

## Operating Variance Report for the Six Month Period Ended June 30, 2017

**Date:** August 21, 2017

**To:** Budget Committee and Executive Committee

**From:** Deputy City Manager & Chief Financial Officer

**Wards:** All

### SUMMARY

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The purpose of this report is to provide City Council with the operating variance for the six month period ended June 30, 2017 as well as projections to year-end. This report also requests City Council's approval for amendments to the 2017 Approved Operating Budget between Programs that have no impact on the City's 2017 Approved Net Operating Budget.

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

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

Variance	June 30, 2017		Projected Y/E 2017	
	Over/(Under)		Over/(Under)	
	\$	%	\$	%
Gross Expenditures	(78.7)	-1.5%	(135.9)	-1.3%
Revenues	79.1	2.6%	(102.0)	-1.6%
<b>Net Expenditures</b>	<b>(157.8)</b>	<b>-7.4%</b>	<b>(33.9)</b>	<b>-0.8%</b>
Less: Toronto Building	(11.4)	279.6%	(17.9)	167.6%
<b>Net Expenditures (Excl. Toronto Building)</b>	<b>(146.5)</b>	<b>-6.8%</b>	<b>(16.0)</b>	<b>-0.4%</b>

## **Year-to-Date Spending Results:**

As noted in Figure 1 above, for the six month period ended June 30, 2017, Tax Supported Operations reported a favourable net variance of \$157.839 million or 7.4% and are projecting a year-end surplus of \$33.905 million or 0.8%.

The year-to-date net under-spending was primarily driven by:

- Over-achieved Municipal Land Transfer Tax revenue as a result of higher sales and home prices (\$61.522 million net).
- Under-expenditures by the Toronto Transit Commission - Conventional Service as a result of lower departmental material expenditures, accident claims and labour costs (\$44.240 million net).
- A favourable variance in Toronto Building primarily due to the increasing number of building permit applications (\$11.382 million net).

In addition, the following Corporate Accounts have experienced a timing shift in planned expenses and revenue over the fiscal year to the first half but are projected to be on budget by year-end:

- An increase in Supplementary Taxes as a result of the change in historical supplementary roll delivery date compared to plan (\$16.499 million net).
- The full annual receipt of the dividend payment from Toronto Hydro (\$12.500 million net).
- Lower level of Solid Waste Management Rebate provided compared to the planned estimates based on the historical billings (\$6.678 million net).
- Increased revenue from Interest / Investment Earnings due to an earlier realization of capital gains than planned (\$4.530 million net).

Favourable variances in other Programs and Agencies are primarily due to under-spending in salaries and benefits as a result of vacant positions. The majority of the vacant positions are expected to be filled by year-end, other new vacant positions may occur throughout the system. More detailed explanations at the Program / Agency level can be found in the complement section of this report.

## **Year-End Spending Projections:**

Based on this current trend, the City is projecting a net favourable year-end variance of \$33.905 million or 0.8%. The key drivers for the expected year-end net position are largely due to the following:

- Higher than budgeted Municipal Land Transfer Tax revenues due to higher than expected sales revenue achieved in the first half of 2017 is expected to decline in the last half of the year, which reflects a slowdown in the marketplace (\$30.000 million net).
- Higher than budgeted revenue in Toronto Building due to higher than planned building permit applications (\$17.901 million net).
- Toronto Transit Commission - Conventional Service favourable year-end net variance of \$15.092 million or 2.8%. The Commission attributed the net variance to under-spending in labour expenses (\$12.3 million), employee benefits (\$6.0 million), lower diesel fuel consumption (\$5.0 million), depreciation (\$2.0 million), utilities (\$3.0 million), accident claims (\$2.0 million), PRESTO fees (\$2.0 million) partially offset by lower passenger revenue of \$4.5 million, and not requiring the budgeted reserve draw of \$14.0 million.
- An under-expenditure in Toronto Transit Commission - Wheel - Trans Service attributed to fewer customer journeys than budget, and lower average cost per passenger trip on contracted taxi services (\$11.074 million net).
- Under-spending in Toronto Police Service as a result of the hiring moratorium and higher than planned separations (\$6.500 million net).
- Under-spending in Debt Charges as a result of not issuing \$150 million in debt planned for December 2016 (\$5.529 million net).

The above under-spending will be partially offset by projected over-expenditures in the following areas:

- Unrealized revenue from Parking Tag Enforcement & Operations as a result of better compliance through the pay by cell program, decrease in average fine amounts, the delayed implementation of Administrative Penalty System (APS), and the removal of fixed fines and prosecutor intervention at counters (\$15.042 million net).
- Higher than budgeted Tax Deficiencies / Write-off expenses due to posted appeals and expected appeals (\$12.468 million net).
- Shelter, Support and Housing Administration unfavourable year-end forecast resulting from over-spending in Hostel Services due to the increased demand to accommodate the influx of refugees (\$10.338 million net). The pressure will be partially offset by the draw of \$3 million from the Social Housing Stabilization Reserve being a one-time contribution approved by City Council on April 26th, 2017 when it adopted item CD19.11 "Service Level Impact of the 2017 Service Adjustments to Shelter, Support and Housing Administration".

- Higher than budgeted Tax Increment Equivalent Grants issued due to the change in timing of 2 properties being eligible for TIEG grants (\$9.882 million net).
- Higher than budgeted WSIB claim payments for 14 work-related cancers and work-related Post Traumatic Stress Disorders in Fire Services (\$6.153 million net).
- Parks, Forestry & Recreation's unfavourable year-end forecast due to revenue shortfall in ferry, parks & recreation permit and user fees primarily as a result of spring flooding of Toronto Island (\$3.983 million net)
- Toronto Zoo unfavourable year-end forecast driven by the labour disruptions which resulted in a revenue loss (\$3.999 million)

Consistent with the City's financial management practices and policies, Programs and Agencies projecting an unfavourable year-end variance are required to identify and implement mitigation strategies where possible to address any projected shortfalls.

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

It is important to note that the projected City surplus at year-end of \$33.905 million is primarily equivalent to the projected higher Municipal Land Transfer Tax revenues of \$30.000 million. After isolating Toronto Building surplus and Municipal Land Transfer Tax over-achieved revenue, the forecasted year-end position for Tax Supported Operations results in a \$13.996 million unfavourable variance.

### Rate Supported Programs:

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

Rate Supported Programs	June 30, 2017	Projected Y/E 2017
	Over/(Under)	Over/(Under)
Solid Waste Management Services	(7.2)	(3.6)
Toronto Parking Authority	(0.8)	0.7
Toronto Water	(31.3)	(16.3)
<b>Total Variance</b>	<b>(39.3)</b>	<b>(19.2)</b>

For Rate Supported Programs, the year-to-date favourable net variance of \$39.301 million was driven by the following:

- A favourable year-to-date variance in Toronto Water due to advance postings of sale of water and industrial waste agreement revenues of \$23.658 million net, as well as overall increase in the volume demand for new service connections (\$31.278 million net).
- Toronto Parking Authority's favourable year-to-date variance was largely attributed to the sale of Carpark 664 and under-spending in utility costs, depreciation and parking equipment repair costs. This was partially offset by the loss of sponsorship revenue in the Bike Share Program and other cost increases (\$0.841 million net).
- A year-to-date favourable variance within Solid Waste Management Services was primarily due to under-spending in salaries and benefits in Collections and Litter Operations, as well as higher than planned revenue in multiple service areas as the actuals have been incurred earlier than the plan (\$7.182 million net).

Collectively, Rate Supported Programs are projecting a favourable year-end variance of \$19.203 million net. It is primarily driven by Toronto Water as a result of under-spending in salaries and benefits due to vacancies, lower than anticipated hydro rates and usage efficiencies from process changes at wastewater treatment plants, and higher than planned revenue increase of \$2.600 million mostly from the new service connections and water sold to the Region of York.

**Complement:**

Figure 3: 2017 Year-To-Date Approved Complement by Vacancy Rate

Program/Agency	2017 Year-to-Date			
	Operating Vacancy %	Capital Vacancy %	Budgeted Gapping %	Operating Vacancy Rate (After Gapping)
<i>City Operations</i>	4.2%	21.5%	2.4%	1.8%
<i>Agencies</i>	2.6%	16.0%	3.4%	0.0%
<i>Corporate Accounts*</i>	8.3%	0.0%	0.0%	8.3%
<b>Total Levy Operations</b>	<b>3.4%</b>	<b>17.8%</b>	<b>2.9%</b>	<b>0.5%</b>
<i>Rate Supported Programs</i>	7.5%	9.4%	3.0%	4.5%
<b>Grand Total</b>	<b>3.7%</b>	<b>17.6%</b>	<b>2.9%</b>	<b>0.7%</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

*\*Corporate Accounts are largely driven by Parking Enforcement Unit vacancies. Vacancy after Gapping % is based on operating positions only.*

- As of June 30, 2017, the City recorded an operating vacancy rate of 0.7% after gapping for an approved complement of 50,909.2 operating positions. The year-to-date vacancy rate for capital positions was 17.6% for an approved complement of 3,440.2 positions.

Figure 4: 2017 Year-End Approved Complement Projections by Vacancy Rate.

Program/Agency	2017 Year-End Projection			
	Operating Vacancy %	Capital Vacancy %	Budgeted Gapping %	Operating Vacancy Rate (After Gapping)
<i>City Operations</i>	2.4%	12.3%	2.4%	0.0%
<i>Agencies</i>	2.6%	1.2%	3.4%	0.0%
<i>Corporate Accounts*</i>	10.1%	0.0%	0.0%	10.1%
<b>Total Levy Operations</b>	<b>2.6%</b>	<b>4.9%</b>	<b>2.9%</b>	<b>0.0%</b>
<i>Rate Supported Programs</i>	7.8%	9.4%	3.0%	4.8%
<b>Grand Total</b>	<b>2.9%</b>	<b>5.0%</b>	<b>2.9%</b>	<b>0.0%</b>

*\*Corporate Accounts are largely driven by Parking Enforcement Unit vacancies. Vacancy after Gapping % is based on operating positions only.*

- The year-end operating vacancy rate after gapping is projected to be 0.0% for an approved complement of 50,900.2 operating positions. The forecasted vacancy rate for capital positions is projected to be 5.0% for an approved complement of 3,439.2 positions.

The detailed overview of the second fiscal quarter complement is provided in the Approved Complement Section of this report.

## RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. City Council approve the budget adjustments detailed in Appendix F to amend the 2017 Approved Operating Budget between Programs that have no impact to the 2017 Approved Net Operating Budget.
2. City Programs and Agencies projecting year-end over-spending continue to identify and undertake mitigation strategies to address projected year-end over-expenditures.

## FINANCIAL IMPACT

Tax Supported Programs and Agencies reported an under-expenditure of \$78.749 million or 1.5% gross and \$157.839 million or 7.4% net at the end of the second fiscal quarter. By year-end, Tax Supported Programs and Agencies are forecasting a favourable gross-expenditure variance of \$135.899 million or 1.3%, and a net favourable variance of \$33.905 million or 0.8%.

Figure 5: Tax Supported Expenditure Variance Dashboard (\$ Millions)

Table 4 Tax Supported Expenditure Variance (\$ Millions)						
	June 30, 2017 Over/(Under)			Projected Y/E 2017 Over/(Under)		
	Gross	Net	Alert	Gross	Net	Alert
Citizen Centred Services "A"	(14.1)	0.8	ⓐ	(47.6)	9.2	Ⓡ
Citizen Centred Services "B"	(8.9)	(23.9)	ⓐ	(29.8)	(19.8)	ⓐ
Internal Services	(6.5)	(13.2)	ⓐ	(19.0)	(4.5)	ⓐ
City Manager	1.7	0.7	ⓐ	3.1	(0.4)	ⓐ
Other City Programs	(5.7)	0.9	ⓐ	(2.3)	(0.2)	ⓐ
Council Appointed Programs	(0.6)	(0.6)	Ⓨ	0.0	0.0	ⓐ
<b>Total - City Operations</b>	<b>(34.2)</b>	<b>(35.2)</b>	<b>ⓐ</b>	<b>(95.6)</b>	<b>(15.7)</b>	<b>ⓐ</b>
Total - Agencies	(61.9)	(53.0)	ⓐ	(53.5)	(25.2)	ⓐ
Total - Corporate Accounts	17.3	(69.6)	ⓐ	13.2	7.0	ⓐ
<b>Total Variance</b>	<b>(78.7)</b>	<b>(157.8)</b>	<b>ⓐ</b>	<b>(135.9)</b>	<b>(33.9)</b>	<b>ⓐ</b>
Toronto Building	(2.4)	(11.4)	ⓐ	(3.5)	(17.9)	ⓐ
<b>Adjusted Variance</b>	<b>(78.7)</b>	<b>(146.5)</b>		<b>(135.9)</b>	<b>(16.0)</b>	

(Legend for City Programs & Agencies)

Year-to-Date Net Variance	ⓐ	85% to 105%	Ⓨ	0% to 85%	Ⓡ	>105%
Year-End Net Variance	ⓐ	<=100%	Ⓡ	>100%		

After allocation of the projected \$17.901 million net surplus at year-end to the Building Code Act Service Improvement Reserve Fund, Tax Supported Programs and Agencies adjusted variance is projected to be \$16.000 million net at the year-end or 0.4%. This represents 0.2% of the City's gross budget.

Appendices A, B and C summarize second quarter results and projections to year-end for Tax and Rate Operating Programs and Agencies detailing the net expenditures, gross expenditures and revenues, respectively. Appendices D and E provide a detailed summary of the complement and strength for the six months ended June 30, 2017 and year-end projections. Appendix F details the recommended in-year budget adjustments to the 2017 Approved Operating Budget.

The "alert" symbols: "R, Y, G" indicate whether the variance is either "over", "under" or "on budget" for year-to-date as well as for projected year-end gross and net expenditures. The "alert" Green, Yellow or Red indicators measure the percentage of the variance from budget with the criteria included in the legend in Table 5 above.

Appendix G includes dashboards and respective narratives explaining individual variances for each City Program and Agency for the six months ended June 30, 2017 as well as projections to year-end.

## **DECISION HISTORY**

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This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the 2017 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management policies.



## COMMENTS

Figure 6 below provides analysis of year-end projected variance on net expenditures:

Figure 6: Net Expenditures as Reported Over/ (Under) (\$ Millions)

<b>Program</b>	<b>YE Projection</b>
Net Operating Tax Levy	(33.9)
Less: Toronto Building	(17.9)
<b>Adjusted Year-End Projection</b>	<b>(16.0)</b>
Less: Municipal Land Transfer Tax	(30.0)
<b>Year-End Over-Spending without MLTT</b>	<b>14.0</b>
<i>Mainly driven by:</i>	
- Over-spending of \$46.7 million in Shelter, Support & Housing Administration, Parking Tag Enforcement & Operations, Tax Deficiencies / Write-offs, Fire Services, Toronto Zoo, etc.	
- Partially offset by under-spending of \$32.7 million in Toronto Transit Commission, Toronto Police Service.	

- In total Tax Supported Operations is projecting a favourable year-end variance of \$33.905 million. After allocating the projected year-end net revenue of \$17.901 million to the Building Code Act Service Improvement Reserve Fund, the adjusted, favourable variance, is projected to be \$16.004 million at year-end.
- However, over-achieved revenue in Municipal Land Transfer Tax is equivalent to the projected favourable year-end position for Tax Supported Operations. Without the contribution from over-achieved revenue in Municipal Land Transfer Tax of \$30.000 million, Tax Supported Operations would result an overall deficit of \$13.996 million at year-end.

### City Operations

As of June 30, 2017, City Operations reported a favourable gross expenditure variance of \$34.161 million or 1.4% and an over-achieved revenue of \$1.081 million or 0.1%, resulting in a favourable net variance of \$35.243 million or 3.2%. The key drivers for the year-to-date favourable net variance are:

- Over-spending of \$11.618 million net or 6.4% in Shelter, Support & Housing Administration as a result of increased demand for shelter services from the growing number of refugees, largely family sector, requiring the service. Additional 3 new motel programs were needed, resulting in a year-to-date pressure.
- Court Services' under-expenditure of \$7.320 million net or 93.2% due to under-spending in salaries and benefits as a result of vacancies, lower than planned expenses for non-salary accounts as well as over-achieved revenues due to the mix of charges filed by enforcement agencies.
- Higher revenue in Toronto Building of \$11.382 million net due to higher volumes of building permit applications than planned.
- Under-spending of \$3.589 million net in Engineering and Construction Services in salaries and benefits due to vacant positions and higher full stream application fees due to higher volume of applications from utility companies.
- Higher than planned revenue in Transportation Services of \$4.863 million net or 4.0% as a result of higher right-of-way permit fees due to higher than expected construction activity, higher volume of street occupation application fees, and higher boulevard parking permit fees.
- A favourable year-to-date variance of \$3.639 million in Fleet Services due to the increase in recoveries from the client divisions for higher maintenance costs, partially offset over-expenditures on maintenance costs for vehicles that have passed their optimum life and higher fuel costs.
- Information & Technology under-expenditure of \$4.467 million net or 9.5% in salaries and benefits as a result of vacant positions and maintenance costs.

City Operations is projecting a year-end gross expenditure favourable variance of \$95.567 million or 1.8%, with a revenue shortfall of \$79.894 million or 2.5%. As a result, the year-end favourable net variance is forecasted to be \$15.673 million. The key drivers for the projected favourable variance include:

- Under-spending in Court Services of \$3.767 million net, mainly due to operational savings resulting from processing the lower volume of tickets predominantly filed by Toronto Police Service with projected 19,647 fewer charges than planned.
- The continued trend in building application permit activity, resulting in a favourable year-end projection of \$17.901 million net in Toronto Building, to be contributed to the Building Code Act Service Improvement Reserve Fund.

The year-end projected favourable variance within City Operations will be partially offset by over-expenditures in the following areas:

- Parks, Forestry and Recreation year-end unfavourable forecast of \$3.983 million is primarily related to Toronto Islands flooding, resulting in lost revenue from ferry, permit and user fees. The City is currently reviewing funding options including insurance recoverable claims for extra-ordinary costs incurred and revenue losses.
- Shelter, Support and Housing Administration unfavourable year-end forecast of \$10.338 million net from over-spending in Hostel Services as a result of increased demand for shelter services driven by the influx of the refugees that requires the City to expand its current capacity. Pressures in Hostel Services will be partially offset by savings in Social Housing from lower subsidy payments and hiring delays.
- An unfavourable year-end forecast of \$6.153 million net in Fire Services due to over-expenditures in non-salary accounts and continued pressure from WSIB claim payments. The Program will continue to monitor the WSIB claim payments and take all necessary actions to contain the overspending.

#### Agencies

As of the six month period ended on June 30, 2017, Agencies reported a favourable gross expenditure variance of \$61.937 million or 3.5%, and revenue shortfall of \$8.925 million or 1.1%, which resulted in a favourable net variance of \$53.012 million or 5.6%.

- Toronto Zoo's over-expenditure of \$3.562 million net was primarily related to the labour disruption with a facility closure of approximately 5 weeks. The Zoo experienced a revenue loss of \$7.100 million. Toronto Zoo is increasing advertising and promotion efforts to restore the operation to normal levels.
- An under-expenditure of \$44.240 million net in Toronto Transit Commission - Conventional Service was primarily driven by lower departmental material expenditures, accident claims and labour costs. However, customer journeys (ridership) to the end of May was 214.9 million, which was 4.2 million (1.9%) less than the planned 219.1 million journeys for the first half of 2017.
- Toronto Transit Commission - Wheel Trans Service under-spending of \$6.933 million net or 10.2% is mainly attributed to fewer customer journeys than plan, and lower average cost per passenger trip on contracted taxi services.
- A favourable year-to-date variance of \$3.250 million net in Toronto Police Service due to under-spending in salaries and benefits as a result of the hiring

moratorium. A portion of the salary under-spending is projected to be offset by premium pay spending, necessitated by the large number of vacancies.

Agencies are projecting year-end gross under-expenditure of \$53.522 million or 1.4% and revenue shortfall of \$28.272 million or 1.6%, resulting in a net favourable variance of \$25.250 million or 1.3%.

- Toronto Transit Commission - Conventional Service favourable forecast of \$15.092 million net which is primarily due to under-spending in labour expenses (\$12.3 million), employee benefits (\$6.0 million), lower diesel fuel consumption (\$5.0 million), depreciation (\$2.0 million), utilities (\$3.0 million), accident claims (\$2.0 million), PRESTO fees (\$2.0 million) partially offset by lower passenger revenue of \$4.5 million, and not requiring the budgeted reserve draw of \$14.0 million.
- Toronto Transit Commission - Wheel - Trans Service's favourable year-end forecast of \$11.074 million net as a result of fewer customer journeys than budgeted, and lower average cost per passenger trip on contracted taxi services.
- A favourable variance of \$6.500 million net is forecasted at year-end as a result of the hiring moratorium and increased separations for the Toronto Police Service.

The year-end projected favourable variance within Agencies is partially offset by over-expenditures in the following areas:

- Exhibition Place's unfavourable year-end forecast of \$2.058 million net due to the reassessment of property taxes that are not recoverable from third parties.
- Civic Theatre Toronto's unfavourable year-end projection of \$2.093 million is primarily driven by one-time restructuring expenses of \$2.340 million net related to City's Theatres transitioning costs to one entity.
- An unfavourable year-end forecast of \$3.999 million net in Toronto Zoo as a result of lost revenue due to labour disruption.

### Corporate Accounts

As of June 30, 2017, Corporate Accounts experienced gross over-expenditures of \$17.350 million or 2.0% and over-achieved revenue of \$86.934 million or 11.1%, which resulted in a favourable net variance of \$69.585 million or 70.2%. The following are the key drivers which have contributed to the year-to-date favourable variance:

- Higher than budgeted Tax Deficiencies / Write-off expenses of \$12.615 million net due to posted appeals and expected appeals.

- Higher than budgeted Tax Increment Equivalent Grants issued of \$9.882 million net due to the change in timing of 2 properties being eligible for TIEG grants.
- Lower level of Solid Waste Management Rebate of \$6.678 million net provided compared to the planned estimates based on the historical billings.
- Unrealized revenue in Payments in Lieu of Taxes of \$3.968 million net due to decreases in assessment-based levies, which were partially offset by posted appeals and expected appeals to be processed that were lower than plan.
- Over-achieved Municipal Land Transfer Tax revenue of \$61.522 million net or 21.2% due to higher housing sales than planned.
- Higher than planned Supplementary Taxes revenue of \$16.499 million net due to the change in timing of the delivery of supplementary roll. This is a timing difference and Supplementary Taxes will be on budget by year-end.
- The full annual receipt of the dividend payment from Toronto Hydro compared to plan (\$12.500 million net).
- Unrealized revenue from Parking Tag Enforcement & Operations \$10.635 million net as a result of better compliance through the pay by cell program, decrease in average fine amounts, the delayed implementation of Administrative Penalty System (APS), and the removal of fixed fines and prosecutor intervention at counters.

The projected year-end gross over-expenditures of \$13.191 million or 0.9% combined with \$6.172 million or 0.4% in higher than budgeted revenue, is anticipated to result in a net unfavourable variance of \$7.018 million.

- The pressure from Tax Deficiencies / Write-offs, Tax Increment Equivalent Grants (TIEG), Payments in Lieu of Taxes, and Parking Tag Enforcement & Operations Revenue account will persist the unfavourable variance for the year-end results.
- Year-end projection is slightly offset by the favourable forecast of Municipal Land Transfer Tax of \$30.000 million net in anticipation of the market cooldown.
- Unrealized revenue forecast in Hotel & Lodging Tax of \$5.000 million net due to the delayed implementation of the new tax in 2017.

## Approved Complement

Figure 7a provides a detailed overview of the approved complement and strength at June 30, 2017, as well as projections for year-end for both Tax and Rate Supported Programs. At the end of June 30, 2017, the City reported a strength of 51,882.0 operating and capital positions, representing in a vacancy rate of operating budget positions, after approved gapping, of 0.7%. The year-end projected strength is forecasted to be 52,698.5 capital and operating positions, with a vacancy rate of operating budget positions, after approved gapping, of 0.0%.

Figure 7a: Summary of Approved Complement (Includes Capital and Operating Positions)

Table 5 Summary of Approved Complement (Includes Capital and Operating Positions)										
Program/Agency	Year-To-Date					Year-End Projections				
	Approved Complement	Strength	Vacancies	Vacancy %	Operating Vacancy After Gapping	Approved Complement	Strength	Vacancies	Vacancy %	Operating Vacancy After Gapping
Citizen Centred Services "A"	12,789.4	12,454.8	(334.6)	2.6%	0.5%	12,779.4	12,595.2	(184.2)	1.4%	0.0%
Citizen Centred Services "B"	6,399.3	6,048.9	(350.4)	5.5%	1.8%	6,399.3	6,170.3	(229.0)	3.6%	0.1%
Internal Services	2,987.2	2,591.6	(395.6)	13.2%	7.5%	2,987.2	2,744.6	(242.6)	8.1%	2.7%
City Manager's Office	432.0	396.0	(36.0)	8.3%	2.1%	432.0	422.0	(10.0)	2.3%	0.0%
Other City Programs	971.5	892.5	(79.0)	8.1%	4.5%	971.5	947.0	(24.5)	2.5%	0.0%
Accountability Offices	55.3	63.0	7.8	-14.0%	0.0%	55.3	69.0	13.8	-24.9%	0.0%
<b>Total City Operations</b>	<b>23,634.6</b>	<b>22,446.8</b>	<b>(1,187.8)</b>	<b>5.0%</b>	<b>1.8%</b>	<b>23,624.6</b>	<b>22,948.0</b>	<b>(676.6)</b>	<b>2.9%</b>	<b>0.0%</b>
Agencies	27,142.4	26,134.8	(1,007.6)	3.7%	0.0%	27,142.4	26,467.1	(675.4)	2.5%	0.0%
Corporate Accounts	397.0	364.0	(33.0)	8.3%	8.3%	397.0	357.0	(40.0)	10.1%	10.1%
<b>Total Levy Operations</b>	<b>51,174.0</b>	<b>48,945.6</b>	<b>(2,228.4)</b>	<b>4.4%</b>	<b>0.5%</b>	<b>51,164.0</b>	<b>49,772.1</b>	<b>(1,392.0)</b>	<b>2.7%</b>	<b>0.0%</b>
Rate Supported Programs	3,175.4	2,936.4	(239.0)	7.5%	4.5%	3,175.4	2,926.4	(249.0)	7.8%	4.8%
<b>Grand Total</b>	<b>54,349.4</b>	<b>51,882.0</b>	<b>(2,467.4)</b>	<b>4.5%</b>	<b>0.7%</b>	<b>54,339.4</b>	<b>52,698.5</b>	<b>(1,641.0)</b>	<b>3.0%</b>	<b>0.0%</b>

Appendices D and E provide a detailed overview of the approved operating and capital complement, and strength for the six months ended June 30, 2017 as well as projections to year-end.

### City Operations

- Year-to-date, City Operations reported a strength of 22,446.8, resulting in 1,187.8 positions below the approved complement of 23,634.6 positions. The vacancy rate for operating positions, after approved gapping, was 1.8%. The key Program areas which contributed to the operating vacancy rate were: Parks, Forestry and Recreation, Facilities, Real Estate, Environment and Energy, Transportation Services, Shelter, Support & Housing Administration, and Transportation Services.
- The year-end projection for City Operations is forecasted to be 22,948.0 positions, or 676.6 positions under the approved complement of 23,624.6

positions. After approved gapping, the projected vacancy rate for operating positions is expected to be on target or full complement.

### Agencies

- The year-to-date strength reported by Agencies was 26,134.8 positions which was 1,007.6 positions below the approved complement of 27,142.4 positions. It represents a full complement after considering the approved gapping for operating positions.
- The year-end strength projection for Agencies is anticipated to be 26,467.1 positions, or 675.4 positions below the approved complement of 27,142.4 positions. It represents a full complement after considering the approved gapping for operating positions.

### Rate Supported Programs

- As of June 30, 2017, Rate Supported Programs reported a strength of 2,936.4 positions, which is 239.0 positions under the approved complement of 3,175.4 positions. The vacancy rate for operating positions, after approved gapping, is 4.5%.
- Rate Supported Programs are forecasting a strength of 2,926.4 positions by year-end. After approved gapping, the projected vacancy rate for operating positions is expected to be 4.8%.

### **Budget Adjustments**

City Council approval is required for the in-year budget adjustments detailed in Appendix F. These recommended adjustments do not impact the 2017 Approved Net Operating Budget. The major adjustments are outlined below.

#### *Facilities, Real Estate, Environment & Energy (FREEE)*

##### *City-Wide Real Estate Review (CWRER) Initiative:*

At its meeting on May 24, 2017, the "City-Wide Real Estate Transformation" (EX25.9) staff report was considered and adopted by City Council in support of continuing the City-Wide Real Estate Review (CWRER) initiative.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9>

City Council approved an increase to the 2017 Council Approved Operating Budget for FREEE of \$0.492 gross and \$0 net for the one-time transition costs of \$0.882 million required over the next 12 months (\$0.492 million in 2017 and \$0.461 million in 2018), with funding provided from the Innovation Reserve Fund for the continuation of a temporary cross-functional transition team. It is requested that Council approve the Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

following budget adjustments in support of CWRER and the strategic direction recommended in the staff report:

- **Legal Services:** As part of the Q2 2016 Council Approved Operating Variance report, two positions and associated salary and benefit expenditures were transferred from FREEE to Legal Services for the development of the temporary cross-functional transition team supporting the CWRER initiative for the period of June 2016 to May 2017. It has now been determined that only 1.0 Legal Subject Matter Expert (SME) is required from June 2017 to May 2018. As a result, a reduction of 1.0 position from Legal Services is being requested in this report. The total financial impact to Legal Services' 2017 Council Approved Operating Budget is a reduction of 1.0 position and an increase of \$0.099 million gross and \$0 net by means of an inter-divisional recovery from FREEE. The total financial impact to FREEE's 2017 Council Approved Operating Budget is an increase of \$0.099 million gross and \$0 net, with recovery for the one remaining position funded through the Innovation Reserve Fund.
- **City Clerk's Office:** Creation of an inter-divisional cost and recovery (IDC/IDR) between FREEE and City Clerk's Office to allow cost recovery by City Clerk's Office for providing 1.0 position to the temporary cross-functional transition team supporting the CWRER initiative for the period of June 2017 to December 2017. The total financial impact to City Clerk's Office 2017 Council Approved Operating Budget is an increase of 1.0 position and an increase of \$0.066 million gross and \$0 net by means of an inter-divisional recovery from FREEE. The total financial impact to FREEE's 2017 Council Approved Operating Budget is an increase of \$0.066 million gross and \$0 net with recovery for this position funded through the Innovation Reserve Fund.
- **FREEE:** An adjustment is required to increase the 2017 Council Approved Operating Budget for FREEE by \$0.071 million gross and \$0 net for CWRER, funded from the Innovation Reserve Fund. At its meeting on July 12, 2016, Council approved one-time transition costs over nine months of \$1.702 million (\$0.788 million in 2016, \$0.914 million in 2017) and 8.0 temporary positions with funding provided from the Innovation Reserve Fund for the creation of a temporary cross-functional transition team to develop a transition strategy and implementation plan to move to a centralized real estate operating model. The amount of \$0.071 million gross and \$0 net represents the unspent balance to continue work on this initiative in 2017.
- **FREEE:** An adjustment is required to increase the 2017 Council Approved Operating Budget for FREEE by \$0.256 million gross and \$0 net for CWRER, funded from the Innovation Reserve Fund for additional one-time transition costs to continue work on this initiative as part of the project's implementation period.



*Facilities, Real Estate, Environment & Energy (FREEE) and Economic Development and Culture (EDC) Division*

*Transfer of the Community Partnership Investment Program (CPIP) grant to Harbourfront Centre*

An adjustment is required to transfer \$0.750 million gross and net from FREEE to EDC related to the Community Partnership Investment Program (CPIP) grant to Harbourfront Centre that was included in FREEE's 2017 Council Approved Operating Budget. Going forward, EDC will administer the grant through their Major Cultural Organizations program as agreed upon by both Divisions. The total financial impact to FREEE's 2017 Council Approved Operating Budget is a decrease of \$0.750 million gross and \$0.750 million net, with an offsetting increase to EDC's 2017 Council Approved Operating Budget respectively.

*311 Toronto*

*Transfer of 5.0 Positions from Revenue Services to 311 Toronto in Support of Tier 1 and Tier 2 Tax and Utility Calls Volumes:*

Transfer of 5.0 positions from the Office of the Treasurer to 311 Toronto to provide support for higher than anticipated Tier 1 and Tier 2 tax and utility call volumes. As of November 23, 2015, 311 Toronto assumed responsibility of handling Revenue Services Tier 1 calls as a part of the customer service integration with Revenue Services. Following a complete analysis of proportional calls handled and to facilitate the service integration opportunity identified by 311 Toronto and Revenue Services, an additional 5.0 Revenue Services Division positions will be re-purposed to 5.0 Customer Service Representative (CSR) positions under 311 Toronto to provide continued call support. The inter-divisional recovery associated with the utility call handling to be transferred with these positions is 50% of the gross expenditure coming from Toronto Water and Solid Waste Management. The total financial impact to Revenue Services' 2017 Council Approved Operating Budget is a decrease of 5.0 positions and a decrease of \$370.9 million gross and \$0.185 million net. The total financial impact to 311 Toronto's 2017 Council Approved Operating Budget is an increase of 5.0 positions and an increase of \$370.9 million gross and \$0.185 million net, respectively.

*City Manager's Office*

*Operational Sustainment of the City of Toronto's Website:*

Additional resources are required to support the operational sustainment of the City of Toronto's website. As a result, each Cluster has agreed to contribute either a funded vacancy or a portion of its 2017 Operating Budget for this resource need. This results in a transfer of 2.0 positions and funding of \$0.389 million gross and net to the City Manager's Office 2017 Council Approved Operating Budget. An additional 1.0 position will be added to the City Manager's Office staff complement for a total of 3.0 positions.

A breakdown is provided in the table below:

<b>Program</b>	<b>FTE</b>	<b>Budget (In \$000's)</b>
<b>Cluster A:</b>		
Toronto Employment & Social Services	(1.0)	(0.130)
<b>Cluster B:</b>		
City Planning		(0.014)
Toronto Building		(0.014)
Transportation		(0.014)
Policy, Planning, Finance & Administration		(0.014)
Engineering & Construction Services		(0.014)
Municipal Licensing & Standards		(0.014)
Toronto Water		(0.014)
Solid Waste Management Services		(0.014)
Fire Services		(0.014)
<b>Cluster C:</b>		
Office of the Treasurer	(1.0)	(0.043)
Facilities, Real Estate & Energy		(0.043)
Information & Technology		(0.043)
<b>City Manager's Office:</b>	3.0	0.389
<b>Net Impact to the 2017 City's Operating Budget</b>	<b>1.0</b>	<b>0.000</b>

The three new Web Content Leads within Strategic Communications will be responsible for providing corporate oversight and coordination of the new service themes and topics on toronto.ca. They will work closely with divisional staff to review, develop and consult on web pages, ensuring content is clear, concise, action-oriented and service-focused. The web content leads will contribute to and apply content, design and accessibility standards to promote consistency and a strong and unified City of Toronto brand. They will use evidence, data and research to focus on user needs and experience, making City information and services easier to find and access.

The total financial impact to the City Manager's Office 2017 Council Approved Operating Budget is an increase of 3.0 positions and an increase of \$0.389 million gross and net.

#### *Office of the Chief Financial Officer*

##### *Transfer of Shared Services to Office of the Chief Transformation Officer*

The goal of a newly created role of Chief Transformation Officer is to provide expertise and guidance towards building a modern and adaptive public service that delivers maximum value to the taxpayers. This includes breaking down silos and leveraging expertise across the City, increasing City-wide efficiencies and effectiveness. The Shared Service Project is a City-wide transformational project that focuses on reducing duplication and optimizing service delivery between the City and agencies resulting in

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

cost savings and service improvements. Due to the close alignment of goals and objectives between Shared Services and the newly created Transformation Office, and the need for additional resources in both areas, an in-year adjustment is required to transfer 2 staff and Shared Services budget from Office of the Chief Financial Officer to Office of the Chief Transformation Officer with no financial impact to the 2017 Council Approved Operating Budget.

### **Utility Costs**

Tax and Rate Supported Operations reported actual utility costs of \$111.802 million resulting in over expenditures of \$10.941 million or 10.8% compared to the plan for the first half of the year. The year-to-date over-expenditures in utilities were primarily experienced by Parks, Forestry and Recreation, Transportation Services and Toronto Water. The unfavourable year-to-date variance in utilities is largely due to timing differences between planned and actual expenses.

Tax and Rate Supported Operations are projecting under-expenditures in utilities by \$1.668 million or 0.76% by year-end, primarily driven by Toronto Water as a result of efficiency initiatives.

### **Consulting Costs**

Tax and Rate Supported Operations reported actual consulting costs for the year-to-date of \$2.854 million, resulting in over-expenditures of \$0.111 million or 3.7%. The year-to-date unfavourable variance was primarily attributed to Shelter, Support and Housing Administration. Consultants were used to advance projects for AODA compliance, housing allowance studies, and a new model for shelter openings.

Tax and Rate Supported Operations are forecasting a favourable year-end variance of \$0.594 million or 6.8% for consulting costs.

## Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the quarterly variance process. As set out in Figure 7b below, the City received \$0.140 million in the second fiscal quarter.

Figure 7b: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000's)	Purpose
<b>Economic Development And Culture</b>		
Donation Drop Box	2.35	General Donation
Pay What You Can (PWYC)	0.74	PWYC Donations from Programs
Dupont By The Castle BIA	0.50	To Purchase Prizes for Gasby Garden Party
Toronto Post Card Club	0.05	General Donation
<i>Sub-Total</i>	<i>3.64</i>	
<b>Parks, Forestry And Recreation</b>		
Killjoys li Productions Limited	1.00	For park improvements
Designated I Ltd.	1.50	For plant materials & mulches
Shade PI S2 Productions	5.00	For park improvements
High Park Grenadier Fund	11.65	For bike racks
Designated I Ltd.	1.50	For garden/park maintenance and improvements
Anonymous	0.02	High Park Teaching Centre
Individual Donor	0.10	In appreciation towards swimming programs
Anonymous	2.00	For general community center operation
<i>Sub-Total</i>	<i>22.77</i>	
<b>Shelter, Support &amp; Housing Administration</b>		
Individual Donor	1.20	Children's Program
Individual Donor	6.70	General Donation
<i>Sub-Total</i>	<i>7.90</i>	
<b>Social Development Finance And Administration</b>		
The DMZ at Ryerson University	0.75	Toronto Youth Cabinet's Youth Summit on May 13th, 2017. Funds used for food, supplies, and honoraria.
<i>Sub-Total</i>	<i>0.75</i>	
<b>City Planning</b>		
Urban Design Award: Concord Adex	15.00	To support the Urban Design Awards
Urban Design Award: Stikeman Elliot	5.00	To support the Urban Design Awards
Urban Design Award: Diamond Corp	5.00	To support the Urban Design Awards
Urban Design Award: Carpenters & Allied	5.00	To support the Urban Design Awards
Urban Design Award: Deltera Inc	5.00	To support the Urban Design Awards
Urban Design Award: Concert Properties Ltd.	2.50	To support the Urban Design Awards
Urban Design Award: Maxims Limited Partnership	2.50	To support the Urban Design Awards
Urban Design Award: Bousfields Inc.	2.50	To support the Urban Design Awards
Urban Design Award: Hullmark Asset Management Ltd.	2.50	To support the Urban Design Awards
Urban Design Award: Kingsett	2.50	To support the Urban Design Awards
Urban Design Award: Plaza Corp	2.50	To support the Urban Design Awards
Urban Design Award: Westbank Corp	2.50	To support the Urban Design Awards
Urban Design Award: Dr. Anthony Lombard	1.00	To support the Urban Design Awards
Anonymous	9.00	To support the Urban Design Awards
<i>Sub-Total</i>	<i>62.50</i>	
<b>Municipal Licensing &amp; Standards</b>		
Private Donor	36.40	Care and services related to animals
<i>Sub-Total</i>	<i>36.40</i>	
<b>City Council</b>		
Chairman Brands (241 Pizza)	6.00	Ward 36 - Annual Canada Day celebration
<i>Sub-Total</i>	<i>6.00</i>	
<b>Grand Total</b>	<b>139.96</b>	

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

## **CONTACT**

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## **SIGNATURE**

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Roberto Rossini  
Deputy City Manager & Chief Financial Officer

## **ATTACHMENTS**

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Appendix A – City of Toronto Net Expenditures for Six Months Ended June 30, 2017  
Appendix B – City of Toronto Gross Expenditures for Six Months Ended June 30, 2017  
Appendix C – City of Toronto Revenues for Six Months Ended June 30, 2017  
Appendix D – Approved Complement for Six Months Ended June 30, 2017  
Appendix E – Approved Complement Projections for 2017 Year-End  
Appendix F – Recommended Budget Adjustments  
Appendix G – Operating Dashboards for City Programs and Agencies

## Appendix A

### CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	588.3	574.3	(14.0)	-2.4%	1,170.1	1,170.1	0.0	0.0%
Children's Services	42,143.4	42,121.3	(22.1)	-0.1%	80,682.9	80,682.9	0.0	0.0%
Court Services	7,854.4	534.8	(7,319.6)	-93.2%	8,077.2	4,310.2	(3,767.0)	-46.6%
Economic Development & Culture	45,212.4	45,392.4	180.0	0.4%	61,519.6	62,145.6	626.0	1.0%
Toronto Paramedic Services	41,711.1	40,441.5	(1,269.6)	-3.0%	78,285.3	77,039.6	(1,245.7)	-1.6%
Long Term Care Homes and Services	17,377.5	16,893.2	(484.3)	-2.8%	47,376.1	46,670.2	(705.9)	-1.5%
Parks, Forestry & Recreation	158,711.2	156,787.9	(1,923.3)	-1.2%	319,040.9	323,023.7	3,982.7	1.2%
Shelter, Support & Housing Administration	181,560.1	193,178.4	11,618.4	6.4%	407,137.4	417,475.5	10,338.1	2.5%
Social Development, Finance & Administration	12,174.8	12,167.0	(7.8)	-0.1%	32,199.3	32,150.3	(49.0)	-0.2%
Toronto Employment & Social Services	52,664.5	52,748.0	83.5	0.2%	110,666.3	110,666.3	(0.0)	0.0%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>559,997.7</b>	<b>560,838.9</b>	<b>841.2</b>	<b>0.2%</b>	<b>1,146,155.3</b>	<b>1,155,334.5</b>	<b>9,179.3</b>	<b>0.8%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	6,738.2	4,477.3	(2,260.9)	-33.6%	15,301.6	11,888.8	(3,412.9)	-22.3%
Fire Services	217,078.2	217,999.4	921.2	0.4%	422,866.3	429,019.3	6,153.0	1.5%
Municipal Licensing & Standards	7,372.1	4,667.8	(2,704.3)	-36.7%	19,396.8	16,775.3	(2,621.5)	-13.5%
Policy, Planning, Finance and Administration	4,194.8	4,125.8	(69.0)	-1.6%	9,113.1	8,906.8	(206.3)	-2.3%
Engineering and Construction Services	3,615.8	27.2	(3,588.6)	-99.2%	4,095.9	459.0	(3,636.9)	-88.8%
Toronto Building	(4,070.2)	(15,452.0)	(11,381.8)	279.6%	(10,679.3)	(28,580.1)	(17,900.9)	167.6%
Transportation Services	121,272.4	116,409.1	(4,863.2)	-4.0%	214,222.7	216,092.9	1,870.2	0.9%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>356,201.4</b>	<b>332,254.7</b>	<b>(23,946.7)</b>	<b>-6.7%</b>	<b>674,317.2</b>	<b>654,561.9</b>	<b>(19,755.3)</b>	<b>-2.9%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	4,344.4	4,025.9	(318.5)	-7.3%	9,713.7	8,976.5	(737.2)	-7.6%
Office of the Treasurer	12,806.4	11,510.0	(1,296.4)	-10.1%	28,698.0	27,532.2	(1,165.8)	-4.1%
Facilities, Real Estate, Environment & Energy	47,738.8	44,619.5	(3,119.4)	-6.5%	70,395.6	70,211.7	(184.0)	-0.3%
Fleet Services	515.4	(3,123.7)	(3,639.1)	-706.1%	(9.5)	(1,193.7)	(1,184.2)	12459.0%
Information & Technology	46,847.2	42,380.3	(4,466.9)	-9.5%	74,701.5	73,686.3	(1,015.3)	-1.4%
311 Toronto	4,029.3	3,683.2	(346.1)	-8.6%	9,640.1	9,417.9	(222.2)	-2.3%
<b>Sub-Total Internal Services</b>	<b>116,281.6</b>	<b>103,095.1</b>	<b>(13,186.4)</b>	<b>-11.3%</b>	<b>193,139.4</b>	<b>188,630.7</b>	<b>(4,508.6)</b>	<b>-2.3%</b>
<b>City Manager</b>								
City Manager's Office	21,360.4	22,063.4	703.0	3.3%	46,953.5	46,531.5	(422.0)	-0.9%
<b>Sub-Total City Manager</b>	<b>21,360.4</b>	<b>22,063.4</b>	<b>703.0</b>	<b>3.3%</b>	<b>46,953.5</b>	<b>46,531.5</b>	<b>(422.0)</b>	<b>-0.9%</b>
<b>Other City Programs</b>								
City Clerk's Office	15,281.9	15,162.2	(119.7)	-0.8%	32,446.3	32,446.3	0.0	0.0%
Legal Services	9,807.3	11,019.3	1,212.0	12.4%	19,304.0	19,147.6	(156.4)	-0.8%
Mayor's Office	1,063.7	995.6	(68.1)	-6.4%	2,251.0	2,251.0	0.0	0.0%
City Council	9,964.0	9,858.6	(105.4)	-1.1%	20,359.0	20,348.7	(10.4)	-0.1%
<b>Sub-Total Other City Programs</b>	<b>36,117.0</b>	<b>37,035.8</b>	<b>918.7</b>	<b>2.5%</b>	<b>74,360.2</b>	<b>74,193.5</b>	<b>(166.7)</b>	<b>-0.2%</b>
<b>Accountability Offices</b>								
Auditor General's Office	2,649.4	2,120.0	(529.4)	-20.0%	5,902.9	5,902.9	0.0	0.0%
Integrity Commissioner's Office	240.2	231.8	(8.4)	-3.5%	506.7	506.7	0.0	0.0%
Lobbyist Registrar's Office	538.4	514.0	(24.4)	-4.5%	1,154.1	1,154.1	0.0	0.0%
Ombudsman's Office	850.8	840.7	(10.1)	-1.2%	1,810.3	1,810.3	0.0	0.0%
<b>Sub-Total Council Appointed Programs</b>	<b>4,278.9</b>	<b>3,706.5</b>	<b>(572.4)</b>	<b>-13.4%</b>	<b>9,373.9</b>	<b>9,373.9</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>1,094,236.9</b>	<b>1,058,994.3</b>	<b>(35,242.6)</b>	<b>-3.2%</b>	<b>2,144,299.5</b>	<b>2,128,626.1</b>	<b>(15,673.4)</b>	<b>-0.7%</b>

Staff report for action on Operating Variance Report for the Six Month Period  
Ended June 30th, 2017

## Appendix A

**CITY OF TORONTO**  
**CONSOLIDATED NET EXPENDITURES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	22,859.3	22,475.1	(384.3)	-1.7%	60,826.9	60,334.0	(492.9)	-0.8%
Toronto Public Library	88,790.9	88,782.2	(8.7)	0.0%	179,107.8	179,107.8	0.0	0.0%
Association of Community Centres	3,836.7	3,777.1	(59.6)	-1.6%	7,809.8	7,823.1	13.2	0.2%
Exhibition Place	726.1	37.0	(689.1)	-94.9%	(124.4)	1,934.0	2,058.4	-1655.3%
Heritage Toronto	149.1	151.5	2.4	1.6%	298.4	298.4	0.0	0.0%
Theatres	2,388.6	2,126.6	(262.0)	-11.0%	5,907.5	8,000.7	2,093.2	35.4%
Toronto Zoo	6,691.3	10,253.1	3,561.9	53.2%	11,592.0	15,590.7	3,998.8	34.5%
Arena Boards of Management	57.0	(347.1)	(404.2)	-708.5%	(19.6)	(20.6)	(1.0)	5.3%
Yonge Dundas Square	398.9	98.3	(300.6)	-75.4%	377.4	212.8	(164.6)	-43.6%
Toronto & Region Conservation Authority	1,933.8	1,933.8	(0.0)	0.0%	3,561.3	3,561.3	0.0	0.0%
Toronto Transit Commission - Conventional	271,028.8	226,788.4	(44,240.4)	-16.3%	546,845.9	531,754.1	(15,091.8)	-2.8%
Toronto Transit Commission - Wheel Trans	68,022.8	61,090.3	(6,932.5)	-10.2%	142,677.8	131,604.1	(11,073.7)	-7.8%
Toronto Police Service	478,503.3	475,253.3	(3,250.0)	-0.7%	1,005,264.5	998,764.5	(6,500.0)	-0.6%
Toronto Police Services Board	1,132.4	1,087.7	(44.7)	-3.9%	2,309.1	2,219.8	(89.3)	-3.9%
<b>TOTAL - AGENCIES</b>	<b>946,519.1</b>	<b>893,507.2</b>	<b>(53,011.9)</b>	<b>-5.6%</b>	<b>1,966,434.5</b>	<b>1,941,184.8</b>	<b>(25,249.7)</b>	<b>-1.3%</b>
<b>Corporate Accounts</b>								
Capital Financing - Capital from Current	293,064.9	293,064.9	0.0	0.0%	293,902.0	293,902.0	0.0	0.0%
Technology Sustainment	8,955.8	8,955.8	0.0	0.0%	17,911.6	17,911.6	0.0	0.0%
Debt Charges	232,419.1	233,688.7	1,269.6	0.5%	505,349.2	499,820.1	(5,529.2)	-1.1%
Capital & Corporate Financing	534,439.8	535,709.5	1,269.6	0.2%	817,162.9	811,633.7	(5,529.2)	-0.7%
<b>Non-Program Expenditures</b>								
Tax Deficiencies/Writeoffs	41,872.3	54,487.2	12,614.9	30.1%	56,126.7	68,594.4	12,467.7	22.2%
Tax Increment Equivalent Grants (TIEG)	0.0	9,881.5	9,881.5	n/a	20,372.7	30,254.2	9,881.5	48.5%
Assessment Function (MPAC)	21,135.0	21,151.9	16.9	0.1%	42,270.0	42,303.8	33.8	0.1%
Funding of Employee Related Liabilities	35,341.3	35,341.3	0.0	0.0%	70,828.6	70,828.6	0.0	0.0%
Other Corporate Expenditures	16,056.1	14,501.5	(1,554.7)	-9.7%	44,498.1	43,995.5	(502.6)	-1.1%
Insurance Premiums & Claims	150.0	150.0	0.0	0.0%	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	39,672.5	37,263.4	(2,409.1)	-6.1%	69,623.2	66,074.1	(3,549.1)	-5.1%
Programs Funded from Reserve Funds	0.0	51.3	51.3	0.0%	0.0	0.0	0.0	0.0%
Vacancy Rebate Program	8,750.0	8,243.1	(506.9)	-5.8%	17,500.0	17,500.0	0.0	0.0%
Heritage Property Taxes Rebate	875.0	834.7	(40.3)	-4.6%	1,750.0	1,750.0	0.0	0.0%
Tax Rebates for Registered Charities	0.0	70.5	70.5	0.0%	0.0	0.0	0.0	0.0%
Solid Waste Management Rebates	77,792.1	71,113.8	(6,678.3)	-8.6%	144,301.9	144,301.9	0.0	0.0%
Pandemic Influenza Stockpiling	250.0	250.0	0.0	0.0%	500.0	500.0	0.0	0.0%
Non-Program Expenditures	241,894.3	253,340.1	11,445.8	4.7%	468,071.2	486,402.6	18,331.3	3.9%
<b>Non-Program Revenue</b>								
Payments in Lieu of Taxes	(82,744.7)	(78,776.9)	3,967.8	-4.8%	(100,523.0)	(96,774.5)	3,748.5	-3.7%
Supplementary Taxes	0.0	(16,498.6)	(16,498.6)	0.0%	(35,000.0)	(35,000.0)	0.0	0.0%
Tax Penalty Revenue	(13,540.1)	(13,956.9)	(416.8)	3.1%	(29,000.0)	(29,000.0)	0.0	0.0%
Interest/Investment Earnings	(48,959.8)	(53,489.3)	(4,529.5)	9.3%	(100,406.0)	(100,406.0)	0.0	0.0%
Investment Board	0.0	3.4	3.4	0.0%	0.0	0.0	0.0	0.0%
Other Corporate Revenues	(3,577.6)	(4,348.6)	(771.0)	21.6%	(7,981.1)	(8,104.5)	(123.4)	1.5%
Dividend Income	(62,500.0)	(75,000.0)	(12,500.0)	20.0%	(75,000.0)	(75,000.0)	0.0	0.0%
Provincial Revenue	(45,800.0)	(45,800.0)	0.0	0.0%	(91,600.0)	(91,600.0)	0.0	0.0%
Municipal Land Transfer Tax	(290,332.0)	(351,853.9)	(61,521.9)	21.2%	(668,000.0)	(698,000.0)	(30,000.0)	4.5%
Third Party Sign Tax	(12,679.8)	(12,142.9)	536.9	-4.2%	(11,035.7)	(11,035.7)	0.0	0.0%
Parking Authority Revenues	(24,517.2)	(25,148.0)	(630.8)	2.6%	(49,034.5)	(48,485.6)	548.9	-1.1%
Administrative Support Recoveries - Water	(9,486.5)	(9,486.5)	0.0	0.0%	(18,973.0)	(18,973.0)	0.0	0.0%
Administrative Support Recoveries - Health & EMS	(11,113.4)	(11,113.4)	0.0	0.0%	(16,326.7)	(16,326.7)	0.0	0.0%
Parking Tag Enforcement & Operations Rev	(56,796.1)	(46,161.6)	10,634.5	-18.7%	(112,567.3)	(97,525.2)	15,042.1	-13.4%
Other Tax Revenues	(7,569.3)	(7,553.2)	16.1	-0.2%	(13,094.5)	(13,094.5)	0.0	0.0%
Hotel & Lodging Tax	0.0	0.0	0.0	0.0%	(5,000.0)	0.0	5,000.0	-100.0%
Woodbine Slots Revenues	(7,550.0)	(8,140.3)	(590.3)	7.8%	(16,000.0)	(16,000.0)	0.0	0.0%
Non-Program Revenues	(677,166.5)	(759,466.6)	(82,300.1)	12.2%	(1,349,541.8)	(1,355,325.7)	(5,783.9)	0.4%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>99,167.7</b>	<b>29,583.0</b>	<b>(69,584.7)</b>	<b>-70.2%</b>	<b>(64,307.7)</b>	<b>(57,289.4)</b>	<b>7,018.3</b>	<b>-10.9%</b>
<b>NET OPERATING TAX LEVY</b>	<b>2,139,923.6</b>	<b>1,982,084.5</b>	<b>(157,839.1)</b>	<b>-7.4%</b>	<b>4,046,426.3</b>	<b>4,012,521.5</b>	<b>(33,904.8)</b>	<b>-0.8%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	14,226.6	7,044.3	(7,182.3)	-50.5%	0.0	(3,634.8)	(3,634.8)	n/a
Toronto Parking Authority	(28,735.3)	(29,576.3)	(841.1)	2.9%	(63,414.3)	(62,682.4)	731.9	-1.2%
Toronto Water	35,736.4	4,458.9	(31,277.5)	-87.5%	0.0	(16,300.0)	(16,300.0)	n/a
<b>NON LEVY OPERATING NET EXPENDITURES</b>	<b>21,227.7</b>	<b>(18,073.2)</b>	<b>(39,300.8)</b>	<b>-185.1%</b>	<b>(63,414.3)</b>	<b>(82,617.2)</b>	<b>(19,202.9)</b>	<b>n/a</b>

Staff report for action on Operating Variance Report for the Six Month Period  
 Ended June 30th, 2017

## Appendix B

### CITY OF TORONTO CONSOLIDATED GROSS EXPENDITURES VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	1,566.0	1,361.4	(204.6)	-13.1%	3,474.3	3,399.3	(75.0)	-2.2%
Children's Services	226,547.1	226,068.5	(478.6)	-0.2%	481,376.4	482,246.4	870.0	0.2%
Court Services	23,406.0	22,411.2	(994.8)	-4.3%	52,706.3	50,472.5	(2,233.8)	-4.2%
Economic Development & Culture	51,470.7	52,035.7	565.0	1.1%	82,025.8	83,262.0	1,236.3	1.5%
Toronto Paramedic Services	107,572.0	107,315.9	(256.1)	-0.2%	211,851.6	211,918.5	66.9	0.0%
Long Term Care Homes and Services	122,164.5	114,596.9	(7,567.7)	-6.2%	257,034.1	247,725.2	(9,308.9)	-3.6%
Parks, Forestry & Recreation	206,028.4	201,946.4	(4,082.0)	-2.0%	457,755.9	442,078.6	(15,677.3)	-3.4%
Shelter, Support & Housing Administration	373,978.9	373,261.1	(717.8)	-0.2%	830,870.4	808,754.4	(22,116.0)	-2.7%
Social Development, Finance & Administration	17,830.4	17,038.3	(792.1)	-4.4%	50,608.4	45,107.8	(5,500.6)	-10.9%
Toronto Employment & Social Services	535,802.6	536,181.7	379.1	0.1%	1,083,621.5	1,088,731.0	5,109.5	0.5%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>1,666,366.7</b>	<b>1,652,217.2</b>	<b>(14,149.5)</b>	<b>-0.8%</b>	<b>3,511,324.6</b>	<b>3,463,695.7</b>	<b>(47,628.8)</b>	<b>-1.4%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	21,900.9	20,939.7	(961.2)	-4.4%	48,471.1	47,908.8	(562.3)	-1.2%
Fire Services	224,128.1	226,671.8	2,543.6	1.1%	439,967.6	446,674.1	6,706.5	1.5%
Municipal Licensing & Standards	24,861.9	22,654.3	(2,207.6)	-8.9%	53,142.9	50,797.2	(2,345.7)	-4.4%
Policy, Planning, Finance and Administration	11,058.3	9,505.1	(1,553.2)	-14.0%	23,359.1	21,548.9	(1,810.2)	-7.7%
Engineering and Construction Services	35,115.6	30,116.0	(4,999.6)	-14.2%	73,287.0	67,131.1	(6,156.0)	-8.4%
Toronto Building	26,244.0	23,818.3	(2,425.7)	-9.2%	56,112.1	52,611.0	(3,501.1)	-6.2%
Transportation Services	163,399.1	164,057.8	658.7	0.4%	402,590.7	380,487.2	(22,103.6)	-5.5%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>506,707.8</b>	<b>497,762.8</b>	<b>(8,945.0)</b>	<b>-1.8%</b>	<b>1,096,930.5</b>	<b>1,067,158.2</b>	<b>(29,772.4)</b>	<b>-2.7%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	7,988.1	7,206.1	(782.0)	-9.8%	17,018.9	15,749.0	(1,269.9)	-7.5%
Office of the Treasurer	33,425.7	33,386.3	(39.4)	-0.1%	73,137.1	70,710.7	(2,426.4)	-3.3%
Facilities, Real Estate, Environment & Energy	88,385.7	86,677.0	(1,708.7)	-1.9%	195,594.9	191,058.7	(4,536.2)	-2.3%
Fleet Services	23,030.3	27,304.5	4,274.2	18.6%	54,083.3	57,319.0	3,235.7	6.0%
Information & Technology	66,858.7	59,234.8	(7,623.9)	-11.4%	127,827.2	114,353.0	(13,474.3)	-10.5%
311 Toronto	7,973.0	7,386.0	(587.0)	-7.4%	17,626.2	17,119.8	(506.4)	-2.9%
<b>Sub-Total Internal Services</b>	<b>227,661.6</b>	<b>221,194.8</b>	<b>(6,466.8)</b>	<b>-2.8%</b>	<b>485,287.7</b>	<b>466,310.2</b>	<b>(18,977.4)</b>	<b>-3.9%</b>
<b>City Manager</b>								
City Manager's Office	25,125.7	26,804.4	1,678.7	6.7%	55,537.5	58,609.9	3,072.4	5.5%
<b>Sub-Total City Manager</b>	<b>25,125.7</b>	<b>26,804.4</b>	<b>1,678.7</b>	<b>6.7%</b>	<b>55,537.5</b>	<b>58,609.9</b>	<b>3,072.4</b>	<b>5.5%</b>
<b>Other City Programs</b>								
City Clerk's Office	24,168.5	24,108.0	(60.6)	-0.3%	50,655.9	50,655.9	0.0	0.0%
Legal Services	29,094.9	23,612.6	(5,482.3)	-18.8%	58,348.7	56,072.5	(2,276.2)	-3.9%
Mayor's Office	1,063.7	995.6	(68.1)	-6.4%	2,251.0	2,251.0	0.0	0.0%
City Council	9,964.0	9,869.0	(95.1)	-1.0%	20,631.0	20,631.0	0.0	0.0%
<b>Sub-Total Other City Programs</b>	<b>64,291.2</b>	<b>58,585.1</b>	<b>(5,706.1)</b>	<b>-8.9%</b>	<b>131,886.6</b>	<b>129,610.4</b>	<b>(2,276.2)</b>	<b>-1.7%</b>
<b>Accountability Offices</b>								
Auditor General's Office	2,649.4	2,120.0	(529.4)	-20.0%	5,902.9	5,902.9	0.0	0.0%
Integrity Commissioner's Office	240.2	231.8	(8.4)	-3.5%	506.7	506.7	0.0	0.0%
Lobbyist Registrar's Office	538.4	514.0	(24.4)	-4.5%	1,154.1	1,154.1	0.0	0.0%
Ombudsman's Office	850.8	840.7	(10.1)	-1.2%	1,810.3	1,825.3	15.0	0.8%
<b>Sub-Total Council Appointed Programs</b>	<b>4,278.9</b>	<b>3,706.5</b>	<b>(572.4)</b>	<b>-13.4%</b>	<b>9,373.9</b>	<b>9,388.9</b>	<b>15.0</b>	<b>0.2%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>2,494,432.0</b>	<b>2,460,270.8</b>	<b>(34,161.2)</b>	<b>-1.4%</b>	<b>5,290,340.8</b>	<b>5,194,773.4</b>	<b>(95,567.4)</b>	<b>-1.8%</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017



## Appendix B

**CITY OF TORONTO**  
**CONSOLIDATED GROSS EXPENDITURES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	107,498.9	105,279.1	(2,219.9)	-2.1%	245,312.1	241,431.8	(3,880.3)	-1.6%
Toronto Public Library	97,858.2	98,773.0	914.9	0.9%	199,103.2	200,006.3	903.1	0.5%
Association of Community Centres	3,984.9	3,962.2	(22.7)	-0.6%	8,106.2	8,119.5	13.2	0.2%
Exhibition Place	23,539.8	22,142.7	(1,397.1)	-5.9%	50,112.0	53,047.2	2,935.2	5.9%
Heritage Toronto	397.2	325.7	(71.5)	-18.0%	794.9	794.9	0.0	0.0%
Theatres	14,694.4	13,793.8	(900.6)	-6.1%	29,079.9	31,583.5	2,503.6	8.6%
Toronto Zoo	23,538.5	19,958.1	(3,580.4)	-15.2%	52,104.0	48,785.4	(3,318.5)	-6.4%
Arena Boards of Management	4,441.0	4,297.5	(143.5)	-3.2%	9,013.2	8,135.1	(878.1)	-9.7%
Yonge Dundas Square	1,007.4	1,304.4	297.0	29.5%	2,352.5	2,971.3	618.8	26.3%
Toronto & Region Conservation Authority	22,820.8	22,610.4	(210.4)	-0.9%	43,532.0	43,532.0	0.0	0.0%
Toronto Transit Commission - Conventional	889,184.9	844,920.7	(44,264.2)	-5.0%	1,798,481.8	1,764,026.0	(34,455.8)	-1.9%
Toronto Transit Commission - Wheel Trans	72,027.7	64,883.5	(7,144.2)	-9.9%	151,169.3	139,595.6	(11,573.7)	-7.7%
Toronto Police Service	524,586.8	521,436.8	(3,150.0)	-0.6%	1,128,616.9	1,122,316.9	(6,300.0)	-0.6%
Toronto Police Services Board	1,132.4	1,087.7	(44.7)	-3.9%	2,809.1	2,719.8	(89.3)	-3.2%
<b>TOTAL - AGENCIES</b>	<b>1,786,712.9</b>	<b>1,724,775.6</b>	<b>(61,937.3)</b>	<b>-3.5%</b>	<b>3,720,587.1</b>	<b>3,667,065.3</b>	<b>(53,521.8)</b>	<b>-1.4%</b>
<b>Corporate Accounts</b>								
Capital Financing - Capital from Current	293,064.9	293,064.9	0.0	0.0%	293,902.0	293,902.0	0.0	0.0%
Technology Sustainment	8,955.8	8,955.8	0.0	0.0%	17,911.6	17,911.6	0.0	0.0%
Debt Charges	242,423.4	245,454.9	3,031.5	1.3%	529,529.2	524,000.0	(5,529.2)	-1.0%
Capital & Corporate Financing	544,444.1	547,475.6	3,031.5	0.6%	841,342.8	835,813.6	(5,529.2)	-0.7%
<b>Non-Program Expenditures</b>								
Tax Deficiencies/Writeoffs	41,872.3	54,487.2	12,614.9	30.1%	85,021.9	97,489.6	12,467.7	14.7%
Tax Increment Equivalent Grants (TIEG)	0.0	9,881.5	9,881.5	n/a	20,372.7	30,254.2	9,881.5	48.5%
Assessment Function (MPAC)	21,135.0	21,151.9	16.9	0.1%	42,270.0	42,303.8	33.8	0.1%
Funding of Employee Related Liabilities	35,341.3	35,341.3	0.0	0.0%	70,828.6	70,828.6	0.0	0.0%
Other Corporate Expenditures	19,573.7	19,967.9	394.3	2.0%	52,260.0	51,757.7	(502.3)	-1.0%
Insurance Premiums & Claims	150.0	150.0	0.0	0.0%	300.0	300.0	0.0	0.0%
Parking Tag Enforcement & Oper.	39,672.5	37,263.4	(2,409.1)	-6.1%	69,623.2	66,074.1	(3,549.1)	-5.1%
Programs Funded from Reserve Funds	66,598.7	63,004.0	(3,594.7)	-5.4%	140,881.3	140,881.3	0.0	0.0%
Vacancy Rebate Program	8,750.0	8,243.1	(506.9)	-5.8%	17,500.0	17,500.0	0.0	0.0%
Heritage Property Taxes Rebate	875.0	834.7	(40.3)	-4.6%	1,750.0	1,750.0	0.0	0.0%
Tax Rebates for Registered Charities	5,918.1	6,000.8	82.7	1.4%	5,918.1	5,930.3	12.2	0.2%
Solid Waste Management Rebates	77,792.1	71,113.8	(6,678.3)	-8.6%	144,301.9	144,301.9	0.0	0.0%
Pandemic Influenza Stockpiling	250.0	250.0	0.0	0.0%	500.0	500.0	0.0	0.0%
Non-Program Expenditures	317,928.7	327,689.6	9,760.9	3.1%	651,527.8	669,871.6	18,343.8	2.8%
<b>Non-Program Revenue</b>								
Payments in Lieu of Taxes	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Supplementary Taxes	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Tax Penalty Revenue	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Interest/Investment Earnings	575.5	574.0	(1.5)	-0.3%	1,151.0	1,151.0	0.0	0.0%
Investment Board	79.6	3.4	(76.2)	-95.7%	557.5	557.5	0.0	0.0%
Other Corporate Revenues	623.8	1,220.7	596.9	95.7%	5,470.9	5,515.8	44.9	0.8%
Dividend Income	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Provincial Revenue	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Municipal Land Transfer Tax	21,108.0	24,423.2	3,315.2	15.7%	47,809.6	48,140.6	331.0	0.7%
Third Party Sign Tax	0.0	0.0	0.0	n/a	1,116.1	1,116.1	0.0	0.0%
Parking Authority Revenues	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Water	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Administrative Support Recoveries - Health & EMS	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Operations Rev	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Other Tax Revenues	0.0	722.8	722.8	n/a	0.0	0.0	0.0	n/a
Hotel & Lodging Tax	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Woodbine Slots Revenues	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Revenues	22,387.0	26,944.1	4,557.2	20.4%	56,105.1	56,481.0	375.9	0.7%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>884,759.7</b>	<b>902,109.4</b>	<b>17,349.6</b>	<b>2.0%</b>	<b>1,548,975.7</b>	<b>1,562,166.2</b>	<b>13,190.6</b>	<b>0.9%</b>
<b>LEVY OPERATING GROSS EXPENDITURES</b>	<b>5,165,904.6</b>	<b>5,087,155.8</b>	<b>(78,748.8)</b>	<b>-1.5%</b>	<b>10,559,903.6</b>	<b>10,424,004.9</b>	<b>(135,898.7)</b>	<b>-1.3%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	162,325.8	178,873.4	16,547.5	10.2%	398,123.7	391,973.9	(6,149.8)	-1.5%
Toronto Parking Authority	46,455.9	45,661.8	(794.2)	-1.7%	92,637.0	93,544.1	907.2	1.0%
Toronto Water	582,818.0	583,207.9	389.9	0.1%	1,231,928.2	1,218,228.2	(13,700.0)	-1.1%
<b>NON LEVY OPERATING GROSS EXPENDITURES</b>	<b>791,599.8</b>	<b>807,743.0</b>	<b>16,143.2</b>	<b>2.0%</b>	<b>1,722,688.8</b>	<b>1,703,746.2</b>	<b>(18,942.7)</b>	<b>-1.1%</b>

Staff report for action on Operating Variance Report for the Six Month Period  
 Ended June 30th, 2017

## Appendix C

### CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	977.7	787.1	(190.6)	-19.5%	2,304.2	2,229.2	(75.0)	-3.3%
Children's Services	184,403.7	183,947.2	(456.5)	-0.2%	400,693.4	401,563.4	870.0	0.2%
Court Services	15,551.6	21,876.4	6,324.8	40.7%	44,629.1	46,162.3	1,533.2	3.4%
Economic Development & Culture	6,258.3	6,643.3	385.0	6.2%	20,506.1	21,116.4	610.3	3.0%
Toronto Paramedic Services	65,860.9	66,874.4	1,013.5	1.5%	133,566.3	134,878.9	1,312.6	1.0%
Long Term Care Homes and Services	104,787.1	97,703.7	(7,083.3)	-6.8%	209,658.0	201,055.0	(8,603.0)	-4.1%
Parks, Forestry & Recreation	47,317.2	45,158.5	(2,158.7)	-4.6%	138,715.0	119,055.0	(19,660.0)	-14.2%
Shelter, Support & Housing Administration	192,418.8	180,082.7	(12,336.1)	-6.4%	423,733.0	391,278.9	(32,454.1)	-7.7%
Social Development, Finance & Administration	5,655.6	4,871.3	(784.3)	-13.9%	18,409.1	12,957.5	(5,451.6)	-29.6%
Toronto Employment & Social Services	483,138.1	483,433.6	295.5	0.1%	972,955.1	978,064.7	5,109.6	0.5%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>1,106,369.0</b>	<b>1,091,378.3</b>	<b>(14,990.7)</b>	<b>-1.4%</b>	<b>2,365,169.3</b>	<b>2,308,361.2</b>	<b>(56,808.1)</b>	<b>-2.4%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	15,162.7	16,462.4	1,299.7	8.6%	33,169.4	36,020.0	2,850.6	8.6%
Fire Services	7,049.9	8,672.3	1,622.4	23.0%	17,101.3	17,654.8	553.5	3.2%
Municipal Licensing & Standards	17,489.8	17,986.5	496.7	2.8%	33,746.1	34,021.9	275.8	0.8%
Policy, Planning, Finance and Administration	6,863.4	5,379.2	(1,484.2)	-21.6%	14,246.1	12,642.1	(1,604.0)	-11.3%
Engineering and Construction Services	31,499.8	30,088.8	(1,411.0)	-4.5%	69,191.1	66,672.1	(2,519.0)	-3.6%
Toronto Building	30,314.2	39,270.3	8,956.1	29.5%	66,791.4	81,191.1	14,399.8	21.6%
Transportation Services	42,126.7	47,648.6	5,522.0	13.1%	188,368.0	164,394.3	(23,973.7)	-12.7%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>150,506.5</b>	<b>165,508.1</b>	<b>15,001.6</b>	<b>10.0%</b>	<b>422,613.4</b>	<b>412,596.3</b>	<b>(10,017.1)</b>	<b>-2.4%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	3,643.7	3,180.2	(463.5)	-12.7%	7,305.2	6,772.5	(532.7)	-7.3%
Office of the Treasurer	20,619.3	21,876.3	1,257.0	6.1%	44,439.1	43,178.5	(1,260.6)	-2.8%
Facilities, Real Estate, Environment & Energy	40,646.9	42,057.5	1,410.7	3.5%	125,199.3	120,847.1	(4,352.2)	-3.5%
Fleet Services	22,515.0	30,428.2	7,913.3	35.1%	54,092.8	58,512.8	4,419.9	8.2%
Information & Technology	20,011.5	16,854.6	(3,157.0)	-15.8%	53,125.7	40,666.7	(12,459.0)	-23.5%
311 Toronto	3,943.7	3,702.8	(240.9)	-6.1%	7,986.2	7,702.0	(284.2)	-3.6%
<b>Sub-Total Internal Services</b>	<b>111,380.1</b>	<b>118,099.7</b>	<b>6,719.6</b>	<b>6.0%</b>	<b>292,148.3</b>	<b>277,679.5</b>	<b>(14,468.8)</b>	<b>-5.0%</b>
<b>City Manager</b>								
City Manager's Office	3,765.3	4,741.0	975.7	25.9%	8,584.0	12,078.4	3,494.4	40.7%
<b>Sub-Total City Manager</b>	<b>3,765.3</b>	<b>4,741.0</b>	<b>975.7</b>	<b>25.9%</b>	<b>8,584.0</b>	<b>12,078.4</b>	<b>3,494.4</b>	<b>40.7%</b>
<b>Other City Programs</b>								
City Clerk's Office	8,886.6	8,945.7	59.1	0.7%	18,209.6	18,209.6	0.0	0.0%
Legal Services	19,287.6	12,593.3	(6,694.3)	-34.7%	39,044.8	36,924.9	(2,119.9)	-5.4%
Mayor's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
City Council	0.0	10.4	10.4	n/a	272.0	282.4	10.4	3.8%
<b>Sub-Total Other City Programs</b>	<b>28,174.2</b>	<b>21,549.3</b>	<b>(6,624.9)</b>	<b>-23.5%</b>	<b>57,526.4</b>	<b>55,416.9</b>	<b>(2,109.5)</b>	<b>-3.7%</b>
<b>Accountability Offices</b>								
Auditor General's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Integrity Commissioner's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Lobbyist Registrar's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Ombudsman's Office	0.0	0.0	0.0	n/a	0.0	15.0	15.0	n/a
<b>Sub-Total Council Appointed Programs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>n/a</b>	<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>n/a</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>1,400,195.1</b>	<b>1,401,276.5</b>	<b>1,081.4</b>	<b>0.1%</b>	<b>3,146,041.3</b>	<b>3,066,147.3</b>	<b>(79,894.1)</b>	<b>-2.5%</b>

Staff report for action on Operating Variance Report for the Six Month Period  
Ended June 30th, 2017

## Appendix C

**CITY OF TORONTO**  
**CONSOLIDATED REVENUE VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	June 30, 2017				December 31, 2017			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	84,639.6	82,804.0	(1,835.6)	-2.2%	184,485.2	181,097.8	(3,387.4)	-1.8%
Toronto Public Library	9,067.2	9,990.8	923.6	10.2%	19,995.4	20,898.5	903.1	4.5%
Association of Community Centres	148.2	185.1	36.9	24.9%	296.4	296.4	0.0	0.0%
Exhibition Place	22,813.7	22,105.7	(708.0)	-3.1%	50,236.4	51,113.2	876.8	1.7%
Heritage Toronto	248.2	174.2	(74.0)	-29.8%	496.5	496.5	0.0	0.0%
Theatres	12,305.7	11,667.2	(638.5)	-5.2%	23,172.4	23,582.8	410.4	1.8%
Toronto Zoo	16,847.3	9,705.0	(7,142.3)	-42.4%	40,512.0	33,194.7	(7,317.3)	-18.1%
Arena Boards of Management	4,383.9	4,644.7	260.7	5.9%	9,032.8	8,155.7	(877.1)	-9.7%
Yonge Dundas Square	608.5	1,206.1	597.6	98.2%	1,975.1	2,758.5	783.4	39.7%
Toronto & Region Conservation Authority	20,887.0	20,676.7	(210.4)	-1.0%	39,970.7	39,970.7	0.0	0.0%
Toronto Transit Commission - Conventional	618,156.1	618,132.3	(23.8)	0.0%	1,251,635.9	1,232,271.9	(19,364.0)	-1.5%
Toronto Transit Commission - Wheel Trans	4,004.9	3,793.2	(211.7)	-5.3%	8,491.5	7,991.5	(500.0)	-5.9%
Toronto Police Service	46,083.5	46,183.5	100.0	0.2%	123,352.4	123,552.4	200.0	0.2%
Toronto Police Services Board	0.0	0.0	0.0	n/a	500.0	500.0	0.0	0.0%
<b>TOTAL - AGENCIES</b>	<b>840,193.9</b>	<b>831,268.4</b>	<b>(8,925.4)</b>	<b>-1.1%</b>	<b>1,754,152.7</b>	<b>1,725,880.5</b>	<b>(28,272.2)</b>	<b>-1.6%</b>
<b>Corporate Accounts</b>								
Capital Financing - Capital from Current	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Technology Sustainment	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Debt Charges	10,004.2	11,766.1	1,761.9	17.6%	24,179.9	24,179.9	0.0	0.0%
Capital & Corporate Financing	10,004.2	11,766.1	1,761.9	17.6%	24,179.9	24,179.9	0.0	0.0%
<b>Non-Program Expenditures</b>								
Tax Deficiencies/Writeoffs	0.0	0.0	0.0	n/a	28,895.2	28,895.2	0.0	0.0%
Tax Increment Equivalent Grants (TIEG)	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Assessment Function (MPAC)	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Funding of Employee Related Liabilities	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Other Corporate Expenditures	3,517.5	5,466.5	1,948.9	55.4%	7,761.9	7,762.2	0.3	0.0%
Insurance Premiums & Claims	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Parking Tag Enforcement & Oper.	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Programs Funded from Reserve Funds	66,598.7	62,952.7	(3,646.0)	-5.5%	140,881.3	140,881.3	0.0	0.0%
Vacancy Rebate Program	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Heritage Property Taxes Rebate	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Tax Rebates for Registered Charities	5,918.1	5,930.3	12.2	0.2%	5,918.1	5,930.3	12.2	0.2%
Solid Waste Management Rebates	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Pandemic Influenza Stockpiling	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Expenditures	76,034.3	74,349.5	(1,684.9)	-2.2%	183,456.5	183,469.0	12.5	0.0%
<b>Non-Program Revenue</b>								
Payments in Lieu of Taxes	82,744.7	78,776.9	(3,967.8)	-4.8%	100,523.0	96,774.5	(3,748.5)	-3.7%
Supplementary Taxes	0.0	16,498.6	16,498.6	n/a	35,000.0	35,000.0	0.0	0.0%
Tax Penalty Revenue	13,540.1	13,956.9	416.8	3.1%	29,000.0	29,000.0	0.0	0.0%
Interest/Investment Earnings	49,535.3	54,063.3	4,528.0	9.1%	101,557.0	101,557.0	0.0	0.0%
Investment Board	79.6	0.0	(79.6)	-100.0%	557.5	557.5	0.0	0.0%
Other Corporate Revenues	4,201.4	5,569.3	1,367.9	32.6%	13,452.0	13,620.3	168.3	1.3%
Dividend Income	62,500.0	75,000.0	12,500.0	20.0%	75,000.0	75,000.0	0.0	0.0%
Provincial Revenue	45,800.0	45,800.0	0.0	0.0%	91,600.0	91,600.0	0.0	0.0%
Municipal Land Transfer Tax	311,440.0	376,277.1	64,837.1	20.8%	715,809.6	746,140.6	30,331.0	4.2%
Third Party Sign Tax	12,679.8	12,142.9	(536.9)	-4.2%	12,151.8	12,151.8	0.0	0.0%
Parking Authority Revenues	24,517.2	25,148.0	630.8	2.6%	49,034.5	48,485.6	(548.9)	-1.1%
Administrative Support Recoveries - Water	9,486.5	9,486.5	0.0	0.0%	18,973.0	18,973.0	0.0	0.0%
Administrative Support Recoveries - Health & EMS	11,113.4	11,113.4	0.0	0.0%	16,326.7	16,326.7	0.0	0.0%
Parking Tag Enforcement & Operations Rev	56,796.1	46,161.6	(10,634.5)	-18.7%	112,567.3	97,525.2	(15,042.1)	-13.4%
Other Tax Revenues	7,569.3	8,276.0	706.7	9.3%	13,094.5	13,094.5	0.0	0.0%
Hotel & Lodging Tax	0.0	0.0	0.0	n/a	5,000.0	0.0	(5,000.0)	-100.0%
Woodbine Slots Revenues	7,550.0	8,140.3	590.3	7.8%	16,000.0	16,000.0	0.0	0.0%
Non-Program Revenues	699,553.5	786,410.8	86,857.3	12.4%	1,405,646.9	1,411,806.6	6,159.8	0.4%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>785,592.0</b>	<b>872,526.4</b>	<b>86,934.3</b>	<b>11.1%</b>	<b>1,613,283.3</b>	<b>1,619,455.6</b>	<b>6,172.3</b>	<b>0.4%</b>
<b>LEVY OPERATING REVENUES</b>	<b>3,025,981.0</b>	<b>3,105,071.2</b>	<b>79,090.3</b>	<b>2.6%</b>	<b>6,513,477.3</b>	<b>6,411,483.4</b>	<b>(101,993.9)</b>	<b>-1.6%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	148,099.3	171,829.1	23,729.8	16.0%	398,123.7	395,608.7	(2,515.0)	-0.6%
Toronto Parking Authority	75,191.2	75,238.1	46.9	0.1%	156,051.3	156,226.5	175.3	0.1%
Toronto Water	547,081.6	578,749.0	31,667.4	5.8%	1,231,928.2	1,234,528.2	2,600.0	0.2%
<b>NON LEVY OPERATING REVENUES</b>	<b>770,372.1</b>	<b>825,816.2</b>	<b>55,444.1</b>	<b>7.2%</b>	<b>1,786,103.1</b>	<b>1,786,363.4</b>	<b>260.3</b>	<b>0.0%</b>

Staff report for action on Operating Variance Report for the Six Month Period  
 Ended June 30th, 2017





Appendix F1

**CITY OF TORONTO  
PENDING BUDGET ADJUSTMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2017  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Citizen Centred Services "A"</b>				
<b>Economic Development &amp; Culture</b>				
To transfer the grant for Harbourfront from Facilities, Real Estate, Environment & Energy to Economic Development & Culture in order for the grant to be administered through the Major Cultural Organizations Program.	750.0	0.0	750.0	0.0
<b>Total Economic Development &amp; Culture</b>	<b>750.0</b>	<b>0.0</b>	<b>750.0</b>	<b>0.0</b>
<b>Parks, Forestry &amp; Recreation</b>				
To increase the IDC with Purchasing and Materials Management Division (PMMD) by an additional \$0.181 million in order to fund two additional corporate buyers to support the procurement requirements of the Parks, Forestry and Recreation (PFR) 10 Year Capital Plan. PMMD cannot currently accommodate the growing volume of purchasing requisitions generated and the associated turnaround time. The increased project volumes are also the primary reasons for the PFR's declining capital spending rates. PMMD will create 1 permanent Sr. Buyer and 1 permanent Buyer position for the purposes of advancing PFR's 2017 Capital Budget and 2018-2026 Capital Plan. This additional PMMD capacity will assist PFR with their capital delivery targets. This cost will be fully offset by the deletion of 2 vacant surplus positions, resulting in a net 0 change to PFR.	(0.0)	0.0	(0.0)	(2.0)
To approve the change in the resource requirements for the Business Performance Management capital project in order to secure the skillset needed to complete the delivery of this project. A temporary Business Intelligence Specialist, previously approved for this project will be replaced with a temporary Business Analyst position at the same wage grade. There is no financial impact or approved position change.	0.0	0.0	0.0	0.0
To give effect to Local 79 Memorandum of Agreement for the conversion of 3 recreation worker positions to Local 79 Part-time B unit and the conversion of 1 vacant support position from 40 hours per week to 35 hours per week consistent with other support positions in the same classification. There is no net financial impact as a result of this change.	0.0	0.0	0.0	0.0

## Appendix F1

### CITY OF TORONTO PENDING BUDGET ADJUSTMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
To formalize two existing unfunded permanent positions in Parks, Forestry and Recreation that have been historically funded from under-spending in salaries and benefits. 1 Project Manager Business Transformation and 1 Operations Support Officer. These positions are occupied and support ongoing business process development function. The financial impact of \$0.243 million is fully offset by the deletion of 2 vacant surplus permanent positions and related salaries and benefits, resulting in no financial impact.	0.0	0.0	0.0	0.0
To approve the change in resource requirements for the Permitting, Licensing and Registration capital project in order to secure the skillset needed to complete the delivery of this project. A temporary Supervisor, Community Recreation, previously approved for this project will be replaced with a temporary Supervisor, Client Support. There is no financial impact or approved position change.	0.0	0.0	0.0	0.0
To delete obsolete summer positions (0.43 FTE) that are no longer used and replace with Research Trainee positions (0.17 FTE).	(0.0)	0.0	(0.0)	(0.3)
<b>Total Parks, Forestry &amp; Recreation</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(2.3)</b>
<b>Social Development, Finance &amp; Administration</b>				
This adjustment seeks authority to amend the 2017 Approved Operating Budget for Social Development, Finance and Administration by \$0.082 million gross, \$0 net and adding 1 temporary position, to be funded by the provincial grant, to expand the Youth Pre-charge Diversion and FOCUS Toronto Project, as outlined in CD21.13, "Update on City Supported Community-Led Violence Prevention and Intervention," adopted by Council on July 4, 2017. An additional \$0.406 million for programming will be included in the 2018 and 2019 Operating Budget Submissions for the full provincial grant.	81.7	81.7	0.0	1.0
This adjustment seeks authority to amend the 2017 Approved Operating Budget for Social Development, Finance and Administration by \$0.059 million gross \$0 net and adding 2 temporary positions to be funded by a transfer from capital (CSW013-01-03 Long Term Waste Strategy Study – Phase 2), in order to support community engagement and program development relating to Community Composting, Urban Harvest, Sewing Cooperative, Bicycle Hubs and Sharing and Re-use Spaces initiatives commencing as early as October 2017. The temporary positions will be for a period of 4 years starting as early as October 2017. The 2018 and future years' program costs and funding will be included in 2018 and future years' Operating Budget Submission, as per Recommendation #6 in PW 14.2 approved by City Council on July 12, 2016 " Final Long Term Waste Management Strategy	59.0	59.0	(0.0)	2.0
<b>Total Social Development, Finance &amp; Administration</b>	<b>140.7</b>	<b>140.7</b>	<b>(0.0)</b>	<b>3.0</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

## Appendix F1

**CITY OF TORONTO  
PENDING BUDGET ADJUSTMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2017  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Toronto Paramedic Services</b>				
Adjustment to increase 2017 Approved Budget by \$0.286 million gross and \$0 net and 3 Level 3 Paramedic positions to reflect funding from the Ministry of Health for the Independence at Home (IAH) Program.	285.6	285.6	0.0	3.0
<b>Total Toronto Paramedic Services</b>	<b>285.6</b>	<b>285.6</b>	<b>0.0</b>	<b>3.0</b>
<b>Total Citizen Centred Services "A"</b>	<b>1,176.3</b>	<b>426.3</b>	<b>750.0</b>	<b>3.7</b>
<b>Citizen Centred Services "B"</b>				
<b>Fire Services</b>				
Deletion of 2 permanent positions arising from a number of staffing changes that supports the City of Toronto's Strategic Action #12 "Improve Emergency Response and Prevention"; and Strategic Action #20 "Enhance Performance Measurement". These changes reflect the realignment of existing resources to more effectively support the work flow in accordance with TFS service delivery requirements. This adjustment has no gross or net budget impact.	(0.0)	(0.0)	0.0	(2.0)
<b>Total Fire Services</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(2.0)</b>
<b>Total Citizen Centred Services "B"</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(2.0)</b>
<b>Internal Services</b>				
<b>311 Toronto</b>				
Transfer in of 5.0 positions from the Office of the Treasurer to 311 Toronto to provide support for higher than anticipated Tier 1 tax and utility call volumes, funded by Toronto Water and Solid Waste Management Services. As of November 23, 2015, 311 Toronto assumed responsibility of handling Revenue Services Tier 1 calls as a part of the customer service integration with Revenue Services. Following a complete analysis of proportional calls handled and to facilitate the service integration opportunity identified by 311 Toronto and Revenue Services, an additional 5.0 Revenue Services Division positions will be re-purposed to 5.0 Customer Service Representative (CSR) positions under 311 Toronto to provide continued call support.	370.9	185.5	185.5	5.0
<b>Total 311 Toronto</b>	<b>370.9</b>	<b>185.5</b>	<b>185.5</b>	<b>5.0</b>
<b>Facilities, Real Estate, Environment &amp; Energy</b>				
Transfer of \$0.750 million gross and net from Facilities, Real Estate, Environment & Energy (FREEE) to the Economic Development and Culture (EDC) Division related to the Community Partnership Investment Program (CPIP) grant to Harbourfront Centre that was included in FREEE's 2017 Council Approved Operating Budget. Going forward, EDC will administer the grant through their Major Cultural Organizations program as agreed upon by both Divisions.	(750.0)	0.0	(750.0)	0.0
<b>Total Facilities, Real Estate, Environment &amp; Energy</b>	<b>(750.0)</b>	<b>0.0</b>	<b>(750.0)</b>	<b>0.0</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017



## Appendix F1

**CITY OF TORONTO**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Information &amp; Technology</b>				
To transfer 2 permanent complement positions from Pension, Payroll & Employee Benefits Division to Information & Technology Division, as part of the SAP Governance Transition Project, approved by the SAP Governance Steering Committee in 2014. Positions to be transferred are: one Senior Financial & Systems Analyst; and one Financial & Systems Analyst Systems & Reporting. Positions are currently vacant.	234.6	0.0	234.6	2.0
To Transfer of 4 positions from Accounting Services to Information & Technology Division, as part of the SAP Governance Transition Project, approved by the SAP Governance Steering Committee in 2014.	416.4	0.0	416.4	4.0
<b>Total Information &amp; Technology</b>	<b>651.0</b>	<b>0.0</b>	<b>651.0</b>	<b>6.0</b>
<b>Office of the Chief Financial Officer</b>				
To transfer Shared Services budget of \$0.415 million gross, \$0.296 million net and 2 positions from Office of the Deputy City Manager and Chief Financial Officer to Office of the Chief Transformation Officer. The Shared Services Project is a City-Wide transformational project that focuses on reducing duplication between the City and Agencies resulting in service improvements and cost savings. The goals of shared services closely align with the mandate of the newly created Office of the Chief Transformation Officer.	(414.8)	(119.3)	(295.5)	(2.0)
<b>Total Office of the Chief Financial Officer</b>	<b>(414.8)</b>	<b>(119.3)</b>	<b>(295.5)</b>	<b>(2.0)</b>
<b>Office of the Treasurer</b>				
As per the approved 2017 Operating Budget, Revenue Services identified some savings through the modernization of the payment processing function. As a result, lower recovery is required in Revenue Services from Non-Program.	0.0	(248.5)	248.5	0.0
To transfer of 2 positions from Pension, Payroll & Employee Benefits Division to Information & Technology Division, as part of the SAP Governance Transition Project, approved by the SAP Governance Steering Committee in 2014.	(234.6)	0.0	(234.6)	(2.0)
To transfer from Parks, Forestry & Recreation to Purchasing & Material Management Division (PMMD) to fund two additional corporate buyers to support the procurement requirements of the Parks, Forestry and Recreation (PFR) 10 Year Capital Plan.	181.4	181.4	0.0	2.0
To transfer of 5.0 positions from the Office of the Treasurer to 311 Toronto for Tier 1 Call Service, in addition to the 19 positions transferred in 2015.	(370.9)	(185.5)	(185.5)	(5.0)

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

## Appendix F1

**CITY OF TORONTO  
PENDING BUDGET ADJUSTMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2017  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
To transfer of 4 positions from Accounting Services to Information & Technology Division, as part of the SAP Governance Transition Project, approved by the SAP Governance Steering Committee in 2014.	(416.4)	0.0	(416.4)	(4.0)
<b>Total Office of the Treasurer</b>	<b>(840.5)</b>	<b>(252.5)</b>	<b>(588.0)</b>	<b>(9.0)</b>
<b>Total Internal Services</b>	<b>(983.4)</b>	<b>(186.3)</b>	<b>(797.1)</b>	<b>0.0</b>
<b>City Manager's Office</b>				
An adjustment is required to increase the City Manager's Office 2017 Approved Operating Budget for City Manager's Office by 3.0 positions. City Council at its meeting on April 26, 2017 authorized the City Manager to establish a City of Toronto Innovation Team consistent with the requirements of the City's partnership with Bloomberg Philanthropies' Innovation Teams Program, and authorized the City Manager to accept a grant from Bloomberg Philanthropies' Innovation Teams Program that provides funding to cover the costs of Innovation Team. As a result 3.0 positions were created under delegated authority, which will now be converted to 3.0 temporary positions and brought into complement.	0.0	0.0	0.0	3.0
<b>Total City Manager's Office</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>
<b>Total City Programs</b>	<b>192.9</b>	<b>240.0</b>	<b>(47.1)</b>	<b>4.7</b>
<b>Agencies</b>				
<b>Exhibition Place</b>				
To reflect anticipated additional purchases of equipment and withdrawals from Non-Motorized Equipment Reserve (XQ1902) for the zero impact on the net expenditure.	400.0	400.0	0.0	0.0
<b>Total Exhibition Place</b>	<b>400.0</b>	<b>400.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Toronto Police Service</b>				
To increase the 2017 Operating Budget to support modernization and transformation initiatives, funded from the Police Modernization Reserve.	2,290.0	2,290.0	0.0	0.0
<b>Toronto Police Service</b>	<b>2,290.0</b>	<b>2,290.0</b>	<b>0.0</b>	<b>0.0</b>

## Appendix F1

### CITY OF TORONTO PENDING BUDGET ADJUSTMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Toronto Public Health</b>				
Adjustment to increase overall 2017 Approved Staff Complement by 0.5 position by adding Health Promotion Consultant (1 FTE) and deleting Public Health Nurse (0.5 FTE) to conduct business process reviews that will provide recommendations for modernization of existing services and quality improvement activities to improve service efficiencies. This change is funded from reallocating existing resources such as overtime and advertising and promotion costs.	0.0	0.0	0.0	0.5
Adjustment to move staff complement in Healthy Public Policy, which impacts Public Health Foundation, Chronic Diseases and Injuries, Environmental Health and Emergency Preparedness service. There is no net impact as a result of this change.				
Emergency Preparedness	(112.7)	(84.5)	(28.2)	(1.1)
Public Health Foundations	(58.4)	(43.8)	(14.6)	(0.6)
Chronic Diseases & Injuries	118.1	88.6	29.5	1.2
Family Health	29.7	22.2	7.4	0.3
Environmental Health	23.4	17.5	5.8	0.3
Adjustment to increase 2017 Approved Staff Complement by 4 positions (1 Community Oral health Outreach Worker, 1 Dental Assistant Mobile Dental Clinic, 1 Dentist and 1 Dental Clerk) funded by the Province to achieve the objective of the Healthy Smiles Ontario Program services such as dental treatment, navigation, client case management and prevention. This funding is already captured in the budget in CE 4995.	0.0	0.0	0.0	4.0
Adjustment to move staff complement between Performance and Standards to Strategic Support program, which impacts all services. There is no net impact as a result of this change.				
Emergency Preparedness	146.9	110.1	36.7	1.5
Public Health Foundations	(73.4)	(55.1)	(18.4)	(0.8)
Chronic Diseases & Injuries	(167.8)	(125.9)	(42.0)	(1.8)
Family Health	(220.3)	(165.2)	(55.1)	(2.3)
Infectious Diseases	83.9	62.9	21.0	0.9
Environmental Health	230.8	173.1	57.7	2.4

## Appendix F1

### CITY OF TORONTO PENDING BUDGET ADJUSTMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 (\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Adjustment to create 1 Support Assistant B in Infectious Disease service offset by deletion of 1 Support Assistant A in Chronic Disease & Injuries and Family Health services to reflect operational needs. There is no net impact as a result of this change.				
Chronic Diseases & Injuries	(42.9)	(32.1)	(10.7)	(0.6)
Family Health	(30.7)	(23.0)	(7.7)	(0.4)
Infectious Diseases	73.6	55.2	18.4	1.0
Adjustment of \$0.499 million gross and \$0 net to reflect provincial funding for Toronto Hearing Program to enhance service capacity and build a more sustainable program over time, including supporting the purchase of hearing screening consumables and timely delivery of assessment and intervention services, such as language development.	499.4	499.4	0.0	0.0
<b>Total Toronto Public Health</b>	<b>499.4</b>	<b>499.4</b>	<b>0.0</b>	<b>4.5</b>
<b>Toronto Zoo</b>				
To transfer the COLA provision for Toronto Zoo from Non Program as a result of the settlement.	442.3	0.0	442.3	0.0
<b>Total Toronto Zoo</b>	<b>442.3</b>	<b>0.0</b>	<b>442.3</b>	<b>0.0</b>
<b>Total Agencies</b>	<b>3,631.7</b>	<b>3,189.4</b>	<b>442.3</b>	<b>4.5</b>
<b>Corporate Accounts</b>				
<b>Other Corporate Expenditures</b>				
To transfer the COLA provision for Toronto Zoo from Non Program as a result of the settlement.	(442.3)	0.0	(442.3)	0.0
To streamline the budget allocation in the appropriate commitment items for a more accurate financial reporting of Section 37 and 45 expenditures and revenue items. The change is within the same program and service, and does not have any gross, revenue or net impact.	0.0	0.0	0.0	0.0
To allocate \$0.185 million gross and \$0 net to Shared Services, to be funded by the innovation reserve fund, for the building of change management capacity and capability at the City and agencies through the creation of an innovative Change Management practice that includes, tools and resources needed to drive consistency and provide support for the success of various transformational and other projects at the City and its agencies.	185.0	185.0	0.0	0.0

## Appendix F1

**CITY OF TORONTO  
PENDING BUDGET ADJUSTMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2017  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
To transfer Shared Services budget of \$0.415 million gross, \$0.296 million net and 2 positions from Office of the Deputy City Manager and Chief Financial Officer to Office of the Chief Transformation Officer. The Shared Services Project is a City-Wide transformational project that focuses on reducing duplication between the City and Agencies resulting in service improvements and cost savings. The goals of shared services closely align with the mandate of the newly created Office of the Chief Transformation Officer.	414.8	119.3	295.5	2.0
To increase the 2017 Operating Budget to deliver a study on the cost and benefit analysis of outsourcing Court Security and Parking Enforcement, funded by the Police Modernization Reserve.	210.0	210.0	0.0	0.0
<b>Total Other Corporate Expenditures</b>	<b>367.5</b>	<b>514.3</b>	<b>(146.8)</b>	<b>2.0</b>
<b>Parking Tag Enforcement &amp; Operations</b>				
To reduce interdivisional charge by \$0.249 million as a result of modernization of the payment processing function.	(248.5)	0.0	(248.5)	0.0
<b>Total Parking Tag Enforcement &amp; Operations</b>	<b>(248.5)</b>	<b>0.0</b>	<b>(248.5)</b>	<b>0.0</b>
<b>Total Corporate Accounts</b>	<b>119.0</b>	<b>514.3</b>	<b>(395.3)</b>	<b>2.0</b>
<b>Total Tax Supported Operations</b>	<b>3,943.6</b>	<b>3,943.6</b>	<b>0.0</b>	<b>11.2</b>
<b>Total City Operations</b>	<b>3,943.6</b>	<b>3,943.6</b>	<b>0.0</b>	<b>11.2</b>

## Appendix F2

**CITY OF TORONTO**  
**Operational Sustainment of the City of Toronto's Website**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Citizen Centred Services "A"</b>				
<b>Toronto Employment &amp; Social Services</b>				
To transfer funding of \$0.130 million gross and net, for 1 permanent position from Toronto Employment and Social Services to City Manager's Office. This represents Cluster A's contribution in support of the operational sustainment of the City of Toronto's website.	(130.0)	0.0	(130.0)	(1.0)
<b>Total Toronto Employment &amp; Social Services</b>	<b>(130.0)</b>	<b>0.0</b>	<b>(130.0)</b>	<b>(1.0)</b>
<b>Total Citizen Centred Services "A"</b>	<b>(130.0)</b>	<b>0.0</b>	<b>(130.0)</b>	<b>(1.0)</b>
<b>Citizen Centred Services "B"</b>				
<b>City Planning</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total City Planning</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Engineering &amp; Construction Services</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Engineering &amp; Construction Services</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Fire Services</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Fire Services</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Municipal Licensing &amp; Standards</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Municipal Licensing &amp; Standards</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Policy, Planning, Finance &amp; Administration</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Policy, Planning, Finance &amp; Administration</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Toronto Building</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Toronto Building</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>

Staff report for action on Operating Variance Report for the Six Month Period  
 Ended June 30th, 2017

Appendix F2

**CITY OF TORONTO**  
**Operational Sustainment of the City of Toronto's Website**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Transportation Services</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Transportation Services</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Total Citizen Centred Services "B"</b>	<b>(101.1)</b>	<b>0.0</b>	<b>(101.1)</b>	<b>0.0</b>
<b>Internal Services</b>				
<b>Facilities, Real Estate, Environment &amp; Energy</b>				
To transfer \$0.043 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(43.0)	0.0	(43.0)	0.0
<b>Total Facilities, Real Estate, Environment &amp; Energy</b>	<b>(43.0)</b>	<b>0.0</b>	<b>(43.0)</b>	<b>0.0</b>
<b>Information &amp; Technology</b>				
To transfer \$0.043 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(43.0)	0.0	(43.0)	0.0
<b>Total Information &amp; Technology</b>	<b>(43.0)</b>	<b>0.0</b>	<b>(43.0)</b>	<b>0.0</b>
<b>Office of the Treasurer</b>				
To transfer funding of \$0.082 million gross, \$0.043 million net, and 1 permanent to fund a Web Content Lead in Strategic Communications, City Manager's Office.	(82.3)	(39.3)	(43.0)	(1.0)
<b>Total Office of the Treasurer</b>	<b>(82.3)</b>	<b>(39.3)</b>	<b>(43.0)</b>	<b>(1.0)</b>
<b>Total Internal Services</b>	<b>(168.3)</b>	<b>(39.3)</b>	<b>(129.0)</b>	<b>(1.0)</b>
<b>City Manager's Office</b>				
To increase the City Manager's 2017 Council Approved Operating Budget by \$0.389 million gross and net and 3.0 positions to support the operational sustainment of the City of Toronto's website. As a result 2.0 positions and funding of \$0.389 million will be transferred from each Cluster. An additional 1.0 will be added to the City Manager's Office staff complement for a total of 3.0 positions.	389.0	0.0	389.0	3.0
<b>Total City Manager's Office</b>	<b>389.0</b>	<b>0.0</b>	<b>389.0</b>	<b>3.0</b>
<b>Total City Programs</b>	<b>(10.4)</b>	<b>(39.3)</b>	<b>28.9</b>	<b>1.0</b>
<b>Total Tax Supported Operations</b>	<b>(10.4)</b>	<b>(39.3)</b>	<b>28.9</b>	<b>1.0</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

Appendix F2

**CITY OF TORONTO**  
**Operational Sustainment of the City of Toronto's Website**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Solid Waste Management Services</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Solid Waste Management Services</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Toronto Water</b>				
To transfer \$0.014 million gross and net to the City Manager's Office for the operational sustainment of the City of Toronto's website.	(14.4)	0.0	(14.4)	0.0
<b>Total Toronto Water</b>	<b>(14.4)</b>	<b>0.0</b>	<b>(14.4)</b>	<b>0.0</b>
<b>Total Non Levy Operations</b>	<b>(28.9)</b>	<b>0.0</b>	<b>(28.9)</b>	<b>0.0</b>
<b>Total City Operations</b>	<b>(39.3)</b>	<b>(39.3)</b>	<b>0.0</b>	<b>1.0</b>



Appendix F3

**CITY OF TORONTO**  
**City-Wide Real Estate Review (CWRER)**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Facilities, Real Estate, Environment &amp; Energy</b>				
<p>At its meeting on May 24, 2017, the "City-Wide Real Estate Transformation" (EX25.9) staff report was adopted by City Council in support of continuing the City-Wide Real Estate Review (CWRER) initiative. It is requested that Council approve the following budget adjustments in support of CWRER and the strategic direction recommended in the staff report for a total increase of \$0.492 million gross and \$0 net to the 2017 Council Approved Operating Budget for Facilities, Real Estate, Environment &amp; Energy (FREEE):</p>				
<ul style="list-style-type: none"> <li>• To fund 1.0 Legal Subject Matter Expert (SME) position between June 2017 to May 2018 with a total financial impact to FREEE's 2017 Council Approved Operating Budget of \$0.099 million gross and \$0 net, with the recovery funded through the Innovation Reserve Fund</li> </ul>	98.6	98.6	0.0	0.0
<ul style="list-style-type: none"> <li>• To fund 1.0 position from City Clerk's Office for the cross-functional transition team between June 2017 to Dec 2017 through an inter-divisional cost and recovery (IDC/IDR), with a total financial impact to FREEE's 2017 Council Approved Operating Budget of \$0.066 million gross and \$0 net, with the recovery funded through the Innovation Reserve Fund.</li> </ul>	66.3	66.3	0.0	0.0
<ul style="list-style-type: none"> <li>• To increase FREEE's 2017 Council Approved Operating Budget by \$0.071 million gross and \$0 net. At its meeting on July 12, 2016, Council approved one-time transition costs over nine months of \$1.702 million and 8.0 temporary positions with funding provided from the Innovation Reserve for the CWRER cross-functional transition team. The \$0.071 million gross and \$0 net represents the unspent balance to continue this work in 2017.</li> </ul>	71.3	71.3	0.0	0.0
<ul style="list-style-type: none"> <li>• To increase FREEE's 2017 Council Approved Operating Budget by \$0.256 million gross and \$0 net, funded from the Innovation Reserve for additional one-time transition costs to continue work on the CWRER initiative as part of the project's implementation period.</li> </ul>	255.9	255.9	0.0	0.0
<b>Total Facilities, Real Estate, Environment &amp; Energy</b>	<b>492.1</b>	<b>492.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Internal Services</b>	<b>492.1</b>	<b>492.1</b>	<b>0.0</b>	<b>0.0</b>

Appendix F3

**CITY OF TORONTO**  
**City-Wide Real Estate Review (CWRER)**  
**PENDING BUDGET ADJUSTMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Other City Programs</b>				
<b>City Clerk's Office</b>				
At its meeting on May 24, 2017, the "City-Wide Real Estate Transformation" (EX25.9) staff report was adopted by City Council in support of continuing the City-Wide Real Estate Review (CWRER) initiative. It is requested that Council approve the adjustment to create an inter-divisional cost and recovery (IDC/IDR) between FREEE and City Clerk's Office to allow the cost recovery by City Clerk's Office for providing 1.0 position to the cross-functional transition team for the period of June to December 2017. The financial impact to the City Clerk's office 2017 Approved Operating Budget is an increase of \$0.066 million gross and \$0 net and 1.0 temporary position.	66.3	66.3	0.0	1.0
<b>Total City Clerk's Office</b>	<b>66.3</b>	<b>66.3</b>	<b>0.0</b>	<b>1.0</b>
<b>Legal Services</b>				
At its meeting on May 24, 2017, the "City-Wide Real Estate Transformation" (EX25.9) staff report was adopted by City Council in support of continuing the City-Wide Real Estate Review (CWRER) initiative. Two positions with salary and benefits were transferred from FREEE to LS in Q2 2016 for the development of a temporary cross-functional transition team for the period of June 2016 to May 2017. It has now been determined that only 1.0 Legal Subject Matter Expert (SME) is required from June 2017 to May 2018. As such, 1.0 position is being deleted from LS. The total financial impact to FREEE's 2017 Council Approved Operating Budget is an increase of \$0.099 million gross and \$0 net, with recovery for the one remaining position funded through the Innovation Reserve Fund (XR1713).	98.6	98.6	0.0	1.0
<b>Total Legal Services</b>	<b>98.6</b>	<b>98.6</b>	<b>0.0</b>	<b>1.0</b>
<b>Total Other City Programs</b>	<b>164.9</b>	<b>164.9</b>	<b>0.0</b>	<b>2.0</b>
<b>Total City Operations</b>	<b>657.0</b>	<b>657.0</b>	<b>0.0</b>	<b>2.0</b>

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

## Appendix G

### Operating Variance report for the Six Month Period Ended June 30, 2017 Operating Dashboards for City Programs and Agencies

#### Citizen Centred Services "A"

Figure 8: Net Variance Summary

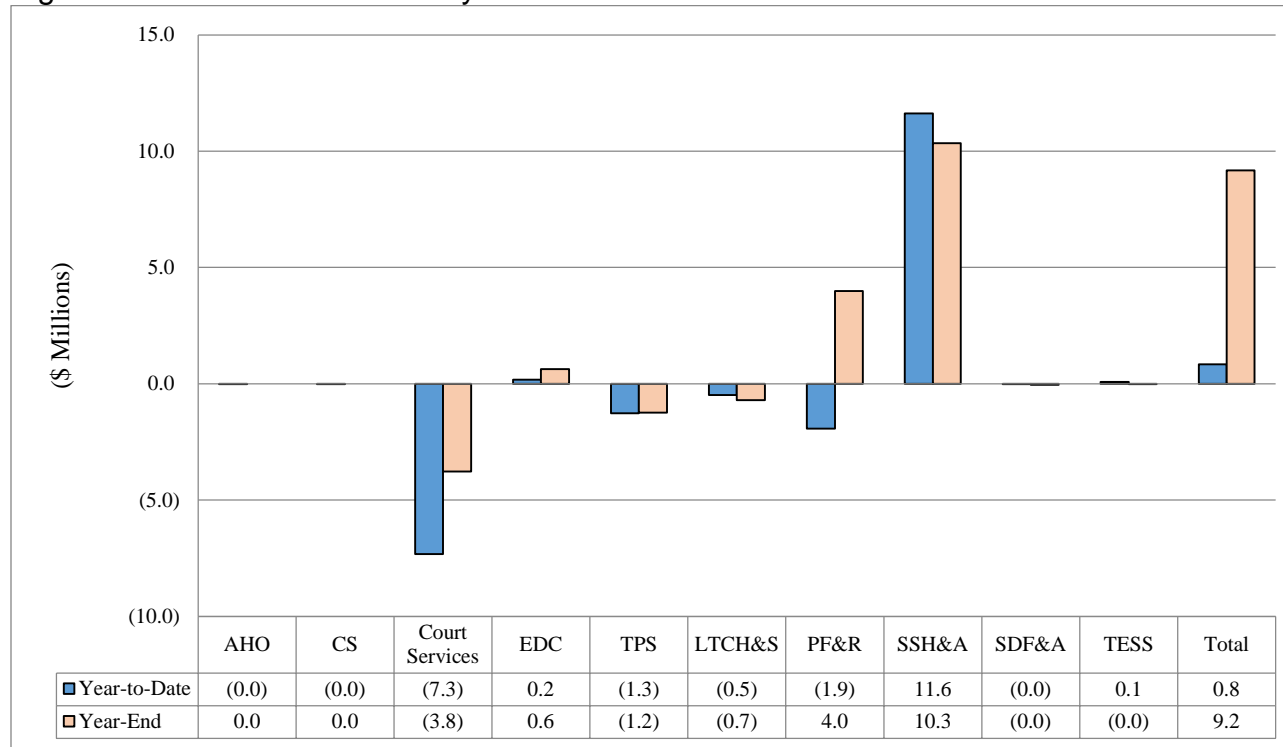


Figure 8 illustrates **Citizen Centred Services "A"** year-to-date and year-end projected net variances. As of June 30, 2017 the Cluster was reporting a net unfavourable variance of \$0.841 million or 0.2%, and projecting a year-end unfavourable variance of \$9.179 million or 0.8% compared to the 2017 Approved Net Operating Budget.

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

## Appendix G

Figure 9: Citizen Centred Services "A" Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
			trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Affordable Housing Office	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	Ⓜ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.2)	▼	(0.2)	▼	(0.0)	—	Ⓞ	(0.1)	▼	(0.1)	▼	0.0	—	Ⓞ
Children's Services	3-Month	0.0	—	0.6	▲	(0.6)	▼	Ⓞ	0.6	▲	0.6	▲	0.0	—	Ⓞ
	6-Month	(0.5)	▼	(0.5)	▼	(0.0)	—	Ⓞ	0.9	▲	0.9	▲	0.0	—	Ⓞ
Court Services	3-Month	(0.8)	▼	0.6	▲	(1.4)	▼	Ⓜ	(1.8)	▼	1.3	▲	(3.1)	▼	Ⓞ
	6-Month	(1.0)	▼	6.3	▲	(7.3)	▼	Ⓜ	(2.2)	▼	1.5	▲	(3.8)	▼	Ⓞ
Economic Development & Culture	3-Month	0.7	▲	0.3	▲	0.4	▲	Ⓞ	1.9	▲	1.3	▲	0.6	▲	Ⓡ
	6-Month	0.6	▲	0.4	▲	0.2	▲	Ⓞ	1.2	▲	0.6	▲	0.6	▲	Ⓡ
Toronto Paramedic Services	3-Month	(0.2)	▼	(0.0)	—	(0.2)	▼	Ⓞ	(0.4)	▼	0.0	—	(0.4)	▼	Ⓞ
	6-Month	(0.3)	▼	1.0	▲	(1.3)	▼	Ⓞ	0.1	▲	1.3	▲	(1.2)	▼	Ⓞ
Long Term Care Homes and Services	3-Month	(4.5)	▼	(4.4)	▼	(0.1)	▼	Ⓞ	(6.0)	▼	(5.5)	▼	(0.5)	▼	Ⓞ
	6-Month	(7.6)	▼	(7.1)	▼	(0.5)	▼	Ⓞ	(9.3)	▼	(8.6)	▼	(0.7)	▼	Ⓞ
Parks, Forestry & Recreation	3-Month	(0.8)	▼	(0.8)	▼	0.0	—	Ⓞ	(7.7)	▼	(7.7)	▼	(0.0)	—	Ⓞ
	6-Month	(4.1)	▼	(2.2)	▼	(1.9)	▼	Ⓞ	(15.7)	▼	(19.7)	▼	4.0	▲	Ⓡ
Shelter, Support & Housing Administration	3-Month	(23.1)	▼	(23.4)	▼	0.3	▲	Ⓞ	5.4	▲	0.0	—	5.4	▲	Ⓡ
	6-Month	(0.7)	▼	(12.3)	▼	11.6	▲	Ⓡ	(22.1)	▼	(32.5)	▼	10.3	▲	Ⓡ
Social Development, Finance & Administration	3-Month	(0.4)	▼	(0.2)	▼	(0.2)	▼	Ⓞ	(5.5)	▼	(5.4)	▼	(0.1)	▼	Ⓞ
	6-Month	(0.8)	▼	(0.8)	▼	(0.0)	—	Ⓞ	(5.5)	▼	(5.5)	▼	(0.0)	—	Ⓞ

Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017

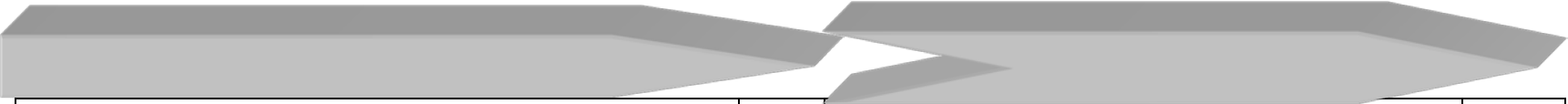
## Appendix G

Figure 10: Citizen Centred Services "A" Year-to-Date Variance and Year-End Variance Projection Summary





City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
			trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto Employment & Social Services	3-Month	(3.4)	▼	(3.4)	▼	(0.0)	—	Ⓞ	(2.8)	▼	(2.8)	▼	0.0	—	Ⓞ
	6-Month	0.4	▲	0.3	▲	0.1	▲	Ⓞ	5.1	▲	5.1	▲	(0.0)	—	Ⓞ
Total	3-Month	(32.6)	▼	(30.7)	▼	(1.9)	▼	Ⓞ	(16.4)	▼	(18.2)	▼	1.8	▲	Ⓜ
	6-Month	(14.1)	▼	(15.0)	▼	0.8	▲	Ⓞ	(47.6)	▼	(56.8)	▼	9.2	▲	Ⓜ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓜ	0% to 85%	Ⓜ	>105%	Year-End	Ⓞ	<=100%	Ⓜ	>100%			





**Appendix G**

**Citizen Centred Services "A"**









<p><b>Affordable Housing Office:</b></p> <ul style="list-style-type: none"> <li>Favourable net year to date variance due to lower than plan gross expenditures resulting from hiring delays and savings in non-payroll expenditures such as professional and technical services with a corresponding reduction in planned federal-provincial revenue.</li> </ul>	<p><b>G</b></p>	<ul style="list-style-type: none"> <li>Consistent with historical trends, the Affordable Housing office is projecting a net zero variance at the end of 2017 with revenues matched to anticipated program expenditures.</li> </ul>	<p><b>G</b></p>
<ul style="list-style-type: none"> <li>1.0 position below approved complement which after considering gapping is equivalent to a 2.5% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement is projected at the end of 2017.</li> </ul>	
<p><b>Children's Services:</b></p> <ul style="list-style-type: none"> <li>Favourable net variance due to over-achieved revenues from parental contributions.</li> </ul>	<p><b>G</b></p>	<ul style="list-style-type: none"> <li>Year-end \$0 net variance with higher revenues from parental contributions offsetting higher expenditures resulting from an increase in the number of subsidies provided through Q2.</li> </ul>	<p><b>G</b></p>
<ul style="list-style-type: none"> <li>22.0 positions below the approved complement which after considering budgeted gapping is equivalent to a 1.9% operating vacancy rate. The 10 vacancies reflect 2 TELCCS centres not yet opened, with 12 positions in the process of being filled.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement is projected.</li> </ul>	

<p><b>Court Service:</b></p> <ul style="list-style-type: none"> <li>Net favourable variance primarily due to under-spending in salaries and benefits from vacant positions and other non-salary expenses, over-achieved revenues due to mix of charges filed by enforcement agencies, and from the shift in the method of recognizing revenue versus the budget distribution.</li> </ul>		<ul style="list-style-type: none"> <li>Net favourable variance mainly due to operational savings resulting from processing the lower volume of tickets predominantly filed by TPS with projected 19,647 fewer charges than planned.</li> </ul>	
<ul style="list-style-type: none"> <li>28 positions below the approved complement due to delayed hiring with including staffing APS, which after considering gapping is equivalent to an 8.5% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>7 positions below the approved complement due to reduced staff requirements reflecting lower ticket volumes, which after considering gapping is equivalent to a 0.1% operating vacancy rate.</li> </ul>	
<p><b>Economic Development &amp; Culture:</b></p> <ul style="list-style-type: none"> <li>Economic Development and Culture reported unfavourable net expenditures of \$0.180 million or 0.4% over the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>Unfavourable expenditures in overspending in consulting costs due to unbudgeted TO Core Study (a study on film studios in Toronto) and program evaluation for Business Services, higher than planned utilities expenditures due to longer winter season, and severance costs as a result of restructuring arising from the 2017 Budget process.</li> <li>Favourable year-to-date revenues driven by higher sponsorship revenues from the Canada 150 initiative and additional funding for the L.A trade mission.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Economic Development and Culture projects year-end unfavourable variance of \$0.626 million or 1.0% over the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>Unfavourable expenditures driven by the severance costs arising from the 2017 Budget process and loss of the lead sponsor for the Nuit Blanche which will negatively impact the 2017 Fall programming activities. The expenditures for Nuit Blanche will be scaled back to reflect the loss of sponsor.</li> <li>Both expenditures and revenues are anticipated to be higher than budget by</li> </ul> </li> </ul>	

		<p>\$0.671 million and \$0.610 million respectively due to additional funding from the other orders of government for the Starter Company and Canada 150 Celebrations.</p>	
<ul style="list-style-type: none"> <li>• 2.0 positions below approved complement due to unexpected staff turnover. After considering budgeted gapping, this represents 0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement. The Program will not meet its gapping target and the pressures on salaries and benefits will be offset by underspending in consulting and contracted services.</li> </ul>	
<p><b>Long-Term Care Homes &amp; Services:</b></p> <ul style="list-style-type: none"> <li>• Net favourable variance due to under-spending from a delay in re-opening Kipling Acres Phase II; cost-control measures in areas where Provincial funding enhancements have been delayed and/or not yet confirmed; as well as under-spending in 100% claims-based programs, which are fully subsidized.</li> </ul>		<ul style="list-style-type: none"> <li>• Net favourable variance reflects delay in re-opening Kipling Acres Phase II, as well as under-spending in 100% claims-based programs.</li> </ul>	
<ul style="list-style-type: none"> <li>• Nil positions below the approved complement, which is equivalent to 0% vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• Nil positions below the approved complement, which is equivalent to 0% vacancy rate.</li> </ul>	
<p><b>Parks, Forestry &amp; Recreation:</b></p> <ul style="list-style-type: none"> <li>• Under-spending in salaries and benefits due to delayed hiring for capital projects and operating initiatives approved in the 2017 operating budget.</li> <li>• This underspending is partially offset by under-achieved user fee revenue for parks permits,</li> </ul>		<ul style="list-style-type: none"> <li>• Underachieved revenues of \$19.660 million related to ferry, parks &amp; recreation permit and user fees are projected to year-end. This revenue shortfall will be partially offset by expenditure savings of \$15.677 million,</li> </ul>	



<p>recreational facilities, memberships and drop-in recreational programs.</p> <ul style="list-style-type: none"> <li>• A total of \$0.273 million in unplanned expenditures has been incurred to date to mitigate the damage due to high water level at the Toronto Island and ferry ridership revenue are underachieved by \$2.0 million. Further remediation and monitoring costs from TRCA are anticipated.</li> <li>• Hydro costs are also overspent.</li> </ul>		<p>resulting in an unfavourable year end projection of \$3.983 million.</p> <ul style="list-style-type: none"> <li>• The City is currently reviewing funding options including insurance recoverable claims for extra-ordinary costs incurred and revenue losses as a result of the spring flooding.</li> </ul>	
<ul style="list-style-type: none"> <li>• 207 positions below approved complement due to delays in filling newly created positions. After considering budgeted gapping, this represents the equivalent of a 1.0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 111 positions below approved complement. After considering budgeted gapping, this represents the equivalent of a 0% operating vacancy rate.</li> </ul>	
<p><b>Shelter, Support &amp; Housing Administration:</b></p> <ul style="list-style-type: none"> <li>• Net unfavourable variance primarily attributable to lower than plan expenditures in Social Housing resulting from implementation delays in projects funded by the City's allocation under various Federal-Provincial grant programs. Lower expenditures in Social Housing have been more than offset by overspending in Hostel Services resulting from a sustained increase in demand for services as well as lower grant revenue draws and timing differences in revenue recognition.</li> </ul>	<span style="color: red; font-weight: bold;">R</span>	<ul style="list-style-type: none"> <li>• SSHA projects a net unfavourable year end variance primarily attributable to overspending in Hostel Services resulting from continuing occupancy pressures partly mitigated by an anticipated yearend favorable variance in Social Housing due to hiring delays and savings in housing provider subsidies for mortgage payments, operating and rent subsidies.</li> </ul>	<span style="color: red; font-weight: bold;">R</span>
<ul style="list-style-type: none"> <li>• 75.3 positions below approved complement which after considering gapping is equivalent to a 5.7% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 38.3 positions below approved complement which after considering gapping is equivalent to a 1.2% operating vacancy rate.</li> </ul>	

<p><b>Social Development, Finance and Administration:</b></p> <ul style="list-style-type: none"> <li>• A favourable variance primarily due to hiring delays.</li> </ul>		<ul style="list-style-type: none"> <li>• Favourable net variance due to delays in filling vacant positions, with gross under spending and lower revenue due to a delay in delivering the Tower Renewal Hi-Rise Retrofit Improvement Program.</li> </ul>	
<ul style="list-style-type: none"> <li>• 7 positions below the approved complement due to delays in hiring, which after gapping is equivalent to a 2.0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>	
<p><b>Toronto Employment &amp; Social Services:</b></p> <ul style="list-style-type: none"> <li>• Net expenditures were over budget by \$0.084 million or 0.2% as higher than anticipated Ontario Works (OW) benefits are offset by higher expenditure based provincial subsidies. The average caseload of 83,924 cases is 76 cases lower than the projection of 84,000 cases.</li> </ul>		<ul style="list-style-type: none"> <li>• TESS is projecting a zero net variance with higher gross expenditures fully offset by higher expenditure based provincial subsidies.</li> </ul>	
<ul style="list-style-type: none"> <li>• 19 positions above the approved complement, which after considering gapping is equivalent to 0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 13 positions below the approved complement which after considering gapping is equivalent to a 0% operating vacancy rate.</li> </ul>	
<p><b>Toronto Paramedic Services:</b></p> <ul style="list-style-type: none"> <li>• Lower gross expenditures primarily due to salaries and benefits resulting from operations overtime savings and vacancies in CACC and Operations Support Services and over-achieved revenues due to increase of Land Ambulance Grant.</li> </ul>		<ul style="list-style-type: none"> <li>• Net favourable variance mainly due to projected savings in salaries and benefits.</li> </ul>	

- 11 positions below the approved complement, which after considering gapping is equivalent to 0% operating vacancy rate.

- 15 positions below the approved complement which after considering gapping is equivalent to 0% operating vacancy rate.

## Appendix G

### Citizen Centred Services "B"

Figure 11: Net Variance Summary

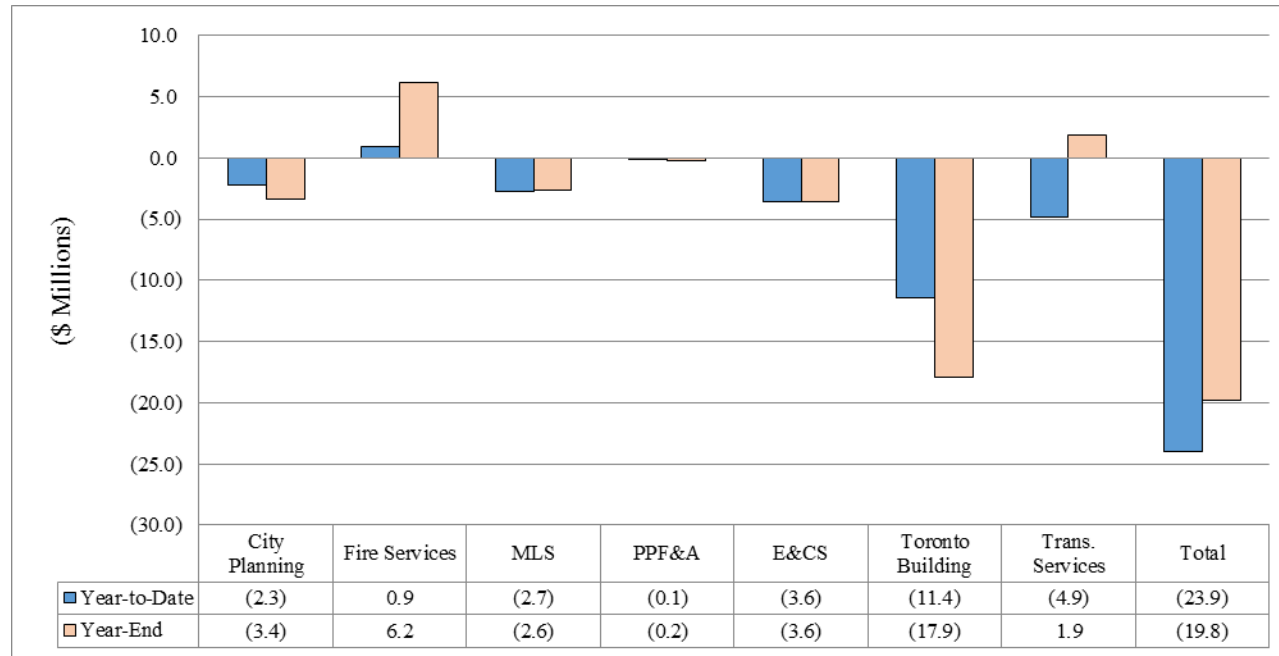


Figure 10 provides an overview of **Citizen Centred Services "B"** is year-to-date and year-end projected net variances. As of June 30, 2017 the Cluster is reporting a net favourable variance of \$23.947 million or 6.7%, and projecting a year-end positive variance of \$19.755 million or 2.9% compared to the 2017 Approved Net Operating Budget

## Appendix G



Figure 12: Citizen Centred Services "B" Year-to-Date Variance and Year-End Variance Projection Summary





City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Planning	3-Month	(0.7)	▼	0.2	▲	(0.9)	▼	Ⓞ	(0.3)	▼	0.7	▲	(1.0)	▼	Ⓞ
	6-Month	(1.0)	▼	1.3	▲	(2.3)	▼	Ⓞ	(0.6)	▼	2.9	▲	(3.4)	▼	Ⓞ
Fire Services	3-Month	(0.3)	▼	1.0	▲	(1.2)	▼	Ⓞ	1.0	▲	0.6	▲	0.5	▲	Ⓜ
	6-Month	2.5	▲	1.6	▲	0.9	▲	Ⓞ	6.7	▲	0.6	▲	6.2	▲	Ⓜ
Municipal Licensing & Standards	3-Month	(1.1)	▼	0.2	▲	(1.3)	▼	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(2.2)	▼	0.5	▲	(2.7)	▼	Ⓨ	(2.3)	▼	0.3	▲	(2.6)	▼	Ⓞ
Policy, Planning, Finance and Administration	3-Month	(0.8)	▼	(0.8)	▼	(0.0)	—	Ⓞ	(1.4)	▼	(1.1)	▼	(0.2)	▼	Ⓞ
	6-Month	(1.6)	▼	(1.5)	▼	(0.1)	▼	Ⓞ	(1.8)	▼	(1.6)	▼	(0.2)	▼	Ⓞ
Engineering and Construction Services	3-Month	(2.0)	▼	(1.3)	▼	(0.7)	▼	Ⓨ	(4.8)	▼	(4.6)	▼	(0.2)	▼	Ⓞ
	6-Month	(5.0)	▼	(1.4)	▼	(3.6)	▼	Ⓨ	(6.2)	▼	(2.5)	▼	(3.6)	▼	Ⓞ
Toronto Building	3-Month	(1.3)	▼	(0.2)	▼	(1.1)	▼	Ⓞ	(2.9)	▼	0.0	—	(2.9)	▼	Ⓞ
	6-Month	(2.4)	▼	9.0	▲	(11.4)	▼	Ⓞ	(3.5)	▼	14.4	▲	(17.9)	▼	Ⓞ
Transportation Services	3-Month	0.1	▲	4.5	▲	(4.5)	▼	Ⓞ	(36.3)	▼	(39.4)	▼	3.1	▲	Ⓜ
	6-Month	0.7	▲	5.5	▲	(4.9)	▼	Ⓞ	(22.1)	▼	(24.0)	▼	1.9	▲	Ⓜ
Total	3-Month	(6.1)	▼	3.6	▲	(9.8)	▼	Ⓞ	(44.8)	▼	(44.0)	▼	(0.8)	▼	Ⓞ
	6-Month	(8.9)	▼	15.0	▲	(23.9)	▼	Ⓞ	(29.8)	▼	(10.0)	▼	(19.8)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓨ	0% to 85%	Ⓜ	>105%	Year-End	Ⓞ	<=100%	Ⓜ	>100%			



Staff report for action on Operating Variance Report for the Six Month Period Ended June 30th, 2017.

## Appendix G



### Citizen Centred Services "B"



<p><b>City Planning:</b></p> <ul style="list-style-type: none"> <li>• Favourable gross expenditures variance of \$0.961 million due to savings in salaries and benefits from hiring delays, offset by higher IDC for postage, printing and copying for increased development review and study activity.</li> <li>• Favourable revenue of \$1.299 million from stronger user fees due to higher volumes of development applications for Community Planning and Committee of Adjustment, offset by lower recoveries from capital and reserve funds due to delayed hiring.</li> </ul>		<ul style="list-style-type: none"> <li>• City Planning is projecting a favourable gross expenditure of \$0.562 million mainly due to lower salaries and benefits from vacancies during the year, offset by increased IDC for postage, printing and copying for higher development review and study activity.</li> <li>• Favourable revenue projection of \$2.851 million is due to the expected continuation of strong fee results from increased volumes of applications for both Community Planning and Committee of Adjustment.</li> </ul>	
<ul style="list-style-type: none"> <li>• 33.0 positions below the approved complement, which after gapping, is equivalent to a 3.3% operating vacancy rate.</li> <li>• City Planning is actively recruiting to fill positions but is delayed by office space restrictions to seat new hires and to attract experienced candidates due to the temporary nature of the positions.</li> </ul>		<ul style="list-style-type: none"> <li>• City Planning is projecting 21.0 positions below the approved complement, which after considering budgeted gapping, represents a 1.7% operating vacancy rate.</li> </ul>	



<p><b>Fire Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable net variance, with over spending primarily due to WSIB awards arising from claims for 14 work-related cancers and work-related Post Traumatic Stress Disorders, partially offset by over achieved false alarm revenues and an unbudgeted one-time HUSAR provincial grant.</li> </ul>		<ul style="list-style-type: none"> <li>Year-end unfavourable variance net primarily due to over-expenditures in non-salary expenses and WSIB settlements. Fire services will continue to monitor and report WSIB expenditures throughout the year.</li> </ul>	
<ul style="list-style-type: none"> <li>68.0 positions below approved complement due to vacancies from retirement and the timing of the hiring of 8 new positions for the Fire Code Re-inspection program, which after considering gapping, is equivalent a 0.1% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>26.0 positions below approved complement, reflecting anticipated retirements and the hiring of new recruits which, after considering gapping, is equivalent to a 0% operating vacancy rate.</li> </ul>	
<p><b>Municipal Licensing &amp; Standards:</b></p> <ul style="list-style-type: none"> <li>Under-expenditures totaling \$3.34 million mainly arise from a combination of salaries and benefits savings (\$2.09 million) which are mainly due to processing time to fill vacancies. The balance of underspending (\$1.25 million) mainly included delay in obtaining a work plan from Toronto Wildlife Centre which has delayed the 2017 Grant and lower spending on contracted services for delayed audit services. Under-expenditures also included the delayed procurement of furniture &amp; fixtures, new uniforms and computer software, credit related merchant fees and in-town meterage and parking. <ul style="list-style-type: none"> <li>Partially offsetting over-expenditures of \$1.11 million mainly include the impact of the new accrual policy implementation (\$0.73 million) in regards to vehicle reserve contributions and inter-divisional charges. Miscellaneous</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Projecting to be under budget by \$2.62 million with net expenditures of \$16.78 million at year-end.</li> <li>Expenditures of \$50.8 million are projected to be under budget by \$2.4 million or 4.4% at year-end mainly due to staff vacancies and to delay in receiving the work plan for Toronto Wildlife Centre grant disbursement. <ul style="list-style-type: none"> <li>Hiring and complement functions have been centralized to streamline the process to manage consistency and timing. Measures such as succession planning initiatives have been established through developmental opportunities with the goal of securing a pool of qualified candidates to fill vacancies in a more timely manner.</li> </ul> </li> </ul>	

<p>expenditure accounts were also overspent including emergency veterinary expenditures (\$0.12 million) due increased activity.</p> <ul style="list-style-type: none"> <li>Higher than planned net revenue of \$2.21 million was comprised of higher revenue of \$1.63 million due to higher than expected volumes of PTC (Private Transportation Company) applications, trip fees and associated accruals as well as higher than planned revenue from licenses &amp; permits and increased insurance recoveries. <ul style="list-style-type: none"> <li>Offsetting revenue shortfalls of \$1.72 million were driven by lower than planned MRAB registration, inspection and audit fee revenue of \$0.83 million. In addition, there was delayed reserve funding of \$0.86 million mainly due to the delay in obtaining a work plan from Toronto Wildlife Centre so that the funding has not yet been advanced from the reserve account.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Revenue of \$34.02 million is estimated to be over-achieved by 0.8% or \$0.28 million at year-end. <ul style="list-style-type: none"> <li>The Program is anticipating underachievement in Animal Services revenue due to waived fees for low-income individuals, lower than planned volumes for animal adoptions and delayed grant funding for the Toronto Wildlife Centre, however, these shortfalls are expected to be offset by higher revenues from PTC.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>As of the 2nd quarter, ML&amp;S is 51 positions below total approved complement due to an on-going recruiting process with most of the positions to be filled in the coming months.</li> <li>After considering budgeted gapping, this is equivalent to an 8.4% operating vacancy rate. The Program is continuing the process of recruiting qualified candidates and repurposing positions.</li> </ul>		<ul style="list-style-type: none"> <li>It is anticipated that ML&amp;S will be 19 positions below the total approved complement of 479.5 due to on-going recruiting issues.</li> <li>After considering budgeted gapping, this is equivalent to a 1.7% operating vacancy rate. The Division is now hiring temporary staff to mitigate the length of time it takes to fill positions permanently.</li> </ul>	
<p><b>Policy, Planning, Finance &amp; Administration:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditure variance of \$1.553 million due to slower project pace on the Metrolinx</li> </ul>		<ul style="list-style-type: none"> <li>PPF&amp;A is projecting a favourable variance for gross expenditures of \$1.810 million due to the timing of the Regional Express Rail</li> </ul>	



<p>Regional Express Rail (RER) project and reduced salary &amp; benefits costs attributed to vacancies.</p> <ul style="list-style-type: none"> <li>• Unfavourable revenue variance of \$1.484 million due to lower recoveries from Metrolinx for the slow pace on the RER project, lower recovery from Bell Canada for its Smart City initiative, and reduced inter-divisional recoveries from Toronto Water and Solid Waste Management for lower gross expenditures for services provided to these clients.</li> <li>• Favourable net variance of \$0.069 million mainly due to vacancies offsetting the reduced inter-divisional recoveries for lower gross expenditures to service Toronto Water and Solid Waste Management.</li> </ul>		<p>(RER) project and savings in salaries &amp; benefits realized from vacancies during the year.</p> <ul style="list-style-type: none"> <li>• Unfavourable revenue variance projection of \$1.604 million due to lower recoveries from Metrolinx for the RER project impacted by a slower than anticipated project pace, and due to lower inter-divisional recoveries from Solid Waste Management and Toronto Water for lower expenditures to service these clients.</li> <li>• Favourable projected net variance of \$0.206 million mainly attributed to vacancies offsetting the reduced inter-divisional recoveries from Toronto Water and Solid Waste Management.</li> </ul>	
<ul style="list-style-type: none"> <li>• 14.4 positions below approved complement of 189.4, which after considering the budgeted gapping rate, is equivalent to a 3.6% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 9.0 positions below the approved complement, and after considering the budgeted gapping rate, is equivalent to a 0.8% operating vacancy rate.</li> </ul>	
<p><b>Engineering and Construction Services:</b></p> <ul style="list-style-type: none"> <li>• Under-spending in salaries and benefits due to vacant positions.</li> <li>• Lower recoveries from client capital projects resulting from vacant positions.</li> <li>• Partially offset by higher full stream application fees due to higher volume of applications from utility companies.</li> </ul>		<ul style="list-style-type: none"> <li>• Under-spending in salaries and benefits expected to continue due to vacant positions.</li> <li>• Lower recoveries from client capital projects will also continue as a result of the vacant positions.</li> <li>• Partially offset by higher full stream application fees due to projection of higher volume of applications from utility companies.</li> </ul>	

<ul style="list-style-type: none"> <li>65.0 positions below the approved complement due to a combination of challenges, namely exits (retirements and transfers to other Divisions) and internal promotions which result in no net change to the vacancy rate, lack of success attracting and recruiting senior technical professionals, and a limited supply of top calibre talent in key business areas (e.g., bridge engineers).</li> <li>After considering budgeted gapping, it is equal to a 4.5% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>Significant targeted recruitment efforts will continue with the aim of reducing vacancies to 42.0 positions below the approved complement. A combination of issues will continue to pose staffing challenges, including exits (retirements and transfers to other Divisions) and internal promotions which result in no net change to the vacancy rate, difficulties attracting senior technical professionals, and a limited supply of top calibre talent in key business areas.</li> <li>After considering budgeted gapping, it is equal to a 2.8% operating vacancy rate.</li> </ul>	
<p><b>Toronto Building:</b></p> <ul style="list-style-type: none"> <li>Other gross expenditures are \$2.447 million under budget mainly due to under spending in salaries and benefits as a result of vacant positions.</li> <li>Positive revenue variance of \$8.956 resulting from higher volumes of building permit applications than anticipated.</li> </ul>		<ul style="list-style-type: none"> <li>Projecting positive net expenditures of \$17.901 million at year end. Gross expenditures will be under budget by \$3.501 million mainly due to vacant positions.</li> <li>Revenue will exceed budget by \$14.4 million due to higher than expected building permit applications.</li> <li>Toronto Building continues to actively monitor its spending against the Council Approved 2017 Operating Budget.</li> </ul>	
<ul style="list-style-type: none"> <li>36 positions below approved complement, which after gapping is equivalent to a 4.8% operating vacancy rate.</li> <li>Toronto Building continues to actively recruit to address the filling of vacant positions.</li> </ul>		<ul style="list-style-type: none"> <li>29.0 positions below approved complement of 468.0 positions.</li> <li>Toronto Building continues to actively recruit to address the filling of vacant positions.</li> </ul>	

<p><b>Transportation Services:</b></p> <ul style="list-style-type: none"> <li>• Lower costs and decreased salt usage in the winter maintenance program due to the mild winter conditions, and under-spending in salaries and benefits due to vacant positions.</li> <li>• Offset by higher than planned costs for street lighting maintenance contracts and street lighting hydro costs.</li> <li>• Under-achieved utility cut repair net revenue and temporary permit parking fees due to lower than expected volumes.</li> <li>• More than offset by higher right-of-way permit fees due to higher than expected construction activity, higher volume of street occupation application fees, and higher boulevard parking permit fees.</li> </ul>		<ul style="list-style-type: none"> <li>• Under-achieved utility cut repair net revenue due to lower than expected volumes.</li> <li>• Partially offset by lower contract costs and decreased salt usage in the winter maintenance program due to the mild winter conditions, and under-spending in salaries and benefits due to vacant positions.</li> </ul>	
<ul style="list-style-type: none"> <li>• 83.0 positions below the approved complement due to a combination of events that result in a 'domino effect' within the Program (i.e. retirements and transfers to other Divisions are often then filled through internal promotions which result in no net change to the vacancy rate while the hiring process proceeds).</li> <li>• After considering budgeted gapping, it is equal to a 1.1% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 83.0 positions below the approved complement, after considering budgeted gapping it is equal to a 1.1% operating vacancy rate.</li> <li>• Transportation Services continues to implement an accelerated hiring program to address the filling of vacant positions.</li> </ul>	

## Appendix G

### Internal Services

Figure 13: Net Variance Summary

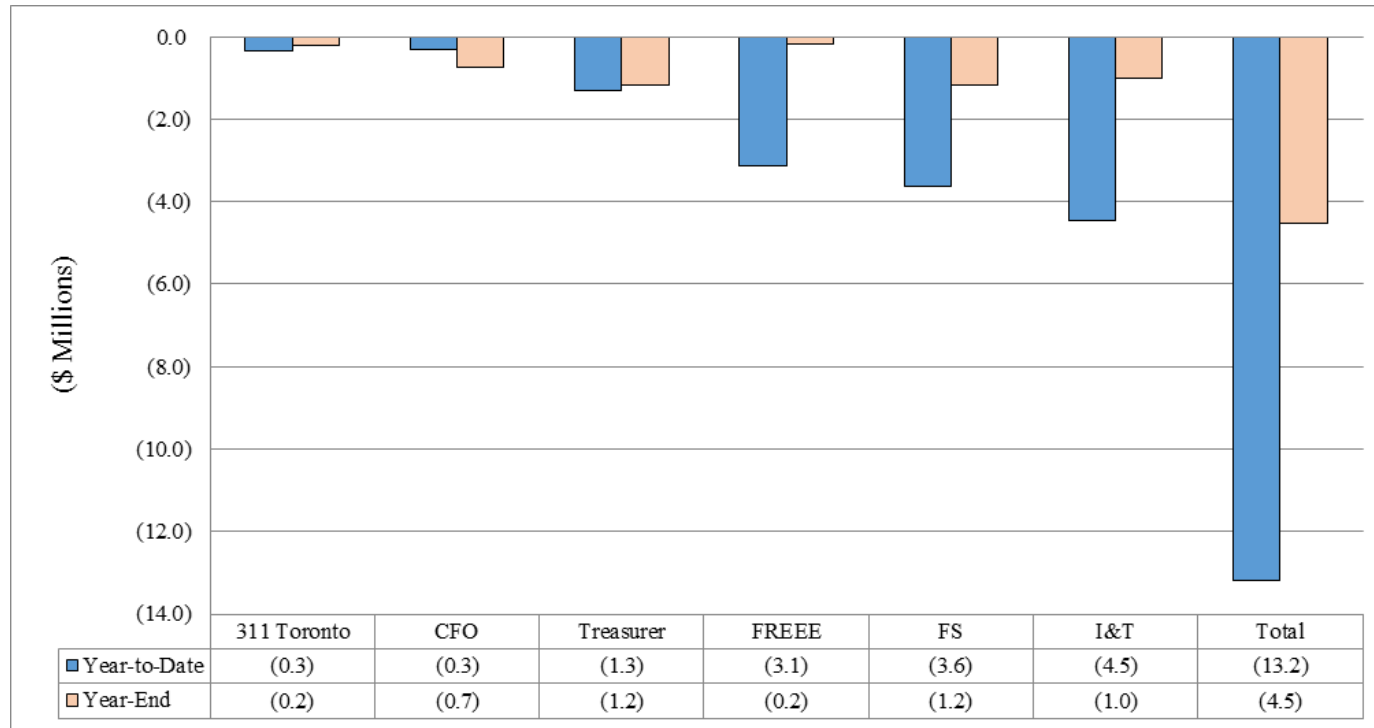


Figure 12 is summarizing Internal Services year-to-date and year-end projected net variances. As of June 30, 2017 **Internal Services** reported a net favourable variance of \$13.186 million or 11.3%, and projecting a year-end positive variance of \$4.509 million or 2.3% compared to the 2017 Approved Net Operating Budget.

## Appendix G

Figure 13: Internal Services Year-to-Date Variance and Year-End Variance Projection Summary





City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer	3-Month	(0.4)	▼	(0.3)	▼	(0.1)	▼	Ⓞ	(0.8)	▼	(0.6)	▼	(0.3)	▼	Ⓞ
	6-Month	(0.8)	▼	(0.5)	▼	(0.3)	▼	Ⓞ	(1.3)	▼	(0.5)	▼	(0.7)	▼	Ⓞ
Office of the Treasurer	3-Month	(0.4)	▼	(0.3)	▼	(0.1)	▼	Ⓞ	(0.5)	▼	(0.3)	▼	(0.2)	▼	Ⓞ
	6-Month	(0.0)	—	1.3	▲	(1.3)	▼	Ⓞ	(2.4)	▼	(1.3)	▼	(1.2)	▼	Ⓞ
Facilities, Real Estate, Environment & Energy	3-Month	(2.2)	▼	(0.2)	▼	(2.0)	▼	Ⓞ	(6.5)	▼	(6.4)	▼	(0.1)	▼	Ⓞ
	6-Month	(1.7)	▼	1.4	▲	(3.1)	▼	Ⓞ	(4.5)	▼	(4.4)	▼	(0.2)	▼	Ⓞ
Fleet Services	3-Month	0.6	▲	0.9	▲	(0.3)	▼	Ⓡ	3.0	▲	3.2	▲	(0.2)	▼	Ⓞ
	6-Month	4.3	▲	7.9	▲	(3.6)	▼	Ⓞ	3.2	▲	4.4	▲	(1.2)	▼	Ⓞ
Information & Technology	3-Month	(3.2)	▼	(2.1)	▼	(1.1)	▼	Ⓞ	(9.2)	▼	(9.2)	▼	(0.0)	—	Ⓞ
	6-Month	(7.6)	▼	(3.2)	▼	(4.5)	▼	Ⓞ	(13.5)	▼	(12.5)	▼	(1.0)	▼	Ⓞ
311 Toronto	3-Month	(0.2)	▼	(0.1)	▼	(0.1)	▼	Ⓞ	(0.4)	▼	(0.3)	▼	(0.2)	▼	Ⓞ
	6-Month	(0.6)	▼	(0.2)	▼	(0.3)	▼	Ⓞ	(0.5)	▼	(0.3)	▼	(0.2)	▼	Ⓞ
Total	3-Month	(5.8)	▼	(2.1)	▼	(3.7)	▼	Ⓞ	(14.4)	▼	(13.5)	▼	(0.9)	▼	Ⓞ
	6-Month	(6.5)	▼	6.7	▲	(13.2)	▼	Ⓞ	(19.0)	▼	(14.5)	▼	(4.5)	▼	Ⓞ



  

<b>Year-to-Date Net Variance</b>	Ⓞ 85% to 105%	Ⓢ 0% to 85%	Ⓡ >105%	<b>Year-End</b>	Ⓞ ≤100%	Ⓡ >100%
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## Appendix G

### Internal Services



<p><b>Office of the Chief Financial Officer:</b></p> <ul style="list-style-type: none"> <li>Underspending is mainly from the delays in filling operating and capital vacancies partially offset by corresponding lower capital and reserve/reserve funds recoveries.</li> </ul>		<ul style="list-style-type: none"> <li>Projected year-end net favourable variance is mainly due to savings from delays in filling vacant positions.</li> </ul>	
<ul style="list-style-type: none"> <li>18.0 vacant positions or 11.2% operating vacancy rate after budgeted gapping.</li> <li>Positions are in various stages of being filled.</li> <li>The impact of vacancies is being mitigated by having critical work performed by existing staff.</li> </ul>		<ul style="list-style-type: none"> <li>4.0 vacant positions or 1.7% operating vacancy rate after budgeted gapping.</li> </ul>	
<p><b>Office of the Treasurer:</b></p> <ul style="list-style-type: none"> <li>Underspending is mainly due to the delays in filling vacant positions, partially offset by overspending in postage charges and an increase in collection agency fees.</li> <li>Over-achieved revenues are mainly attributable to higher user fees and tax registration/certificate revenues offset by under-achieved recoveries related to dedicated staffing arrangements.</li> </ul>		<ul style="list-style-type: none"> <li>Projected year-end net favourable variance is mainly due to savings from delays in filling vacant operational positions. This is partially offset by underachieved revenues mainly due to lower recoveries from reserve/reserve funds and recoveries from other divisions for dedicated staffing arrangements.</li> </ul>	
<ul style="list-style-type: none"> <li>65.0 vacant positions or 6.4% operating vacancy rate after budgeted gapping.</li> <li>Recruitment strategies are underway for all vacant positions.</li> </ul>		<ul style="list-style-type: none"> <li>25.0 vacant positions below approved complement which, after considering budgeted gapping, is equivalent to 0.4% operating vacancy rate.</li> </ul>	

<p><b>Facilities, Real Estate, Environment &amp; Energy:</b></p> <ul style="list-style-type: none"> <li>Underspending is mainly driven by a large number of vacancies across the Division with 45.9% of total vacancies coming from Facilities Management (FM) due to restructuring. This is partially offset by overspending in contracted services related to demand maintenance work, as well as higher year-to-date utility costs from the inclusion of an accrual in accordance with Accounting Services' new accrual policy. The June accrual has resulted in a misalignment between the year-to-date Budget and actuals, as the Budget reflects utility accounts for the first five months of the year based on historical actuals and billing cycles.</li> <li>Under-collection of revenues is attributed to lower than anticipated leasing revenues from credits applied to tenants based on the reconciliation of property taxes and common area maintenance (CAM) charges, as well as reduced recoveries from capital and reserve funds from underspending in Environment &amp; Energy programs and consulting services related to the City-Wide Real Estate Review project. A portion of this is recovered through higher inter-departmental revenues and other revenue sources from both internal and external clients.</li> </ul>		<ul style="list-style-type: none"> <li>Underspending in salaries and benefits from vacant positions will be the main driver of the surplus expected.</li> <li>This will be partially offset by over-expenditures in utilities from usage increases driven by higher hydro requirements during the summer months. The year-end forecast also takes into account the cost impact of the Province of Ontario's new Fair Hydro Plan which has resulted in a significant reduction in the year-end overspend originally forecasted in the Q1 Operating Variance Report.</li> <li>Over-expenditures in contracted services costs are also anticipated due to demand maintenance requests and the use of external service providers to deliver services in the absence of internal resources.</li> </ul>	
<ul style="list-style-type: none"> <li>131.6 positions below the approved complement. Vacancy drivers include staff turnover from retirements, staff taking on new opportunities across the City, as well as general delays in hiring relating to the implementation of the new FM structure. After considering budgeted gapping,</li> </ul>		<ul style="list-style-type: none"> <li>80.6 positions below the approved complement. Key drivers of projected vacancies include staff turnover resulting from retirements, staff taking on new opportunities across the City and general delays in the hiring process. After</li> </ul>	

<p>current vacancies represent the equivalent of a 9.3% operating vacancy rate.</p> <ul style="list-style-type: none"> <li>The impacts of vacancies across the program include existing staff working extra hours to cover 24/7 and critical operations, a greater reliance on external contractors to support operations and delays to address work order requests. Overall, the program is mitigating these impacts as much as possible to meet service levels.</li> </ul>		<p>considering budgeted gapping, this represents the equivalent of a 4.5% operating vacancy rate.</p> <ul style="list-style-type: none"> <li>The division is expecting the vacancy rate to decrease in 2017 as the new FM structure is implemented, a number of these positions will be filled. FREEE is working with Corporate HR to ensure vacant positions are filled as soon as possible.</li> </ul>	
<p><b>Fleet Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditures of \$4.274 million is due to increased maintenance costs for vehicles that have passed their optimum life and higher fuel costs due to timing, partially offset by vacancy savings.</li> <li>Increase in recoveries from client divisions due to higher expenditure for maintenance costs and accrual of expense earlier than budgeted.</li> </ul>	G	<ul style="list-style-type: none"> <li>Anticipated increases in maintenance costs for vehicles and equipment that have passed their optimum life will be offset by increases in recoveries from client divisions.</li> <li>Favourable net expenditure variance of \$1.184 million is due to vacancy savings.</li> </ul>	G
<ul style="list-style-type: none"> <li>35 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 15.0% operating vacancy rate.</li> <li>Service levels are being maintained through increased overtime and contract work.</li> </ul>		<ul style="list-style-type: none"> <li>8 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 1.5% operating vacancy rate.</li> </ul>	
<p><b>Information &amp; Technology:</b></p> <ul style="list-style-type: none"> <li>Underspending in gross expenditures is mainly attributed to project vacancies offset by a corresponding under-recovery from capital.</li> <li>Underspending from vacant operating positions and maintenance costs is partially offset by</li> </ul>	G	<ul style="list-style-type: none"> <li>Underspending from capital vacancies will be offset by corresponding lower recoveries from capital.</li> <li>Savings from operating vacancies and maintenance costs is being offset by</li> </ul>	G



<p>unfunded dedicated HR team for IT staff recruitment and lower recoveries from interdivisional revenues. .</p>		<p>unbudgeted students and co-op recruitments, office renovation of office space required at various locations to accommodate the increasing staff complement, an unfunded dedicated IT HR recruitment team and lower recovery of interdivisional revenues.</p>	
<ul style="list-style-type: none"> <li>• There were 141.0 vacancies (64.0 operating and 77.0 capital) including 32.0 held for gapping, representing an operating vacancy rate of 4.8% after budgeted gapping.</li> <li>• The division continues to fill operating vacancies with little impact to the vacancy rate as most positions are filled by internal candidates. To mitigate impacts on service levels, overtime has been used and will continue to be used to provide ongoing services with recruitment strategies underway.</li> <li>• Capital positions and funding are planned to be staged with project readiness and time-lines. Many of these capital vacancies are expected to be filled later this year in accordance with the status of projects and milestones to ensure financial projection is aligned with planned project budget, schedules and deliverables.</li> </ul>		<ul style="list-style-type: none"> <li>• 121.0 vacant positions (58.0 operating and 63.0 capital) below approved complement which, after considering budgeted gapping, is equivalent to 3.8% operating vacancy rate.</li> <li>• I &amp; T continues to work closely with a dedicated team of HR professionals to fill capital positions in alignment with project phases and I &amp; T Division objectives and project schedules.</li> </ul>	

<p><b>311 Toronto:</b></p> <ul style="list-style-type: none"> <li>• Underspending is mainly attributed to vacancies in the Project Management Office (PMO) and underspending in contracts due to various contract negotiations and IT technologies currently being upgraded.</li> <li>• Revenues are under-collected as result of vacancies in PMO resulting in under recoveries from capital projects and an over collection in inter-divisional recovery (IDR) from Toronto Public Health (TPH) due to a budget alignment to reflect higher after-hours support usage in Q1 and Q2 than originally budgeted. The TPH IDR will have no variance at year-end.</li> <li>• Achieved 82% of calls answered within 75 seconds, compared to the 80% Council approved service level.</li> </ul>		<ul style="list-style-type: none"> <li>• Minor net favourable variance is mainly due to expected favourable contract negotiation results with vendors for Contact Centre infrastructure support and maintenance, and the modification of Contact Centre staff hours via the optimized scheduling implementation.</li> </ul>	
<ul style="list-style-type: none"> <li>• 5.0 positions below the approved complement due to gapping as four out of five operating positions are kept vacant to meet divisional gapping target. After considering budgeted gapping, this represents the equivalent of 0.7% operating vacancy rate.</li> <li>• No service level impact resulting from this vacancies. Recruitment is in progress for the remaining position.</li> </ul>	<ul style="list-style-type: none"> <li>• 4.0 positions below the approved complement due to 4.0 gapped operating positions expected to be vacant based on the timing of capital projects commencing. After considering budgeted gapping, this represents the equivalent of 0.1% operating vacancy rate.</li> <li>• No service level impact resulting from these vacancies.</li> </ul>		

## Appendix G

### City Manager's Office

The City Manager's Office reported a net favourable year-to-date variance of \$0.703 million and is forecasting a favourable year-end variance of \$0.422 million or 0.9% compared to the 2017 Approved Net Operating Budget.

Figure 14: City Manager's Office Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend			
City Manager's Office	3-Month	0.4	▲	0.4	▲	(0.0)	—	Ⓞ	2.1	▲	2.5	▲	(0.4)	▼	Ⓞ
	6-Month	1.7	▲	1.0	▲	0.7	▲	Ⓞ	3.1	▲	3.5	▲	(0.4)	▼	Ⓞ
<b>Year-to-Date Net Variance</b>		Ⓞ	85% to 105%	Ⓜ	0% to 85%	Ⓡ	>105%	<b>Year-End</b>	Ⓞ	<=100%	Ⓡ	>100%			

<p><b>City Manager's Office:</b></p> <ul style="list-style-type: none"> <li>Unfavourable YTD net variance is mainly due to changes in the in-year Accrual Policy and Procedures.</li> </ul>		Ⓞ	<ul style="list-style-type: none"> <li>Projected year-end net favourable variance is mainly due to staff vacancies.</li> </ul>	Ⓞ
<ul style="list-style-type: none"> <li>36.0 positions below the approved complement and, after considering budgeted gapping, this represents the equivalent of 2.1% operating vacancy rate.</li> </ul>			<ul style="list-style-type: none"> <li>10.0 positions below the approved complement and, after considering budgeted gapping, this represents the equivalent of 0% operating vacancy rate.</li> </ul>	

## Appendix G

### Other City Programs

Figure 15: Net Variance Summary

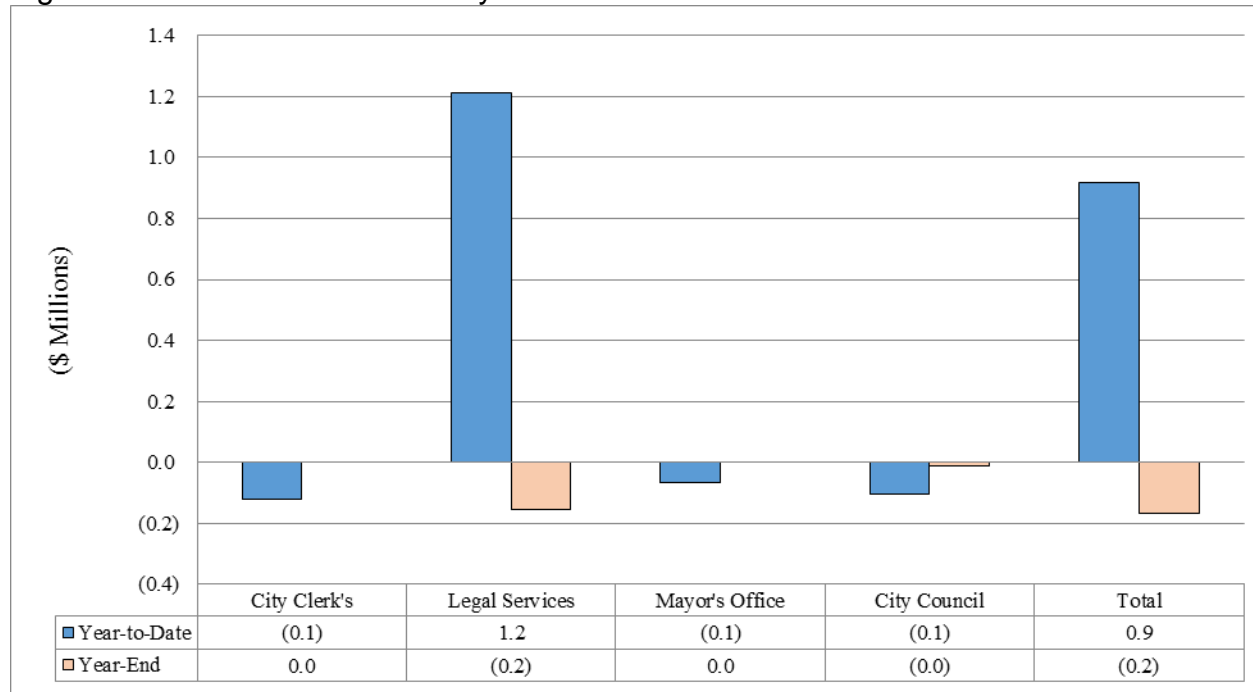


Figure 15 illustrates program specific year-to-date and year-end projected net variances. As of June 30, 2017 **Other City Programs** are reporting a net unfavourable variance of \$0.919 million or 2.5%, and projecting a positive net variance of \$0.167 million or 0.2% at year-end.

## Appendix G





Figure 14: Other City Programs Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Clerk's Office	3-Month	(0.3)	▼	(0.1)	▼	(0.2)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.1)	▼	0.1	▲	(0.1)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Legal Services	3-Month	(2.6)	▼	(2.4)	▼	(0.2)	▼	Ⓞ	(2.7)	▼	(2.4)	▼	(0.3)	▼	Ⓞ
	6-Month	(5.5)	▼	(6.7)	▼	1.2	▲	Ⓡ	(2.3)	▼	(2.1)	▼	(0.2)	▼	Ⓞ
Mayor's Office	3-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.1)	▼	0.0	—	(0.1)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
City Council	3-Month	(0.1)	▼	0.1	▲	(0.2)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.1)	▼	0.0	—	(0.1)	▼	Ⓞ	0.0	—	0.0	—	(0.0)	—	Ⓞ
Total	3-Month	(3.0)	▼	(2.4)	▼	(0.6)	▼	Ⓞ	(2.7)	▼	(2.4)	▼	(0.3)	▼	Ⓞ
	6-Month	(5.7)	▼	(6.6)	▼	0.9	▲	Ⓞ	(2.3)	▼	(2.1)	▼	(0.2)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

## Appendix G

### Other City Programs

<p><b>City Clerk's Office:</b></p> <ul style="list-style-type: none"> <li>Slightly favourable net variance is mainly due to underspending in salaries and benefits as a result of delay in filling vacancies.</li> </ul>	<p><b>G</b></p>	<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	<p><b>G</b></p>
<ul style="list-style-type: none"> <li>22.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 0.5% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>12.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 0% operating vacancy rate.</li> </ul>	
<p><b>Legal Services:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditure of \$5.482 million is due to staff vacancies resulting from delay in implementation of the Administrative Penalty System, and the Development Application Fee Review which is currently underway.</li> <li>On a net basis, \$1.212 million lower than budget is mainly due to lower Inter-divisional Recoveries resulting from vacancies.</li> </ul>	<p><b>R</b></p>	<ul style="list-style-type: none"> <li>Projected year-end slightly favourable net variance than budget</li> <li>Legal staff are working overtime to maintain service levels, and actively filling the vacant positions.</li> </ul>	<p><b>G</b></p>
<ul style="list-style-type: none"> <li>Down 56 positions or 12.8% operating vacancy rate after budgeted gapping.</li> <li>Hiring process is underway to fill vacancies.</li> <li>Legal staff are working overtime to maintain service levels.</li> </ul>		<ul style="list-style-type: none"> <li>12.5 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of 1.0% operating vacancy rate.</li> <li>Many of the vacancies will be filled in Q3.</li> </ul>	

<p><b>Mayor's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable variance is mainly due to lower spending in salaries and benefits.</li> </ul>		<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	
<ul style="list-style-type: none"> <li>1.0 positions or 1.6% operating vacancy rate after considering budgeted gapping.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement.</li> </ul>	
<p><b>City Council:</b></p> <ul style="list-style-type: none"> <li>Favourable variance is mainly due to underspending in Councillors' Constituency Services and Office Budgets, and Councillors and Staff Salaries &amp; Benefits as a result of different staffing strategies adopted by various Councillors, partially offset by higher spending in Council General Budget.</li> </ul>		<ul style="list-style-type: none"> <li>Projected year-end net slightly favourable variance is dependent on future spending patterns.</li> </ul>	
<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>	

## Appendix G

### Accountability Offices

Figure 17: Net Variance Summary

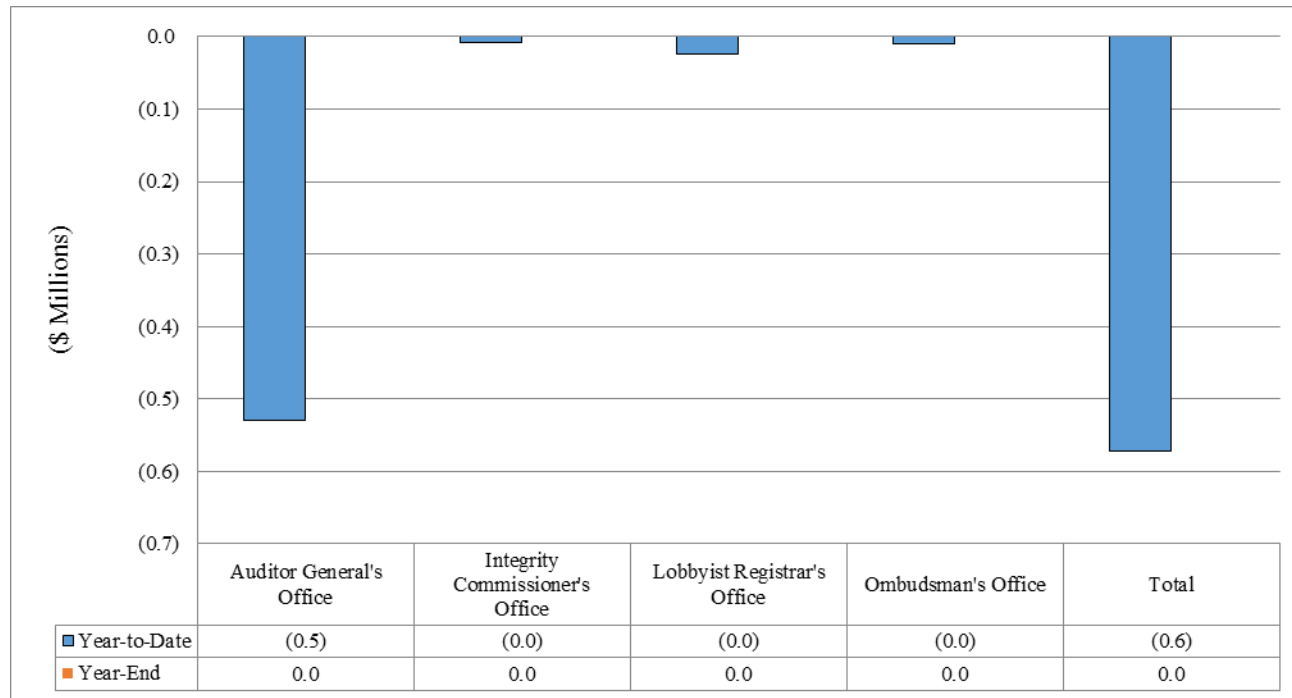


Figure 17 provides an overview of the Accountability Offices year-to-date and year-end projected net variances. As of June 30, 2017 **Accountability Offices** are reporting a net favourable variance of \$0.572 million or 13.4%, and projecting to be on budget a year-end.







## Appendix G

Figure 18: Accountability Offices Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend			
Auditor General's Office	3-Month	(0.3)	▼	0.0	—	(0.3)	▼	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.5)	▼	0.0	—	(0.5)	▼	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Integrity Commissioner's Office	3-Month	0.0	—	0.0	—	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Lobbyist Registrar's Office	3-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Ombudsman's Office	3-Month	0.0	—	0.0	—	(0.0)	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Total	3-Month	(0.3)	▼	0.0	—	(0.3)	▼	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.6)	▼	0.0	—	(0.6)	▼	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
<b>Year-to-Date Net Variance</b>	Ⓚ	85% to 105%	Ⓚ	0% to 85%	Ⓚ	>105%	<b>Year-End</b>	Ⓚ	<=100%	Ⓚ	>100%				

## Appendix G

### Accountability Offices

<p><b>Auditor General's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable variance is mainly due to lower spending in salaries and benefits.</li> </ul>		<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	
<ul style="list-style-type: none"> <li>7.0 positions over the approved complement of 32.0.</li> <li>As at June 30, 2017, the Office has filled 31.0 of the 32.0 approved positions. 3.0 co-op students have been hired to manage its workload with funding from staff vacancies during the first six months of the year, and 5.0 temporary positions have been hired to undertake value for money audits and investigations per Council direction.</li> </ul>		<ul style="list-style-type: none"> <li>14.0 temporary positions over the approved complement of 32.0.</li> <li>In response to the Council approved increase of \$1.0 million to the Auditor General's 2017 Operating Budget, the Auditor General provided a report to the Audit Committee at its meeting on June 27, 2017 (AU9.15) with an overview of how the allocated resources will be used in 2017 and 2018. It includes additional audits to her 2017 Audit Work Plan, many of which are currently underway. In addition to the 5.0 temporary staff that have been hired, 9.0 temporary staff will also be hired to undertake value for money audits and investigations per Council direction.</li> </ul>	
<p><b>Integrity Commissioner's Office:</b></p> <ul style="list-style-type: none"> <li>Slightly favourable variance is mainly due to underspending in services and rents and salaries and benefits.</li> </ul>		<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	
<ul style="list-style-type: none"> <li>1.0 position below the approved complement.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement.</li> </ul>	

<p><b>Lobbyist Registrar's Office:</b></p> <ul style="list-style-type: none"> <li>Slightly favourable variance is mainly due to underspending in services and rents.</li> </ul>	<p>G</p>	<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	<p>G</p>
<ul style="list-style-type: none"> <li>0.3 Position below the approved complement, which represent 1.7% operating vacancy rate after the budgeted gapping. This represents 0.3 temporary position which is only filled if operational needs arise.</li> </ul>		<ul style="list-style-type: none"> <li>0.3 positions below the approved complement.</li> </ul>	
<p><b>Ombudsman's Office:</b></p> <ul style="list-style-type: none"> <li>Slightly favourable variance is mainly due to lower spending in services and rents for the period, partly offset by higher spending in salaries and benefits.</li> </ul>	<p>G</p>	<ul style="list-style-type: none"> <li>The projection is to be on budget at year-end.</li> </ul>	<p>G</p>
<ul style="list-style-type: none"> <li>2.0 positions over the approved complement of 12.0.</li> <li>As of March 31 2017, complement consists of 10.0 staff and 4.0 temporary staff to help with investigative and capital workload requirements of the Office.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement.</li> </ul>	

## Appendix G

### Agencies

Figure 19: Net Variance Summary

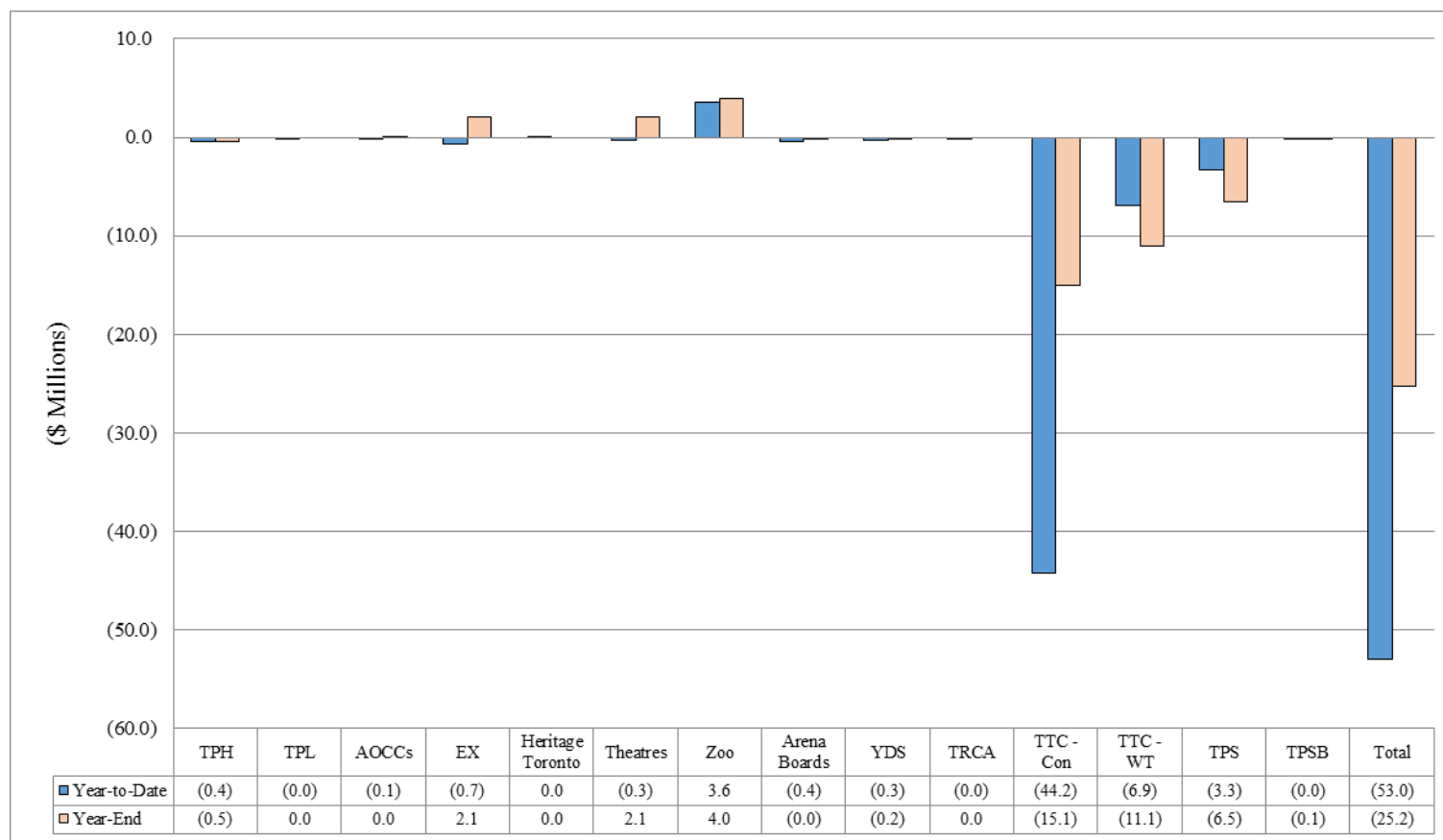


Figure 19 illustrates Agencies' specific year-to-date and year-end projected net variances. As of June 30, 2017 **Agencies** are reporting a net favourable variance of \$53.012 million or 5.6%, and are projecting a year-end positive variance of \$25.250 million or 1.3% compared to the 2017 Approved Net Operating Budget.

## Appendix G

Figure 20: Agencies Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto Public Health	3-Month	(1.0)	▼	(0.8)	▼	(0.3)	▼	⊙	(2.7)	▼	(2.2)	▼	(0.5)	▼	⊙
	6-Month	(2.2)	▼	(1.8)	▼	(0.4)	▼	⊙	(3.9)	▼	(3.4)	▼	(0.5)	▼	⊙
Toronto Public Library	3-Month	(0.5)	▼	0.2	▲	(0.7)	▼	⊙	0.3	▲	0.3	▲	0.0	—	⊙
	6-Month	0.9	▲	0.9	▲	(0.0)	—	⊙	0.9	▲	0.9	▲	0.0	—	⊙
Association of Community Centres	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊙	(0.0)	—	(0.0)	—	(0.0)	—	⊙
	6-Month	(0.0)	—	0.0	—	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Exhibition Place	3-Month	(2.6)	▼	(2.0)	▼	(0.6)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(1.4)	▼	(0.7)	▼	(0.7)	▼	⊙	2.9	▲	0.9	▲	2.1	▲	Ⓡ
Heritage Toronto	3-Month	(0.1)	▼	(0.1)	▼	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(0.1)	▼	(0.1)	▼	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Theatres	3-Month	0.2	▲	0.8	▲	(0.6)	▼	Ⓢ	(0.4)	▼	(0.5)	▼	0.1	▲	Ⓡ
	6-Month	(0.9)	▼	(0.6)	▼	(0.3)	▼	⊙	2.5	▲	0.4	▲	2.1	▲	Ⓡ
Toronto Zoo	3-Month	(0.6)	▼	(0.9)	▼	0.3	▲	Ⓡ	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(3.6)	▼	(7.1)	▼	3.6	▲	Ⓡ	(3.3)	▼	(7.3)	▼	4.0	▲	Ⓡ
Arena Boards of Management	3-Month	(0.1)	▼	0.5	▲	(0.5)	▼	⊙	(0.0)	—	(0.0)	—	(0.0)	—	⊙
	6-Month	(0.1)	▼	0.3	▲	(0.4)	▼	⊙	(0.9)	▼	(0.9)	▼	(0.0)	—	⊙

## Appendix G

Figure 20: Agencies Year-to-Date Variance and Year-End Variance Projection Summary





City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto & Region Conservation Authority	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.2)	▼	(0.2)	▼	(0.0)	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Toronto Transit Commission - Conventional	3-Month	(13.8)	▼	(2.4)	▼	(11.4)	▼	Ⓞ	(8.5)	▼	(8.5)	▼	(0.0)	—	Ⓞ
	6-Month	(44.3)	▼	(0.0)	—	(44.2)	▼	Ⓢ	(34.5)	▼	(19.4)	▼	(15.1)	▼	Ⓞ
Toronto Transit Commission - Wheel Trans	3-Month	(2.0)	▼	(0.0)	—	(2.0)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(7.1)	▼	(0.2)	▼	(6.9)	▼	Ⓞ	(11.6)	▼	(0.5)	▼	(11.1)	▼	Ⓞ
Toronto Police Service	3-Month	(0.3)	▼	0.1	▲	(0.3)	▼	Ⓞ	(1.1)	▼	0.2	▲	(1.3)	▼	Ⓞ
	6-Month	(3.2)	▼	0.1	▲	(3.3)	▼	Ⓞ	(6.3)	▼	0.2	▲	(6.5)	▼	Ⓞ
Toronto Police Services Board	3-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ	(0.1)	▼	0.0	—	(0.1)	▼	Ⓞ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ	(0.1)	▼	0.0	—	(0.1)	▼	Ⓞ
Total	3-Month	(20.7)	▼	(4.5)	▼	(16.2)	▼	Ⓞ	(12.2)	▼	(10.3)	▼	(1.9)	▼	Ⓞ
	6-Month	(61.9)	▼	(8.9)	▼	(53.0)	▼	Ⓞ	(53.5)	▼	(28.3)	▼	(25.2)	▼	Ⓞ

<b>Year-to-Date Net Variance</b>	Ⓞ 85% to 105%	Ⓢ 0% to 85%	Ⓡ >105%	<b>Year-End</b>	Ⓞ ≤100%	Ⓡ >100%
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## Appendix G

### City Agencies





<p><b>Toronto Public Health:</b></p> <ul style="list-style-type: none"> <li>• Under-expenditures mainly for salaries and benefits due to retirements, short term leaves and unfilled positions.</li> </ul>		<ul style="list-style-type: none"> <li>• Actions such as strategic hiring practices and on-going monitoring are being done to ensure that vacancies are filled and the service levels remain consistent.</li> </ul>	
<ul style="list-style-type: none"> <li>• 94 positions below approved complement which after considering gapping was equivalent to a 0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• 89 positions below approved complement which after considering gapping is equivalent to a 0% operating vacancy rate.</li> </ul>	
<p><b>Toronto Public Library:</b></p> <ul style="list-style-type: none"> <li>• Toronto Public Library reported favourable net expenditure variance of \$0.009 million or 0.01% below the 2017 Approved Operating Budget.           <ul style="list-style-type: none"> <li>• Unfavourable expenditures variance of \$0.632 million is attributable to timing of the Libraries' programming activities which are fully offset by the unbudgeted grant revenues received from the Toronto Public Library Foundation for \$0.924 million.</li> <li>• An unfavourable variance of \$0.283 million in utility costs is the result of colder than normal temperatures through the winter and spring seasons.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Toronto Public Library expects no year-end variance at this time.</li> </ul>	
<ul style="list-style-type: none"> <li>• 89.0 positions below approved complement due to the extended closure of the North York Centre</li> </ul>		<ul style="list-style-type: none"> <li>• Year-end complement will be 89.0 positions below the approved complement of 1,729</li> </ul>	



Library branch. This represents an operating vacancy rate of 2.4% after budgeted gapping.		positions due to the extended closure of the North York Centre Library branch.	
<b>Association of Community Centres:</b> <ul style="list-style-type: none"> <li>Favourable variance due to lower seasonal usage for utilities and timing of expenses for merit pay and various office administration costs.</li> </ul>	G	<ul style="list-style-type: none"> <li>Net variance is projected to be nil as the variance resulted from timing and seasonality will be mitigated by the end of the year.</li> </ul>	G
<ul style="list-style-type: none"> <li>0.0 positions below approved complement which after considering gapping is equivalent to a 0.0% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>0.0 positions below approved complement which after considering gapping is equivalent to a 0.0% operating vacancy rate.</li> </ul>	
<b>Exhibition Place:</b> <ul style="list-style-type: none"> <li>Exhibition Place reported favourable net expenditure variance of \$0.689 million or 94.9% below the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>Favourable utilities expenditure variance of \$0.688 million driven by management energy initiatives and savings from energy retrofit projects.</li> <li>Unfavourable revenue variance of \$0.708 million driven by the timing of new businesses offset by decreases in related expenditures at Exhibition Place, Enercare Centre, and Beanfield Centre.</li> </ul> </li> </ul>	G	<ul style="list-style-type: none"> <li>Exhibition Place projects unfavourable net expenditure variance of \$2.058 million or 1,666.0% above the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>Exhibition Place is forecasting an overspending of \$2.114 million due to non-recoverable property taxes reassessment net of recoveries.</li> </ul> </li> </ul>	R
<ul style="list-style-type: none"> <li>Full complement.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement.</li> </ul>	
<b>Heritage Toronto:</b> <ul style="list-style-type: none"> <li>As planned for this period. Overall unfavourable net expenditure variance of \$0.146 million (49%) consists of an unfavourable revenue variance of</li> </ul>	G	<ul style="list-style-type: none"> <li>Heritage Toronto anticipates meeting its budgeted net expenditure position of \$0.297 million by year-end.</li> </ul>	G









<p>\$0.291 million offset by a favourable expenditure variance of \$0.437 million as the agency's revenue-generating tour and awards programs take place in the second half of the year.</p>			
<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>	
<p><b>Theatres:</b></p> <ul style="list-style-type: none"> <li>• Civic Theatres Toronto reported favourable year-to-date net expenditures of \$0.262 million or 11.0% below the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>• Sony Centre reported favourable net variance of \$0.222 million driven by lower volume of programming activities which resulted in lower expenditures of \$0.776 million partially offset by lower programming revenues of \$0.555 million.</li> <li>• St. Lawrence Centre for the Arts reported net favourable variance of \$0.004 million driven by lower volume of programming activities which resulted from lower programming expenditures of \$0.129 million partially offset by lower programming revenues of \$0.125 million.</li> <li>• Toronto Centre for the Arts reported net favourable variance of \$0.005 million driven by higher than budgeted programming activities.</li> <li>• Underspensing in Leadership Development of \$0.032 million due to timing of marketing expenditures.</li> </ul> </li> </ul>	<span style="color: green; font-weight: bold;">G</span>	<ul style="list-style-type: none"> <li>• Civic Theatres Toronto projects a year-end unfavourable variance of \$2.093 million or 35.4% above the 2017 Approved Operating Budget.</li> <li>• Leadership Development projects unfavourable year-end net expenditures of \$2.340 million due to the following one-time restructuring expenses: <ul style="list-style-type: none"> <li>• IT Infrastructure set-up for central phone and payroll systems for \$0.561 million,</li> <li>• Branding and marketing expenses for the new CTT organization for \$0.150 million,</li> <li>• Minor office repair work and reconfiguration of office spaces at all three Theatres for \$0.495 million, and</li> <li>• Staff transition costs of \$1.500 million.</li> <li>• Additional expenditures of \$2.111 million will be incurred in 2018 to pay for additional marketing, infrastructure and staff transition costs.</li> <li>• Sony Centre is expected to generate favourable net variance of \$0.470 million driven by increased stage rentals and event programming.</li> </ul> </li> </ul>	<span style="color: red; font-weight: bold;">R</span>

<ul style="list-style-type: none"> <li>12.2 positions below the approved complement of 187.7 due to lower programming activities at the Sony Centre and St. Lawrence Centre. There is no budgeted gapping for CTT.</li> </ul>		<ul style="list-style-type: none"> <li>6.0 positions above the approved complement of 187.7 due to increased programming activities at the St. Lawrence Centre.</li> </ul>	
<p><b>Toronto Zoo:</b></p> <ul style="list-style-type: none"> <li>Toronto Zoo reported unfavourable net expenditure variance of \$3.562 million or 53.2% over the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>The Zoo was closed to the public for approximately 5 weeks due to labour disruptions which resulted in a revenue loss of \$7.1 million. This is partially offset by lower expenditures of \$3.6 million reflecting foregone operating costs such as wages and inventory costs for retail inventories.</li> </ul> </li> </ul>	R	<ul style="list-style-type: none"> <li>Toronto Zoo projects unfavourable net expenditure variance of \$4.000 million or 34.5% over the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>Unfavourable results are primarily driven by the labour disruptions. The Zoo is increasing its promotions and advertisement efforts to restore the operations to normal levels.</li> <li>Excluding the impacts of the labour disruptions, the Zoo expects to be on target with respect to revenues and attendance.</li> </ul> </li> </ul>	R
<ul style="list-style-type: none"> <li>18.0 positions below approved complement of 394.0 positions due to natural turnover. After considering budgeted gapping, this represents the equivalency of 2.3% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>6.0 positions below approved complement of 394.0 positions due to natural turnover. Zoo is actively searching for candidates to fill as many vacant positions as possible by year-end. This represents a 1.5% operating vacancy rate after considering budgeted gapping.</li> </ul>	
<p><b>Arena Boards of Management:</b></p> <ul style="list-style-type: none"> <li>Overall favourable net expenditure variance of \$0.404 million consists of favourable gross expenditure variance of \$0.144 million attributable to timing of utility bills and other expenditures offset</li> </ul>	G	<ul style="list-style-type: none"> <li>The Arena Boards of Management anticipate exceeding their budgeted net surplus of \$0.020 million by 10.4% or \$0.002 million by year-end.</li> </ul>	G

<p>by favourable gross revenue variance of \$0.261 million due to timing of league fee prepayments.</p>			
<ul style="list-style-type: none"> <li>• Full Complement</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement</li> </ul>	
<p><b>Yonge Dundas Square (YDS):</b></p> <ul style="list-style-type: none"> <li>• Yonge-Dundas Square reported net favourable variance of \$0.301 million or 75.4% below the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>• Favourable revenue variance of \$0.598 million driven by the new sponsorship agreement and higher than planned number of events on the Square.</li> <li>• Unfavourable expenditures variance of \$0.297 million due to increases in event support and marketing costs.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>• Yonge-Dundas Square projects a favourable year-end net variance of \$0.165 million or 43.6% below the 2017 Approved Operating Budget. <ul style="list-style-type: none"> <li>• Favourable revenue variance of \$0.783 million attributable to the new sponsorship and digital signage agreements.</li> <li>• Unfavourable expenditures variance of \$0.619 million which will provide support for the above-mentioned increases in activities on the Square.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>	
<p><b>Toronto &amp; Region Conversation Authority:</b></p> <ul style="list-style-type: none"> <li>• As planned for this period.</li> </ul>		<ul style="list-style-type: none"> <li>• Each year, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. In 2017, TRCA will receive the full funding amount as approved by Council, resulting in no year-end variance.</li> </ul>	
<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>		<ul style="list-style-type: none"> <li>• Full complement.</li> </ul>	

<p><b>Toronto Transit Commission – Conventional:</b></p> <ul style="list-style-type: none"> <li>There were 40.6M customer journeys taken during May, which was 1.0M (2.4%) less than the budget of 41.6M journeys. The number of customer journeys taken year-to-date to the end of May was 214.9M, which was 4.2M (1.9%) less than the budget of 219.1M journeys.</li> </ul> <p>Expenses were under budget (\$44.2) million or 5.0% largely due to:</p> <ul style="list-style-type: none"> <li>Departmental material expenses under budget by \$19.7M YTD. TTC has identified this variance as resulting from the specific timing of when certain expenses will occur.</li> <li>Salaries and benefits under budget by \$10.5M, resulting from delays in filling positions and the need to have some operating staff on capital projects.</li> <li>Accident Claims, Accident Claims cash payments are under budget by \$4.8M YTD.</li> <li>The remaining under spend is resulting from utilities (\$4.3M), Diesel (\$3.2M), and other Non-Departmental (\$1.5)</li> </ul>		<ul style="list-style-type: none"> <li>Current forecasts indicate that ridership could fall approximately 5.5 million rides below the target of 543.8 million (or 538.3 million) with corresponding passenger revenue shortfalls of about \$8.5 million. Staff will continue to closely monitor and scrutinize additional results and will provide an update on the year-end projected ridership and passenger revenues in due course.</li> <li>Currently, a \$15.1 million (or 2.7%) year-end subsidy surplus is projected. The key budget variances that account for this projection are as follows:</li> </ul> <p>Revenue:</p> <p>Stabilization Reserve Draw: \$14.0 million decrease</p> <p>Passenger Revenues: \$4.5 million decrease</p> <p>Expenditures decreases:</p> <p>Labour expenses \$12.3 million, Employee Benefits \$6 million, Diesel \$5.0 million, Utilities \$3.0 million, Accident Claims \$2.0 million, Depreciation \$2.0 million, PRESTO fees \$2.0 million and Other \$1.3 million.</p>	
<ul style="list-style-type: none"> <li>26.0 positions below the approved complement due to hiring and capital project challenges The TTC intends to fill these vacant positions before the end of the year to ensure full complement after gapping.</li> </ul>		<ul style="list-style-type: none"> <li>Projected strength of 14,316.0 positions reflects 306 more positions, after considering and achieving the gapping target throughout the year.</li> </ul>	

<p><b>Toronto Transit Commission – Wheel-Trans:</b></p> <ul style="list-style-type: none"> <li>• There were 330K customer journeys taken during May, which was 22K (6.3%) less than the budget of 352K journeys.</li> <li>• The number of customer journeys taken year-to-date to the end of May was 1.672M, which was 65K (3.7%) less than the budget of 1.737M journeys</li> <li>• Wheel - Trans Service is projecting a favourable year-end variance of \$6.932 million net as a result of lower than anticipated customer journeys. The anticipated customer journeys related to the AODA eligibility has been lower than anticipated resulting in reduced expenditures.</li> </ul>		<ul style="list-style-type: none"> <li>• Customer journeys are projected to be slightly off target at 4.425 million vs 4.723 million.</li> <li>• Wheel - Trans Service is projecting a favourable year-end variance of \$11.073 million net as a result of lower than anticipated customer journeys. The anticipated customer journeys related to the AODA eligibility has been lower than anticipated resulting in reduced expenditures.</li> </ul>	
<ul style="list-style-type: none"> <li>• 16.0 positions below approved complement due to hiring challenges, which after gapping is equal to a 1.9% operating vacancy rate.</li> </ul>		<ul style="list-style-type: none"> <li>• Projected strength of 570.0 positions reflects full complement, after considering and achieving the gapping target throughout the year.</li> </ul>	
<p><b>Toronto Police Service:</b></p> <ul style="list-style-type: none"> <li>• Underspending in salaries are the result of increased separations, as well as the moratorium on hiring</li> <li>• The Toronto Police Service is expected, on average to be below its budgeted strength throughout the year.</li> </ul>		<ul style="list-style-type: none"> <li>• A net favourable variance of \$6.5 million is expected at year end as a result of the hiring moratorium and increased separations, as 200 officer separations are projected versus the 160 which was budgeted</li> <li>• A portion of the salary savings is projected to be offset by premium pay spending, necessitated by the large number of vacancies.</li> </ul>	
<ul style="list-style-type: none"> <li>• 751.0 positions below full complement is a result of increased separations and higher than expected</li> </ul>		<ul style="list-style-type: none"> <li>• 802.0 positions below approved complement. After gapping considerations,</li> </ul>	

<p>attrition rates. After gapping considerations, this represents a 2.7% operating vacancy rate.</p>		<p>this represents a 3.4% operating vacancy rate.</p>	
<p><b>Toronto Police Services Board:</b></p> <ul style="list-style-type: none"> <li>Underspending in salaries and benefits as a result of one vacant position.</li> </ul>		<ul style="list-style-type: none"> <li>A favourable variance is expected at year end as a result of the cost savings related to the vacant position.</li> </ul>	
<ul style="list-style-type: none"> <li>1.0 position below full complement. This represents a 14.3% operating vacancy rate after budgeted gapping.</li> </ul>		<ul style="list-style-type: none"> <li>Full complement</li> </ul>	

## Appendix G

### Corporate Accounts

Figure 21: Net Variance Summary

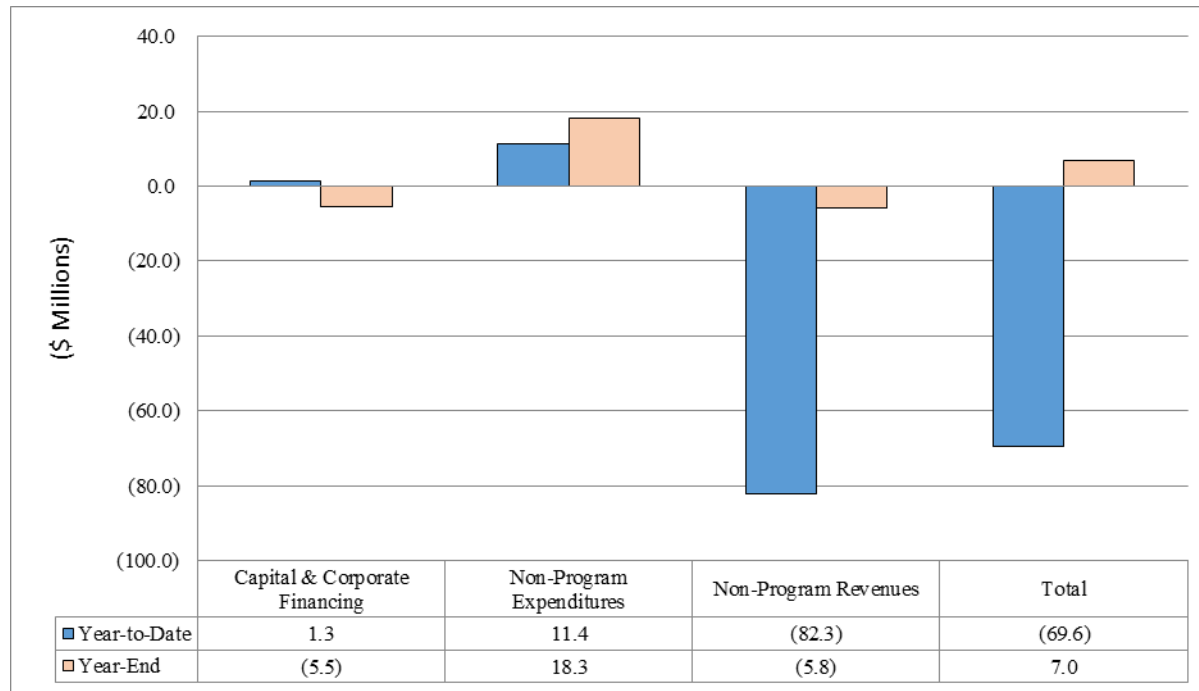


Figure 21 provides an overview of year-to-date and year-end projected net variances. As of June 30, 2017 **Corporate Accounts** have experienced a net favourable variance of \$69.585 million or 70.2%, and are expected to result in a year-end negative variance of \$7.018 million or 10.9% compared to the 2017 Approved Net Operating Budget.

## Appendix G

### Capital & Corporate Financing

The Capital and Corporate Financing accounts were over-spent by \$1.270 million or 0.2% for the six month period ended June 30, 2017 and is expected to be \$5.529 million or 1.1% under-spent at year-end.







Figure 22: Capital & Corporate Financing Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Capital Financing - Capital from Current	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Technology Sustainment	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Debt Charges	3-Month	(1.9)	▼	0.2	▲	(2.1)	▼	Ⓞ	(3.5)	▼	0.2	▲	(3.7)	▼	Ⓞ
	6-Month	3.0	▲	1.8	▲	1.3	▲	Ⓞ	(5.5)	▼	0.0	—	(5.5)	▼	Ⓞ
Total	3-Month	(1.9)	▼	0.2	▲	(2.1)	▼	Ⓞ	(3.5)	▼	0.2	▲	(3.7)	▼	Ⓞ
	6-Month	3.0	▲	1.8	▲	1.3	▲	Ⓞ	(5.5)	▼	0.0	—	(5.5)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓨ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			



## Appendix G

### Capital & Corporate Financing

<p><b>Capital &amp; Corporate Financing:</b></p> <ul style="list-style-type: none"> <li>Actual expenses have been incurred as planned.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Technology Sustainment:</b></p> <ul style="list-style-type: none"> <li>Actual expenses have been incurred as planned.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Debt Charges:</b></p> <ul style="list-style-type: none"> <li>Unfavourable variance as a result of earlier than forecasted issuances; thus, higher than expected interest expense which was partially offset by lower than forecasted issuance rate.</li> </ul>		<ul style="list-style-type: none"> <li>Projected under-spending is largely the result of not issuing \$150 million in debt for December of 2016.</li> </ul>	

## Appendix G

### Non-Program Expenditures

Non-Program Expenditures have an unfavourable net year-to-date variance of \$11.446 million or 4.7%, and are forecasted to result in an unfavourable net variance of \$18.331 million or 3.9% at year-end.

Figure 15: Non-Program Expenditures Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Tax Deficiencies/Writeoffs	3-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ	1.5	▲	0.0	—	1.5	▲	Ⓜ
	6-Month	12.6	▲	0.0	—	12.6	▲	Ⓜ	12.5	▲	0.0	—	12.5	▲	Ⓜ
Tax Increment Equivalent Grants (TIEG)	3-Month	N/A	—	N/A	—	N/A	—	N/A	N/A	—	N/A	—	N/A	—	N/A
	6-Month	9.9	▲	0.0	—	9.9	▲	Ⓜ	9.9	▲	0.0	—	9.9	▲	Ⓜ
Assessment Function (MPAC)	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Funding of Employee Related Liabilities	3-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Other Corporate Expenditures	3-Month	1.2	▲	1.3	▲	(0.1)	▼	Ⓞ	(0.5)	▼	0.0	—	(0.5)	▼	Ⓞ
	6-Month	0.4	▲	1.9	▲	(1.6)	▼	Ⓞ	(0.5)	▼	0.0	—	(0.5)	▼	Ⓞ
Insurance Premiums & Claims	3-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Oper.	3-Month	(0.4)	▼	0.0	—	(0.4)	▼	Ⓞ	(2.0)	▼	0.0	—	(2.0)	▼	Ⓞ
	6-Month	(2.4)	▼	0.0	—	(2.4)	▼	Ⓞ	(3.5)	▼	0.0	—	(3.5)	▼	Ⓞ









## Appendix G











Figure 16: Non-Program Expenditures Year-to-Date Variance and Year-End Variance Projection Summary









City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Programs Funded from Reserve Funds	3-Month	(6.7)	▼	(6.7)	▼	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	(3.6)	▼	(3.6)	▼	0.1	▲	⊕	0.0	—	0.0	—	0.0	—	⊕
Vacancy Rebate Program	3-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	(0.5)	▼	0.0	—	(0.5)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Heritage Property Taxes Rebate	3-Month	(0.0)	—	0.0	—	(0.0)	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	(0.0)	—	0.0	—	(0.0)	—	⊕	0.0	—	0.0	—	0.0	—	⊕
Tax Rebates for Registered Charities	3-Month	0.8	▲	0.8	▲	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	0.1	▲	0.0	—	0.1	▲	⊕	0.0	—	0.0	—	0.0	—	⊕
Solid Waste Management Rebates	3-Month	1.5	▲	0.0	—	1.5	▲	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	(6.7)	▼	0.0	—	(6.7)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Pandemic Influenza Stockpiling	3-Month	0.0	—	0.0	—	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	0.0	—	0.0	—	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
Total	3-Month	(3.5)	▼	(4.6)	▼	1.1	▲	⊕	(0.9)	▼	0.0	—	(0.9)	▼	⊕
	6-Month	9.8	▲	(1.7)	▼	11.4	▲	⊕	18.3	▲	0.0	—	18.3	▲	Ⓡ
<b>Year-to-Date Net Variance</b>		⊕	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	<b>Year-End</b>	⊕	<=100%	Ⓡ	>100%			

## Appendix G

### Non-Program Expenditures

<p><b>Tax Deficiencies/Write-Offs:</b></p> <ul style="list-style-type: none"> <li>As of June 2017, a \$12.6 million unfavourable variance was realized because of the following:             <ul style="list-style-type: none"> <li>\$12.3 million unfavourable due to posted appeals and expected appeals to be processed were higher than budgeted</li> <li>\$0.2 million unfavourable due to the timing of IDC Administration Charges and</li> <li>\$0.1 million unfavourable due to the timing of costs to defend the City's assessment base.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>By year-end, a \$12.5 million unfavourable variance is projected due to posted appeals and expected appeals to be processed are anticipated to be higher than budgeted.</li> </ul>	
<p><b>Tax Increment Equivalent Grants (TIEG)</b></p> <ul style="list-style-type: none"> <li>As of June 2017, a \$9.9 million unfavourable variance was realized due to the timing of TIEG grants, primarily as a result of 2 properties coming online earlier than anticipated.</li> </ul>		<ul style="list-style-type: none"> <li>By year-end, a \$9.9 million unfavourable variance is projected due to the timing of TIEG grants.</li> </ul>	
<p><b>Assessment Function (MPAC):</b></p> <ul style="list-style-type: none"> <li>The year-to-date unfavourable variance of \$0.017 million was the result of MPAC fees being higher than planned.</li> </ul>		<ul style="list-style-type: none"> <li>The unfavourable variance of \$0.034 million is projected by year-end as a result of MPAC fees being higher than budgeted.</li> </ul>	
<p><b>Funding Employee Related Liabilities:</b></p> <ul style="list-style-type: none"> <li>As planned for this period.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	

<p><b>Other Corporate Expenditures:</b></p> <ul style="list-style-type: none"> <li>Under-spending largely the result of lower than planned salaries and benefits, primarily within Office of the Chief Transformation Officer.</li> </ul>		<ul style="list-style-type: none"> <li>Favourable variance is forecasted as a result of lower than budgeted salaries and benefits.</li> </ul>	
<p><b>Insurance Premiums &amp; Claims:</b></p> <ul style="list-style-type: none"> <li>As planned for this period.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Parking Tag Enforcement &amp; Operations:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditures of \$2.409 million due to savings from Parking Enforcement Officer vacancies, delayed implementation of the Administrative Penalty System (APS) and lower payments to the Province resulting from lower parking ticket revenue.</li> </ul>		<ul style="list-style-type: none"> <li>Favourable gross expenditures of \$3.549 million due to savings from Parking Enforcement Officer vacancies, delayed in implementation of the Administrative Penalty System and lower payment to the Province resulting from lower parking ticket revenue.</li> </ul>	
<ul style="list-style-type: none"> <li>30 vacancies or 7.6% below the approved complement.</li> </ul>		<ul style="list-style-type: none"> <li>Down 40 positions or 10.2% below the approved complement.</li> <li>Toronto Police Parking Enforcement is expected, on average, to be below its approved complement.</li> </ul>	
<p><b>Programs Funded from Reserve Funds:</b></p> <ul style="list-style-type: none"> <li>Slight unfavourable variance of \$0.051 million as a result of late posting of actuals without an offsetting recovery from the reserve fund.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Vacancy Rebate Program:</b></p> <ul style="list-style-type: none"> <li>The vacancy rebates processed and expected to be processed were below budget by \$0.500 million for the first half of this year. However, based on further analysis, the full-year actual is projected to meet budget.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	

<p><b>Heritage Property Tax Rebates:</b></p> <ul style="list-style-type: none"> <li>Heritage rebates processed and expected to be processed were below planned estimates by \$0.040 million.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Tax Rebates for Registered Charities:</b></p> <ul style="list-style-type: none"> <li>A slight variance of \$0.071 million is as a result of: <ul style="list-style-type: none"> <li>Timing of pending appeal provision adjustments not posted to account by June 30, 2017. The variance will be cleared by year-end as Tax Rebates for Registered Charities is self-funding with its own tax levy and rates, therefore revenue is offset by an equivalent write-off in expenditure.</li> <li>Unbudgeted Supplementary/Omits tax levy posted to account. The variance will be cleared by year-end as Tax Rebates for Registered Charities is self-funding with its own tax levy and rates, therefore revenue is offset by an equivalent write-off in expenditure.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Solid Waste Management Rebates:</b></p> <ul style="list-style-type: none"> <li>As at June 2017, the expenditures are \$6.7 million lower than budget. The 2017 budget calendarization is based on historical trends of actual billings without considering accruals. Application of new corporate accrual policy has resulted in a timing difference in Q2, which by year-end it is anticipated to resolve, with expenditures estimated to be at budget level.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Pandemic Influenza Stockpiling:</b></p> <ul style="list-style-type: none"> <li>As planned for this period.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	

## Appendix G

**Non-Program Revenues** are reported to have a favourable variance of \$82.300 million or 12.2% for the period ended June 30, 2017; and it is projected that Non-Program Revenues will be \$5.784 million or 0.4% above the 2017 Approved Net Operating Budget at year-end.

Figure 17: Non-Program Revenues Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	3-Month	0.0	—	(0.0)	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	(4.0)	▼	4.0	▲	⊙	0.0	—	(3.7)	▼	3.7	▲	⊙
Supplementary Taxes	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	16.5	▲	(16.5)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Tax Penalty Revenue	3-Month	0.0	—	0.3	▲	(0.3)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	0.4	▲	(0.4)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Interest/Investment Earnings	3-Month	(0.1)	▼	0.1	▲	(0.2)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(0.0)	—	4.5	▲	(4.5)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Investment Board	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(0.1)	▼	(0.1)	▼	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Other Corporate Revenues	3-Month	(0.1)	▼	1.1	▲	(1.2)	▼	⊙	0.0	—	0.5	▲	(0.5)	▼	⊙
	6-Month	0.6	▲	1.4	▲	(0.8)	▼	⊙	0.0	—	0.2	▲	(0.1)	▼	⊙
Dividend Income	3-Month	0.0	—	(50.0)	▼	50.0	▲	⊙	0.0	—	0.7	▲	(0.7)	▼	⊙
	6-Month	0.0	—	12.5	▲	(12.5)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙

## Appendix G

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Provincial Revenue	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Municipal Land Transfer Tax	3-Month	(0.0)	—	32.4	▲	(32.5)	▼	⊙	(0.0)	—	32.4	▲	(32.5)	▼	⊙
	6-Month	3.3	▲	64.8	▲	(61.5)	▼	⊙	0.3	▲	30.3	▲	(30.0)	▼	⊙
Third Party Sign Tax	3-Month	0.0	—	11.1	▲	(11.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	(0.5)	▼	0.5	▲	⊙	0.0	—	0.0	—	0.0	—	⊙
Parking Authority Revenues	3-Month	0.0	—	0.1	▲	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	0.6	▲	(0.6)	▼	⊙	0.0	—	(0.5)	▼	0.5	▲	Ⓜ
Administrative Support Recoveries - Water	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Administrative Support Recoveries - Health & EMS	3-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	0.0	—	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
Parking Tag Enforcement & Operations Rev	3-Month	0.0	—	(0.2)	▼	0.2	▲	⊙	0.0	—	0.0	—	(0.0)	—	⊙
	6-Month	0.0	—	(10.6)	▼	10.6	▲	Ⓜ	0.0	—	(15.0)	▼	15.0	▲	Ⓜ
Other Tax Revenues	3-Month	0.1	▲	0.1	▲	(0.0)	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.7	▲	0.7	▲	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙











## Appendix G

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Hotel & Lodging Tax	3-Month	0.0	—	0.0	—	0.0	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	0.0	—	0.0	—	0.0	—	⊕	0.0	—	(5.0)	▼	5.0	▲	⊗
Woodbine Slots Revenues	3-Month	0.0	—	0.0	—	(0.0)	—	⊕	0.0	—	0.0	—	0.0	—	⊕
	6-Month	0.0	—	0.6	▲	(0.6)	▼	⊕	0.0	—	0.0	—	0.0	—	⊕
Total	3-Month	(0.1)	▼	(4.9)	▼	4.8	▲	⊕	(0.0)	—	33.7	▲	(33.7)	▼	⊕
	6-Month	4.6	▲	86.9	▲	(82.3)	▼	⊕	0.4	▲	6.2	▲	(5.8)	▼	⊕
Year-to-Date Net Variance		⊕		>=95%	⊗		<95%	Year-End		⊕		<=100%	⊗		>100%

## Appendix G

### Non-Program Revenues

<p><b>Payments In Lieu of Taxes (PILs):</b></p> <ul style="list-style-type: none"> <li>A \$3.968 million unfavourable variance was realized because of \$7.4 million shortfall in assessment-based levies due to decreases in assessment, offset by \$3.5 million posted appeals and expected appeals to be processed were lower than budgeted.</li> </ul>		<ul style="list-style-type: none"> <li>A \$3.749 million unfavourable variance is projected, primarily because of \$7.4 million shortfall in assessment-based levies due to decreases in assessment, offset by:             <ul style="list-style-type: none"> <li>\$0.2 million due to Heads and Beds levies being higher than budget and</li> <li>\$3.5 million due to posted appeals and expected appeals to be processed were lower than budgeted.</li> </ul> </li> </ul>	
<p><b>Supplementary Taxes:</b></p> <ul style="list-style-type: none"> <li>A favourable variance of \$16.499 million was realized due to the change of timing of supplementary roll delivery.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Tax Penalties:</b></p> <ul style="list-style-type: none"> <li>The favourable variance of \$0.417 million was realized as a result of interest revenue being higher than expected.</li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	
<p><b>Interest &amp; Investment Earnings:</b></p> <ul style="list-style-type: none"> <li>The favourable variance of \$4.530 million is due to:             <ul style="list-style-type: none"> <li>More active short term fund and working capital management</li> <li>The \$250 million for Hydro capital injection stayed in the bank earning interest for long than forecasted</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	

<ul style="list-style-type: none"> <li>• More debt was issued in first half of 2017 than forecasted thus higher interest was earned (earlier issuance).</li> <li>• Earlier realization of capital gains</li> </ul>			
<b>Other Corporate Revenues:</b> <ul style="list-style-type: none"> <li>• Favourable variance was the result of higher than planned sundry revenue.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Favourable variance is projected as a result of higher than budgeted sundry revenue.</li> </ul>	G
<b>Dividend Income:</b> <ul style="list-style-type: none"> <li>• \$12.5 million favourable variance as a result of earlier receipt of the dividend for the full annual amount.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Forecast to be on budget at year-end.</li> </ul>	G
<b>Provincial Revenue:</b> <ul style="list-style-type: none"> <li>• As planned for this period.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Forecast to be on budget at year-end.</li> </ul>	G
<b>Municipal Land Transfer Tax (MLTT):</b> <ul style="list-style-type: none"> <li>• Expenditures for the first half-year of 2017 are higher than budget by \$3.3 million, due to higher than expected sales activities, and timing of internal Capital Transfer (Contribution to Reserves)</li> <li>• Revenue is higher than budget by \$64.8 million for the first half of this year. This is mainly due to higher than expected sales revenue during this period.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Year-end expenditures are projected to carry an unfavourable variance of \$0.331 million due to a potential slow-down of sales activities (due to new Provincial legislations to cool the real estate market, and recent increase of interest rate), and the re-balancing of Capital Transfer (actual vs budget) in the second half of this year.</li> <li>• A slowdown in sales is anticipated at year-end; therefore, the projected variance for year-end is reduced to \$30 million</li> </ul>	G
	G	<ul style="list-style-type: none"> <li>• Forecast to be on budget at year-end</li> </ul>	G

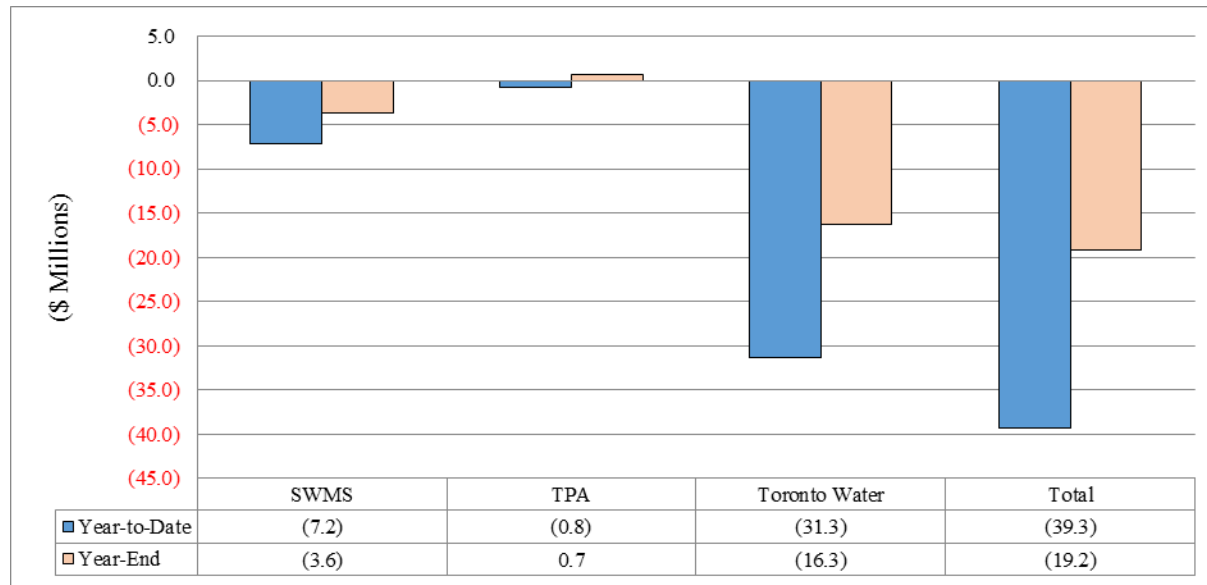
<p><b>Third Party Sign Tax:</b></p> <ul style="list-style-type: none"> <li>Unfavourable variance of \$0.537 million is due to a reduction in the number of taxable signs and interest &amp; penalty fees that the program haven't yet collected/billed.</li> </ul>			
<p><b>Parking Authority Revenues:</b></p> <ul style="list-style-type: none"> <li>Year-to-date favourable variance of \$0.631 million is a result of: <ul style="list-style-type: none"> <li>Lower expenditures due to lower utility costs, depreciation and parking equipment repair costs, partially offset by higher credit card processing fees, security costs for downtown garages and corporate offices, as well as rent expenses for managed lots and higher cost of the Bike Share Program.</li> <li>Lower than anticipated off-street parking revenues, mostly in downtown garages and off-street parking lots, and loss of sponsorship revenue in the Bike Share Program.</li> </ul> </li> </ul>	G	<ul style="list-style-type: none"> <li>Forecasted unfavourable variance of \$0.549 million at year-end as a result of : <ul style="list-style-type: none"> <li>Higher costs of the Bike Share Program. It is anticipated that any savings from on-street and off-street parking will be offset by higher rent expenses for managed lots and credit card processing fees.</li> <li>A slight increase in parking revenues and gain from sale of Carpark 664 was partially offset by loss of the sponsorship revenue for the Bike Share Program.</li> </ul> </li> </ul>	R
<p><b>Administrative Support Recoveries – Toronto Water:</b></p> <ul style="list-style-type: none"> <li>As planned for this period.</li> </ul>	G	<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	G
<p><b>Administrative Support Recoveries – Health &amp; EMS:</b></p> <ul style="list-style-type: none"> <li>As planned for this period.</li> </ul>	G	<ul style="list-style-type: none"> <li>Projected to be on budget at year-end.</li> </ul>	G
<p><b>Parking Tag and Enforcement Operations:</b></p> <ul style="list-style-type: none"> <li>Revenue is unfavourable by \$10.635 million due to: <ul style="list-style-type: none"> <li>Pay by cell program (\$2.443M)</li> <li>Decrease in average fine amount (\$2.291M)</li> </ul> </li> </ul>	R	<ul style="list-style-type: none"> <li>Revenue is expected to be unfavourable by \$15.042 by year-end due to ongoing fewer tickets being issued, delayed</li> </ul>	R

<ul style="list-style-type: none"> <li>• Delayed APS Implementation (\$3.100M)</li> <li>• Removal of fixed fines &amp; prosecutor settlements (\$2.766M)</li> <li>• 1,206,359 parking tickets issued to June 30, 2017.</li> </ul>		<p>implementation of APS, removal of fixed fines and prosecutor intervention at counters.</p> <ul style="list-style-type: none"> <li>• 2 million tickets expected to be issued by year-end.</li> </ul>	
<p><b>Other Tax Revenues:</b></p> <ul style="list-style-type: none"> <li>• As of June 2017, an unfavourable variance of \$0.016 million was realized, as a result of the following: <ul style="list-style-type: none"> <li>• \$0.674 million favourable because levies on Hydro properties were higher than budgeted, offset by</li> <li>• \$0.69 million unfavourable resulting from appeals posted and required provision being more than budgeted.</li> </ul> </li> </ul>	G	<ul style="list-style-type: none"> <li>• By year-end, no variance is projected, primarily as a result of the following: <ul style="list-style-type: none"> <li>• \$0.674 million favourable because levies on Hydro properties were higher than budgeted, offset by</li> <li>• \$0.674 million unfavourable resulting from appeals posted and required provision being more than budgeted.</li> </ul> </li> </ul>	G
<p><b>Hotel and Lodging Tax:</b></p> <ul style="list-style-type: none"> <li>• As planned for this period.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Unfavourable variance of \$5 million is projected for year-end as a result of delayed implementation.</li> </ul>	R
<p><b>Woodbine Slots:</b></p> <ul style="list-style-type: none"> <li>• The gross gaming revenue at the Woodbine Slots was higher than expected, resulting in a favourable year-to-date revenue share for the City \$0.590 million or 7.8%.</li> </ul>	G	<ul style="list-style-type: none"> <li>• Projected to be on budget at year-end</li> </ul>	G

## Appendix G

### Rate Supported Programs

Figure 25: Net Variance Summary



**Rate Supported Programs**, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, have reported a favourable net variance \$39.301 million at the end of the second fiscal quarter, and are projecting a positive year-end variance of \$19.203 million as outlined in Figure 25 above.

## Appendix G

Figure 20: Rate Supported Programs Year-to-Date Variance and Year-End Variance Projection Summary



City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	3-Month	(1.5)	▼	(5.0)	▼	3.5	▲	Ⓜ	(6.5)	▼	(2.9)	▼	(3.6)	▼	Ⓞ
	6-Month	16.5	▲	23.7	▲	(7.2)	▼	Ⓞ	(6.1)	▼	(2.5)	▼	(3.6)	▼	Ⓞ
Toronto Parking Authority	3-Month	(0.6)	▼	(0.7)	▼	0.1	▲	Ⓜ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.8)	▼	0.0	—	(0.8)	▼	Ⓞ	0.9	▲	0.2	▲	0.7	▲	Ⓜ
Toronto Water	3-Month	(4.0)	▼	5.4	▲	(9.4)	▼	Ⓞ	(12.1)	▼	2.1	▲	(14.1)	▼	Ⓞ
	6-Month	0.4	▲	31.7	▲	(31.3)	▼	Ⓞ	(13.7)	▼	2.6	▲	(16.3)	▼	Ⓞ
Total	3-Month	(6.1)	▼	(0.2)	▼	(5.8)	▼	Ⓞ	(18.5)	▼	(0.8)	▼	(17.7)	▼	Ⓞ
	6-Month	16.1	▲	55.4	▲	(39.3)	▼	Ⓞ	(18.9)	▼	0.3	▲	(19.2)	▼	Ⓞ
Year-to-Date Net Variance		Ⓞ	<=100%	Ⓜ	>100%	Year-End		Ⓞ	<=100%	Ⓜ	>100%				



## Appendix G

### Rate Supported Programs

<p><b>Solid Waste Management Services (SWMS):</b></p> <ul style="list-style-type: none"><li>• Under-expenditures totaling \$3.23 million mainly arise from a combination of salaries and benefits savings due to vacancies in Collections and Litter Operations.</li><li>• These savings are offset by higher expenditures of \$19.78 million mainly for contracted services, capital contributions and inter-divisional charges for fleet maintenance.<ul style="list-style-type: none"><li>• Contracted collection and processing services over-spending of \$9.44 million includes waste, recyclables and organics (SSO) collection with associated transfer and haulage costs. More spending than expected was due the impact of the new accrual policy implementation.</li><li>• Unbudgeted accrual of reserve contributions resulted in over-spending of \$6.88 million. A further \$3.17 million over-spent was due to additional charges to maintain the aging fleet.</li><li>• Utility costs were \$0.77 million more than planned due to consumption rate of hydro at transfer stations and natural gas for vehicles.</li><li>• There was also realized savings in Durable Goods (\$0.5 million) due to decreased volumes in anticipation of program completion.</li></ul></li><li>• Higher than planned revenue of \$23.73 million was mainly due to the impact of the new accrual policy</li></ul>	<b>G</b>	<ul style="list-style-type: none"><li>• Projecting net under-expenditures of \$3.64 million at year end.</li><li>• Expenditures are estimated to be \$6.15 million under-spent primarily related to ongoing staff vacancies, lower than planned communications costs and lower contracted services cost for lower projected tonnages of organics and leaf &amp; yard waste, garbage, durable goods and recycling.</li><li>• Net over-spending of \$0.70 million is projected for interdivisional charges due to fleet maintenance costs.</li><li>• Revenue is anticipated to be \$2.52 million less than budget at year-end.</li><li>• \$1.94 million in under-achieved revenue is mainly driven by the decline in the volume of multi-residential user fees and lower bags &amp; tags fees due to lower volumes.</li><li>• \$0.78 million in under-achieved revenue due to slow start-up of special event clean-up fees.</li><li>• \$0.20 million additional revenue is projected due to anticipated recoveries from the operator related to hydro usage at the Disco Road Transfer Station.</li></ul>	<b>G</b>
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<p>implementation. This was mainly experienced in Stewardship Funding (\$11.44 million), Bin Fees (\$7.15 million), Tipping Fees (\$1.3 million), Residual Processing Fees (\$1.72 million) and Sale of Recyclables and Scrap (\$1.74 million).</p> <ul style="list-style-type: none"> <li>• Offsetting reduced revenues of \$0.75 million were due to delayed Transfer from Capital as a result of the delay in capital projects.</li> <li>• Combined, this results in a Net Under-expenditure of \$7.18 million or 50.5% as of the 2nd quarter.</li> </ul>		<ul style="list-style-type: none"> <li>• Total net under-expenditures at year-end will be contributed to the Waste Management reserve fund to support the SWMS Capital program.</li> </ul>	
<ul style="list-style-type: none"> <li>• SWMS was 111.0 positions below total approved complement due to an on-going recruiting process which, after considering budgeted gapping, is equivalent to a 5.6% operating vacancy rate. The Program continues to have difficulty recruiting qualified candidates for positions such as the Solid Waste Load Operator, Heavy Equipment Operator, and skilled trade roles.</li> <li>• Of the total position variance, 29 positions are being held vacant in order to facilitate backfilling for staff participating in the TGP (Talent Growth Plan).</li> </ul>		<ul style="list-style-type: none"> <li>• It is anticipated that SWMS will be 109.0 positions below the total approved complement of 1,113.7 positions due to on-going recruiting issues and provision for the TGP.</li> <li>• After considering budgeted gapping for 2017, this equates to an operating vacancy rate of 5.4%.</li> </ul>	
<p><b>Toronto Parking Authority:</b></p> <ul style="list-style-type: none"> <li>• Favourable gross expenditure variance of \$0.794 million mainly due to lower utility costs, depreciation and parking equipment repair costs, partially offset by higher credit card processing fees, security costs for downtown garages and corporate offices, as well as rent expenses for managed lots and higher cost of the Bike Share Program.</li> </ul>		<ul style="list-style-type: none"> <li>• Projected unfavourable gross expenditure variance of \$0.907 million mostly due to higher costs of the Bike Share Program. It is anticipated that any savings from on-street and off-street parking will be offset by higher rent expenses for managed lots and credit card processing fees.</li> </ul>	

<ul style="list-style-type: none"> <li>• Lower than anticipated off-street parking revenues, mostly in downtown garages and off-street parking lots, and loss of sponsorship revenue in the Bike Share Program totalling \$1.526 million are fully offset by a gain from sale of Carpark 664 (1607 Eglinton Avenue) and other investment income.</li> <li>• Favourable year to date net variance is \$0.841 million.</li> </ul>		<ul style="list-style-type: none"> <li>• Projected increase in parking revenues and gain from sale of Carpark 664 was partially offset by loss of the sponsorship revenue for the Bike Share Program resulting in a projected favourable revenue variance of \$0.175 million.</li> <li>• Projected year-end net revenue shortfall is \$0.732million.</li> </ul>	
<ul style="list-style-type: none"> <li>• 4 positions or 1.3% above approved complement due to the addition of 3 previously unbudgeted positions to the Bike Share Program, and timing of position vacancies. There is no budgeted gapping.</li> </ul>		<ul style="list-style-type: none"> <li>• Projecting positions at approved staff complement levels of 309.0 positions.</li> </ul>	
<p><b>Toronto Water:</b></p> <ul style="list-style-type: none"> <li>• Unfavourable gross expenditure variance of \$0.390 million: underspending in salaries and benefits as a result of vacancies, lower than anticipated demand for chemicals, professional and technical services and lower than anticipated payments in-lieu of taxes totalling \$7.026 million, were offset by over expenditure from interdivisional charges and hydro billings as a result of advance postings previously not planned.</li> <li>• Favourable revenue variance of \$31.667 million is primarily due to advance postings of sale of water and industrial waste agreement revenues (\$23.658 million), and an overall increase in a volume of new sewer service connections and private water agreements (\$8.008 million).</li> <li>• Favourable net variance is \$31.227 million. It is anticipated that variances resulting from unplanned</li> </ul>		<ul style="list-style-type: none"> <li>• Projected net under expenditure of \$13.7 million at year end, .primarily because of projected underspending in salaries and benefits due to vacancies, lower than anticipated hydro rates and usage efficiencies, underspending in chemicals as a result of efficiencies from process changes at wastewater treatment plants, and savings in parts, materials and professional and technical services.</li> <li>• Revenues are projected to be higher than budgeted by \$2.6 million as a result of higher volume of water sold to the Region of York, and increase in new water and sewer service connections and private water agreements.</li> <li>• Toronto Water will continue to monitor water consumption throughout the peak</li> </ul>	

<p>postings will be reduced gradually towards the year-end.</p>		<p>period (July to September) and address changes in water consumption as appropriate in the 3rd quarter. Currently sale of water revenues are projected to be on budget.</p> <ul style="list-style-type: none"> <li>• Projected favourable year-end net variance is \$16.3 million.</li> </ul>	
<ul style="list-style-type: none"> <li>• 132 positions below approved complement due to the aging workforce / retirements and extended recruitment period for certain positions such as skilled trades and certified operators. After considering budgeted gapping it equals to 4.8% operating vacancy rate.</li> <li>• 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.</li> <li>• The 2010-2020 Strategic Plan includes enhancement of recruiting strategies and development and implementation of an Enterprise Knowledge Retention Program.</li> </ul>		<ul style="list-style-type: none"> <li>• It is anticipated that there will be 140 positions below approved complement, which equals to 5.3% operating vacancy rate after considering budgeted gapping.</li> </ul>	