.5	312.0	(16.5)	5.0%					328.5	312.0	(16.5)	5.0%	3.0%	2.0%
Toronto Water	1,705.3	1,563.3	(142.0)	8.3%	59.4	45.0	(14.4)	24.2%	1,764.7	1,608.3	(156.4)	8.9%	3.0%	5.3%
TOTAL RATES SUPPORTED PROGRAMS	3,111.9	2,904.7	(207.2)	6.7%	97.5	76.9	(20.7)	21.2%	3,209.5	2,981.6	(227.9)	7.1%	3.3%	3.3%
GRAND TOTAL	52,003.6	49,542.4	(2,461.2)	4.7%	4,180.5	3,494.2	(686.3)	16.4%	55,817.9	52,670.4	(3,147.5)	5.6%	3.6%	(1.1%)

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Figure 5: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Housing Secretariat	3-Month	0.1	▼	(0.1)	▼	0.0	—	Ⓞ
	5-Month	0.1	—	(0.1)	—	0.1	▲	Ⓞ
	9-Month	0.2	▲	(0.1)	—	0.1	—	Ⓞ
	12-Month	0.4	▲	(0.4)	▼	(0.0)	▼	Ⓞ
Children's Services	3-Month	2.5	▼	(2.5)	▼	0.0	—	Ⓞ
	5-Month	1.9	▼	(1.9)	▲	0.0	—	Ⓞ
	9-Month	12.3	▲	(12.3)	▼	0.0	—	Ⓞ
	12-Month	42.8	▲	(30.6)	▼	12.2	▲	Ⓞ
Court Services	3-Month	1.2	▼	(1.1)	▼	0.1	▼	Ⓞ
	5-Month	1.9	▲	1.4	▲	3.2	▲	Ⓞ
	9-Month	4.1	▲	6.1	▲	10.2	▲	Ⓞ
	12-Month	4.9	▲	7.2	▲	12.1	▲	Ⓞ
Economic Development & Culture	3-Month	(0.3)	▲	0.3	▲	0.0	—	Ⓞ
	5-Month	(0.3)	—	0.3	—	0.0	—	Ⓞ
	9-Month	(1.0)	▼	0.1	▼	(0.9)	▼	Ⓡ
	12-Month	(0.6)	▲	(0.3)	▼	(0.9)	—	Ⓡ
Toronto Paramedic Services	3-Month	(2.1)	▲	(0.1)	▼	(2.2)	▲	Ⓡ
	5-Month	(1.4)	▲	0.0	▲	(1.3)	▲	Ⓡ
	9-Month	(0.4)	▲	0.2	▲	(0.1)	▲	Ⓡ
	12-Month	(1.2)	▼	(0.5)	▼	(1.8)	▼	Ⓡ

Appendix E

Figure 6: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Long Term Care Homes and Services	3-Month	2.9	▼	(2.9)	▼	0.1	▼	Ⓞ
	5-Month	2.9	—	(2.9)	—	0.1	—	Ⓞ
	9-Month	5.3	▲	(2.9)	—	2.4	▲	Ⓞ
	12-Month	3.9	▼	(1.4)	▲	2.5	▲	Ⓞ
Parks, Forestry & Recreation	3-Month	6.5	▼	(9.4)	▼	(2.9)	▲	Ⓡ
	5-Month	6.0	▼	(9.6)	▼	(3.6)	▼	Ⓡ
	9-Month	8.0	▲	(9.6)	—	(1.6)	▲	Ⓡ
	12-Month	13.6	▲	(13.2)	▼	0.4	▲	Ⓞ
Shelter, Support & Housing Administration	3-Month	(23.4)	▲	1.1	▲	(22.4)	▲	Ⓡ
	5-Month	(25.3)	▼	3.2	▲	(22.1)	▲	Ⓡ
	9-Month	(37.9)	▼	30.9	▲	(7.0)	▲	Ⓡ
	12-Month	(3.6)	▲	3.6	▼	(0.0)	▲	Ⓞ
Social Development, Finance & Administration	3-Month	0.1	▼	0.0	—	0.1	▼	Ⓞ
	5-Month	0.6	▲	(0.6)	▼	0.1	—	Ⓞ
	9-Month	1.2	▲	(0.4)	▲	0.8	▲	Ⓞ
	12-Month	3.0	▲	(2.9)	▼	0.0	▼	Ⓞ

Appendix E

Figure 7: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Employment & Social Services	3-Month	3.5	▼	(3.5)	▼	0.0	—	Ⓞ
	5-Month	(10.2)	▼	10.2	▲	0.0	—	Ⓞ
	9-Month	(3.1)	▲	3.1	▼	0.0	—	Ⓞ
	12-Month	11.9	▲	(11.9)	▼	(0.0)	—	Ⓞ
Total	3-Month	(9.0)	▲	(18.2)	▼	(27.2)	▲	Ⓡ
	5-Month	(23.8)	▼	0.2	▲	(23.6)	▲	Ⓡ
	9-Month	(11.2)	▲	15.1	▲	3.9	▲	Ⓞ
	12-Month	75.0	▲	(50.5)	▼	24.5	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Appendix E

Community and Social Services

Year End Results

<p>Housing Secretariat:</p> <ul style="list-style-type: none">• Favourable gross expenditure variance resulting from underspending in salaries and benefits from vacancies due to secondment, long term illness and hiring delays for approved positions.• Underspending has been fully offset by corresponding underachieved federal-provincial revenue.• On budget
<ul style="list-style-type: none">• 2.0 positions below approved complement, which after considering gapping, is equivalent to a 6.3% operating vacancy rate.
<p>Children's Services:</p> <ul style="list-style-type: none">• Favourable gross variance of \$42.821 million due to under-achieved enveloped programming expenditures with funding flowing directly to community partners (\$24.407 million) and under-achieved operational programming (\$18.458 million) with savings due to age mix and delays in hiring positions for new programming.• Under-achieved revenues of \$30.622 million primarily from due to under-utilized enveloped programming revenue of \$13.010 million that will be returned to the Province with the balance community grant funding of \$11.397 million to be re-budgeted in the future years, and over achieved User Fee revenue of \$6.290 million.• Favorable net variance of \$12.199 million reflects the underspending due to age-mix and delays in hiring new positions; favourable user fees; offset by underachieved revenues.
<ul style="list-style-type: none">• 20 positions below the approved complement, which is equivalent to 1.6% after considering gapping
<p>Court Service:</p> <ul style="list-style-type: none">• Favourable gross expenditure variance of \$4.877 million mainly due to underspent salaries and benefits resulting from vacancies and hiring delays and other non-payroll expenditures such as honorarium for TLAB and APT tribunal members, inter-divisional charges for legal services as well as materials and supplies.• Over achieved revenues of \$7.211 million resulting from higher than planned revenues primarily from Red Light Camera ticket issuance, higher average amount per charge filed as well as an improvement in fine collection rates from 74.5% in 2017 to 77.9% in 2018. The aggregate volumes of tickets issued by Toronto Police was however 83,259 or 28% lower than the budget (Budget of 296,353 vs Actual of 213,094).• Net favourable variance of \$12.088 million resulting from under spending in salaries and benefits and certain non-payroll expenditures as identified above and over achieved revenues resulting from higher than planned revenues from Red Light

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

<p>Camera operations, average payment per charge filed and improved collection rates.</p>
<ul style="list-style-type: none"> • 23 positions below the approved complement which after considering gapping is equivalent to 7.4% vacancy rate.
<p>Economic Development & Culture:</p> <ul style="list-style-type: none"> • Unfavourable net expenditures of \$0.875 million or 1.3% above the 2018 Approved Operating Budget is driven by: <ul style="list-style-type: none"> • Loss of funding of \$0.700 million from Tourism Toronto due to the implementation of Municipal Accommodation Tax (MAT) • Unfavorable other expenditures are driven by unanticipated requests including: <ul style="list-style-type: none"> • Support of \$0.117 million for the Danforth BIA as a result of the tragic events • Sponsorship of \$0.025 million for the Taste of Manila Festival
<ul style="list-style-type: none"> • 10.5 positions below approved complement due to staff turnover. This represents a full complement after consideration of budgeted gapping.
<p>Toronto Paramedic Services:</p> <ul style="list-style-type: none"> • Unfavourable gross expenditure variance of \$1.217 million primarily due to increased WSIB claims as a result of legislative changes, Bill 163 for "Post-Traumatic Stress Disorder", and increased overtime due to increased call volume partially offset by underspending in various non-salary expenditures. • Underachieved revenues of \$0.534 million primarily due to delayed Provincial (MOH) grant and lower than expected user fees and insurance recoveries. • Unfavourable net variance of \$1.750 million primarily due to call volume increases, legislative changes and delayed revenues from MOH.
<ul style="list-style-type: none"> • 20 positions below the approved complement which after considering gapping is equivalent to 0% vacancy rate.
<p>Long-Term Care Homes & Services:</p> <ul style="list-style-type: none"> • Favourable gross expenditure variance of \$3.855 million due to the implementation of cost-control measures in areas where provincial funding enhancements have been delayed and lower 100% claims-based program spending. • Underachieved revenues of \$1.368 million representing lower provincial subsidies for 100% claims-based programs and small delay in claims recovery for expenses incurred. • Favourable net variance of \$2.487 million reflecting timing delays in recovering 100% of costs in claims-based programs such as high intensity needs and Supportive Housing services.
<ul style="list-style-type: none"> • 93 positions below the approved complement. This program does not currently have gapping.
<p>Parks, Forestry & Recreation:</p> <ul style="list-style-type: none"> • Parks, Forestry & Recreation is reporting a favourable year-end net variance of \$0.369 million or 0.1% consisting of a favourable \$13.554 million or 2.9% gross expenditure variance offset by a revenue shortfall of \$13.185 million or 9.2%.

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

- Favourable gross expenditure variance is driven by underspending in salaries and benefits due to the timing of hiring for capital initiatives, temporary facility closures, organizational restructuring and harder to fill skilled positions. Other underspending in expenditure was due to unpredictable utilities market conditions and from expenditure deferral of tree planting on hard surfaces. This underspending was partially offset by additional spending required to mitigate extreme weather damages in 2018. These restoration costs were above and beyond what is normally expected in an average year from extreme weather activities.
- The unfavourable revenue variance is driven by temporary facility closures: lower capital recoveries from project delays: and lower reserve draws for planting on hard surfaces and tree maintenance as this planned work could not be completed due to restoration activities as a result of extreme weather events.

- 152.3 positions below approved complement. After budgeted gapping considerations this is equivalent to a full complement.

Shelter, Support & Housing Administration:

- Unfavourable gross expenditure variance of \$3.624 million. Overspending in Hostel Services of \$36.157 million primarily due to strong demand for emergency shelter beds and respite services experienced throughout 2018 has been significantly offset by underspending in the Social Housing service in the following program areas: underspending of \$19.384 million for social housing provider subsidies for property taxes, mortgage payments, operating and rent subsidies; underspending of \$2.510 million in housing support grant programs (HPS, H4G etc.) and underspending of \$10.534 million for federal-provincially funded affordable housing development projects due to construction delays which has been fully offset by a corresponding lower recognition of federal-provincial grant revenue and reserve draws.
- Over achieved revenues of \$3.624 million. Unplanned revenue of approximately \$29 million in federal provincial assistance (Federal - \$26M and Provincial \$2.9M) to sustain the Human Services Response initiative have been significantly offset by: lower recognition of \$10.534 million in federal-provincial grant revenues to match corresponding underspending in affordable housing development projects; underachieved revenues of \$11.102 million in federal provincial Housing Stability Support grant programs to match underspending in these programs and under achieved revenues of \$3.950 million in planned reserve draws no longer required as a result of financial assistance received from the federal and provincial governments.
- Net \$0 favourable variance resulting from overspending in Hostels Services due to strong demand for shelter beds and Respite services offset by unplanned federal-provincial revenues as well as savings in the Social Housing Service resulting from lower than plan expenditures for Social Housing subsidies and underspending in social housing support programs.

- 83.0 positions below approved complement which after considering gapping is equivalent to a 3.2% operating vacancy rate.

Social Development, Finance and Administration:

- Favourable gross expenditure variance of \$2.954 million is primarily attributable to slower than anticipated uptake at the start of the Fair Transit Equity Program, slower than anticipated project completion by property owners under the Tower Renewal Hi-RIS Retrofit Improvement Program and delayed implementation of the Anti-Black Racism Program.
 - Under achieved revenues of \$2.923 million due to underspending in gross expenditures, resulting in lower draws from reserves, lower provincial subsidies and lower than planned recoveries from replacement card fees for the Transit Fare Equity program.
 - Favourable net variance of \$0.031 million is primarily attributable to underspent Salaries and Benefits due to hiring delays for newly added programs and staff turnover.
-
- 15 positions below approved complement which after considering gapping is equivalent to a 6.2% vacancy rate.
 - Key driver for vacancies are delays in the hiring process for new programs.

Toronto Employment & Social Services:

- Favourable gross expenditure variance of \$11.931 million is primarily due to lower program administration costs resulting from the lower than planned caseload.
 - Underachieved revenues of \$11.931 million are attributed to lower program delivery expenditures resulting in lower provincial subsidies and lower reserve draws required.
 - Year-end \$0 net variance due to flat Ontario Works (OW) caseload to budget. The caseload in 2018 was 83,755, 245 cases lower than the budget of 84,000 caseload.
-
- 80 positions below the approved complement which after considering gapping is equivalent to a 1.8% vacancy rate.

Appendix E

Figure 8: Infrastructure and Development Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Planning	3-Month	1.0	▼	3.4	▲	4.4	▼	Ⓞ
	5-Month	0.4	▼	6.4	▲	6.8	▲	Ⓞ
	9-Month	0.9	▲	6.0	▼	6.9	▲	Ⓞ
	12-Month	1.5	▲	2.3	▼	3.8	▼	Ⓞ
Fire Services	3-Month	(0.5)	▲	0.0	—	(0.5)	▲	Ⓜ
	5-Month	(4.7)	▼	0.0	—	(4.7)	▼	Ⓜ
	9-Month	(2.4)	▲	1.8	▲	(0.6)	▲	Ⓜ
	12-Month	1.0	▲	2.7	▲	3.7	▲	Ⓞ
Municipal Licensing & Standards	3-Month	2.8	▼	2.2	▲	5.0	▼	Ⓞ
	5-Month	3.2	▲	1.8	▼	5.0	—	Ⓞ
	9-Month	3.9	▲	6.1	▲	10.0	▲	Ⓞ
	12-Month	3.7	▼	6.1	—	9.8	▼	Ⓞ
Policy, Planning, Finance and Administration	3-Month	1.3	▼	(1.0)	▼	0.2	▼	Ⓞ
	5-Month	1.3	—	(1.0)	—	0.2	—	Ⓞ
	9-Month	3.3	▲	(2.7)	▼	0.5	▲	Ⓞ
	12-Month	4.0	▲	(2.9)	▼	1.2	▲	Ⓞ
Engineering and Construction Services	3-Month	9.3	▼	(8.8)	▼	0.5	▼	Ⓞ
	5-Month	10.1	▲	(7.9)	▲	2.2	▲	Ⓞ
	9-Month	8.9	▼	(5.1)	▲	3.8	▲	Ⓞ
	12-Month	11.2	▲	(5.8)	▼	5.5	▲	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Figure 9: Infrastructure and Development Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						
		Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend	
Toronto Building	3-Month	4.0	▼	6.0	▲	9.9	▼	Ⓞ
	5-Month	3.3	▼	23.0	▲	26.3	▲	Ⓞ
	9-Month	2.9	▼	22.8	▼	25.8	▼	Ⓞ
	12-Month	5.2	▲	10.3	▼	15.5	▼	Ⓞ
Transportation Services	3-Month	35.9	▼	(45.8)	▼	(10.0)	▼	Ⓡ
	5-Month	35.9	—	(35.8)	▲	0.1	▲	Ⓞ
	9-Month	42.3	▲	(42.0)	▼	0.3	▲	Ⓞ
	12-Month	57.5	▲	(48.0)	▼	9.5	▲	Ⓞ
Total	3-Month	53.7	▼	(44.2)	▼	9.5	▼	Ⓞ
	5-Month	49.5	▼	(13.6)	▲	35.9	▲	Ⓞ
	9-Month	59.9	▲	(13.1)	▲	46.8	▲	Ⓞ
	12-Month	84.2	▲	(35.2)	▼	49.0	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Infrastructure and Development Services

Year End Results

City Planning:

- Favourable gross expenditures of \$1.514 million as a result of staff vacancies that require significant time to fill, offset by higher expenditures for legal services relating to appeals at the OMB, advertising costs to issue public notice of transit development meetings, and higher professional services expenditures to support study activity.
- Favourable revenue of \$2.327 million as a result of development application review fees, primarily in the South, North and West districts. The strong revenue was partially offset by position recoveries as a result of staff vacancies.
- The 2018 surplus in the development application review fees of \$3.609 million will be contributed to the Development Application Review Reserve Fund (XR1307) per Council's direction in report EX44.24.
- City Planning is 47.0 positions below the approved complement of 430.0, which after considering the budgeted gapping rate, is equivalent to a 6.2% operating vacancy rate.

Fire Services:

- Favourable gross expenditure variance of \$0.993 million is mainly due to underspending in salary and benefits of \$4.246 million due to hiring delays and attrition, which offsets the overspending for the WSIB costs of \$3.105 million.
- Over achieved revenues of \$2.672 million reflect higher than planned false alarm fee revenues
- Toronto Fire Services is \$3.665 million net below the budget, reflecting the program gross expenditure underspending and over achieved revenues.
- 53 positions or 1.6% below the approved complement, which after considering gapping, represents full complement.

Municipal Licensing & Standards:

- Under-expenditures totaling \$6.95 million mainly arise from salaries and benefits savings due to processing time to fill vacancies (\$4.88 million), and lower than anticipated expenditures (\$2.07 million) for materials, supplies, equipment, contracted services and other expenses. This includes delayed spending on vehicles, software, consultants and the deferral of \$0.75 million grant disbursement to the Toronto Wildlife Center.
 - These under-expenditures were partially offset by over-expenditures of \$3.22 million mainly due to, higher than planned contracted services including office construction (\$1.21 million), replacement of cellphones and computer hardware (\$0.66 million), un-planned inter-divisional charges (\$0.15 million) from Facilities and Police Services as well as professional medical, office lease, remedial grass cutting and as well as general equipment

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

<ul style="list-style-type: none"> • The resulting gross expenditures reflect a total favourable variance of \$3.73 million at year-end. • Higher than planned revenue of \$8.60 million was primarily comprised of \$8.38 million in higher than expected volumes of PTC (Private Transportation Company) applications, trip fees and higher than planned revenue of \$0.21 million from insurance recoveries and interdivisional recoveries. <ul style="list-style-type: none"> • Lower revenue of \$2.53 million was received mainly the result of delayed apartment building inspection fees (\$0.73 million); lower than planned volume of business license fees (\$0.24 million); waived animal licensing and adoption fees for low-income individuals (\$0.49 million); delayed IT capital recoveries (\$0.22 million) and less than anticipated sundry revenue including the deferral of receipt of reserve funding for the Toronto Wildlife Center grant (\$0.85 million). • The resulting net expenditures reflect a total favourable variance (surplus) of \$9.8 million as of year-end.
<ul style="list-style-type: none"> • As of year-end, ML&S is 37 positions below total approved complement of 492.5 positions due to an on-going recruiting process. After considering budgeted gapping, this is equivalent to a 5.1% operating vacancy rate. • The Program is actively filling vacancies and working with HROM to reduce the number of vacancies by year-end.
<p>Policy, Planning, Finance & Administration:</p> <ul style="list-style-type: none"> • Favourable gross expenditures of \$4.028 million mainly due to staff vacancies and project delays with the Metrolinx Regional Express Rail (RER) resulting in lower consultant costs. • As a result of staff vacancies and project delays with the RER, revenue is lower by \$2.856 million. Positions that support Toronto Water, Solid Waste Management and Engineering & Construction Services were vacant and no recoveries were required.
<ul style="list-style-type: none"> • 20.0 positions below the approved complement of 200.1, which after considering the budgeted operating gapping rate, is equivalent to a 1.4% operating vacancy rate.
<p>Engineering and Construction Services:</p> <ul style="list-style-type: none"> • Under-spending in salaries & benefits and related non-salary expenses due to vacant positions as a result of the highly competitive market for engineering professionals. • Lower costs due to delay of the Capital Works Procedure Manual update project (to reflect all Auditor General recommendations, Purchasing By-Law changes, implementation in 2019 of the Construction Act, etc.). • Lower recoveries from client capital projects resulting from vacant positions. • Partially offset by higher development application review fees and full stream application fees due to higher volume of applications from utility companies.
<ul style="list-style-type: none"> • 71.0 positions below the approved complement due to a combination of challenges, namely exits (retirements and transfers to other Divisions) and attracting and retaining engineering professionals in a highly competitive market. • After considering budgeted gapping, it is equal to a 7.2% operating vacancy rate.

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Toronto Building:

- Toronto Building net expenditures of \$26.218 million at year end.
 - The gross expenditures are under budget by \$5.223 million mainly due to underspending in salaries and benefits as a result of vacant positions (\$4.120 million).
 - Revenues variance of \$10.301 million is driven by sustained high volumes of building permit.
 - 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 is to create and maintain systems and processes enabling service delivery timelines and reporting requirements of the Province's Bill 124, Building Code Statute Law Amendment Act, and 2002 Legislation to be met.
-
- 28 positions below approved complement of 468.0 positions.

Transportation Services:

- Lower costs for utility cut repair contracts and road / bridge repair contracts due to lower than expected volumes, and lower street lighting costs due to lower than expected hydro rates.
 - Under-spending in salaries & benefits and related non-salary expenses due to vacant positions resulting from the continued implementation of the new organizational structure.
 - Also, lower traffic signal maintenance contract costs due to lower than expected volumes, and under-spending in the winter maintenance program due to mild winter conditions.
 - Under-achieved utility cut repair revenue and boulevard parking permit fee revenue due to lower than expected volumes.
 - As well, lower recoveries from capital projects resulting from vacant positions, and lower Public Realm Reserve Fund recoveries as net costs incurred were lower than planned.
 - Partially offset by higher temporary parking permit fees due to increased volumes.
-
- 96.0 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).
 - In addition, Transportation Services experienced a greater 'churn' of staff in positions as the new organizational structure continued to be implemented and positions were filled. This will continue into 2019 as the organizational structure is finalized.
 - After considering budgeted gapping, it is equal to a 1.7% operating vacancy rate.

Appendix E

Figure 10: Finance and Treasury Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer	3-Month	1.9	▼	(1.0)	▼	0.8	▼	Ⓞ
	5-Month	1.7	▼	(0.7)	▲	0.9	▲	Ⓞ
	9-Month	2.8	▲	(1.4)	▼	1.4	▲	Ⓞ
	12-Month	3.0	▲	(1.6)	▼	1.4	—	Ⓞ
Office of the Controller	3-Month	1.9	▼	(1.5)	▼	0.4	▼	Ⓞ
	5-Month	3.2	▲	(1.8)	▼	1.3	▲	Ⓞ
	9-Month	7.3	▲	(5.1)	▼	2.2	▲	Ⓞ
	12-Month	7.6	▲	(4.8)	▲	2.9	▲	Ⓞ
Total	3-Month	3.8	▼	(2.5)	▼	1.2	▼	Ⓞ
	5-Month	4.8	▲	(2.6)	▼	2.3	▲	Ⓞ
	9-Month	10.1	▲	(6.6)	▼	3.5	▲	Ⓞ
	12-Month	10.7	▲	(6.4)	▲	4.3	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Finance and Treasury Services

Year End Results

Office of the Chief Financial Officer:

- Favourable gross expenditures variance of \$3.023 million, mainly due to delay in filling vacant positions, is offset by \$1.639 million in lower recoveries from Non-Program, Reserves and capital projects which resulted in a favourable net expenditure of \$1.384 million.
- 15.0 positions below the approved complement (10.0 operating and 5.0 capital). After considering budgeted gapping of 2.1%, this represents the equivalent of a 6.1% operating vacancy rate.

Office of the Controller:

- Favourable gross expenditures of \$7.644 million is primarily attributable to underspent salaries and benefits on vacancies, underspent Consulting costs due to delay in the Category Management project, partially offset by over-expenditure in postage, vacancy rebate services, collection agency fees and dedicated HR support.
- Revenues were under-achieved mainly due to lower recoveries from divisions and reserve funds, which were partially offset by higher user fee revenue.
- 76.5 positions below the approved complement (69.5 operating and 7.0 capital). After considering budgeted gapping of 3.0%, this represents the equivalent of a 7.8% operating vacancy rate.
- Recruitment is underway for vacant positions.

Appendix E

Figure 11: Corporate Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Facilities, Real Estate, Environment & Energy	3-Month	(2.1)	▲	2.4	▲	0.4	▼	Ⓞ
	5-Month	1.1	▲	(0.9)	▼	0.3	▼	Ⓞ
	9-Month	5.7	▲	(1.8)	▼	4.0	▲	Ⓞ
	12-Month	3.0	▼	1.2	▲	4.2	▲	Ⓞ
Fleet Services	3-Month	(2.3)	▲	2.4	▲	0.1	▼	Ⓞ
	5-Month	(2.9)	▼	2.8	▲	(0.1)	▼	Ⓜ
	9-Month	(2.7)	▲	2.7	▼	0.0	▲	Ⓞ
	12-Month	(0.0)	▲	0.1	▼	0.1	▲	Ⓞ
Information & Technology	3-Month	13.5	▼	(12.8)	▼	0.7	▼	Ⓞ
	5-Month	14.2	▲	(13.2)	▼	1.0	▲	Ⓞ
	9-Month	14.1	▼	(13.2)	—	0.9	▼	Ⓞ
	12-Month	14.2	▲	(14.1)	▼	0.1	▼	Ⓞ
311 Toronto	3-Month	1.3	▼	(1.3)	▼	0.0	—	Ⓞ
	5-Month	1.3	—	(1.3)	—	0.0	—	Ⓞ
	9-Month	1.4	▲	(1.3)	—	0.1	▲	Ⓞ
	12-Month	1.4	—	(1.4)	▼	0.0	▼	Ⓞ
Total	3-Month	10.4	▼	(9.2)	▼	1.2	▼	Ⓞ
	5-Month	13.8	▲	(12.7)	▼	1.2	—	Ⓞ
	9-Month	18.5	▲	(13.5)	▼	5.0	▲	Ⓞ
	12-Month	18.6	▲	(14.2)	▼	4.4	▼	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓜ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Corporate Services

Year End Results

<p>Facilities, Real Estate, Environment & Energy:</p> <ul style="list-style-type: none">• Favourable variance of \$4.204 million net is primarily attributable to underspending in utilities due to lower consumption and hydro rates resulting from global adjustments, as well as, operating vacancies due to staffing delays and ongoing implementation of the new Facilities Management service delivery model.
<ul style="list-style-type: none">• 172 positions below the approved complement mainly driven by staffing delays due to the ongoing implementation of the new Facilities Management service delivery model within the program. After considering budgeted gapping, current vacancies represent the equivalent of an 11.7% operating vacancy rate.• The impact of vacancies across the program include existing staff working extra hours to cover off 24/7 and critical operations, and a greater reliance on external contractors to support operations. Overall, the program mitigated these impacts by having critical work performed with existing resources to meet service levels.
<p>Fleet Services:</p> <ul style="list-style-type: none">• Unfavourable gross expenditure variance of \$0.022 million is mainly attributable to increased costs to maintain the City's fleet due to vehicles and equipment that have passed their optimum life, higher fuel and short-term vehicle rental costs, partially offset by underspent salaries and benefits from staff vacancies in hard-to-fill positions. This unfavourability in gross expenditures is offset by increased recoveries from Client divisions for a net favourable variance of \$0.063 million.• 25.0 vacant positions below approved complement, 21.0 operating and 4.0 capital, which after considering budgeted gapping, is equivalent to a 8.8% operating vacancy rate.
<p>Information & Technology:</p> <ul style="list-style-type: none">• Favourable variance in net expenditures of \$0.113 million is primarily attributable to operating vacancies and lower than planned maintenance costs. The favourable gross expenditure (\$14.248 million) was largely due to Capital and client funded vacancies and were offset by lower recoveries from reserves and divisions. Underspend in operating vacancies and lower maintenance costs were partly utilized to fund the office modernization initiative, the dedicated Human Resource Services Team and services to assess cyber security risks.• 117.0 vacant positions below approved complement, 55.0 operating and 62.0 capital, which after considering budgeted gapping, is equivalent to a 3.2% operating vacancy rate.• I & T continues to work closely with a dedicated team of HR professionals to fill capital positions as per I & T Division priorities and project schedules.

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

311 Toronto:

- Favourable net expenditure of \$0.050 million is mainly attributable to underspending in contracts due negotiations and IT technologies being updated. Vacancies in the Project Management Office (\$0.983 million) and postponed training for Tax & Utility calls (\$0.290 million) underlie the gross expenditure favourability which is offset by lower recoveries from capital and reserves.
 - Achieved 75% of calls answered within 75 seconds, compared to the 80% Council approved service level, primarily due to absenteeism issues early in 2018 that has since been addressed.
-
- 9.0 positions below the approved complement (4.0 operating, 5.0 capital). 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 E

City Manager's Office

The City Manager's Office reported net favourable year-end variance of \$1.993 million or 4.1% compared to the 2018 Approved Net Operating Budget.

Figure 12: City Manager's Office Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Manager's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	(1.5)	▼	2.1	▲	0.7	▲	Ⓞ
	9-Month	(1.6)	▼	2.2	▲	0.6	▼	Ⓞ
	12-Month	0.2	▲	1.8	▼	2.0	▲	Ⓞ
Year-End Net Variance		Ⓞ ≤100%		Ⓡ >100%				

Year End Results

City Manager's Office:

- Favourable net variance of \$1.993 million or 4.1%, mainly due to underspending in salaries and benefits resulting from vacant positions.
- 42.0 positions below approved complement (38 operating and 4 capital), and after considering budgeted gapping, this represents the equivalent of a 3.7% operating vacancy rate.

Appendix E

Figure 13: Other City Programs Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Clerk's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	9-Month	0.8	▲	0.0	—	0.8	▲	Ⓞ
	12-Month	2.8	▲	(2.0)	▼	0.8	—	Ⓞ
Legal Services	3-Month	(0.7)	▲	0.7	▲	0.0	—	Ⓞ
	5-Month	4.5	▲	(3.5)	▼	1.0	▲	Ⓞ
	9-Month	5.7	▲	(3.4)	▲	2.3	▲	Ⓞ
	12-Month	5.2	▼	(1.7)	▲	3.5	▲	Ⓞ
Mayor's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
City Council	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	(0.3)	▼	0.0	—	(0.3)	▼	Ⓡ
	9-Month	(1.8)	▼	(0.0)	—	(1.8)	▼	Ⓡ
	12-Month	(1.3)	▲	(0.0)	—	(1.4)	▲	Ⓡ
Total	3-Month	(0.7)	▲	0.7	▲	0.0	—	Ⓞ
	5-Month	4.3	▲	(3.5)	▼	0.8	▲	Ⓞ
	9-Month	4.8	▲	(3.5)	—	1.3	▲	Ⓞ
	12-Month	6.9	▲	(3.8)	▼	3.0	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Other City Programs

Year End Results

<p>City Clerk's Office:</p> <ul style="list-style-type: none">• Favourable variance of \$0.770 million or 2.4% in net expenditures for the year due mainly to delays in staff hiring.
<ul style="list-style-type: none">• 12.8 positions (8.0 permanent and 4.8 temporary) below approved complement, and after considering budgeted gapping, this represents the equivalent of a 0% operating vacancy rate.• There was no service level impact resulting from these vacancies.
<p>Legal Services:</p> <ul style="list-style-type: none">• Favourable net expenditure of \$3.523 million is mainly due to staff vacancies, and replacement of retiring staff with less senior staff, which drive the gross expenditure favourability of \$5.241 million, which is partially offset by lower recoveries from clients.
<ul style="list-style-type: none">• 41.5 positions below the approved complement (41.0 operating and 0.5 capital). After considering budgeted gapping of 2.4%, this represents the equivalent of a 8.5% operating vacancy rate.
<p>Mayor's Office:</p> <ul style="list-style-type: none">• Favourable variance of \$0.118 million or 5.2% due mainly to lower spending in Salaries and Benefits for the year.
<ul style="list-style-type: none">• Full complement.
<p>City Council:</p> <ul style="list-style-type: none">• Unfavourable net variance of \$1.363 million or 6.6% due to higher spending in Council General Budget as a result of higher Council transition costs due to the impacts of Bill 5, Better Local Government Act which reduced the size of Toronto City Council in the new term of Council from 47 to 25 wards, and the outcome of the 2018 Municipal Elections. This higher spending in Council General Budget was partially offset by lower spending in Councillors' Constituency Services & Office Budgets, Councillor Staff Salaries & Benefits, and Councillor Salaries & Benefits.
<ul style="list-style-type: none">• Full complement.

Appendix E

Figure 14: Accountability Offices Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Auditor General's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ
Integrity Commissioner's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Lobbyist Registrar's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
Ombudsman's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
Total	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.4	▲	0.0	—	0.4	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Accountability Offices

Year End Results

<p>Auditor General's Office:</p> <ul style="list-style-type: none">• Net favourable year end variance of \$0.238 million or 3.7% due mainly to lower spending in Salaries & Benefits as a result of staff vacancies, partially offset by higher spending in Equipment, and Service and Rents for the year.• 3.0 positions below approved complement due to staff turnover late in the year.• There was no service level impact resulting from these vacancies and expect return to full strength in 2019.
<p>Integrity Commissioner's Office:</p> <ul style="list-style-type: none">• Favourable variance of \$0.010 million or 2.0% mainly due to lower spending in salary and benefits, partially offset by higher service and rents costs for the year.• Full complement.
<p>Lobbyist Registrar's Office:</p> <ul style="list-style-type: none">• Favourable YTD net variance of \$0.075 million or 6.3% due mainly to lower spending in Services and Rents, and Salaries and Benefits for the year.• 0.3 positions represents the equivalent of a 3% vacancy rate. This reflects one temporary position which is only filled if required when operational needs arise. The Office is at full complement in terms of the 8 permanent positions.
<p>Ombudsman's Office:</p> <ul style="list-style-type: none">• Favourable net variance of \$0.080 million or 4.2% due mainly to lower spending in Services and Rents for the year, partially offset by higher Salaries & Benefits and Equipment costs.• Full complement.

Appendix E

Figure 15: Agencies Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Public Health	3-Month	0.4	▼	(0.4)	▼	(0.0)	—	Ⓜ
	5-Month	0.2	▼	(0.2)	▲	0.0	—	Ⓞ
	9-Month	1.7	▲	(1.7)	▼	0.1	▲	Ⓞ
	12-Month	1.4	▼	(1.4)	▲	0.1	—	Ⓞ
Toronto Public Library	3-Month	(0.5)	▲	0.5	▲	0.0	—	Ⓞ
	5-Month	(1.7)	▼	1.7	▲	(0.0)	—	Ⓜ
	9-Month	(1.7)	—	1.7	—	0.0	—	Ⓞ
	12-Month	(2.6)	▼	2.6	▲	0.1	▲	Ⓞ
Association of Community Centres	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(0.0)	—	0.1	▲	0.0	—	Ⓞ
Exhibition Place	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.7	▲	0.8	▲	1.5	▲	Ⓞ
	12-Month	5.2	▲	(3.1)	▼	2.1	▲	Ⓞ
Heritage Toronto	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	(0.0)	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(0.2)	▼	0.2	▲	0.0	—	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 16: Agencies Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
TO Live	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	5.8	▲	(5.8)	▼	(0.0)	—	Ⓡ
	12-Month	4.6	▼	(4.2)	▲	0.4	▲	Ⓞ
Toronto Zoo	3-Month	(0.4)	▲	0.0	—	(0.4)	▲	Ⓡ
	5-Month	(0.4)	—	0.0	—	(0.4)	—	Ⓡ
	9-Month	4.1	▲	(7.5)	▼	(3.3)	▼	Ⓡ
	12-Month	4.0	▼	(7.0)	▲	(3.0)	▲	Ⓡ
Arena Boards of Management	3-Month	0.0	—	(0.1)	▼	(0.1)	▲	Ⓡ
	5-Month	0.0	—	(0.1)	—	(0.1)	—	Ⓡ
	9-Month	(0.1)	▼	0.0	▲	(0.1)	—	Ⓡ
	12-Month	(0.1)	—	(0.1)	▼	(0.2)	▼	Ⓡ
Yonge Dundas Square	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	(0.0)	—	0.1	▲	0.0	—	Ⓞ
	9-Month	(0.1)	▼	0.2	▲	0.1	▲	Ⓞ
	12-Month	(0.1)	—	(0.1)	▼	(0.1)	▼	Ⓡ
CreateTO	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	(0.0)	—	0.0	—	Ⓞ
Toronto & Region Conservation Authority	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	1.4	▲	(1.4)	▼	0.0	—	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 17: Agencies Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Transit Commission - Conventional	3-Month	16.6	▼	(16.6)	▼	0.0	—	Ⓞ
	5-Month	18.5	▲	(18.5)	▼	0.0	—	Ⓞ
	9-Month	36.6	▲	(21.6)	▼	15.0	▲	Ⓞ
	12-Month	38.3	▲	(24.9)	▼	13.4	▼	Ⓞ
Toronto Transit Commission - Wheel Trans	3-Month	4.5	▼	(0.6)	▼	3.9	▼	Ⓞ
	5-Month	8.4	▲	(0.9)	▼	7.5	▲	Ⓞ
	9-Month	11.0	▲	(1.0)	▼	10.0	▲	Ⓞ
	12-Month	12.7	▲	(1.2)	▼	11.5	▲	Ⓞ
Toronto Police Service	3-Month	(3.9)	▲	0.1	▲	(3.8)	▲	Ⓡ
	5-Month	(3.9)	—	0.1	—	(3.8)	—	Ⓡ
	9-Month	(2.5)	▲	2.7	▲	0.2	▲	Ⓞ
	12-Month	(5.6)	▼	6.2	▲	0.6	▲	Ⓞ
Toronto Police Services Board	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.5	▲	(0.5)	▼	0.0	—	Ⓞ
Total	3-Month	16.8	▼	(17.2)	▼	(0.4)	▼	Ⓡ
	5-Month	21.2	▲	(17.9)	▼	3.3	▲	Ⓞ
	9-Month	55.8	▲	(32.2)	▼	23.6	▲	Ⓞ
	12-Month	59.6	▲	(34.8)	▼	24.8	▲	Ⓞ
Year-End Net Variance		Ⓞ <=100%		Ⓡ >100%				

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

City Agencies

Year End Results

Toronto Public Health:

- Favourable gross expenditure variance of \$1.435 million mainly from underspending in salary and benefits. The program received in-year provincial funding to support the response to the health needs of homeless individuals and the shelter system and is currently experiencing delays in hiring the positions to support this effort. There is also underspending in 100% provincially funded programs like Preschool Speech & Language Program due to timing delays in replacing vacancies.
- Under achieved revenues of \$1.383 million is mainly due to lower provincial revenue recovered as a result of lower expenditures.
- Favourable net variance of \$0.051 million reflects a slight timing delay in recovering costs from the province.
- 61 positions below the approved complement, which represents the equivalent of 0% vacancy rate.

Toronto Public Library:

- Toronto Public Library (TPL) reported a favorable net variance of \$0.059 million, consisting of an unfavorable gross expenditure variance of \$2.550 million and a favourable revenue variance of \$2.610 million.
- Expenditures were higher than budget mainly attributed to increased spending for specific initiatives funded by the TPL Foundation, information technology, facility and system maintenance, and branch security costs. These additional expenditures were partially offset by lower than expected employee benefit costs based on actual claims experience and utility charges arising from temporary branch closures for renovations as well as mild weather during 2018.
- Revenues were higher than budget correspondingly due to supplementary grant revenues of \$2.704 million from the TPL Foundation to fund the specific library initiatives.
- TPL achieved 0% vacancy rate after budgeted gapping target of 2.8%, representing 49.0 positions below 2018 approved complement of 1,734.8 positions.

Association of Community Centres:

- Unfavourable gross variance of \$0.031 million as a result of unexpected building repairs and higher than planned operating expenditures associated with higher room rentals offset by underspending in salaries and benefits from staff vacancy.
- Overachieved revenues of \$0.067 million due to higher than planned room rental revenue from Swansea Town Hall.
- Favourable net variance of \$0.036 million mainly driven by higher room rental revenue and staff vacancy.
- 1 position or 1.2% below approved complement

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

<p>Exhibition Place:</p> <ul style="list-style-type: none"> Exhibition Place reported a year-end favourable net variance of \$2.071 million arising from: <ul style="list-style-type: none"> Favourable utility expenditure variance of \$0.489 million driven by energy initiatives and savings from Energy Retrofit Projects. A favourable expenditure variance of \$4.729 million was offset by unfavourable revenues of \$3.147 million resulting in a net expenditure variance of \$1.582 million arising primarily from decreased activity on the site during the year.
<ul style="list-style-type: none"> Full complement
<p>Heritage Toronto:</p> <ul style="list-style-type: none"> Heritage Toronto reported a year-end favourable net variance of \$0 million. <ul style="list-style-type: none"> Unfavourable expenditure variance of \$0.168 million driven by special projects commencing in 2018 which are offset by a favourable revenue variance of \$0.168 million from external grant revenue and private donations to fund these special projects.
<ul style="list-style-type: none"> Full complement
<p>TO Live:</p> <ul style="list-style-type: none"> TO Live reported favourable net expenditure of \$0.388 million or 7.4% below the 2018 Approved Operating Budget. <ul style="list-style-type: none"> Unfavorable revenue of \$2.575 million resulting from a lower volume of activity, partially offset by underspending in expenditures of \$2.936 million. Underspending in small capital expenditures of \$1.630 million offset by lower than budget contributions of \$1.630 million from the Facility Fee Reserve Fund. Shows generating a higher yield than expected also contributed to the overall net surplus.
<ul style="list-style-type: none"> 21.3 positions below approved complement of 232.5 due to vacancies yet to be filled. There is no budgeted gapping for TO Live.
<p>Toronto Zoo:</p> <ul style="list-style-type: none"> Unfavorable net expenditures of \$2.982 million or 23.9% over the 2018 Approved Operating Budget is driven by: <ul style="list-style-type: none"> Shortfall in revenue of \$7.005 million due to significant impact of weather conditions including 20 days of extreme cold weather on weekends and holidays and 16 extreme heat warnings in the peak summer season. Further to the weather factors, the Zoo also experienced delays in the opening of the Amur Tiger exhibit due to changes in exhibit standards and launching of new attractions such as Wild Rouge due to additional environmental considerations. These factors resulted in lower attendance than anticipated. To mitigate some of the revenue shortfall, the Zoo implemented cost containment measures: Increased gapping through delaying in new hires and other expenditure holdback measures totaling \$3.202 million.

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

<ul style="list-style-type: none"> • Utilities were underspent by \$0.820 million arising from energy efficiency initiatives
<ul style="list-style-type: none"> • 21.0 positions below approved complement of 396.0 due to retirements, staff turnovers and timing of hiring. • Due to holdback requirements, many positions are being gapped. • This represents a 3.1% vacancy rate after consideration of budgeted gapping.
<p>Arena Boards of Management:</p> <ul style="list-style-type: none"> • Arena Boards of Management reported a year-end unfavourable net variance of \$0.193 million above the 2018 Approved Operating Budget primarily resulting from: <ul style="list-style-type: none"> • Bill Bolton incurring additional maintenance costs outside of the renovation project and higher than anticipated salaries and benefits from staff working during the renovations without offsetting revenues resulting in an unfavourable net expenditure variance of \$0.117 million. • The increased costs at Ted Reeve Arena from managing the Bubble Arena midway through the year resulted in an expenditure variance of \$0.222 million, offset by the increased revenue from the Bubble of \$0.152 million for an unfavourable net variance of \$0.070 million attributable to an unpaid receivable.
<ul style="list-style-type: none"> • Full complement
<p>Yonge Dundas Square (YDS):</p> <ul style="list-style-type: none"> • Yonge-Dundas Square reported an unfavourable net variance of \$0.129 million arising from: <ul style="list-style-type: none"> • Unfavourable expenditure variance of \$0.066 million driven by seasonal business fluctuations resulting in higher costs and additional costs related to a promotional event to introduce new digital screens on the Square. • Unfavourable revenue variance of \$0.063 million due to a major event cancellation.
<ul style="list-style-type: none"> • Full complement
<p>CreateTO</p> <ul style="list-style-type: none"> • CreateTO reported a zero net variance from the 2018 Approved Operating Budget • Both expenditures and revenues reflected a 0% variance
<ul style="list-style-type: none"> • Full complement
<p>Toronto & Region Conversation Authority:</p> <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 received the full funding amount as approved by Council, resulting in no year-end variance.
<ul style="list-style-type: none"> • Full complement
<p>Toronto Transit Commission – Conventional:</p> <p>Ridership was 18 million rides or 3.3% below budget.</p> <p>Passenger Revenues: \$8.2 million decrease.</p> <ul style="list-style-type: none"> • Year-end ridership was approximately 3.3% below budget; however, passenger revenues were only 0.7% below budget. The more favourable revenue variance is

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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 a 5.9 cent increase in the average fare.

The year-end surplus for TTC conventional service is under-budget by \$13.4 million or 2.2%. The key budget variances are as follows:

Revenue:

Stabilization Reserve Draw: \$14.0 million decrease

- A \$14.0 million stabilization reserve draw was budgeted for this year. Based on the year-end subsidy surplus, this draw is not required.

Third Party Recoveries: \$18.4 million decrease

- A provision for doubtful collection of third party recoveries predominately for required supplemental service along Eglinton Avenue has been recorded. TTC staff will continue to bill and pursue collection of these amounts.

All other changes net to a \$2.8 million unfavourable variance.

Expenditures:

Employee Benefits: \$24.6 million decrease

- Primarily due to lower than expected healthcare and dental expenses (\$11 million) and lower TTC Pension contributions (\$4 million).
- Higher than expected new hire levels have contributed to this variance as new employees are not eligible for health and dental coverage for the first 3 months and there are no matching TTC Pension contributions for the first 6 months.
- The results of an actuarial valuation of TTC's WSIB liabilities provided a further one-time \$5.2 million budget savings.
- The balance of \$4.4 million is comprised of the remaining employee benefit budgets including sick benefit payments and payroll taxes being under budget by 3%.

Traction Power and Utilities: \$17.0 million decrease.

- Traction power & utilities variance is primarily due to \$11.5 million in favourable price variances for electricity

- Lower electrical consumption than budget, saving \$3 million partly due to insufficient streetcars being available for service.
- A combination of lower price and consumption on natural gas (\$2.3 million) and water (\$0.2 million).

Departmental Non-Labour: \$9.7 million decrease.

- Departmental non-labour underspending was primarily due to lower than expected vehicle maintenance expenses, primarily as a result of improved vehicle reliability.

PRESTO Commissions: \$5.5 million decrease:

- PRESTO fees are expected to be below budget primarily due to the projected take up rate for pass users being lower than initially anticipated in 2018. The original target for fare products available on PRESTO for fall 2018 was not met and contributed to the lower adoption rates.
- Current strength of 14,450 positions reflects 397 positions below complement, after considering and achieving the gapping target throughout the year.

Toronto Transit Commission – Wheel-Trans:

The year-end surplus of \$11.5 million (or 8%) is largely driven by the following key budget variances

Passenger revenue is \$1.2 million below budget, mainly due to 651K fewer customer journeys than budgeted.

Contracted Taxi Services: \$10.1 million decrease:

The decrease in costs is attributable to contracted services being \$10.1 million under budget, due to lower than budgeted ridership, as noted above.

All other expense variances net to a savings of \$2.6 million.

- Projected strength of 583 positions reflects 30 positions below complement.

Toronto Police Service:

- Toronto Police Service (TPS) achieved a favorable net variance of \$0.557 million, consisting of an unfavorable gross expenditure variance of \$5.634 million and a favourable revenue variance of \$6.191 million.
- Savings in salaries and benefits resulting from higher than budgeted separations for both Uniform Officers and Civilian positions were completely offset by over expenditures in premium pay driven by the attendance at Provincial Offenses Act (POA) courts beyond working hours as well as increased overtime and call-backs

<p>required to address critical workload issues and emergency/extraordinary incidents and events.</p> <ul style="list-style-type: none"> • Favourable revenues were reported due to increased cost recoveries, high than budgeted user fee revenues to reflect volumes for reference checks, and paid duty administration fees.
<ul style="list-style-type: none"> • 1,059.0 positions below the approved complement due to higher than budgeted separations, as noted, above occurring during 2018 and longer than anticipated backfilling of vacancies.
<p>Toronto Police Services Board:</p> <ul style="list-style-type: none"> • Toronto Police Services Board (TPSB) reported a favorable net variance of \$0.049 million, consisting of a favorable gross expenditure variance of \$0.544 million and a unfavourable revenue variance of \$0.495 million. • The favourable net variance was mainly due to salary savings arising from staff turnover during the year. • It is noted that the expenditure incurred for the Missing Persons Investigations Review was \$0.260 million funded from the Tax Rate Stabilization Reserve. The 2018 budget was \$0.625 million gross and \$0 net and the unspent fund of \$0.365 million remains in the reserve to provide funding for TPSB to continue independent review work through 2020.
<ul style="list-style-type: none"> • TPSB achieved full complement of 7.0 positions with 0% vacancy rate.

Appendix E

Capital & Corporate Financing

The Capital and Corporate Financing accounts were under-spent by \$40.963 million or 4.4% for the year ended December 31, 2018.

Figure 18: Capital & Corporate Financing Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Capital Financing - Capital from Current	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ
	12-Month	0.2	—	0.0	—	0.2	—	Ⓞ
Technology Sustainment	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Debt Charges	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	6.6	▲	0.0	—	6.6	▲	Ⓞ
	12-Month	38.7	▲	2.1	▲	40.7	▲	Ⓞ
Total	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	6.8	▲	0.0	—	6.8	▲	Ⓞ
	12-Month	38.9	▲	2.1	▲	41.0	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓜ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Capital & Corporate Financing

Year End Results

Capital & Corporate Financing: <ul style="list-style-type: none">• Materially on budget
Technology Sustainment: <ul style="list-style-type: none">• On budget
Debt Charges: <ul style="list-style-type: none">• A favourable variance under Debt Charges of \$29.0 million as a result of unspent amount for internal loans to address future capital requirements, which will be allocated through 2018 year-end surplus distribution.• The remaining favourable year-end variance is due to third debt issuance being issued in October (period 10) instead of September (period 9), lower than anticipated interest rates, and higher recoverable debt.

Appendix E

Non-Program Expenditures

Non-Program Expenditures have a favourable net year-end variance of \$56.278 million or 12.1%.

Figure 19: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Tax Deficiencies/Writeoffs	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	(6.7)	▼	0.0	—	(6.7)	▼	Ⓡ
	9-Month	28.2	▲	(7.7)	▼	20.5	▲	Ⓞ
	12-Month	38.6	▲	(7.7)	—	30.9	▲	Ⓞ
Tax Increment Equivalent Grants (TIEG)	3-Month	3.4	▼	0.0	—	3.4	▼	Ⓞ
	5-Month	7.7	▲	0.0	—	7.7	▲	Ⓞ
	9-Month	8.1	▲	0.0	—	8.1	▲	Ⓞ
	12-Month	10.5	▲	0.0	—	10.5	▲	Ⓞ
Assessment Function (MPAC)	3-Month	0.2	▼	0.0	—	0.2	▼	Ⓞ
	5-Month	0.2	—	0.0	—	0.2	—	Ⓞ
	9-Month	0.2	—	0.0	—	0.2	—	Ⓞ
	12-Month	0.2	—	0.0	—	0.2	—	Ⓞ
Funding of Employee Related Liabilities	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ

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Figure 20: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Other Corporate Expenditures	3-Month	10.3	▼	(10.5)	▼	(0.2)	▲	Ⓜ
	5-Month	(0.1)	▼	0.1	▲	0.0	▲	Ⓞ
	9-Month	15.6	▲	0.3	▲	15.9	▲	Ⓞ
	12-Month	11.4	▼	(8.1)	▼	3.3	▼	Ⓞ
Insurance Premiums & Claims	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Oper.	3-Month	(0.2)	▲	0.0	—	(0.2)	▲	Ⓜ
	5-Month	(0.0)	▲	0.0	—	(0.0)	▲	Ⓜ
	9-Month	3.8	▲	0.0	—	3.8	▲	Ⓞ
	12-Month	3.4	▼	0.0	—	3.4	▼	Ⓞ
Programs Funded from Reserve Funds	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(7.4)	▼	7.4	▲	(0.0)	—	Ⓜ
Vacancy Rebate Program	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	5.5	▲	0.0	—	5.5	▲	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 21: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Heritage Property Taxes Rebate	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	1.0	▲	0.0	—	1.0	▲	Ⓞ
Tax Rebates for Registered Charities	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	12-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
Solid Waste Management Rebates	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	1.4	▲	0.0	—	1.4	▲	Ⓞ
Total	3-Month	13.6	▼	(10.5)	▼	3.1	▼	Ⓞ
	5-Month	1.1	▼	0.1	▲	1.2	▼	Ⓞ
	9-Month	56.0	▲	(7.4)	▼	48.6	▲	Ⓞ
	12-Month	64.6	▲	(8.4)	▼	56.3	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Non-Program Expenditures

Year End Results

Tax Deficiencies/Write-Offs:

- A favourable variance of \$30.9 million net was realized as a result of:
 - \$38.1 million favourable due to appeals posted and provision adjustments being less than budget and,
 - \$0.6 million favourable due to costs to defend the City's assessment base being less than budget.
- As a result, the withdrawal of \$7.6 million from the Assessment Appeal Stabilization Reserve was not needed

Tax Increment Equivalent Grants (TIEG)

- As of year-end, a \$10.5 million favourable variance due to later than anticipated start date of TIEG grants:
 - The estimate for taxation years 2017 and prior was \$4.4 million less than provision and
 - The estimate for taxation year 2018 was \$6.1 million less than budget.

Assessment Function (MPAC):

- The unfavourable variance of \$0.2 million was realized as a result of MPAC fees being lower than anticipated.

Funding Employee Related Liabilities:

- On budget

Other Corporate Expenditures:

- Under expenditure of \$3.3 million related to the savings in provision for salary and benefits inflationary increase.

Insurance Premiums & Claims:

- On budget

Parking Tag Enforcement & Operations:

- Favourable gross expenditures of \$3.4 million due to \$4.4 million in Parking Enforcement Officer vacancies, \$0.8 million in lower tribunal member honoraria, and \$1.0 million in lower rent and security costs for screening/hearing offices, which is partially offset by higher MTO Search Fees of \$2.5 million during the transition period for both POA fines and new APS fines.
- 9 vacancies or 2.3% below the approved complement.

Programs Funded from Reserve Funds:

- On budget

Vacancy Rebate Program:

- The favourable variance of \$5.5 million at year-end is mainly due to lower than expected rebates processed and provision adjustment.

Heritage Property Tax Rebates:

- The favourable variance of \$1.0 million at year-end is mainly due to lower than expected rebates processed and provision adjustment.

Tax Rebates for Registered Charities:

- On budget

Solid Waste Management Rebates:

- A favorable variance of \$1.4 million was realized during 2018 as a result of lower than expected rebates issued during the year.

Appendix E

Non-Program Revenues are reporting a unfavourable variance of \$62.524 million or 4.2% above the 2018 Approved Net Operating Budget at year-end.

Figure 22: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	(0.8)	▼	(0.8)	▼	Ⓡ
	9-Month	0.0	—	(1.0)	▼	(1.0)	▼	Ⓡ
	12-Month	0.0	—	5.4	▲	5.4	▲	Ⓞ
Supplementary Taxes	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	(10.0)	▼	(10.0)	▼	Ⓡ
	12-Month	0.0	—	(9.2)	▲	(9.2)	▲	Ⓡ
Tax Penalty Revenue	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	1.2	▲	1.2	▲	Ⓞ
	12-Month	0.0	—	7.0	▲	7.0	▲	Ⓞ
Interest/Investment Earnings	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	3.6	▲	0.0	—	3.6	▲	Ⓞ
	9-Month	4.0	▲	8.0	▲	12.0	▲	Ⓞ
	12-Month	5.1	▲	0.9	▼	6.0	▼	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 23: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Other Corporate Revenues	3-Month	0.0	—	0.1	▲	0.1	▼	Ⓞ
	5-Month	0.0	—	0.3	▲	0.3	▲	Ⓞ
	9-Month	(0.1)	▼	0.4	▲	0.4	▲	Ⓞ
	12-Month	(4.1)	▼	6.8	▲	2.6	▲	Ⓞ
Dividend Income	3-Month	0.0	—	3.9	▲	3.9	▼	Ⓞ
	5-Month	0.0	—	3.9	—	3.9	—	Ⓞ
	9-Month	0.0	—	3.9	—	3.9	—	Ⓞ
	12-Month	0.0	—	3.9	—	3.9	—	Ⓞ
Provincial Revenue	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Municipal Land Transfer Tax	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	3.0	▲	(102.2)	▼	(99.2)	▼	Ⓡ
	12-Month	2.1	▼	(84.5)	▲	(82.4)	▲	Ⓡ
Third Party Sign Tax	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	(0.6)	▼	(0.6)	▼	Ⓡ
	9-Month	0.0	—	(1.2)	▼	(1.2)	▼	Ⓡ
	12-Month	0.2	▲	(1.3)	▼	(1.2)	—	Ⓡ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 24: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Parking Authority Revenues	3-Month	0.0	—	(3.2)	▼	(3.2)	▲	Ⓡ
	5-Month	0.0	—	(3.6)	▼	(3.6)	▼	Ⓡ
	9-Month	0.0	—	(3.6)	—	(3.6)	—	Ⓡ
	12-Month	0.0	—	(0.7)	▲	(0.7)	▲	Ⓡ
Administrative Support Recoveries - Water	3-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓢ
Administrative Support Recoveries - Health & EMS	3-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	5-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓢ
Parking Tag Enforcement & Operations Rev	3-Month	0.0	—	1.7	▲	1.7	▼	Ⓢ
	5-Month	0.0	—	(0.7)	▼	(0.7)	▼	Ⓡ
	9-Month	0.0	—	(8.6)	▼	(8.6)	▼	Ⓡ
	12-Month	0.0	—	(4.4)	▲	(4.4)	▲	Ⓡ
Other Tax Revenues	3-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	5-Month	0.0	—	(2.5)	▼	(2.5)	▼	Ⓡ
	9-Month	0.0	—	(2.4)	▲	(2.4)	▲	Ⓡ
	12-Month	(0.4)	▼	(2.1)	▲	(2.4)	—	Ⓡ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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Figure 25: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Municipal Accomodation Tax	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	(2.5)	▼	5.3	▲	2.8	▲	Ⓞ
	9-Month	(2.4)	▲	8.6	▲	6.2	▲	Ⓞ
	12-Month	(2.8)	▼	12.5	▲	9.7	▲	Ⓞ
Woodbine Slots Revenues	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	5-Month	0.0	—	0.5	▲	0.5	▲	Ⓞ
	9-Month	(0.0)	—	2.9	▲	2.9	▲	Ⓞ
	12-Month	(0.0)	—	3.2	▲	3.1	▲	Ⓞ
Total	3-Month	0.0	—	2.5	▲	2.5	▲	Ⓞ
	5-Month	1.2	▲	1.8	▼	3.0	▲	Ⓞ
	9-Month	4.4	▲	(104.0)	▼	(99.6)	▼	Ⓡ
	12-Month	0.1	▼	(62.6)	▲	(62.5)	▲	Ⓡ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Non-Program Revenues

Year End Results

Payments In Lieu of Taxes (PILs):

- A \$5.4 million favourable variance was realized
 - \$5.6 million favourable because appeals posted and provision adjustments were less than expected,
 - \$0.6 million favourable due to Heads and Beds levies were more than budget and
 - \$0.3 million favourable for unbudgeted revenue from the University of Toronto,
 - Offset by \$1.1 million unfavourable due to assessment based levies being less than budget.

Supplementary Taxes:

- An unfavorable variance of \$9.2 million was realized due to lower than anticipated number of properties and their associated assessed values in 2018. The decrease is mainly attributable to reduction in residential assessment according to MPAC.

Tax Penalties:

- The 2018 year-end actual was higher than budget by \$7.0 million, due to higher than budgeted interest earned and the provision adjustment processed at year-end was lower than expected.

Interest & Investment Earnings:

- A favourable year-end variance of \$6.0 million net in Interest and Investment Earnings from higher than budgeted interest revenue from bond investments and deposits, and under spending on management fees in Investment Board.

Other Corporate Revenues:

- Higher than budgeted revenue of \$2.6 million net primarily from:
 - \$1.4 million payment from Metrolinx for Union Station reconciliation of operating expenses
 - \$0.5 million from acquisition, donation in kind, of 3 parcels of land. The dollar amount is based on the fair value obtained from the appraisal group within real-estate.
 - And remaining favourable variance is from stale dated cheques that were not cashed by the vendors, 7 years old.

Dividend Income:

- Higher than budgeted hydro dividend revenue of \$3.9 million as a result of higher Toronto Hydro earnings in 2017.

Provincial Revenue:

- On budget

<p>Municipal Land Transfer Tax (MLTT):</p> <ul style="list-style-type: none"> Expenditures for 2018 are lower than budget by \$2.1 million, due mainly to lower than expected transaction fees and exemptions (driven by lower sales activities) during the year that is more than offset by revenue shortfall of \$84.5 million. Overall, Municipal Land Transfer Tax revenue is lower than budget by \$82.4 million net that is primarily driven by lower residential market activity.
<p>Third Party Sign Tax:</p> <ul style="list-style-type: none"> Gross expenditures are \$0.2 million under budget due to lower than expected Toronto Building charge back as a result of higher than expected sign permit revenue. Revenue is \$1.3 million under budget resulting from an above average reduction in the number of taxable signs, and a reduction in late payment fees mainly due to Third Party Sign Tax invoices being paid on time and reconciliation of outstanding sign tax amounts.
<p>Parking Authority Revenues:</p> <ul style="list-style-type: none"> Lower than budgeted revenues of \$0.7 million primarily from off-street parking due to multiple car park closures and reduced parking space, as well as delay in acquiring sponsorship for Bike Share Program
<p>Administrative Support Recoveries – Toronto Water:</p> <ul style="list-style-type: none"> On budget
<p>Administrative Support Recoveries – Health & EMS:</p> <ul style="list-style-type: none"> On budget
<p>Parking Tag and Enforcement Operations:</p> <ul style="list-style-type: none"> Revenue is unfavourable by \$4.4 million due to lower than budgeted ticket issuance. 1,904,405 parking tickets issued to December 31, 2018.
<p>Other Tax Revenues:</p> <ul style="list-style-type: none"> At year-end, a \$2.4 million unfavourable variance was realized, primarily because the assessment and rates used to calculate 2018 hydro property levies were less than budgeted.
<p>Municipal Accommodation Tax (MAT):</p> <ul style="list-style-type: none"> This year-end favourable variance of \$9.7 million for MAT (Hotel Tax became effective on April 1, 2018) is as a result of higher than anticipated hotel remittance (\$14M), partially offset by the loss of Short-Term Rental revenue (budgeted at \$1.5M) which is under appeal and did not materialize in 2018, and higher than anticipated transfer payment to Tourism Toronto under the regulation.
<p>Casino Woodbine:</p> <ul style="list-style-type: none"> As a result of the expansion of Casino Woodbine, approximately 300 electronic games and new live tables were phased in the latter part of 2018, bringing the total to approximately 3,669 electronic games and 96 live tables at year-end. Under the OLG Municipal Contribution Agreement, the City received a share of the gaming revenue from electronic games (0.5% of the electronic gaming revenue exceeding

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\$500M) and live tables (4% of total table gaming revenues), resulting in a net positive variance of \$3.148 million (or 19.7%).

- New higher revenue should be sustained in 2019. Longer term prospects would depend on market saturation as more casino facilities are being modernized and expanded across the province.

Appendix E

Figure 26: Rate Supported Programs Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	3-Month	2.1	▼	(5.0)	▼	(2.9)	▲	Ⓜ
	5-Month	1.0	▼	(8.2)	▼	(7.2)	▼	Ⓜ
	9-Month	0.8	▼	(11.3)	▼	(10.6)	▼	Ⓜ
	12-Month	3.0	▲	(3.0)	▲	0.0	▲	Ⓞ
Toronto Parking Authority	3-Month	1.0	▼	(4.8)	▼	(3.8)	▲	Ⓜ
	5-Month	3.0	▲	(7.3)	▼	(4.2)	▼	Ⓜ
	9-Month	3.0	—	(7.3)	—	(4.2)	—	Ⓜ
	12-Month	7.4	▲	(7.0)	▲	0.4	▲	Ⓞ
Toronto Water	3-Month	9.9	▼	8.7	▲	18.6	▼	Ⓞ
	5-Month	15.8	▲	11.8	▲	27.6	▲	Ⓞ
	9-Month	25.5	▲	23.9	▲	49.3	▲	Ⓞ
	12-Month	32.2	▲	32.8	▲	65.0	▲	Ⓞ
Total	3-Month	13.0	▼	(1.0)	▼	11.9	▼	Ⓞ
	5-Month	19.8	▲	(3.6)	▼	16.2	▲	Ⓞ
	9-Month	29.3	▲	5.3	▲	34.5	▲	Ⓞ
	12-Month	42.7	▲	22.8	▲	65.4	▲	Ⓞ

Year-End Net Variance Ⓞ ≤100% Ⓜ >100%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

Appendix E

Rate Supported Programs

Year End Results

Solid Waste Management Services (SWMS):

- Under-expenditures totaling \$7.93 million mainly arise from salaries and benefits savings of \$3.96 million mostly due to vacancies in Collections and Litter Operations for waste load operators, light equipment operators and skilled trades.
 - Other areas that were under-spent include Utilities (\$0.78 million) due to lower electricity rates; Materials & Supply (\$1.42 million) from lower natural gas consumption due to delays in CNG vehicle acquisitions; and Interdivisional Charges mainly due to lower fleet maintenance costs (\$1.77 million).
- Over-expenditures of \$4.89 million mainly included contracted collection and processing services over-spending of \$8.88 million (offset as noted below) primarily driven by higher tonnages of organics of \$4.97 million and waste for haulage and disposal, including more recyclables collected as garbage of \$2.87 million as well as the cost of contaminated recyclables in processing of \$0.6 million. The net cost of not using Alternate Landfills was \$0.44 million.
 - The over-spending on contracted services was offset by \$4.8 million including the lower processing cost of recyclables redirected to Green Lane (\$2.28 million) as well as lower collection costs of recyclables (\$1.37 million) as some of the recyclables were collected either as waste or as contaminated recyclables. Under-spending included the collection cost of durable goods (\$0.38 million) due to lower volumes and less spending on policy & research and advertisement & promotion (\$0.77 million).
- Lower than planned revenue of \$13.11 million was primarily due to the lower Sale of Recyclables of \$7.88 million. Changing global markets are causing a decline in the demand and prices for saleable recyclables. The shift is due to a China's move to impose stringent new purity standards limiting and sometimes banning recyclable materials accepted by the country. As well, there was less than planned Stewardship Funding of \$0.51 million, delayed funding transfer from Capital of \$1.71 million and net user fee revenue loss of \$2.62 million including a 2.4% loss of multi-residential units, lower than planned drop and load volumes at the Transfer Stations and lower than planned sale of bag tags.
 - These revenues losses were offset by increased revenues of \$4.39 million due to higher actual tonnages of waste at Green Lane (\$3.08 million) and Transfer Stations (\$1.29 million).
- Combined, this results in a net over-expenditure (deficit) of \$5.68 million or 1.4% of the gross budget as of the year-end. This net deficit will be withdrawn to the Waste Management reserve fund to balance the SWMS Operating program.
- As of year-end, SWMS is 55 positions below total approved complement of 1,116.3 positions due to an on-going difficult recruiting process for qualified candidates for

Staff report for action on Operating Variance Report for the Year Ended December 31, 2018

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 of 4%, this is equivalent to a 0.5% operating vacancy rate. The Program is continuing the process of seeking qualified candidates in order to manage operations to plan.

Toronto Parking Authority:

- Favourable net variance of \$0.436 million or 0.7% at December 31, 2018.
- Lower gross expenditures of \$7.433 million mainly attributable to underspending in salaries and benefits, reduced utility costs, lower repair and maintenance fees due to major project timing, and reduced operating costs associated with Pay and Display machines, and rental savings as a result of carpark closures.
- Under expenditures were partially offset by higher than anticipated municipal taxes, credit card and mobile fees due to increased mobile usage for payment, and security costs during early 2018.
- Revenues were lower than expected by \$6.997 million primarily due to the off-street parking service. Carpark closures such as CP 15 (50 Cumberland) and reduced parking spaces due to construction (CP 36 – Nathan Phillips Square) resulted in lower revenues, as well as transaction volume declines of approximately 4.3%.
- While the on-street parking service experienced reduced revenue due to the King Street Transit Pilot and Eglinton Crosstown discounts, strong performance in Q4 and rate increases were able to partially offset these impacts resulting in an overall unfavourable revenue variance of \$0.168 million.
- Bike Share Toronto experienced lower than expected revenues due to delays in securing \$1.500 million in sponsorship revenue and heavier rainfall which impacted ridership during Q4.
- Other income for TPA included a right-of-way gain on sale of \$0.936 million at Bloor & Bedford which helped to partially offset the revenue losses experienced in 2018.
- 16.5 positions or 5.0% below approved complement at year-end due to vacancies, with plans to hire for vacant positions in 2019.

Toronto Water:

- Reported net under expenditure of \$64.978 million at December 31, 2018.
- Favourable expenditure variance of \$32.176 million mainly due to underspending in salaries and benefits due to vacancies (\$9.622 million), lower than anticipated demand for chemicals, electricity rates and usage (\$11.320 million), savings in machine parts, materials and professional and technical services from project delays, lower contract prices and unused contingencies (\$12.096 million), as well as lower payment in lieu of taxes as a result of property assessment adjustments and other charges (\$1.875 million), was offset by higher vehicle maintenance and legal services costs, and other previously not planned charges (\$2.737 million).
- Revenues are higher than budgeted by \$32.802 million, primarily because of higher than anticipated volume of water sold in Toronto as a result of a warm summer weather (\$14.178 million), as well as increased volume of water sold to Region of York (\$1.634 million), higher than projected revenues from an overall increase in

new water and sewer service connections (\$7.793 million), private water agreements and other revenues and recoveries (\$7.697 million), and a one-time recovery from 3rd party for damages related to a previously completed capital project of (\$8.2 million). Additional revenues were partially offset by decline in revenues from industrial waste agreements, lower recoveries from Metrolinx due to project delays and lower revenues from region of Peel (\$6.700 million).

- 156 positions below approved complement due to the aging workforce / retirements and extended recruitment period for certain positions such as skilled trades and certified operators. After considering budgeted gapping it equals to 5.9% 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.