Appendix F

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 31, 2014
($000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Citizen Centred Service "A"				
Shelter, Support & Housing Administration				
Increase of $0.230 million gross and $0 net to reflect a one-time grant fully funded by the Capital Revolving Fund to support construction of new Aboriginal affordable housing at 160-162 Kenwood Avenue	230.0	230.0	0.0	0.0
Total Shelter, Support & Housing Administration	**230.0**	**230.0**	**0.0**	**0.0**
Social Development, Finance and Admin				
Transfer from SDFA to Toronto Public Library, reflecting its portion of the Toronto Youth Equity Strategy Funding	(50.0)	0.0	(50.0)	0.0
Total Social Development, Finance & Admin	**(50.0)**	**0.0**	**(50.0)**	**0.0**
Parks, Forestry & Recreation				
Transfer of $0.039 million gross and net to transfer the responsibility of the leisure skate program at Albert Campbell Square (part of Scarborough Civic Centre) from FM&RE	39.0	0.0	39.0	0.0
Total Parks, Forestry & Recreation Services	**39.0**	**0.0**	**39.0**	**0.0**
Toronto Paramedic Services				
Increase of $0.100 million gross and $0.0 net to reflect the receipt of one-time 100% funding by the Ministry of Health and Long Term Care for the Independent At Home and Medically Complex Patients Initiatives.	100.3	100.3	0.0	3.0
Transfer of $0.046 million gross and net from FM&RE to reflect rental charges to be paid by EMS as part of the Facilities Transformation Project agreement	46.0	0.0	46.0	0.0
Total Toronto Paramedic Services	**146.3**	**100.3**	**46.0**	**3.0**
Total Citizen Centred Service "A"	**365.3**	**330.3**	**35.0**	**3.0**
Citizen Centred Service "B"				
City Planning Division				
Delivery of Transportation Planning that will specialize in transit planning and delivery of the necessary studies for rapid transit projects through the Province's legislated Transit Project Assessment Process (Environmental Assessment Act - O. Reg. 231/08), starting with workload demands associated with two current initiatives, namely the Relief Line and Scarborough Subway Extension, funded from associated TTC capital accounts.	382.5	382.5	0.0	3.0
Transfer of the IDC Budget for Postage and Flex-Parking for City Planning from PPF&A effective Sep/2014.	371.7	0.0	371.7	0.0
Total City Planning Division	**754.2**	**382.5**	**371.7**	**3.0**

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CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 31, 2014
($000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Engineering & Construction Services				
As part of the Program restructuring, the following cross-divisional transfers are required: three positions to MCIC in PPF&A ($365.4K) and four positions to Toronto Water ($357,077). This addresses organizational issues that will support the ECS Division's shift to a program-based structure aligned with client requirements.	(722.4)	(722.4)	0.0	(7.0)
Total Engineering & Construction Services	**(722.4)**	**(722.4)**	**0.0**	**(7.0)**
Municipal Licensing & Standards				
The transfer of 2positions from PPFA to MLS was completed earlier in Sept/2014. This budget transfer is to transfer the Gapping for the 2 positions effective Jan 1, 2014.	(5.9)	0.0	(5.9)	0.0
Transfer of the IDC Budget for Postage and Flex-Parking to MLS from PPF&A effective Sep/2014.	23.1	0.0	23.1	0.0
Total Municipal Licensing & Standards	**17.2**	**0.0**	**17.2**	**0.0**
Policy, Planning, Finance & Administration				
As part of the Program restructuring for Engineering & Construction Services, three positions are being transferred to MCIC in PPF&A ($365,372)	365.4	365.4	0.0	3.0
Addition of 1 Senior Coordinator-Public Consultation in support of the Transit Initiatives unit for Transit Planning, funded from TTC capital.	97.6	97.6	0.0	1.0
The transfer of 2 positions from PPFA to MLS was completed earlier in Sept/2014. This budget adjustment is to transfer the Gapping for the 2 positions effective Jan 1, 2014.	5.9	0.0	5.9	0.0
Transfer of the IDC Budget for Postage and Flex-Parking to City Planning, Toronto Building and Municipal Licensing & Standards.	(482.2)	0	(482.2)	0
Total Policy, Planning, Finance & Administration	**(13.3)**	**463.0**	**(476.3)**	**4.0**
Toronto Building				
Transfer of the IDC Budget for Postage and Flex-Parking for Toronto Building from PPF&A	87.4	0.0	87.4	0.0
Total Toronto Buildings	**87.4**	**0.0**	**87.4**	**0.0**
Total Citizen Centred Service "B"	**123.1**	**123.1**	**0.0**	**0.0**

Appendix F

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 31, 2014
($000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Internal Services				
Facilities & Real Estate				
Transfer of $0.039 million gross and net to transfer the responsibility of the leisure skate program at Albert Campbell Square (part of Scarborough Civic Centre) to PF&R.	(39.0)	0.0	(39.0)	0.0
Transfer of $0.046 million gross and net to Toronto Paramedic Services to reflect rental charges to be paid by EMS as part of the Facilities Transformation Project agreement.	(46.0)	0.0	(46.0)	0.0
Reinstate 46.8 permanent Custodian positions that were reduced during the 2012 budget process as part of the Council approved Alternative Service Delivery (ASD) proposal. Funding will reallocated from contracted services to salaries & benefits within the 2014 Approved Operating Budget for FM&RE, thus resulting in no financial impact.	0.0	0.0	0.0	46.8
Create 55.0 skilled trades positions on a permanent basis as part of the complement data clean up. Funding is available under contracted services thus resulting in no financial impact. Budget adjustment will be made to reallocate the funding from contracted services to salaries and benefits upon Council approval.	0.0	0.0	0.0	55.0
Total Facilities & Real Estate	**(85.0)**	**0.0**	**(85.0)**	**101.8**
Total Internal Services	**(85.0)**	**0.0**	**(85.0)**	**101.8**
Total City Programs	**403.4**	**453.4**	**(50.0)**	**104.8**
Agencies				
Toronto Public Health				
In-year budget adjustment to reduce funding from the 2014 Non-Program of $2.218 million. In 2001, an Interdepartmental Revenue (IDR) was set up to offset the cost of IT new and enhanced services that were cost shared with the Province. This budget adjustment is required to adjust the IDR set up previously to reflect the increased provincial funding made available from the Ministry of Health and Long-Term Care across cost shared programs.	0.0	(2,218.0)	2,218.0	0.0
Increase of $0.433 million gross and $0 net to reflect 100% base funding from the Ministry of Children & Youth Services for the Preschool & Language program.	432.8	432.8	0.0	0.0
Increase of $0.474 million gross and $0 net to reflect one-time 100% funding by the Ministry of Health & Long Term Care for the Healthy Communities Partnerships program.	474.0	474.0	0.0	0.0
Total Toronto Public Health	**906.8**	**(1,311.2)**	**2,218.0**	**0.0**

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CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 31, 2014
($000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Toronto Public Library				
Transfer from SDFA to TPL reflecting its portion of the Toronto Youth Equity Strategy base funding and an increase of 0.5 FTE for a permanent part-time position to deliver the Storybooks Parent Program.	50.0	0.0	50.0	0.5
Total Toronto Public Library	**50.0**	**0.0**	**50.0**	**0.5**
Toronto Transit Commission - Conventional				
Transfer of $9.0 million gross and net from the Non-Program Expenditure Budget pursuant to the recently approved negotiated collective agreement.	9,000.0	0.0	9,000.0	0.0
Toronto Transit Commission -Wheel Trans				
Transfer of $0.40 million gross and net from the Non-Program Expenditure Budget pursuant to the recently approved negotiated collective agreement.	400.0	0.0	400.0	0.0
Total Toronto Transit Commission	**9,400.0**	**0.0**	**9,400.0**	**0.0**
Total Agencies	**10,356.8**	**(1,311.2)**	**11,668.0**	**0.5**
Corporate Accounts				
Capital & Corporate Financing				
In-year budget adjustment to reduce expenditures by $2.218 million gross to reflect increased cost recovery from the Ministry of Health and Long-Term Care to offset the cost of IT new and enhanced services. Revenues to the Toronto Public Health from the 2014 Non-Program Budget will be reduced by a corresponding amount, resulting in a $0 net impact to the 2014 Approved Operating Budget.	(2,218.0)	0.0	(2,218.0)	0.0
Total Capital & Corporate Financing	**(2,218.0)**	**0.0**	**(2,218.0)**	**0.0**
Other Corporate Expenditures				
Transfer of $9.4 million gross and net to TTC (Conventional & Wheel Trans) pursuant to the recently approved negotiated collective agreement.	(9,400.0)	0.0	(9,400.0)	0.0
Total Other Corporate Expenditures	**(9,400.0)**	**0.0**	**(9,400.0)**	**0.0**
Total Corporate Accounts	**(11,618.0)**	**0.0**	**(11,618.0)**	**0.0**
Total Tax Supported Operations	**(857.8)**	**(857.8)**	**0.0**	**105.3**

Appendix F

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE THIRD QUARTER ENDED SEPTEMBER 31, 2014
($000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Toronto Water				
As part of the Program restructuring for Engineering & Construction Services, four positions are being transferred to Toronto Water. There will be added expenses (salary and benefit) of $357K which will be funded from Toronto Water's contribution to the capital financing reserve funds, resulting in a $0 gross and net change to Toronto Water's Operating Budget.	0.0	0.0	0.0	4.0
Total Toronto Water	**0.0**	**0.0**	**0.0**	**4.0**
Total Non Levy Operations	**0.0**	**0.0**	**0.0**	**4.0**
Total	**(857.8)**	**(857.8)**	**0.0**	**109.3**

Operating Variance Report
For Nine-Month Period Ended September 30, 2014
Significant Variance by Program and Agency

City Operations

Citizen Centred Services "A"

As shown in Table 6 below, Citizen Centred Services "A" reported a net under-expenditure of $17.784 million or 2.5% of planned expenditures for the nine-month period ended September 30, 2014 and are projecting year-end over-spending of $8.557 million or 0.9% compared to the 2014 Approved Net Operating Budget of $916.351 million. The reasons for these variances are discussed below.

Table 6
Citizen Centred Services "A"
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
Affordable Housing Office	0.0	(0.0)
Children's Services	0.0	0.0
Court Services	17.5	24.6
Economic Development & Culture	(0.1)	0.0
Toronto Paramedic Services	(0.4)	(0.8)
Long Term Care Homes and Services	(0.1)	0.0
Parks, Forestry & Recreation	(15.7)	(1.0)
Shelter, Support & Housing Administration	(7.8)	0.0
Social Development, Finance & Administration	(0.2)	(0.2)
Toronto Employment & Social Services	(11.1)	(14.1)
Total	(17.8)	8.6

The ***Affordable Housing Office (AHO)*** was on budget for the nine-month period ended September 30, 2014. The Program reported lower than planned gross expenditures of $0.017 million or 0.8%, primarily due to under spending in non-payroll accounts, with a corresponding reduction in reserve funding.

It is forecasted that the Affordable Housing Office will be on budget by year-end.

As of September 30, 2014, the AHO reported a full complement of 19.0 positions while achieving their budgeted gapping through the year. AHO projects full complement to be maintained by year-end.

On a net basis, ***Children's Services (CS)*** was on budget for the nine-month period ended September 30, 2014. Under-expenditures of $13.735 million gross or 4.2% were fully offset by

$13.735 million or 5.3% lower than budgeted revenue. This was attributed to under-spending in purchased child care, reflecting the difference in the actual cost of providing child care relative to budgeted cost, due to the difference in the actual child mix from the planned mix, offset by a reduction in the planned reserve draw funding.

Children's Services is forecasting to be on budget at year-end, with gross expenditures expected to be $13.000 million lower than planned, requiring a corresponding reduction in the contribution from the Child Care Expansion Reserve, as the trend of reduced expenditures and revenues is expected to continue for the remainder of the year.

As of September 30, 2014, Children's Services reported a strength of 926.7 positions, 29.0 positions or 3.0% below the approved complement of 955.7 positions, which represented a vacancy rate of 2.9% for approved positions after considering gapping. The vacancy rate resulted from delay in opening one City-operated child care centre and lower complement in City operated centres, reflecting the difference in complement requirements due to the variance in the actual mix of children from the plan.

By year-end, Children's Services is projecting strength of 930.7 positions, which is 25.0 positions below the complement and represents a projected year-end vacancy rate of 2.5% after considering the budgeted gapping rate.

Court Services reported a unfavourable net variance of $17.531 million or 112.6% of planned expenditures for the nine-month period ended September 30, 2014. The net variance consisted primarily of unfavourable revenues of $21.138 million based on lower volumes of tickets issued and filed by enforcement agencies in Toronto, partially offset by savings of $3.607 million mainly in salaries and benefits and other non-salary line accounts.

Court Services forecasts a year-end net over-expenditure of $24.593 million or 178.4% mainly attributable to lower than budgeted fine revenues of $29.647 million arising from lower volume of charges filed by the Toronto Police Service and other enforcement agencies, partially offset by cost savings of $5.054 million in salaries and benefits and lower contracted services resulting from the lower volume of tickets processed.

The number of tickets filed for the period ending September 30, 2014 was 235,206, 38% lower compared to the same period in 2013 (377,554) and 53% lower than 2012 (500,559). With the declining trend expected to continue, the 2014 projected year-end volume of tickets will be 311,124 or 33% lower than in 2013 of 467,565, representing $29.647 million in lower fine revenues.

As of September 30, 2014, Court Services reported a strength of 247.0 positions which was 35.0 positions or 12.4% below the 2014 approved complement of 282.0 positions. This represented a vacancy rate of 3.9% after considering gapping, as the budgeted gapping rate of 8.5% is equivalent to 21 positions.

By year-end, Court Services is projecting a strength of 246.0 positions; 36.0 positions or 12.8% below the approved complement of 282.0 positions which represents a vacancy rate of 4.3% after considering gapping. Maintaining 36.0 vacant positions will exceed the budgeted gapping of 8.5% or $1.886 million by $0.925 million at year-end, primarily attributable to lower processing of tickets.

Economic Development and Culture (EDC) reported net under-spending of $0.102 million or 0.2% of budgeted expenditures for the nine-month period ended September 30, 2014. The variance consisted of lower than planned gross expenditures of $1.257 million due primarily to the timing of contracted services. Revenues were $1.155 million or 9.4% lower than planned due to lower than anticipated third party contributions by the end of this period which were offset by the corresponding under-expenditures.

At this time, it is forecasted that EDC will be on budget at year-end.

At September 30, 2014, EDC reported a strength of 301.0 positions, down 4.0 or 1.3% from the approved complement of 305.0 positions. The Program projects a year-end strength of 305.0 positions, representing full complement and expects to achieve its budgeted gapping savings (rate of 3.1%) through savings realized during the year.

Toronto Paramedic Services reported net under-spending of $0.383 million or 0.9% of planned expenditures for the nine-month period ended September 30, 2014. The favourable gross variance of $1.472 million was mainly in salaries and benefits due to delayed hiring of paramedics and dispatchers and cost containment measures which will offset the anticipated year-end shortfall of $2.0 million in the Provincial base subsidy for the Central Ambulance Communication Centre (CACC).

Toronto Paramedic Services forecasts year-end net under-spending of $0.816 million or 1.2% due to savings in various accounts such as salaries and benefits, medical supplies and uniforms.

As of September 30, 2014, Toronto Paramedic Services reported a strength of 1,283.8 positions, 42.0 positions or 3.2% below the approved complement of 1,325.8 positions. This represented a vacancy rate of 1.9% after considering gapping, as the budgeted gapping rate of 1.3% is equivalent to 16.0 positions. Vacancies were due to higher than anticipated attrition and delayed hiring of paramedics and medical dispatcher positions to address the grant subsidy shortfall in CACC.

At year-end, Toronto Paramedic Services projects a strength of 1,289.8 positions, 39.0 positions or 2.9% below the complement of 1,328.8 positions which represents a vacancy rate of 1.7% after considering gapping. Year-end projected savings in salaries and benefits of $2.932 million are anticipated to exceed the budgeted gapping of $1.972 million or 1.3 % mainly resulting from the CACC vacancies to address the Provincial funding shortfall as well as phased hiring of the 56.0 new paramedic positions over a six-month period.

Long-Term Care Homes and Services (LTCHS) reported net under-spending of $0.092 million or 0.3% for the nine-month period ended September 30, 2014. This variance reflected lower than budgeted gross expenditures of $2.099 million or 1.3% and under-achieved revenue of $2.006 million or 1.4% primarily attributed to reduced program expenditures in areas where

Provincial funding has not yet been confirmed or made available. Certain Program services, such as high intensity needs and supportive housing are claims-based, 100% Provincially subsidized services and LTCHS ensures no spending occurs until the Ministry of Health and Long-Term Care (MOHLTC) or Local Health Integration Network (LHIN) funding approvals are received. The net under- spending of $0.092 million was a result of timing of expenditures and associated revenues due to the MOHLTC delayed confirmation of LTCHS' 2014 Program revenues.

At this time, it is forecasted that LTCHS will be on budget at year-end.

Long-Term Care Homes and Services reported a strength of 2,179.7 positions for the nine-month period ended September 30, 2014, representing full complement, and is expected to maintain its approved complement of 2,179.7 positions to year-end.

Parks, Forestry and Recreation (PF&R) reported net under-spending of $15.722 million or 7.0% of planned expenditures for the nine-month period ended September 30, 2014. The variance is primarily due to under-spending in Urban Forestry as a result of re-directing resources to the December 2013 ice storm clean-up. Ice storm costs are being captured in the Non-Program Expenditure Budget and are not allocated by Division. Once ice storm clean-up is completed, PF&R will engage additional resources to catch up on deferred work and spending is expected to be close to budget at year-end. Under-spending is also due to delays in implementation of recreation programs at new facilities which is expected to be fully spent by year-end.

As of September 30, 2014, Parks, Forestry and Recreation reported a vacancy rate of 2.9% after gapping for an approved complement of 4,369.6 positions. The vacancies primarily represented delays in filling seasonal positions through work selection which has been an on-going challenge for Parks, Forestry and Recreation. All permanent vacancies have been filled or backfilled.

The forecasted year-end vacancy rate after gapping is projected to be 2.9% for an approved complement of 4,369.6 positions. Parks, Forestry and Recreation is expecting to achieve its budgeted gapping rate of 2.0% (approximately 100 position equivalents) through savings from delays in filling positions and turn-over experienced throughout the year.

Shelter, Support and Housing Administration (SSHA) reported net under-spending of $7.789 million or 5.5% for the nine-month period ended September 30, 2014. The net under-spending was primarily the result of lower than budgeted salaries and benefits from vacant positions and savings in contracted services. The variance was comprised of $16.244 million or 3.7% in gross under-spending, primarily due to savings in social housing, (savings in property taxes, mortgage payments, operating and rent geared to income subsidies), timing differences in the disbursement of Affordable Housing grants, and in Provincial grants for Homelessness Prevention. Revenues were $8.455 million or 2.8% below budget, reflecting lower withdrawal of reserve funding for social housing subsidies, and offsetting timing for grant disbursements.

At this time, Shelter, Support and Housing Administration forecasts to be on budget by year-end. Gross under-spending of $17.257 million or 2.7%, will result from savings in salaries and benefits of $2.7 million (primarily related to hiring delays); under-spending of approximately $3.3 million in Social Housing, combined with unexpected additional CHPI funding of $2.0 million, and the recently announced $9.3 million CHPI revenue. The projected under-spending will be offset by a reduction in the contribution from the Social Housing Federal Reserve Fund.

As of September 30, 2014, SSHA reported a strength of 685.6 positions, which was 33.0 positions or 4.6% below the approved complement of 718.6 positions. This represented a vacancy rate of 1.4% after considering the budgeted gapping rate of 3.2% (approximately 23 positions). It is anticipated that the 33.0 vacancies will be filled during the fourth quarter, once the job calls for the vacant positions have been completed and new staff is in place.

By year-end, SSHA is projecting a strength of 718.6 positions, which is in line with the approved complement, while achieving their budgeted gapping through the year.

Social Development, Finance and Administration (SDFA) reported net under-spending of $0.160 million or 0.6% for the nine-month period ended September 30, 2014. Expenditures were $4.570 million or 12.8% below budget, with the variance mainly attributed to under-spending in the Tower Renewal Energy Retrofit Program due to delays in payments to participants, pending the completion of the energy-retrofit work; salaries and benefit from vacant positions; and, general under-spending in various non-salary accounts. Revenue was $4.410 million or 48.5% lower than budget, offsetting the gross under-spending and reflected delays in funding the energy-retrofit grants.

SDFA forecasts a year-end $0.163 million or 0.5% net favourable variance, primarily due to delays in filling vacant positions until late in the third quarter, and general Program-under spending, reflecting effective expenditure monitoring and cost control.

As of September 30, 2014 SDFA reported a strength of 123.5 positions, which was 3.0 positions or 2.4% below the approved complement of 126.5 positions. The Program manages its complement with a planned gapping rate of 3.4%. SDFA projects a year-end strength of 126.5 positions, representing full complement, and expects to achieve its budgeted gapping rate through savings realized during the year.

Toronto Employment and Social Services (TESS) reported net under-spending of $11.066 million or 8.1 % for the nine-month period ended September 30, 2014. The variance was due to lower than budgeted gross expenditures of $87.061 million or 10.0% and lower than budgeted revenue of $75.995 million or 10.3%. These variances were primarily the result of lower caseload (93,056 actual versus 101,000 budgeted), lower Special Diet, Housing Stabilization Fund and Employment Benefit expenditures.

Toronto Employment and Social Services forecasts net under-expenditures of $14.057 million or 8.2% at year-end which consists of lower than budgeted gross expenditures of $106.639 million or 9.1% and lower than budgeted revenue of $92.582 million or 9.3% based on continued lower than planned caseloads, which is projected to be 8,500 or 8.4% below the budgeted caseload of 101,000, lower Special Diet, Housing Stabilization Fund and Employment Benefit expenditures.

The caseload will continue to be closely monitored in relation to the current labour market and economic conditions.

As of September 30, 2014, TESS reported a strength of 2,082.0 positions which was 69.5 positions or 3.2% below the approved complement of 2,151.5 positions. The current staffing level is consistent with TESS' actual average monthly caseload of 93,056 cases to date and represented a vacancy rate of 1.6% after budgeted gapping. The Division only hires based on the actual caseload.

By year-end, TESS is projecting a strength of 2,066 positions, which is 85.5 positions or 4.0% below the approved complement of 2,151.5 positions. TESS will maintain 85.5 positions vacant based on a projected average monthly caseload of 92,500 (8,500 below the budgeted caseload of 101,000) which will result in a vacancy rate of 2.3% after budgeted gapping. The Division only hires based on the actual caseload.

Citizen Centred Services "B"

As indicated in Table 7 below, Citizen Centred Services "B" Programs collectively reported net under-spending of \$0.331 million or 0.1% for the nine months ended September 30, 2014, and are projecting an under-expenditure of \$9.453 million or 1.4% of the 2014 Approved Net Operating Budget by year-end. Major causes of the variances are discussed below.

Table 7
Citizen Centred Services "B"
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
City Planning	(2.6)	(1.2)
Fire Services	(2.6)	(1.2)
Municipal Licensing & Standards	(2.2)	(1.5)
Policy, Planning, Finance & Administration	(0.3)	(0.4)
Engineering & Construction Services	1.3	0.0
Toronto Building	(4.9)	(4.8)
Transportation Services	10.9	(0.4)
Total	(0.3)	(9.5)

City Planning reported net under-spending of \$2.565 million or 26.3% for the nine-month period ended September 30, 2014. This variance reflected higher than budgeted gross expenditures of \$0.401 million or 1.4% primarily due to the timing of expenditures for employee benefit premiums such as those for CPP and EI which mostly occur early in the year and services for Heritage Conservation District and other studies. Revenues were greater than planned by \$2.966 million or 16.2%, mainly due to higher than budgeted development application revenue and greater application volumes in Community Planning and Committee of Adjustments.

For year-end, City Planning is projecting under-spending of \$1.198 million or 7.7% of the 2014 Approved Net Operating Budget of \$15.608 million. Gross expenditures are forecasted to be

$0.179 million or 0.4% under-spent primarily due to lower salary and benefit costs due to positions that were vacant during the year. Revenues at year-end are projected to be greater than budget by $1.020 million or 4.0% due to higher than expected development application revenues.

As of September 30, 2014, City Planning reported a strength of 343.0 positions, which was 21.5 positions below the complement of 364.5 positions. This represented a vacancy rate of 2.1% after considering gapping, as the budgeted gapping rate of 3.8% is equivalent to approximately 14.0 positions.

By year-end City Planning is projecting a strength of 359.5 positions, which is 5.0 positions below the complement of 364.5 positions, reflecting essentially full complement, after considering and achieving the gapping target throughout the year.

Toronto Fire Services (TFS) reported net under-spending of $2.598 million or 0.9% of planned expenditures for the nine-month period ended September 30, 2014. The under-expenditure of $2.018 million gross was primarily due to under-spending in salaries and fringe benefits from delayed hiring of Fire Prevention Officers, lower WSIB payments, and various non-payroll accounts. Also contributing to the under-expenditure was a favourable revenue variance mainly due to unbudgeted Provincial funding of $0.300 million received for the Heavy Urban Search and Rescue equipment for costs incurred in 2013 and $0.280 million resulting from a higher than anticipated volume of false alarm incidents.

TFS forecasts a favourable year-end net under-spending of $1.200 million or 0.3% mainly due to under-expenditures in salaries and benefits. The majority of WSIB claims are expected to be paid out by year-end. The year-end forecast does not include the financial impact of the recently approved additional eligibility criteria of six additional types of cancers for Workplace Safety and Insurance Board claims.

As of September 30, 2014, TFS reported a strength of 3,074.5 positions which was 52.3 positions or 1.7% below the complement.

TFS is projecting a strength of 3,062.5 positions which is 64.3 positions or 2.1% below the approved complement of 3,126.8 positions. A recruitment class is scheduled for January 2015 in compliance with Local Union 3888 agreement that requires TFS to initiate a recruitment class once vacancies for firefighter operations reach 40 positions.

In order to maintain its gapping rate of 2.0% or $7.978 million, TFS has to maintain an average of 69 positions vacant throughout 2014. With 64.3 vacant positions projected by year-end, combined with delayed hiring of 33 firefighters in the third quarter of 2014, budgeted gapping is anticipated to be exceeded by $1.0 million or an additional 0.1% in 2014.

Municipal Licensing and Standards (MLS) reported net under-spending of $2.173 million or 16.7% of planned expenditures for the nine-month period ended September 30, 2014. Under-expenditures of $3.235 million were partially offset by under-achieved revenues of $1.062 million. The variance reflects lower than planned expenditures of $2.271 million for salaries and benefits due to staff vacancies as well as non-salary net under-spending of $0.964 million primarily in contracted services ($0.409 million) and delayed inter-divisional charges ($0.500 million). Areas of under-spending in contracted services mainly include general services of $0.167 million primarily in By-Law Enforcement and Toronto Animal Services (TAS); cell phones for $0.113 million largely in By-Law Enforcement and TAS and advertising and promotion of $0.111 million mostly in TAS.

The Program had under-achieved revenue of $1.062 million which was 5% lower than planned primarily due to lower than anticipated volumes for licences and permits and Sign Bylaw fees. Lower revenue in these areas was partially offset by greater than budgeted business license revenue, which was $0.471 million or 3% higher than planned.

For year-end, MLS is projecting under-spending of $1.5 million or 7.1% below the 2014 Approved Net Operating Budget. This variance is comprised of an under-expenditure of $2.958 million predominately from under-spending in salaries and benefits that is anticipated to be partially offset by under-achieved revenue of $1.458 million. The under-achieved revenue is the result of lower than anticipated volumes of licences and permits, Sign Bylaw and other fees. A comprehensive operational and user fee review is currently underway, which will examine opportunities to address revenue concerns.

As of September 30, 2014, MLS reported a strength of 419.0 positions which was 39.0 positions below the approved complement of 458.0 positions. This represented a vacancy rate of 6.2% after considering gapping, as the budgeted gapping rate of 2.3% is equivalent to approximately 11.0 positions.

By year-end MLS is projecting a strength of 454.0 positions, which is 4.0 positions below the complement of 458.0 positions, reflecting essentially full complement, after considering and achieving the gapping target throughout the year. It is anticipated that this increase in MLS strength will result from an on-going hiring process associated with operational improvements, reducing vacancies by hiring 26.0 positions during November with an additional 9.0 positions by year-end.

Policy, Planning, Finance and Administration (PPF&A) reported net under-spending of $0.272 million or 4.2% of planned expenditures for the nine-month period ended September 30, 2014. Under-expenditures of $1.411 million were partially offset by under-achieved revenues of $1.139 million. The expenditure variance was the result of lower than planned expenditures of $0.577 million for salaries and benefits due to vacant positions. Non-salary accounts were also under-spent by $0.834 million due to lower than planned spending for utilities and managing expenditures for equipment and material supply accounts. Revenue was under-achieved by $1.139 million which was 12.8% lower than planned. This under-achieved recovery of revenue was directly related to under-spending in salaries and benefits for positions that provide services to client Divisions.

For year-end, PPF&A is projecting under-spending of $0.364 million or 3.7% compared to the 2014 Approved Net Operating Budget. This is comprised of under-spending of $1.216 million in gross expenditures reflecting the impact of vacancies and managed expenditures offset by related under-achieved recoveries of $0.852 million.

As of September 30, 2014, PPF&A reported a strength of 177.4 positions which was 25.0 positions below the approved complement of 202.4 positions. This represented a vacancy rate of 8.4% after considering gapping, as the budgeted gapping rate of 3.9% is equivalent to approximately 8.0 positions.

By year-end PPF&A is projecting a strength of 182.4 positions, which is 20.0 positions below the complement of 202.4 positions. This represents a projected year-end vacancy rate of 6.0% after considering the budgeted gapping rate.

Engineering and Construction Services reported net over-spending of $1.287 million or 17.0% of planned net expenditures for the nine-month period ended September 30, 2014. Gross expenditures were lower than planned by $3.005 million or 6.4% due primarily to under-spending in salaries and benefits arising from vacant positions ($2.795 million) and lower than planned contracted services ($0.391 million) as a result of reduced need for third party engineering review. These lower expenditures were more than offset by under-achieved revenues of $4.292 million or 11.0% mostly attributed to a reduction in capital recoveries for vacant positions ($2.132 million), delayed recoveries of engineering review fees related to the Metrolinx Rapid Transit Implementation ($1.509 million) and the delayed implementation of the 18.3% fee collected for the management of contracts for the Toronto Transit Commission, etc. ($1.142 million).

Engineering and Construction Services forecasts to be on budget at year-end. Year-end expenditures are projected to be under-spent ($4.309 million) in salaries and benefits due to vacant positions throughout the year. However, these lower expenditures will be fully offset by lower than budgeted recoveries from client capital projects ($4.309 million) resulting from vacant positions.

As of September 30, 2014, Engineering and Construction Services reported a strength of 477.9 positions, which was 70.2 positions below the approved complement of 548.1 positions. This represented a vacancy rate of 8.6% after considering gapping, as the budgeted gapping rate of 4.2% is equivalent to approximately 24.0 positions.

By year-end, Engineering and Construction Services is projecting a strength of 536.1 positions, which is 12.0 positions below the complement of 548.1 positions, reflecting essentially full complement, after considering and achieving the gapping target throughout the year.

Engineering and Construction Services is finalizing a Program-wide restructuring, aimed at improving efficiencies and increasing annual capital delivery rates to support the forecasted growth in the Capital Program needs of Toronto Water and Transportation Services. This also involves the utilization of a program management approach, involving multi-year contracts for engineering and construction services, managed by specialized program teams.

Once the restructuring plans are finalized, and the specialized project and program management needs identified, the Program plans to launch an aggressive recruitment campaign. However, as experienced in the past, filling vacancies has been an on-going challenge for Engineering and Construction Services due to competitiveness in the market place. While considering the Capital

Variance Report for the Year Ended December 31, 2013 at its meeting of July 8-11, 2014, Council directed that there be a review of salary compensation for professional engineer and project management professionals to facilitate retention of qualified professionals.

To further support the longer term staffing and succession planning needs, the Program's hiring strategy includes the training, development and promotion of existing staff, active engagement of student co-op programs with colleges and universities and recruitment of new graduates.

Toronto Building was under-spent by $4.944 million net, or 57.5%, of planned net expenditures for the nine-month period ended September 30, 2014. The variance was driven by higher than planned revenues of $5.047 million, or 12.2%, primarily due to the sustained high volume of permit application intake experienced. Gross expenditures were nominally higher than planned by $0.102 million, or 0.3%, largely due to higher payroll expenses accrued in the first part of the year, as well as overtime expenses resulting from sustained high permit volumes. The nine-month period includes an in-year budget transfer for inter-department charges (IDC) for flex-parking and postage expenditures from Policy, Planning, Finance and Administration (PPF&A) of $0.066 million (pending Council approval). These nominal over-expenditures were partially offset by nominal savings in non-salary accounts for cell phones, rental parking spaces, and computer hardware maintenance.

Toronto Building is projecting to be under-spent by $4.750 million net, or 43.4%, of its 2014 Operating Budget by year-end. Toronto Building is projecting revenues of $5.0 million, or 8.4%, over the 2014 Approved Revenue Budget of $59.353 million. The projected revenues are based on a sustained high level of permit application activity through 2014. Gross expenditures are projected to be $0.250 million, or 0.5%, over budget mostly in salaries and benefits due to service demands of the Pan Am Games.

As of September 30, 2014, Toronto Building reported a strength of 417.0 positions, which was 14.0 positions below the approved complement of 431.0 positions. This represented a vacancy rate of 0.3% after considering gapping, as the budgeted gapping rate of 2.9% is equivalent to approximately 12.5 positions.

By year-end, Toronto Building is projecting a strength of 419.0 positions, which is 12.0 positions below the complement of 431.0 positions, reflecting essentially full complement, after considering and achieving the gapping target throughout the year.

Transportation Services reported net over-spending of $10.935 million or 6.5% of planned expenditures for the nine-month period ended September 30, 2014. This variance was the result of higher than planned gross expenditures of $17.997 million or 8.2% mainly due to higher than expected costs for winter maintenance as a result of the harsh winter conditions ($9.544 million), higher salt usage ($6.369 million) and higher contractor costs for road and bridge repairs ($5.762 million). These higher expenditures were partially offset by under-spending in salaries and benefits arising from vacant positions ($3.418 million). Revenues were $7.062 million or 13.7% higher than planned primarily due to stronger permit fee revenue from greater construction activity ($2.372 million), higher utility cut recoveries from external utilities due to contract price increases and volume of work ($3.534 million) and higher administration fees for utility cut repair overhead costs ($1.072 million) also related to contract price increases and volume of work.

Transportation Services is forecasting year-end under-spending of $0.441 million or 0.2% under the 2014 Approved Net Operating Budget due under-spending in salaries and benefits resulting from vacancies throughout the year ($5.179 million), lower contractor costs ($2.0 million) for road and bridge maintenance and higher utility cut recoveries from external utilities due to contract price increases and volume of work ($1.0 million). These will be partially offset by higher than planned salt usage in the winter maintenance program ($5.729 million) and lower than budgeted recoveries from Toronto Water ($2.0 million) for utility cut repairs. This projected year-end under-spending assumes that the harsh winter conditions experienced in the first quarter of the year will not repeat in November and December. If the experience from earlier in the year repeats, this will result in a reduction to the projected year-end under-spending.

As of September 30, 2014, Transportation Services reported a strength of 927.0 positions which was 184.4 positions below the approved complement of 1,111.4 positions. This represented a vacancy rate of 11.7% after considering gapping, as the budgeted gapping rate of 4.9% is equivalent to approximately 60.0 positions.

By year-end Transportation Services is projecting a strength of 1,000.3 positions, which is 111.1 positions below the complement of 1,111.4 positions. This represents a projected year-end vacancy rate of 5.1% after considering the budgeted gapping rate.

Internal Services

As shown in Table 8 below, during the nine months ended September 30, 2014, Internal Services Programs collectively reported a net under-expenditure of $4.241 million or 3.0% and project year-end under-spending of $6.100 million or 3.3% compared to the 2014 Approved Net Operating Budget as discussed below.

Table 8
Internal Services
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
311 Toronto	0.1	0.2
Office of the Chief Financial Officer	(0.7)	(0.9)
Office of the Treasurer	(1.2)	(2.4)
Facilities Management & Real Estate	(0.4)	(1.6)
Fleet Services	(0.7)	(0.0)
Information & Technology	(1.3)	(1.5)
Total	(4.2)	(6.1)

311 Toronto reported a net over-expenditure of $0.081 million or 1.1% of planned expenditures for the nine-month period ended September 30, 2014. Additional costs are associated with the increased call volumes and the requirement to increase part-time Customer Service

Representatives (CSRs) which were partially offset by under-spending from vacancies in other functions. Call volumes have increased by 7.4%, while general inquiries handled have increased by 3.25% and service requests created by 19.17% when compared to the same period last year. This was mainly attributed to numerous weather related events and additional advertising for 311 on City facilities, vehicles, and documents/stationary. The increased service demand has caused longer wait times as 311 Toronto has not met its service standard with only 60% of calls answered within 75 seconds compared to the target of 80%.

Projections to year-end indicate that 311 Toronto will report an unfavourable variance of $0.206 million or 2.0% over the 2014 Approved Net Operating Budget as the call volumes will remain high. The Program continues to monitor the call volumes and consult with the Chief Financial Officer & the Chief Corporate Officer in identifying solutions to mitigate the impact while maintaining service levels.

As of September 30, 2014, the Program reported a strength of 158.0 positions compared to an approved complement of 179.5 positions, which represented a vacancy rate of 9.6% for approved positions after considering budgeted gapping. Of the 21.5 vacancies, approximately 4.0 equivalent positions are being held vacant in order to achieve this year's gapping target of 2.4%. To mitigate the impact on service levels arising from high call volumes, as noted above, 311 Toronto will continue using more part-time CSRs working more hours to meet the service levels. By year-end, the Program is projecting a strength of 172.5 positions, which represents a 1.5% vacancy rate after considering budgeted gapping.

The ***Office of the Deputy City Manager & Chief Financial Officer*** reported net under-spending of $0.746 million or 11.2% for the nine-month period ended September 30, 2014. This was mainly due to under-expenditures in salaries and benefits for vacant positions. As the vacancies will gradually be filled during the remainder of the year, the projected net favourable variance at year-end is $0.894 million or 9.5% due to under-spending already realized from the vacant positions.

As of September 30, 2014, the Office of the Chief Financial Officer reported a strength of 101.0 positions which was 11.0 positions below the complement of 112.0 positions. This represented a vacancy rate of 7.9% for approved positions after considering budgeted gapping. Of the 11.0 positions, 7.0 are operating vacancies including 2.0 held for gapping, and 4.0 are capital positions, which were approved in the 2014 Capital Budget. There is no service level impact at this time.

By year-end, the Office of the Chief Financial Officer is projecting a strength of 106.0 positions, which is 6.0 positions below the complement of 112.0 positions, and 3.4% after approved gapping. To mitigate potential impacts on service levels, overtime has been used to offset the vacant positions. Both Corporate Finance and Financial Planning are currently working with Human Resources to fill the vacant positions.

The ***Office of the Treasurer*** reported net under-spending of $1.205 million or 5.4% for the nine-month period ended September 30, 2014. Gross expenditures were lower than planned by $4.106 million or 7.7%. The favourable variance was due to under-spending from vacant positions for capital and corporate initiatives ($2.4 million), vacant operating positions ($0.600 million), non-salary savings including the administration of the Municipal Land Transfer Tax ($0.200 million), Tenant Tax Notification Program ($0.100 million), printing contracts with new vendors ($0.400 million), and professional services and other discretionary savings ($0.400 million). This was partially off-set by lower recoveries of $2.9 million in revenues for dedicated staffing arrangements (capital and corporate).

The Office of the Treasurer is forecasting a favourable year-end variance of $2.357 million or 7.8% under the 2014 Approved Net Operating Budget mainly due to salary under-spending.

As of September 30, 2014, the Office of the Treasurer reported a strength of 667.2 positions which was 75.8 positions below the complement of 743.0 positions. This represented a vacancy rate of 7.2% for approved positions after considering budgeted gapping. There were 49.8 operating vacancies of which 20.0 were held to achieve the gapping rate, and 26.0 were capital positions approved in the 2014 Capital Budget.

By year-end, the strength is projected to be 686.2 positions, which is 56.8 positions below the complement of 743.0 positions. Twenty four of the projected vacancies are capital project delivery positions due to hiring delays and 20.0 operating positions held for gapping. To mitigate potential impacts on service levels, the Division will utilize part time staff and overtime to cover front-line services. By year-end, the expected vacancy rate will be 4.6% after considering approved gapping.

Facilities Management and Real Estate (FM&RE) reported a net under-expenditure of $0.448 million or 0.9% of planned expenditures for the nine-month period ended September 30, 2014. This was largely attributed to the under-spending from vacancies offset partly by the increased use of part-time workers/casual staff and contracted services, as well as higher energy consumption required to heat the City's buildings as a result of the extreme winter weather during the first quarter of 2014.

The Program is projecting under-spending of $1.562 million or 2.4% below the 2014 Approved Net Operating Budget at year-end, mainly due to vacancies offset by utilities, which are anticipated to exceed budget by $1.126 million.

As of September 30, 2014, the Program reported a strength of 795.8 positions compared to an approved complement of 898.7 positions, which represented a vacancy rate of 8.0% after considering budgeted gapping. Of the 102.9 vacancies, 27.5 positions are being held vacant to achieve the full year gapping target of 3.4%. The impact of vacancies is being mitigated by having some of the critical work performed by using part-time workers, staff working extra hours to cover 24/7 operations and contracted services. Some delays in executing client work requests including capital projects, processing vendor invoices, and slower response time have resulted in reduced customer services. The Program is working diligently with Human Resources to ensure these vacancies are filled as soon as possible.
By year-end, the Program is projecting a strength of 860.8 positions compared to approved complement of 902.7 positions, reflecting a vacancy rate of 1.2% after considering budgeted gapping.

Fleet Services reported net under-spending of $0.661 million for the nine months ended September 30, 2014. Gross expenditures were higher than planned by $3.930 million or 12.3% mainly due to increased fuel consumption and maintenance requirements by client Divisions as well as additional consultation requirements resulting from the Fleet Operations Review that was not budgeted. Revenues were higher than planned by $4.591 million or 14.5% as a result of additional recoveries from the increased demand for fuel and maintenance offset by a lower than anticipated cost recovery from auction proceeds.

At this time, it is projected that Fleet Services will be under budget by $0.030 million at year-end. Fleet Services will continue to monitor spending and find efficiencies to offset the pressures mentioned above.

As of September 30, 2014, the Program reported a strength of 158.0 positions which was 16.0 positions below the complement of 174.0 positions. This represented a vacancy rate of 5.7% after budgeted gapping. Of the 16.0 vacancies, 7.0 positions are being held vacant to achieve the full year gapping rate of 3.5%. The impact of vacancies, which has resulted in longer maintenance turnaround times, is being mitigated by using overtime and external service contracts as short term measures.

By year-end, the Program is projecting a strength of 163.0 positions compared to an approved complement of 174.0 positions, reflecting a vacancy rate of 2.8% after budgeted gapping. The Program is working diligently with Human Resources to ensure these vacancies are filled on a timely basis.

Information and Technology reported favourable under-spending of $1.262 million or 2.3% of planned net expenditures for the nine-month period ended September 30, 2014. Gross expenditures were lower than planned by $12.063 million or 15.0%. The favourable variance was mainly due to under-spending from vacant positions. Revenues were below budget by $10.802 million or 43.8% as a result of lower recoveries due to the vacant capital funded positions.

Information and Technology is forecasting a favourable year-end variance of $1.463 million or 2.1% under the 2014 Approved Net Operating Budget. While there is a dedicated process to expedite hiring to fill all urgent operational and capital positions, savings in salaries ($3.911 million) will continue until the vacancies are filled. These savings will be utilized in part to fund additional Human Resource professionals who have been hired on a temporary basis to expedite the recruitment process. This net under-spending also accounts for a reduction in revenues of $2.728 million not recovered from the IT Sustainment Reserve for vacant capital positions.

As of September 30, 2014, Information and Technology reported a strength of 593.0 positions which was 163.0 positions below the approved complement. This represented a vacancy rate of 16.1% for approved operating positions after considering budgeted gapping. Excluding the 34.0 positions held (5.5%) to achieve its gapping rate, there were 129.0 vacant positions, of which 83.0 were capital positions.

By year-end, the Program is projecting a strength of 616.0 positions which is 140.0 positions below the complement of 756.0 positions. Though the Program has filled in excess of 160 positions over the past year, the vacancy rate has not been reduced in similar proportions since most of these were internal promotions. By year-end, the expected vacancy rate will be 13.0% after considering approved gapping. The Information and Technology Division continue to face recruiting challenges, including intense competition for qualified IT resources.

Information and Technology is working to ensure that services are maintained to a satisfactory level and the necessary IT support is provided to City Divisions in a timely manner. The overall delays in recruiting positions primarily impacts the delivery and support for IT business solution capital projects in progress or planned across the City and ongoing service sustainment and support. The City has a large number of business transformation projects that require significant resources from both client Divisions and Information and Technology. Information and Technology is continuing to implement resource planning for IT projects in partnership with its clients (assessing risks and reprioritizing work in alignment with business needs), enhancing IT programs and project management maturity and focussing on key opportunities for process and performance improvements.

City Manager's Office

The ***City Manager's Office*** reported a net under-expenditure of $4.485 million or 12.8% of planned expenditures for the nine-month period ended September 30, 2014. This was primarily due to under-spending in salaries and benefits from vacant positions. Revenues were under-achieved by $1.522 million mainly as a result of unfilled vacant capital delivery positions for which funding is recovered from the Capital Budget.

At this time, it is projected that City Manager's Office will have a year-end net favourable variance of $2.398 million or 5.1%, mainly attributable to under-spent salaries and benefits.

Table 9
City Manager's Office
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
City Manager's Office	(4.5)	(2.4)

As of September 30, 2014, the City Manager's Office reported a staff strength of 403.0 positions compared to approved complement of 458.8 positions, which represented a vacancy rate of 8.1% after approved gapping. Of the 55.5 vacancies, 18.0 are being held vacant to achieve the full-year gapping rate of 4.0%. There is no impact to service levels as workload for active staff has increased. The Program is working diligently with Human Resources to ensure these vacancies are filled on a timely basis.

By year-end, the City Manager's Office is projecting a staff strength of 416.0 positions compared to approved complement of 458.5 positions, reflecting a vacancy rate of 5.3% after budgeted gapping.

Other City Programs

Other City Programs (see Table 10 below) reported an under-expenditure of $0.596 million or 1.1% for the nine-month period ended September 30, 2014; and projects year-end under-spending of $0.312 million or 0.4% compared to the 2014 Approved Net Operating Budget.

Table 10
Other City Programs
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
City Clerk's Office	0.1	0.0
Legal Services	(0.4)	(0.3)
Mayor's Office	(0.0)	0.0
City Council	(0.2)	(0.0)
Total	(0.6)	(0.3)

The ***City Clerk's Office*** reported a net over-spending of $0.102 million or 0.4% of planned net expenditures for the nine months ended September 30, 2014. Expenditures were below budget by $3.452 million or 8.5% mainly due to lower spending on salaries and benefits from vacant positions, services and rents and materials and supplies mainly due to reduced client demand for printing and photocopying. Revenues were below budget by $3.553 million or 20.4% primarily due to City Divisions' actual spending on printing being lower than budgeted and offset by higher revenues generated from mail and courier services.

At this time, it is projected that City Clerk's Office will be on budget at year-end.

As at September 30, 2014, the City Clerk's Office reported a strength of 429.9 positions compared to a complement of 449.9 positions, which represented a vacancy rate of 1.1% after budgeted gapping. Of the 20.0 vacancies, 7.0 are being held vacant to achieve the full-year gapping rate of 3.3%.

By year-end, the City Clerk's Office is projecting full complement after gapping. There is no impact to service levels due to the vacancies.

Legal Services reported net under-spending of $0.444 million or 3.1% for the nine-month period ended September 30, 2014. The variance consisted of lower than expected gross expenditures of $2.595 million or 7.4% mainly due to vacant positions, partially offset by corresponding lower than expected recoveries from other City Divisions by $2.151 million or 10.3% of revenues.

Legal Services is forecasting a year-end net favourable variance of $0.299 million or 1.6% largely due to the vacant positions.

As of September 30, 2014, Legal Services reported a strength of 288.0 positions compared to a complement of 297.0 positions, which represented a vacancy rate of 0.8% for approved operating positions after budgeted gapping. Increased workload, primarily due to City Council requests to attend Ontario Municipal Board (OMB) meetings does not support maintaining vacant positions. By year-end, Legal Services is projecting to have a staff strength equal to its complement of 297.0 positions.

The ***Mayor's Office*** reported an under-spending of $0.050 million or 6.9% of planned net expenditures for the nine months ending September 30, 2014. The under-spending was attributed to services and rents and salaries and benefits.

At this time, it is forecasted that the Mayor's Office will be on budget at year-end.

The Mayor's Office reported a strength of 11.0 positions for the nine-month period ended September 30, 2014. A projected year-end strength and complement is not provided for the Mayor's Office, as staffing requirements will be highly dependent upon the Mayor-elect.

City Council reported under-spending of $0.204 million or 1.4% of planned net expenditures for the nine months ended September 30, 2014. This was mainly due to under-spending of $0.355 million in the Councillors' constituency services and office budgets as some Council Members have not fully expended their office budgets and $0.277 million in staff salaries and benefits due to different staffing strategies adopted by various Councillors. This is partially offset by over-spending of $0.477 million in the City Council's general expense budget related to staff replacement and Constituency office expenses.

At this time, it is forecasted that City Council will be under-spent by $0.013 million or 0.1% below the budget at year-end.

City Council reported a strength of 176.0 positions for the nine-month period ended September 30, 2014, representing full complement. City Council is expected to maintain its approved complement of 176.0 positions to year-end.

Accountability Offices

Accountability Offices collectively realized net under-spending of $0.205 million or 3.7% below planned expenditures for the nine-month period ended September 30, 2014, as noted in Table 11 below. Overall, these Offices project under-spending of $0.183 million or 2.4% of their 2014 Approved Net Operating Budget at year-end.

Table 11 Accountability Offices Net Expenditure Variance ($ Million)		
	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
Auditor General's Office	(0.2)	(0.2)
Integrity Commissioner's Office	0.0	0.0
Lobbyist Registrar's Office	(0.1)	(0.0)
Ombudsman's Office	0.0	0.0
Total	(0.2)	(0.2)

The ***Office of the Auditor General*** reported under-spending of $0.182 million or 5.5% for the nine-month period ended September 30, 2014. This was mainly due to lower than planned expenditures for salaries and benefits.

The Office of the Auditor General is forecasting under-spending of $0.181 million or 3.9% at year-end due to savings realized from vacant positions.

The Office of the Auditor General reported a strength and complement of 29.5 positions for the nine months ended September 30, 2014. The Office of the Auditor General's strength is expected to be 29.0 positions at year-end with no anticipated impact to service levels.

The ***Office of the Integrity Commissioner*** reported over-spending of $0.009 million or 4.5% above the 2014 Approved Net Operating Budget for the nine-months ended September 30, 2014. This was primarily a result higher than planned expenditures in external services required due to litigation, investigations and expertise required.

At this time, it is forecasted that the Office of the Integrity Commissioner will be over budget by $0.023 million or 7.7% at year-end due to the items mentioned above.

The Office of the Integrity Commissioner reported a strength of 2.0 positions for the nine-month period ended September 30, 2014, representing full complement. The Office of the Integrity Commissioner is expected to maintain its approved complement of 2.0 positions to year-end.

The ***Office of the Lobbyist Registrar*** reported under-spending of $0.053 million or 6.7% below the 2014 Approved Net Operating Budget for the nine-month period ended September 30, 2014. This was primarily from under-expenditures in salaries and benefits.

At this time, it is forecasted the Office of the Lobbyist Registrar will be under budget by $0.025 million or 2.3% at year-end due to continuation of under-expenditures in salaries and benefits.

The Office of the Lobbyist Registrar reported a strength of 8.0 positions which was 0.3 positions below the approved complement of 8.3 positions for the nine-month period ended September 30, 2014, and is expected to be at 8.0 positions at year-end with no anticipated impact to service levels.

The ***Office of the Ombudsman*** reported over-spending of $0.021 million or 1.8% above the 2014 Approved Net Operating Budget for the nine-month period ended September 30, 2014. This was primarily due to additional expenditures to support investigations.

At this time, it is forecasted that the Office of the Ombudsman will be on budget at year-end.

The Office of the Ombudsman reported a strength of 10.0 positions or 1.0 position below the approved complement of 11.0 positions for the nine months ended September 30, 2014. The Office of the Ombudsman is forecasting a strength of 9.0 positions or 2.0 positions below the approved complement of 11.0 positions at year-end.

Agencies

Agencies collectively reported under-spending of $15.031 million or 1.2% below planned net expenditures for the nine-month period ended September 30, 2014 and project an under-expenditure at year-end of $17.395 million or 1.0% compared to their combined 2014 Approved Net Operating Budget, as outlined in Table 12 below.

Table 12
Agencies
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
Toronto Public Health	(0.1)	(0.2)
Toronto Public Library	0.1	(0.0)
Association of Community Centres	(0.1)	0.1
Exhibition Place	0.4	(0.5)
Heritage Toronto	0.0	0.0
Theatres	0.1	0.3
Toronto Zoo	0.5	0.4
Arena Boards of Management	(0.2)	0.1
Yonge Dundas Square	(0.1)	(0.0)
Toronto & Region Conservation Authority	(0.0)	0.0
Toronto Transit Commission - Conventional	(9.6)	(10.6)
Toronto Transit Commission - Wheel Trans	(2.4)	(1.9)
Toronto Police Service	(3.7)	(4.9)
Toronto Police Services Board	(0.1)	(0.1)
Total	(15.0)	(17.4)

Toronto Public Health (TPH) reported net under-spending of $0.109 million or 0.3% of planned expenditures for the nine-month period ended September 30, 2014. Under-expenditures of $4.661 million gross were offset by a reduction in revenues of $4.553 million. The gross under-expenditure of $4.661 million or 2.7% was mainly attributed to the under-spending of $2.724 million or 2.1% in salaries and benefits from vacant positions and $1.936 million or 4.3% in non payroll expenditures across various Toronto Public Health programs. Revenues were under-achieved by $4.553 million or 3.4% due to the corresponding under-spending across various Provincially cost-shared and fully funded programs.

Toronto Public Health is forecasting a year-end variance of $0.158 million or 0.3% under the 2014 Approved Net Operating Budget due to under-spending in salaries and benefits arising from vacant positions.

As of September 30, 2014, TPH reported a strength of 1,757.1 positions which was 120 positions below the approved complement of 1,877.0 positions. This represented a vacancy rate of 1.3% after considering gapping as the budgeted gapping rate of 5.1% is equivalent to approximately 95.7 positions.

By year-end, TPH is projecting a strength of 1,780 positions which is 97.0 positions or 5.2% below the complement of 1,877.0 positions.

Toronto Public Library (TPL) reported net over-spending of $0.134 million or 0.1% of planned expenditures for the nine-month period ended September 30, 2014. The variance was primarily due to a year-to-date shortfall in revenue of $0.634 million mostly from library fines, partially offset by salary savings of $0.415 million.

TPL is projecting to be under-spent by $0.001 million net by year-end.

As of September 30, 2014, TPL reported a strength of 1,682.4 positions which was 55.0 positions or 3.2% below the complement of 1,737.4 positions which represented a vacancy rate of 0.5% after considering gapping. TPL's strength is below the complement, mainly to meet the budgeted gapping target rate of 2.7% or approximately 49 equivalent positions.

By year-end, TPL is projecting to maintain a strength of 1,682.4 positions, which is 55.0 positions or 3.2% below the approved complement of 1,737.4 positions, which will exceed the planned gapping rate of 2.7% or $3.832 million, to help offset the library fines revenue shortfall.

Association of Community Centres (AOCCs) reported net under-spending of $0.097 million or 1.8% for the nine-month period ended September 30, 2014. The under-expenditures of $0.093 million gross were primarily due to under-spending in salaries and benefits and utility costs and delays in the purchase of materials and supplies which will be made later in the year. Revenues were $0.004 million higher than planned, with revenues from Swansea Town Hall reflecting an uneven revenue distribution over the year.

The Association of Community Centres forecasts over-spending of $0.054 million or 0.7% at year-end primarily due to higher than planned salary and benefit costs resulting from unbudgeted additional day in 2014, union settlements, compensation review which resulted in wage grade adjustments, and contracted services to address major emergency elevator repairs.

The Association of Community Centres reported strength of 77.4 positions for the nine-month period ended September 30, 2014, representing full complement, and is expected to continue at full complement of 77.4 positions to year-end.

Exhibition Place, as directed by Council at its meeting of April 1, 2014, BMO Field revenues and expenditures have been replaced by a fee of $0.450 million. As such, Exhibition Place reported net over-spending of $0.412 million of planned expenditures of $0.113 million for the nine-month period ended September 30, 2014. The variance consisted of lower than planned gross expenditures of $9.230 million of which $8.970 million was due to the exclusion of BMO Field's year-to-date actual expenses. Revenues were $9.641 million lower than planned of which $8.970 million was due to the exclusion of BMO Field's year-to-date actual revenue.

Excluding the impact for the removal of BMO Field expenses and revenues, there was a net under-spending of $0.236 million or 21% due primarily to management energy initiatives and savings from energy retrofit projects ($0.260 million) which were partially offset by slightly lower than budgeted revenues at Direct Energy and Allstream Centres ($0.023 million). For year-end Exhibition Place is forecasting that revenues will exceed expenditures by $0.600 million, resulting in a favourable variance of $0.500 million.

At September 30, 2014, Exhibition Place reported full strength of 384.0 positions and forecasts to be at full strength at year-end. Exhibition Place has a very small budgeted gapping percentage of 0.6% for the year.

Heritage Toronto reported no net variance for the nine-month period ended September 30, 2014 and is projecting to be on budget at year-end.

As of September 30, 2014, Heritage Toronto reported a strength of 7.0 positions which was in line with the approved complement and is expected to maintain this strength to year-end. It has no budgeted gapping.

Theatres reported an unfavourable net variance of $0.096 million or 2.6% over planned expenditures for the nine-month period ended September 30, 2014 and is projecting a year-end unfavourable variance of $0.273 million or 5.7% above the 2014 Net Approved Operating Budget of $4.757 million.

The year-to-date unfavourable variance was primarily attributed to fewer performances and events booked than budgeted at Sony Centre for the Performing Arts ($0.265 million) which is partially offset by higher recoverable crew revenues at Toronto Centre for the Arts ($0.016 million) and higher than budgeted bookings resulting in greater rentals and ancillary revenues at St. Lawrence Centre for the Arts ($0.152 million).

For the year-end, Sony Centre for the Performing Arts ($0.274 million) and Toronto Centre for the Arts ($0.044 million) are projecting an unfavourable net variance which St. Lawrence Centre for the Arts ($0.045 million) expects to partially offset.

As of September 30, 2014, Theatres reported a vacancy rate of 12.5% after gapping for an approved complement of 156.5 positions. The Theatres do not budget for gapping. The forecasted year-end vacancy rate is 0% as the Theatres is projecting to fill 156.6 positions which is 0.1 position or 0.1% above the approved complement. Strength level for the Theatres varies through the year, depending on the number of performances and events held at each venue.

The ***Toronto Zoo*** reported net over-spending of $0.462 million or 16.1% for the nine-month period ended September 30, 2014. The net over-expenditure was primarily attributed to the combined effect of continued below budget attendance revenue partially offset by holding back operating initiatives early in the year until more certainty over revenue expectations could be determined.

Despite the cost containment/holdback measures in the first quarter to reduce costs and attempt to partially offset the impact of the revenue shortfall, at this time it is forecasted that the Toronto Zoo will be over-spent by $0.368 million or 3.2% net at year-end.

As of September 30, 2014, the Toronto Zoo reported a strength of 401.2 positions compared to an approved complement of 410.2 positions. The 9.0 vacancies were from timing delays in the recruitment process. By year-end, the Toronto Zoo is projecting a strength of 402.2 positions, as a result of a hiring freeze to assist in addressing its projected revenue shortfall as well as meet its budgeted gapping rate of 2.4%.

The ***Arena Boards of Management*** reported net under-spending of $0.228 million for the nine months ended September 30, 2014. This was driven by under-spent utility costs from the Leaside Garden, Bill Bolton and George Bell Arenas. In addition, Leaside Garden Arena also experienced under-spending in salary costs.

The Arena Boards are forecasting a year-end net over-expenditure of $0.075 million. Leaside Garden Arena continues to experience lower than planned banquet hall usage. Bill Bolton Arena is expecting to incur additional costs of $0.030 million to replace the brine pump which will bring that Arena's 2014 budgeted surplus of $0.015 million to zero.

The Arena Boards of Management reported a strength of 67.4 positions, representing full complement for the nine months ended September 30, 2014 and projects the same strength by the year-end. There is no gapping budget in the individual Arena Boards.

The ***Yonge-Dundas Square*** reported net under-spending of $0.056 million or 17.2% for the nine months ended September 30, 2014. Revenue was $0.112 million higher than budgeted due to sponsorship, tour bus kiosk and signage agreement revenue being stronger than expected, as well as the timing of permit and event support revenues. Gross expenditures were $0.056 million higher than budgeted mostly due to the timing of the programming, contracted services and maintenance costs.

The Yonge-Dundas Square is projecting net under-spending of $0.032 million or 8.0% at year-end driven by higher than planned sponsorship revenue.

The Yonge-Dundas Square reported a strength of 6.5 positions, representing full complement for the nine months ended September 30, 2014 and projects the same strength at year-end. Yonge-Dundas Square has no budget for gapping.

Toronto Transit Commission (TTC) (including both Conventional and Wheel-Trans) reported net under-spending of $11.919 million, or 2.9%, of planned expenditures for the nine-month period ended October 4, 2014. This resulted from under-spending of $22.271 million or 1.7% in gross expenditures, largely due to the timing of certain non-labour expenses, delays in filling positions, and lower than expected diesel prices and hydro consumption. The under-spending was partially offset by lower than planned revenues of $10.352 million, or 1.2%, as a result of a decrease in expected ridership of 4.6 million, and a lower average fare stemming from marginally higher monthly pass sales.

The TTC is forecasting under-spending of $12.506 million, or 2.3%, of the 2014 Approved Net Operating Budget at year-end. Lower than expected non-labour expenses, diesel prices, hydro consumption and accident claims offset with a shortfall in passenger revenues largely account for the forecasted net under-spending. Severe cold temperatures experienced in January, February and March and the impact of planned system closures particularly for the Automatic Train Control Resignalling work on Line 1 (Yonge-University-Spadina) and the Union Station project account for the ridership shortfall of about 5 million. Additionally, higher than anticipated monthly pass sales continue to cause a slight decline in the average fare. Consequently, it is anticipated that passenger revenues will fall about $14.300 million below budget by the end of the year. Staff will continue to monitor both ridership and revenue performance and will provide updates in future reports.

The TTC's projected year-end spending also includes the impact of the collective bargaining agreements (CBA) which resulted in a finalized total impact of $13.500 million in 2014. The 2014 impact will be accommodated through an increase in the City funding by $9.400 (pending Council approval of a transfer of provisional funds held in the City's Non-Program Expenditure Account), $1.500 million recovered from the TTC's Capital Budget for positions that support capital delivery, and the remaining $2.600 million made available through projected under-spending within the TTC's 2014 Approved Operating Budget.

As of October 4, 2014, the TTC reported a strength of 13,411.0 positions, which was 659.0 positions, or 4.7%, below the complement of 14,070.0 positions. This includes 1,605.0 capital positions which were 344.0, or 17.7%, below the capital complement of 1,949.0 positions.

By year-end, the TTC is projecting a strength of 13,528, which is 52.0 positions, or 0.4%, below the approved complement of 13,580.0 positions. The year-end projection includes 1,839.0 capital positions which are 5.0 positions or 0.3% higher than the capital complement of 1,844.0 positions. The decrease of 490.0 positions, or 3.6%, from the approved complement as of October 4, 2014 of 14,070.0 to the projected year-end complement of 13,580.0 positions is largely due to summer student and temporary positions.

Some of the current vacancies represent new positions added to the 2014 Approved Operating Budget. A significant portion of these positions have not been filled at this time due to the recruitment process which began early this year and requires additional time for job evaluations after the completion of a job description and prior to the commencement of the advertising process. In addition, given the number of vacancies due to new positions, some of which are highly specialized, and the usual spike in retirements early in the year, Human Resources is managing a large volume of concurrent recruitment requests. In most cases where vacancies are filled with internal applicants, the resulting vacancy causes a cascading effect. TTC staff are actively working on filling all vacant positions as soon as possible and are assessing options and methods to expedite the process.

Toronto Police Service (TPS) reported net under-spending of $3.675 million or 0.5% for the nine-month period ended September 30, 2014 due to lower than budgeted salaries and additional recoveries from the Provincial government.

The Toronto Police Service is projecting net under-spending of $4.900 million or 0.5% at year-end. This forecasted under-spending consists of $2.9 million in lower than budgeted expenditures for salaries and benefits due to higher than expected separations and lower than planned benefit costs. In addition, materials and supplies are expected to be under-spent by $1.5 million from significantly lower than planned gas prices and a moderate decrease in volume, while services are expected to be under-spent by $1.1 million due to lower spending on courses/conferences, phones, caretaking and maintenance. The Toronto Police Service also anticipates higher than planned revenues of $0.400 million due to additional recoveries from the Provincial government for prisoner transport. This will be partially offset by an over-expenditure of $1.0 million for premium pay.

As of September 30, 2014, the Toronto Police Service reported a strength of 7,431 positions compared to a complement of 7,870 positions, which represented a vacancy rate of 0.6% after accounting for gapping. The Service is projecting that the continued hiring will reduce vacant positions from 439 to 380 or 4.8% below the complement of 7,870 positions at year-end which is very close to the budgeted gapping rate of 5% or approximately 390 equivalent positions.

The ***Toronto Police Services Board (TPSB)*** reported net under-spending of $0.051 million or 2.4% of planned expenditures for the nine-month period ended September 30, 2014. The variance consisted of lower than budgeted salaries and benefits from elimination of 1 permanent chauffeur position as of January 27, 2014.

As a result of eliminating this position, TPSB forecasts a year-end favourable variance of $0.068 million or 2.9% below the 2014 Approved Net Operating Budget of $2.358 million. These permanent savings and corresponding reduction of 1 position will be reflected in the 2015 Operating Budget submission.

As of September 30, 2014, Toronto Police Services Board reported a strength of 7.0 positions which is 1 position below the approved complement of 8.0 positions, which represented a vacancy rate of 12.5%. The lower than budgeted strength reported by the Board is due to elimination of 1 permanent chauffer position. By year-end, Toronto Police Services Board is projecting a staff strength of 7.0 positions. The Police Services Board has no budget for gapping.

Corporate Accounts

Corporate Accounts experienced net under-spending of $70.104 million for the nine months ended September 30, 2014. Projections to year-end indicate that Corporate Accounts will be $71.088 million below the 2014 Approved Net Operating Budget.

Table 13
Corporate Accounts
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
Capital & Corporate Financing	2.0	3.0
Non-Program Expenditures	0.5	(0.0)
Non-Program Revenues	(72.6)	(74.1)
Total	(70.1)	(71.1)

The ***Capital and Corporate Financing Account*** was over budget for the period ended September 30, 2014 by $1.998 million or 0.4%. At this time, it is forecasted that the Capital and Corporate Financing Account will be over-spent by $3.003 million or 0.5% at year-end. The over-spending is due mainly to acceleration of debt issuance to take advantage of favourable capital market conditions and lower interest rates.

Non-Program Expenditures were over-spent by $0.455 million or 0.1% net for the nine-month period ended September 30, 2014. This was driven by over-expenditures of $5.0 million or 15.3% for Tax Deficiencies/Write-Offs primarily due to Tax Increment Equivalent Grants exceeding the budget for eligible properties. In addition, the Vacancy Rebate Program was over-spent by $1.875 million or 11.4% due to adjustments made for pending vacancy rebates set aside for prior years.

The year-to-date over-spending noted above was partially offset by under-spending in Parking Tag Enforcement and Operations of $5.141 million or 11.2% as a result of rent savings realized from Parking Enforcement Headquarters relocation combined with under-expenditures for salaries and benefits. Lower than anticipated fees from the Municipal Property Assessment Corporation (MPAC) resulted in a favourable variance of $0.768 million or 2.5%. In addition, Other Corporate Expenditures experienced under-spending of $0.727 million or 2.9% from various items, including emergency human resources, corporate studies, etc.

The above factors are expected to continue to year-end.

The Non-Program Expenditure Budget includes ice storm costs, which are currently anticipated to be fully recoverable from the Province. As noted under the Ice Storm Section of this report, the Province released detailed guidelines for submission of claims in its Ice Storm Assistance Program in mid-September and is expected to provide training on the cost submission requirements in early November, with the deadline for submission of claims set at December 31, 2014.

Non-Program Revenues experienced a favourable net variance of $72.557 million or 9.7% for the period ended September 30, 2014. The year-to-date increase in net revenue was primarily due to the following:

- Municipal Land Transfer Tax net revenue of $56.670 million or 21.6% higher mainly driven by the number of transactions with unusually high sale prices during January and February and stronger than anticipated sales in July.

- Parking Tag Enforcement and Operations net revenue of $10.854 million or 17.2% higher attributed to the Habitual Offender Program and increased fines for rush hour offences.

- Toronto Hydro Dividend Income of $5.600 million or 11.5% higher based on better than budgeted 2013 operating results for Toronto Hydro. Toronto Hydro received a favourable ruling at the Ontario Energy Board which resulted in a one-time increase for 2013.

- Supplementary Taxes revenue of $3.0 million or 16.4% higher due to the City receiving supplementary rolls earlier than projected. Growth is anticipated to level off by year-end, resulting in an unfavourable variance of $8.0 million or 20.0%.

The year-to-date favourable variance for Non-Program Revenues was partially offset by lower than budgeted net revenue from Interest and Investment Earnings of $1.382 million or 1.5% largely due to delayed capital gains which will now be realized in the fourth quarter of this year. For year-end, Interest and Investment Earnings are forecasted to be on budget. Lower on-street parking revenue from increased road work City wide combined with the large number of snow days experienced from January to March resulted in the Toronto Parking Authority net revenue contribution being $1.336 million or 3.8% below that planned. In addition, Other Corporate Revenues were below the net revenue budget by $1.938 million or 37.4% primarily from lower sundry revenues (i.e. tax repayments, HST rebates, unclaimed cheques, etc.).

By year-end, Non-Program Revenues are projected to be above budget by $74.083 million or 7.4% largely due to higher than anticipated net revenue from the Municipal Land Transfer Tax of $75.199 million or 21.5% and Toronto Hydro Dividend Income of $5.600 million or 10.2%. In addition, Parking Tag Enforcement and Operations' revenue is forecasted to be $5.0 million or 5.9% above budget, largely due to the Habitual Offender Program and increased fines for rush hour offences.

The projected increase in Non-Program Revenue for the year-end will be partially offset by under-achieved net revenue for Supplementary Taxes of $8.0 million or 20.0%. The supplementary/omitted assessments will generate an estimated $32.0 million compared to budgeted revenues of $40.0 million. The Toronto Parking Authority's net revenue contribution is expected to decline by $3.536 million or 7.3% due to the factors noted above.

Rate Supported Programs

Rate Supported Programs, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, collectively reported net over-spending of $7.146 million for the nine-month period ended September, 2014 and are projecting an under-expenditure at year-end of $3.826 million, as outlined in Table 14 below.

Table 14
Non Levy Operations
Net Expenditure Variance ($ Million)

	Sept 2014 Over/(Under) Over/(Under)	Projected Y/E 2014 Over/(Under)
Solid Waste Management Services	3.2	(5.3)
Toronto Parking Authority	1.8	4.7
Toronto Water	2.1	(3.2)
Total	7.1	(3.8)

Solid Waste Management Services (SWMS) reported net over-spending of $3.237 million or 20.0% of planned expenditures for the nine-month period ended September 30, 2014. Under-spent expenditures of $1.521 million were negated by under-achieved revenues of $4.758 million. The under- spending of $1.521 million in expenditures was primarily driven by delays of $2.620 million for contracted processing of Single Source Organics (SSO) (due to the on-going commissioning of the Disco facility) and by $4.395 million for pending contributions to reserves and $1.091 million for delayed inter-divisional charging. This expenditure variance also consisted of lower than planned salary and benefit expenditures of $4.621 million caused by various Divisional vacancies including temporary seasonal workers. These under-expenditures were partially offset by increased costs of $7.229 million for contracted processing of recyclables, leaf and yard waste, hazardous and special waste; $2.094 million for contracted collection and $1.422 million for landfill operations and fleet maintenance and repair.

As of September 30, 2014, revenue was 2.5% or $4.758 million lower than planned primarily due to lower revenue of $8.491 million including $0.569 million in lower sales of recyclable material due to lower commodity prices and lower revenue of $7.728 million including receipts from Green Lane paid waste disposal, residual disposals from contracted processing, agencies, boards, commissions and divisional fees, school fees, yellow bag fees and hazardous waste recoveries. This decreased revenue was partially offset by $3.777 million in greater revenue from transfer station tipping fees of $2.183 million due to higher tonnages, increased Blue Box subsidies of $0.808 million due to efficiencies, early receipt of residential user fees of $0.423 million and additional revenue of $0.363 million for clean fill revenues from closed landfills.

For year-end 2014, SWMS is projecting a net operating surplus of $5.323 million. The year-end projection consists of expenditure savings of $1.910 million from salary and benefits due to vacancies over the course of the year, lower tax expense due to re-assessment and lower contracted SSO processing costs as the Disco facility completes the commissioning phase wherein concurrent processing is considered a capital expenditure. Revenue is projected to be over budget by $3.414 million primarily due to higher Blue Box Program revenue and higher transfer station tipping fee revenue. These higher revenues will be partially offset by continuing lower commodity prices for recyclable materials and lower tonnages of paid waste at Green Lane due to the 2014 fee increases.

As of September 30, 2014, SWMS reported a strength of 1,047.0 positions which was 55.7 positions below the approved complement of 1,102.7 positions. This represented a vacancy rate of 3.2% after considering gapping, as the budgeted gapping rate of 1.9% is equivalent to approximately 21.0 positions.

By year-end SWMS is projecting a strength of 910.0 positions, which is 192.7 positions below the complement of 1,102.7 positions. This represents a projected increased year-end vacancy rate for operating positions of 15.6% after considering the budgeted gapping rate. SWMS projected strength has decreased by 115.5 positions or 11.3% compared to the second quarter projection, the year-end vacancies of 192.7 positions consist of the layoff of seasonal workers (149) as the Program transitions to the winter period as well as actual gapped positions (43.7).

Toronto Parking Authority reported a net unfavourable variance of $1.781 million or 4.0% for the nine-month period ended September 30, 2014. The variance consisted of lower than budgeted gross expenditures of $1.880 million or 3.4%, mostly due to under-spending in salaries and benefits for part time cashiers, and lower maintenance costs arising largely from the timing of maintenance work which does not commence until later in the year. This under-spending was partially offset by increased utility costs ($0.151 million) and lower than anticipated revenues from on-street parking ($3.510 million).

For year-end, the Toronto Parking Authority is projecting a net deficit of $4.715 million or 7.6% below the 2014 Approved Operating Budget of $62.330 million in net income. The net variance projection is primarily due to the anticipated continued decline in revenues from on-street parking as a result of increased road work levels City wide, in addition to the impact of the large number of snow days experienced during the first three months of the year.

As of September 30, 2014, Toronto Parking Authority reported 6.4 vacant positions representing 2.2% of its total complement of 297.4 positions. By year-end, Toronto Parking Authority is projecting the strength of 297.4, which equals its complement of 297.4 positions. It is anticipated that 6.4 vacant positions that are required for monitoring cameras located at various automated carparks, will be filled by year-end.

Toronto Water reported net over-spending of $2.128 million or 3.1% of planned expenditures for the nine-month period ended September 30, 2014. The variance consisted of lower than budgeted gross expenditures of $5.747 million or 1.0%, and under under-achieved revenues of $7.874 million or 1.2%.

The under-expenditure was mainly due to lower than anticipated spending in salaries and benefits ($7.307 million) due to vacant positions, lower haulage costs of biosolids at Ashbridges Bay Treatment Plant ($2.786 million), and favourable pricing and lower usage of corrosion control chemicals ($1.512 million), partially offset by higher utility costs ($4.612 million) associated with colder than expected winter period and fluctuations in hydro use in treatment plants, as well as higher costs of materials and parts attributed to the extreme weather conditions ($1.246 million).

Lower than expected revenues ($15.247 million) were related to a decrease in volume of the sale of water as a result of higher than normal rainfall during summer months, as well as colder temperatures. This under-achieved revenue was partially offset by higher than anticipated recoveries for new sewer connections due to higher economic activity ($6.133 million), insurance loss claims and late payment charges ($0.900 million), and revenues from the sale of water to the Region of York ($0.340 million).

Toronto Water is projecting a year-end under-spending of $3.218 million compared to the 2014 Approved Net Operating Budget. Under-expenditures of $9.076 million mostly due to lower than budgeted salaries and benefits costs arising from vacant positions ($10.070 million), lower usage and favourable pricing of chemicals ($1.0 million), and lower payments in lieu of taxes and other expenses ($0.569 million), will be partially offset by higher utility costs ($2.565 million). Revenues are forecasted to be $5.858 million lower than planned, primarily because of lower sale of water ($17.005 million), which will be partially offset by additional revenue generated from higher number of water and wastewater treatment agreements ($3.109), additional recoveries from new service connections ($4.4 million) and other user fees, including an increased volume in turn-off/shut-off services and manual meter reading fees ($3.639 million).

As of September 30, 2014, Toronto Water reported a strength of 1,542.7 positions which was 205.0 positions below the approved complement of 1,747.7 positions. This represented a vacancy rate of 8.7% after considering gapping, as the budgeted gapping rate of 3.0% is equivalent to approximately 51.0 positions.

By year-end Toronto Water is projecting a strength of 1,552.7 positions, which is 195.0 positions below the complement of 1,747.7 positions. This represents a year-end vacancy rate for of 8.2% after considering the budgeted gapping rate.

Toronto Water continues to experience a high rate of vacancies predominately related to the aging workforce / retirements; vacancies resulting from staff promotions and transfers; extended recruitment period for screening and testing prospective candidates for certain positions such as skilled trades and certified operators, and difficulty attracting qualified candidates for key senior positions. As a result, Toronto Water has been unable to completely perform pro-active preventative maintenance resulting in emergency repairs and higher than normal overtime and repair costs.

In order to address the above challenges and to ensure continued compliance with legislative requirements, Toronto Water identified and included in its Strategic Plan (2010-2020) two specific strategies: (i) enhance recruiting strategies and improve the ability to fill key vacancies; and (ii) develop and implement an Enterprise Knowledge Retention Program. To achieve these strategies, Toronto Water has a number of key initiatives in place such as: "On the Job" Training Program, Workforce Development Program and a Leadership Training Program, Career Edge, Career Bridge programs and University Mentorship Programs.