



## REPORT FOR ACTION

### Operating Variance Report for the Year Ended December 31, 2017

**Date:** June 14, 2018  
**To:** Budget Committee and Executive Committee  
**From:** Interim Chief Financial Officer  
**Wards:** All

#### SUMMARY

---

The purpose of this report is to provide Council with the City of Toronto's Operating Variance results for the year ended December 31, 2017 and the disposition of the 2017 year-end operating surplus.

As noted in Table 1, the final 2017 year-end expenditures for Tax Supported Operations resulted in a net favourable variance of \$260.452 million available for distribution after Council directions and legislative requirements are met. This surplus represents 2.4% of the Tax Supported Gross Expenditure Budget and is consistent with historical year-end results.

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

| Variance   | 2017 Year-End Results Over / (Under) |               |                |              |
|--|--------------------------------------|---------------|----------------|--------------|
|  | Gross                                | Revenue       | Net \$         | Net %        |
| Total City Operations                              | (229.3)                              | (168.6)       | (60.7)         | -1.1%        |
| Total Agencies                                     | (128.2)                              | (30.0)        | (98.3)         | -2.6%        |
| Total Corporate Accounts                           | (33.2)                               | 104.6         | (137.8)        | -8.9%        |
| <b>Final Year-End Operating Results</b>            | <b>(390.7)</b>                       | <b>(94.0)</b> | <b>(296.7)</b> | <b>-2.8%</b> |
| Council / Legislative Requirements                 |                                      |               | (36.3)         |              |
| <b>Year-End Surplus Available for Distribution</b> |                                      |               | <b>(260.5)</b> | <b>-2.4%</b> |

In accordance with Council and legislative requirements, a portion of the surplus (\$36.262 million) will be allocated to reserves for the following Programs and Agency: Toronto Building (\$27.588 million), City Planning (\$6.558 million) and Exhibition Place (\$2.116 million).

The 2017 year-end net surplus of \$260.452 million is driven largely by the following key factors:

- Over-achieved Municipal Land Transfer Tax revenue of \$95.684 due to higher than anticipated real estate market activity.
- Under-expenditure by the Toronto Transit Commission of \$88.695 million net primarily as a result of lower departmental material expenditures, labour costs, employee benefits and utility costs of \$71.668 million net within Conventional Service, and fewer than budgeted customer journeys than planned within Wheel Trans of \$17.027 million net.
- Favourable year-end variance in Supplementary Taxes of \$15.230 million net due to the anticipated number of properties and assessment values received from Municipal Property Assessment Corporation (MPAC) being higher than budget.
- Higher than budgeted Interest / Investment Earnings of \$15.747 million as a result of new investment tools for short term funds in 2017.
- Favourable year-end variance in Debt Charges of \$12.122 million due to timing of debt issuance and lower interest rates.
- A remaining favourable variance of \$32.974 million or 0.3% of the Gross Expenditure Budget for the balance of City Programs and Agencies primarily due to a combination of under spending in salary and benefits from vacant positions and volume driven under spending in non-salary expenditure categories.

Consistent with the Council approved Surplus Management Policy, at least 75 percent or \$196.539 million will be allocated to the Capital Financing Reserve and the remaining \$63.913 million will be allocated to underfunded liabilities and/or reserve funds.

## Rate Supported Programs:

Rate Supported Programs reported a cumulative year-end net favourable variance of \$29.356 million. Table 2 below summarizes the 2017 year end results for each Rate Supported Program:

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

| Rate Supported Programs         | 2017 Year-End Results Over/(Under) |               |               |              |
|---------------------------------|------------------------------------|---------------|---------------|--------------|
|                                 | Gross                              | Revenue       | Net \$        | Net %        |
| Solid Waste Management Services | (8.8)                              | (4.8)         | (4.0)         | -1.0%        |
| Toronto Parking Authority       | (2.0)                              | (3.8)         | 1.9           | 1.9%         |
| Toronto Water                   | (32.7)                             | (5.5)         | (27.2)        | -2.2%        |
| <b>Total Variance</b>           | <b>(43.5)</b>                      | <b>(14.1)</b> | <b>(29.4)</b> | <b>-1.7%</b> |

The key year-end net under spending was driven by:

- A year-end favourable variance of \$4.028 million net in Solid Waste Management Services as a result of under expenditure in salaries and benefits in Collections & Litter Operations section, lower spending on contracted services due to lower tonnage of recyclable material processed, higher than budgeted revenues from tipping fees and sale of recyclables and scrap.
- A revenue shortfall in Toronto Parking Authority of \$1.858 million net primarily due to off-street carpark closures and a delay in securing sponsorship for the Bike Share Program.
- A favourable variance in Toronto Water of \$27.186 million net primarily due to lower than budgeted costs from fewer weather related emergencies and project delays, underspending in salaries and benefits from vacant positions, lower than anticipated demand for chemicals and lower than budgeted utility costs.

**Complement:**

Table 3: 2017 Year-End Vacancy Analysis

| Program/Agency                 | 2017 Year-End       |                   |                    |   |
|--------------------------------|---------------------|-------------------|--------------------|---|
|                                | Operating Vacancy % | Capital Vacancy % | Budgeted Gapping % | Operating* Vacancy Rate (After Gapping) |
| <i>City Operations</i>         | 3.6%                | 22.7%             | 2.4%               | 1.2%                                    |
| <i>Agencies</i>                | 5.0%                | 16.9%             | 3.4%               | 1.6%                                    |
| <i>Corporate Accounts**</i>    | 10.0%               | 0.0%              | 0.0%               | 10.0%                                   |
| <b>Total Levy Operations</b>   | <b>4.4%</b>         | <b>18.8%</b>      | <b>2.9%</b>        | <b>1.5%</b>                             |
| <i>Rate Supported Programs</i> | 5.5%                | 16.5%             | 3.0%               | 2.6%                                    |
| <b>Grand Total</b>             | <b>4.5%</b>         | <b>18.8%</b>      | <b>2.9%</b>        | <b>1.6%</b>                             |

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

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

As of December 31, 2017, the City recorded an operating (service delivery) vacancy rate of 1.6%, after gapping, for an approved complement of 51,378 operating positions. The approved complement for capital (service delivery) positions at year-end is 3,471 positions with a recorded capital vacancy rate of 18.8%.

A detailed overview of the year-end complement is provided in the Approved Complement Section of this report.

**RECOMMENDATIONS**

---

The Interim Chief Financial Officer recommends that:

1. City Council receive this report for information.

## FINANCIAL IMPACT

The 2017 year-end expenditures resulted in a favourable variance of \$260.452 million for Tax Supported Operations after accounting for the disposition of surplus funds to meet Council and legislative requirements. The 2017 year-end surplus represents 2.4% of the City's Gross Expenditure Tax Supported Operating Budget. The 2017 year-end results are in line with historical experience as summarized in Chart 1 below:

Chart 1: 2012 - 2017 Surplus Available for Distribution

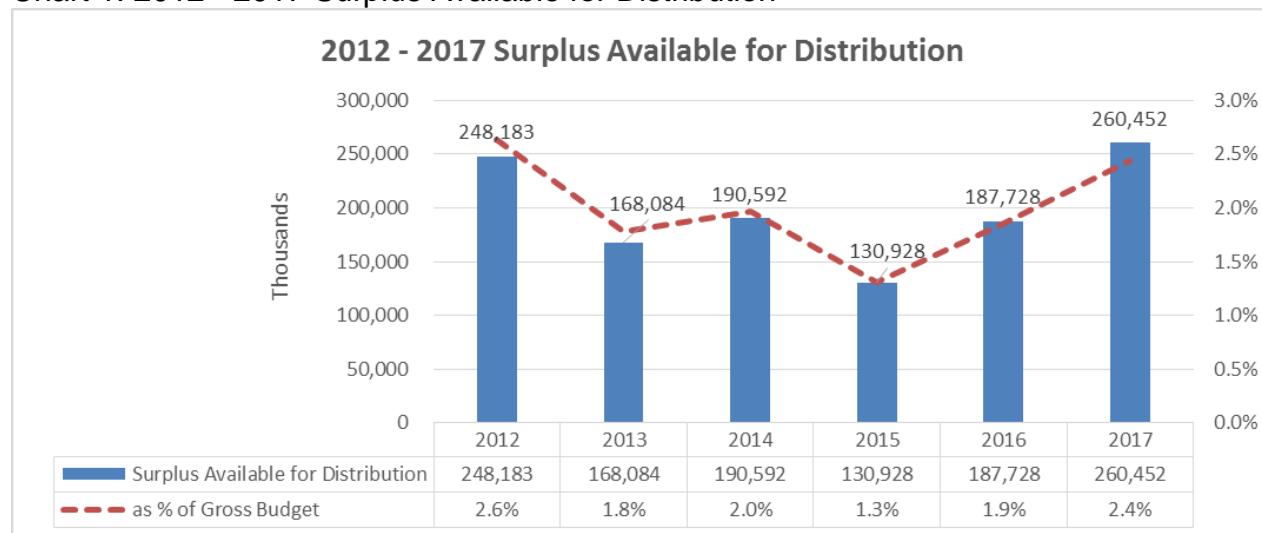


Table 4 highlights the key drivers attributable to the 2017 year-end favourable variance:

Table 4: Key Drivers of 2017 Year End Variance Over/ (Under) (\$ Millions):

|  | Surplus Drivers | % of City's Gross Budget |
|--|-----------------|--------------------------|
| <b>Year-End Surplus Available for Distribution</b> | <b>(260.5)</b>  | <b>2.4%</b>              |
| Municipal Land Transfer Tax                        | (95.7)          | 0.9%                     |
| Toronto Transit Commission                         | (88.7)          | 0.8%                     |
| <b>Other City Programs / Agencies</b>              | <b>(76.1)</b>   | <b>0.7%</b>              |

As illustrated in Table 4, \$184.4 million of the 2017 year-end surplus is attributed to higher than budgeted Municipal Land Transfer Tax revenue and under spending in Toronto Transit Commission representing 0.9% and 0.8% of the City's Gross Expenditure Budget, respectively. After excluding the variance attributable to these two factors, the balance of year-end under spending from the rest of City Programs / Agencies is \$76.073 million or 0.7% of the City's Tax Supported Gross Expenditure Budget.

Table 5 summarizes the 2017 proposed year-end surplus distribution of \$260.452 million after Council directions and legislative requirements are met. In accordance with the City's Surplus Management Policy, at least 75% or \$196.539 million will be allocated to the Capital Financing Reserve to fund approved capital projects and the remaining \$63.913 or 25% will be allocated towards underfunded liabilities and/or reserve funds.

Table 5: 2017 Year-end Operating Results – Tax Supported Programs and Agencies (Millions)

|   |                  |
|---|------------------|
| <b>Final Year-End Operating Results</b>   | <b>296.714</b>   |
| <b>Council Direction/Legislative Requirements:</b>  |                  |
| Building Code Act Service Improvement Reserve Fund  | (27.588)         |
| Development Application Review Reserve Fund   | (6.558)          |
| Exhibition Place Conference Centre Reserve Fund   | (2.116)          |
| Sub-Total   | (36.262)         |
| <b>Year-End Surplus Available for Distribution</b>  | <b>260.452</b>   |
| <b>Capital:</b>   |                  |
| Capital Financing Reserve (75% Allocation of the Year-End Surplus Available for Distribution) | (195.339)        |
| Municipal Licensing & Standards Enforcement - New Fleet Vehicles                              | (1.200)          |
| <b>Sub-Total - Capital Financing Reserve</b>  | <b>(196.539)</b> |
| <b>Remaining Final Year-End Surplus Available for Distribution</b>                            | <b>63.913</b>    |
| <b>Underfunded Liabilities and/or Reserve Funds</b>   |                  |
| Tax Rate Stabilization Reserve Fund   | (38.913)         |
| Social Housing Stabilization Reserve  | (7.000)          |
| Insurance Reserve Fund  | (6.000)          |
| Toronto Police Services Vehicle and Equipment Reserve   | (3.000)          |
| Toronto Police Service Modernization Reserve  | (2.000)          |
| Council Transition Reserve  | (2.000)          |
| Tree Canopy Reserve   | (1.500)          |
| Major Special Event Reserve Fund  | (0.500)          |
| Workforce Reduction Reserve Fund  | (1.000)          |
| Innovation Reserve Fund   | (2.000)          |
| Sub-Total   | (63.913)         |
| <b>Surplus Remaining/(Shortfall)</b>  | <b>0.000</b>     |

Solid Waste Management Services and Toronto Water's respective 2017 year-end surpluses will be transferred to the Wastewater and Water Stabilization Reserves and Waste Management Reserve Fund to finance capital investments and ongoing operations. The 2017 final year-end operating results for Rate Supported Operations, excluding Toronto Parking Authority, will be allocated based on the following:

Table 6: 2017 Year-End Net Operating Results – Rate Supported Programs (Millions)

|  |               |
|--|---------------|
| <b>Toronto Water Final Year-End Surplus Available for Distribution</b>                   | <b>27.186</b> |
| Wastewater Stabilization Reserve   | (15.496)      |
| Water Stabilization Reserve  | (11.690)      |
| Surplus Remaining / (Shortfall)  | <u>0</u>      |
| <b>Solid Waste Management Services Final Year-End Surplus Available for Distribution</b> | <b>4.028</b>  |
| Waste Management Reserve Fund  | (4.028)       |
| Surplus Remaining / (Shortfall)  | <u>0</u>      |

**DECISION HISTORY**

This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto’s financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year end, and on an exception basis, to identify issues that require direction and/or decisions from City Council.



**Dashboard Approach**

The City has adopted a dashboard approach in the variance reports since 2015 to provide greater visibility and insight on all City Programs and Agencies, to better understand performance measurement and monitoring to ensure Programs and Agencies are meeting targets, to increase transparency and accountability, and to assist Councillors to make informed policy decisions based on easy to understand results.

The "alert" symbols: "R, G" indicate whether the variance is "over" or "under" for year-end gross and net expenditures. The "alert" Green or Red indicators measure the percentage of the variance from budget with the criteria included in the legend in Table 7 below. Appendix E includes dashboards and respective narratives explaining individual variances for each City Program and Agency for the year ended December 31, 2017.

## COMMENTS

Table 7: Tax Supported Expenditure Variance Dashboard (\$ Millions)

|   | December 31, 2017 Over/(Under)  |                |          |
|---|---|----------------|----------|
|   | Gross   | Net            | Alert    |
| Citizen Centred Services "A"                        | (127.8)   | 6.5            | Ⓡ        |
| Citizen Centred Services "B"                        | (73.5)  | (54.0)         | Ⓞ        |
| Internal Corporate Services                         | (16.2)  | (1.7)          | Ⓞ        |
| Chief Financial Officer                             | (6.0)   | (3.9)          | Ⓞ        |
| City Manager  | 0.7   | (2.5)          | Ⓞ        |
| Other City Programs                                 | (5.7)   | (4.4)          | Ⓞ        |
| Council Appointed Programs                          | (0.6)   | (0.6)          | Ⓞ        |
| <b>Total - City Operations</b>                      | <b>(229.3)</b>  | <b>(60.7)</b>  | <b>Ⓞ</b> |
| <b>Total - Agencies</b>                             | <b>(128.2)</b>  | <b>(98.3)</b>  | <b>Ⓞ</b> |
| <b>Total - Corporate Accounts</b>                   | <b>(33.2)</b>   | <b>(137.8)</b> | <b>Ⓞ</b> |
| <b>Net Expenditure Variance</b>                     | <b>(390.7)</b>  | <b>(296.7)</b> | <b>Ⓞ</b> |
| <b>Council Direction / Legislative Requirements</b> |   | <b>(36.3)</b>  | <b>Ⓞ</b> |
| <b>Surplus Available for Distribution</b>           |   | <b>(260.4)</b> |          |
| (Legend for City Programs & Agencies)               |   |                |          |
| <b>Year-End Net Variance</b>                        |  | >100%          |          |
|   |  | <=100%         |          |

The final 2017 year-end operating under spending for Tax Supported Operations has resulted in a net favourable variance of \$296.714 million that is available for distribution before Council directions and legislative requirements are met. The favourable year-end variance is primarily driven by higher than budgeted revenue in Corporate Accounts of \$137.782 million and City Operations of \$60.682 million and under spending in Agencies of \$98.251 million. Higher than budgeted revenue in Citizen Centred Services "B", realized by Toronto Building and City Planning, partially offsets over spending in Citizen Centred Services "A" in Shelter, Support & Housing Administration and Parks, Forestry & Recreation.

Appendices A, B and C provide year-end results for each Program and Agency, detailing final 2017 net expenditures, gross expenditures and revenues, respectively. Appendix D provides a detailed variance summary comparing the approved complement and strength for each Program and Agency for the year ended December 31, 2017.

The key drivers of the year-end variance of City Operations, Agencies and Corporate Accounts are outlined below:



## City Operations

As of December 31, 2017, City Operations reported a favourable gross expenditure variance of \$229.275 million or 4.2% and a revenue shortfall of \$168.594 million or 5.2% that is more than fully offset by gross under expenditures, resulting in a favourable net variance of \$60.682 million or 2.8% of the net budget. The key drivers attributable to this year-end favourable net variance include:

- An under expenditure of \$7.128 million net or 88.2% in Court Services primarily due to under spending in salaries and benefits from the delayed implementation of the Toronto Local Appeal Body (TLAB), Administrative Penalty Tribunal (APT), and Red Light Camera Expansion (RLC) initiatives.
- An unfavourable year-end variance of \$6.989 million net or 2.2% in Parks, Forestry & Recreation due to permit and user fee revenue shortfall, unplanned expenditures to mitigate the damage and provide emergency repairs at Toronto Island as a result of the 2017 Spring Flooding.
- An over expenditure of \$8.978 million net or 2.2% in Shelter, Support & Housing Administration primarily attributable to the sustained increase in the demand for services in the City's shelter system. The revenue shortfall of \$80.653 million is fully offset by a corresponding gross under expenditure related to the delayed implementation of Social Housing Apartment Retrofit Program (SHARP), Social Housing Improvement Program (SHIP), Runnymede and Affordable Housing Office capital projects.
- Higher than planned revenue in City Planning of \$6.830 million net or 44.7% due to the increased volume of applications to the Committee of Adjustment and larger development projects in Community Planning.
- An unfavourable year-end variance of \$3.053 million net in Fire Services due to higher than budgeted WSIB awards arising from claims for 14 work-related cancers and work-related Post Traumatic Stress Disorder.
- An under expenditure of \$6.932 million net within Municipal Licensing & Standards in salaries and benefits due to delays in filling vacant positions, and higher than budgeted revenue from higher than expected volumes of PTC (Private Transportation Company) applications and trip fees.
- Under spending of \$7.208 million net in Engineering and Construction Services in salaries and benefits due to vacant positions, and higher than budgeted revenue from full stream application fees due to higher volume of applications from utility companies.
- Higher revenue in Toronto Building of \$27.588 million net due to higher than budgeted volumes of building permit applications.

- An under expenditure in Transportation Services of \$7.863 million net or 3.5% contributed from lower than budgeted costs for winter maintenance due to the milder winter conditions and under spending in salaries and benefits due to vacant positions. The revenue shortfall of \$49.690 million is primarily related to lower than budgeted Utility Cut Repair revenue that is partially offset by under expenditures in Utility Cut Repair program and higher than budgeted permit and application fees.
- Under spending of \$3.579 million net or 18.5% in Legal Services primarily from lower salaries and benefits due to vacant positions and the delayed implementation of the Administrative Penalty System initiative.

## Agencies

For the year ended December 31, 2017, Agencies reported a favourable gross expenditure variance of \$128.242 million or 3.4%, and under-achieved revenue of \$29.991 million or 1.7%, which resulted in a favourable net variance of \$98.251 million representing 5.0% of the Net Budget. The favourable net variance is the result of the following key factors:

- An unfavourable variance of \$2.505 million net or 20.8% in Toronto Zoo due to the revenue loss from the 34 day labour disruption resulting in a facility closure for this period.
- An under-expenditure of \$71.668 million net in Toronto Transit Commission - Conventional Service driven by lower labour and employee benefit costs and lower than budgeted expenses for departmental materials, utility and fuel costs. The under expenditure was partially offset by lower ridership (1.9%) and passenger (0.5%) revenues than budget due to the change in customer behaviour arising from the switch from pass-based fare media to single-ride fare media, PRESTO e-purse. As a result of the favourable year-end variance in Toronto Transit Commission - Conventional Service, the \$14.0 million budgeted withdrawal from the stabilization reserve was not required.
- Toronto Transit Commission - Wheel Trans Service's under spending of \$17.027 million net or 11.9% resulting from customer journeys being 11.4% below 2017 budgeted levels.
- A favourable year-end variance of \$9.126 million net in Toronto Police Service due to under spending in salaries and benefits as a result of the Service's hiring moratorium and higher than planned staff resignations and retirements.

## Corporate Accounts

As of December 31, 2017, gross expenditures in the Corporate Accounts were \$33.196 million or 2.1% under budget and revenues exceeded the budget by \$104.586 million or 6.3%, resulting in a favourable net variance of \$137.782 million.

- An under spending in Debt Charges of \$12.122 million net due to lower than budgeted debt issuance in December of 2016 and lower than forecasted interest rates.

For the year ended December 31, 2017, Non Program Expenditure accounts resulted in a favourable gross expenditure variance of \$22.249 million or 3.6%, and a favourable net variance of \$7.896 million representing 1.8% of the Net Budget. The following key drivers have contributed to this year-end favourable variance:

- Higher than budgeted Tax Increment Equivalent Grants issued of \$1.861 million net due to the change in timing of properties becoming eligible for TIEG grants.
- Lower than budgeted Parking Tag Enforcement & Operations expenditures of \$2.218 million net in salaries and benefits as a result of vacant positions, and the delayed implementation of the Administrative Penalty System (APS).
- Lower than budgeted Solid Waste Management Rebate costs of \$1.306 million net compared to historical billings.

As of December 31, 2017, Non Program Revenue accounts resulted in higher than budgeted revenue of \$125.275 million or 8.9%, and a favourable net variance of \$117.596 million representing 8.7% of the Net Budget. The following key drivers have contributed to this year-end favourable variance:

- Over-achieved Municipal Land Transfer Tax revenue of \$95.684 million net due to continued property price and volume increases, resulting in higher-than-expected revenues associated with rate harmonization with the provincial land transfer tax since March 2017, higher-than-expected luxury home sales in the summer and higher-than-expected large non-residential transactions in several months of the year.
- Higher than budgeted Supplementary Tax revenue of \$15.230 million net due to higher than anticipated number of properties and assessed values that were received from MPAC.
- Higher than planned Interest / Investment Earnings revenue of \$15.747 million net as a result of implementing new investment tools and lower than anticipated income allocation to reserve and reserve funds due to lower Bank of Canada T-Bill rates.

- Unrealized Payments in Lieu of Tax revenues of \$5.074 million net primarily in assessment-based levies due to decreases in assessment and property shifts from Payment in Lieu of Taxes (PILT) to taxable assessment status.
- Favourable variance in Other Corporate Revenue of \$9.793 million net due to the unbudgeted recovery for Municipal Capital Facilities (MCF) that were charged realty taxes by the landlord but should have been exempt from taxation, and return of the unspent balance from the settlement with the province for Public Health.
- Unrealized revenue in Parking Authority of \$1.416 million net in 2017 partially driven by the delay in securing sponsorship for Bike Share and off-street carpark closures.
- Lower than budgeted revenue from Parking Tag Enforcement & Operations of \$4.611 million net as a result of lower than budgeted ticket issuance, delayed implementation of Administrative Penalty System (APS), and the removal of fixed fines and prosecutor intervention at the counter.
- Unrealized revenue from the City's Hotel & Lodging Tax of \$5.000 million net due to the delayed implementation of the new tax to 2018.

## Rate Programs

As per Table 8 below, Rate Programs reported a cumulative gross under expenditure of \$43.464 million or 2.5% and revenue shortfall of \$14.108 million or 0.8%, which resulted in a favourable net variance of \$29.356 million.

Table 8: Rate Supported Expenditure Variance Dashboard (\$ Millions)

|                                 | December 31, 2017 Over/(Under) |               |       |
|---------------------------------|--------------------------------|---------------|-------|
|                                 | Gross                          | Net           | Alert |
| Solid Waste Management Services | (8.8)                          | (4.0)         | Ⓞ     |
| Toronto Parking Authority       | (2.0)                          | 1.9           | Ⓡ     |
| Toronto Water                   | (32.7)                         | (27.2)        | Ⓞ     |
| <b>Total Variance</b>           | <b>(43.5)</b>                  | <b>(29.4)</b> | Ⓞ     |
| (Legend for Rate Programs)      |                                |               |       |
| <b>Year-End Net Variance</b>    | Ⓡ                              | >100%         |       |
|                                 | Ⓞ                              | <=100%        |       |

The following factors contributed to the year-end favourable variance in Rate Supported Programs:

- A year-end favourable variance of \$4.028 million net within Solid Waste Management Services mainly attributable to under spending in salaries and benefits from vacant positions in Collections and Litter Operations, lower than budgeted

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

expenditures for contracted and processing services, and higher than budgeted net revenue from the sale of recyclables and scrap as well as higher than anticipated tipping fees at Green Lane and transfer stations.

- An unfavourable year-end variance of \$1.858 million net by Toronto Parking Authority due to lower than budgeted off-street parking revenues from car park closures and a delay in securing sponsorship for the Bike Share Program. Gross expenditures were overall lower than budget due to under spending in salaries and benefits from vacant positions, lower repair and maintenance fees, lower utility costs due to the provincial hydro rebate, and lower municipal taxes mainly as a result of the closure of carpark 32.
- A favourable year-end variance of \$27.186 million net in Toronto Water due to under spending in salaries and benefits from vacant positions, decreased demand for chemical use, lower utility costs, and lower non-labour expenditures associated with project delays and fewer weather related emergencies. This under expenditure mitigated Toronto Water's revenue shortfall of \$5.532 million as a result of lower than anticipated volume of water sold, given the cooler, wet spring and summer in 2017.

### **Allocation of the 2017 Surplus - Tax Supported Operations**

The 2017 year-end operating results for Tax Supported Operations is adjusted for the following Council directives, and mandatory legislative requirements:

Building Code Act Service Improvement Reserve Fund:

- In compliance with Section 7 of the Building Code Act, the net operating favourable variance of \$27.588 million for Toronto Building operations must be contributed to the Building Code Act Service Improvement Reserve Fund. Section 7 of the Act stipulates that the total amount of authorized fees collected must not exceed the anticipated reasonable costs to administer and enforce this Act. It also requires the establishment of an obligatory reserve fund to manage fluctuations in volumes of permit activity and allow for investments in service delivery improvements to meet new legislative requirements of the Act regarding the collection of permit fees, expenditures and related reporting requirements.

Development Application Review Reserve Fund:

- City Council established the discretionary Development Application Review Reserve Fund to ensure that funds received in the current year but not applied would be available in future years to fund the continuation of work required to deliver the development review process for those applications. In accordance with City Council's direction, City Planning's operating surplus of \$6.558 million from its development review service (Community Planning and Committee Adjustment) will be transferred to the Development Application Review Reserve Fund.

#### Exhibition Place Conference Centre Reserve Fund:

- City Council, at its meeting of January 17, 2012, reaffirmed the policy that Exhibition Place continue to contribute future operating budget surpluses (if any) to the Exhibition Place Conference Centre Reserve Fund. The Reserve Fund provides financing for short-falls in loan payments to the City from Exhibition Place for a new conference centre. In accordance with Council's direction, \$2.116 million of the Exhibition Place operating surplus will be allocated to the Exhibition Place Conference Centre Reserve Fund.

### **Allocation of the 2017 Final Year-End Surplus Available for Distribution**

#### **Capital Financing**

\$196.539 million or 75% of the 2017 final year-end surplus available for distribution will be allocated to the Capital Financing Reserve in accordance with Council's Surplus Management Policy. This funding is dedicated to approved capital projects, primarily for Toronto Transit Commission and Transportation Services in the 2018-2027 Approved Capital Budget and Plan.

The above amount includes an additional request of \$1.200 million to be allocated to Capital Financing Reserve for the purchase of new vehicles for Municipal Licensing & Standards enforcement officers. Currently the division has 145 vehicles used in service delivery and a complement of over 240 enforcement officers. The additional funds are required for vehicle purchases and leases, to provide remaining enforcement officers with City fleet, replacing the use of private vehicles.

#### **Underfunded Liabilities and/or Reserve Funds**

##### Tax Rate Stabilization Reserve:

- To ensure compliance with City's current practice, \$38.913 million of the 2017 final year-end surplus available for distribution will be allocated to the Tax Rate Stabilization Reserve. This contribution, added to the 2018 projected year-end balance of \$13.052 million, will ensure that the reserve is at or above 1% of the property tax base benchmark.

##### Social Housing Stabilization Reserve:

- \$7.000 million of the 2017 final year-end surplus will be allocated to the Social Housing Stabilization Reserve to enable Shelter, Support and Housing Administration to manage its operations in emergency situations and help offset the significant operating pressures being experienced in the shelter system which have been exacerbated by an influx of newcomers to the City.

#### Insurance Reserve Fund:

- The Insurance Reserve Fund year-end balance for 2017 was \$35.866 million. Insurance and claims costs fluctuate based on insurance market conditions, asset values and claims experience. In recent years, costs have risen. The financial target set for this reserve suggests that the City maintain a balance of at least \$35.000 million (7 events, requiring a \$5.000 million deductible each). However, with the current contribution and claims trend, the reserve balance will likely continue to decline and may become insufficient to meet future liability exposure. To lessen the pressure of anticipated insurance liabilities on future operating budgets, \$6.000 million of the operating surplus is recommended to be transferred to the Insurance Reserve Fund.

#### Toronto Police Services Vehicle and Equipment Reserve:

- This reserve is used to fund the lifecycle replacement of the Toronto Police Service's fleet of vehicles, information technology equipment and various other equipment items. Based on the Service's estimated spending and replacement strategies, the Vehicle and Equipment Reserve will fall into a deficit position by 2019. An allocation of \$3.000 million of the 2017 final year-end surplus available for distribution to the Toronto Police Services Vehicle and Equipment Reserve is being proposed in order to ensure sufficient funding for the replacement of these assets.

#### Toronto Police Service Modernization Reserve:

- In 2017, City Council approved a new Modernization Reserve to provide a source of funding to support the implementation of modernization and transformation initiatives for the Toronto Police Service to achieve a more effective, efficient and value added police service. Funds in this Reserve support the necessary activities for the implementation of recommendations in the Transformational Task Force's final report as well as future actions and initiatives to modernize the Service, it is therefore recommended that \$2.000 million of the 2017 final year-end surplus available for distribution be allocated to the Toronto Police Service Modernization Reserve to fund these initiatives.

#### Council Transition Reserve:

- This reserve funds the end of Council term transition costs including severance for Members of Council and their staff, salary and benefits of transition team, and set-up of offices. Council Transition Reserve is funded from the surplus allocation process at year-end in any given year that the Council Operating Budget is underspent. In 2017 the City Council budget is over spent and no contribution is available from year-end under spending. Given that 2018 is an election year, the transition costs are anticipated higher than in prior years, an allocation from the overall surplus of \$2.000 million is proposed to ensure adequate funding is available for anticipated transition needs.

#### Tree Canopy Reserve:

- City Council at its meeting of February 12, 2018 requested that the Interim Chief Financial Officer consider replenishing the Toronto Tree Canopy Reserve as part of the allocation of the 2017 year end surplus, if any, in accordance with the Council approved surplus management policy. Following a review of the 10 year Continuity Schedule for the Tree Canopy Reserve (2018-2027) \$1.500 million will be transferred from the 2017 year-end surplus available for distribution to the Tree Canopy Reserve to ensure sufficient funding to implement the Urban Forestry Service Plan.

#### Major Special Event Reserve Fund:

- To provide funding for municipal service delivery and enhanced City programming costs associated with major special events, \$0.500 million of the 2017 final year-end surplus available for distribution will be contributed to the Major Special Event Reserve Fund. Given the need for ongoing spending requirements, Economic Development and Culture with Financial Planning will be developing a strategy to provide sustainable funding in the future.

#### Workforce Reduction Reserve Fund:

- The Workforce Reduction Reserve Fund provides funding for personnel costs arising from the implementation of decisions made through the annual budget process. To ensure adequate funding is available to fund exits from position deletions arising from future budget decisions, \$1.000 million of the 2017 final year-end surplus available for distribution will be transferred to the Workforce Reduction Reserve Fund.

#### Innovation Reserve Fund:

- To ensure adequate funding is available for City's program review, key modernization and transformation initiatives, \$2.000 million of the 2017 final year-end surplus available for distribution will be transferred to the Innovation Reserve Fund.

### **Allocation of Surplus – Rate Supported Operations**

The 2017 year-end operating results for Rate Supported Operations, excluding the Toronto Parking Authority of \$31.214 million, will be allocated based on the following:

#### Toronto Water:

- Toronto's Water's operating surplus of \$27.186 million will be transferred to the Water Stabilization Reserve (43%) and Wastewater Stabilization Reserve (57%). The Water and Wastewater Stabilization Reserves are used to offset unanticipated



budget variances so as not to unduly impact the Wastewater and Water Operating and Capital Program.

#### Solid Waste Management Services:

- Solid Waste Management Services' operating surplus of \$4.028 million will be transferred to the Waste Management Reserve Fund. Solid Waste Management Services utilizes this Reserve Fund to finance capital projects which include waste diversion initiatives. This Reserve Fund also provides a contingency for operating program stabilization, as required.

### Approved Complement

At year-end, the City reported a strength of 51,906 operating and capital positions, 2,942 below the approved complement of 54,848, this represents a vacancy rate for operating (service delivery) positions, after approved gapping of 1.6%. Table 9 provides a detailed overview of the approved complement and strength at December 31, 2017 for both Tax and Rate Supported Programs.

Table 9: Summary of Approved Complement (Includes Capital and Operating Positions)

| <b>Summary of Approved Complement<br/>(Includes Capital and Operating Positions)</b> |                            |                 |                  |                  |  |
|--|----------------------------|-----------------|------------------|------------------|--|
| <b>Program/Agency</b>  | <b>December 31, 2017</b>   |                 |                  |                  |  |
|  | <b>Approved Complement</b> | <b>Strength</b> | <b>Vacancies</b> | <b>Vacancy %</b> | <b>Operating Vacancy After Gapping</b> |
| Citizen Centred Services "A"   | 12,831.6                   | 12,499.0        | (332.6)          | 2.6%             | 0.3%                                   |
| Citizen Centred Services "B"   | 6,397.8                    | 6,120.9         | (276.9)          | 4.3%             | 0.6%                                   |
| Internal Corporate Services  | 2,226.0                    | 1,940.0         | (286.0)          | 12.8%            | 5.5%                                   |
| Chief Financial Officer  | 763.2                      | 680.2           | (83.0)           | 10.9%            | 7.0%                                   |
| City Manager's Office  | 438.0                      | 402.0           | (36.0)           | 8.2%             | 2.5%                                   |
| Other City Programs  | 972.5                      | 908.7           | (63.7)           | 6.6%             | 3.0%                                   |
| Accountability Offices   | 55.3                       | 53.0            | (2.3)            | 4.1%             | 3.9%                                   |
| <b>Total City Operations</b>   | <b>23,684.3</b>            | <b>22,603.9</b> | <b>(1,080.4)</b> | <b>4.6%</b>      | <b>1.2%</b>                            |
| Agencies   | 27,573.9                   | 25,938.6        | (1,635.3)        | 5.9%             | 1.6%                                   |
| Corporate Accounts   | 400.0                      | 360.0           | (40.0)           | 10.0%            | 10.0%                                  |
| <b>Total Levy Operations</b>   | <b>51,658.2</b>            | <b>48,902.5</b> | <b>(2,755.7)</b> | <b>5.3%</b>      | <b>1.5%</b>                            |
| Rate Supported Programs  | 3,189.9                    | 3,003.8         | (186.1)          | 5.8%             | 2.6%                                   |
| <b>Grand Total</b>   | <b>54,848.0</b>            | <b>51,906.3</b> | <b>(2,941.7)</b> | <b>5.4%</b>      | <b>1.6%</b>                            |

Appendix D provides a detailed overview of the approved operating and capital complement, and strength for the year ended December 31, 2017.

#### City Operations

At year-end, City Operations reported a strength of 22,604, resulting in 1,080 positions below the approved complement of 23,684 positions. The vacancy rate for operating Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

(service delivery) positions, after approved gapping, is 1.2%. The key Program areas which contributed to the operating vacancy rate were: Facilities, Real Estate, Environment & Energy, Information & Technology, and Legal Services.  
Agencies

The year-end strength reported by Agencies was 25,939 positions which was 1,635 positions below the approved complement of 27,574 positions. After approved gapping, the vacancy rate for operating (service delivery) positions is 1.6%. The key Program areas which contributed to the operating vacancy rate were: Toronto Police Service and Toronto Public Library.

#### Rate Supported Programs

Rate Supported Programs reported strength of 3,004 positions by year-end, which is 186 positions under the approved complement of 3,190 positions. After approved gapping, the year-end vacancy rate for operating positions is 2.6%.

#### Utility Costs

Tax and Rate Supported Operations reported actual utility costs of \$215.451 million resulting in under expenditures of \$13.617 million or 5.9%. The year-end under - expenditures in utilities were primarily experienced by Transportation Services, Toronto Transit Commission - Conventional Service and Toronto Water. The favourable year-end variance in utilities is largely due to lower than anticipated consumption as a result of efficiencies in hydro and water usage and a lower hydro rate.

#### Consulting Costs

Tax and Rate Supported Operations reported actual consulting costs for the year-end of \$5.938 million, resulting in under-expenditures of \$2.071 million or 25.9%. The year-end favourable variance was primarily driven by Office of the Treasurer as a result of the PMMD Category Management project being delayed to 2018.

## Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the year-end variance process. As set out in Table 10 below, the City received \$0.569 million at year-end.

Table 10: Summary of Donations Received Less than \$50,000

| Donor  | Amount (\$000's) | Purpose  |
|--|------------------|--|
| <b>Economic Development And Culture</b>                |                  |  |
| Individual Donors                                      | 18.16            | Donation Box   |
| Spadina House, Individual Donors                       | 1.14             | Memorial   |
| Individual Donors                                      | 0.98             | Memorial   |
| <i>Sub-Total</i>                                       | <i>20.28</i>     |  |
| <b>Parks, Forestry And Recreation</b>                  |                  |  |
| Individual Donors                                      | 23.58            | Parks Improvement  |
| Designated I Ltd.                                      | 1.50             | For plant materials & mulches  |
| High Park Grenadier Fund                               | 11.65            | For bike racks   |
| Individual Donor                                       | 0.10             | In appreciation towards swimming programs  |
| Individual Donor                                       | 2.00             | For general community center operation   |
| MLSE foundation  | 3.00             | For Flemingdon Park mural  |
| GEP Productions Inc. - NBC Universal Med               | 1.00             | Park Benches   |
| Individual Donors                                      | 0.37             | Donations received from Harvest Festival free lunch event  |
| Individual Donors                                      | 1.50             | Baseball league at Moss Park, participants are homeless  |
| Designated Ltd.  | 1.00             | Park Benches to be installed 2018  |
| Yad Vashem   | 5.00             | Plant Material for Yad Vashem Memorial Garden  |
| <i>Sub-Total</i>                                       | <i>50.70</i>     |  |
| <b>Social Development Finance &amp; Administration</b> |                  |  |
| Service Employees International Union                  | 0.75             | Identify N Impact Urban Health Award   |
| The DMZ at Ryerson University                          | 0.70             | Toronto Youth Cabinet's Youth Summit on May 13th, 2017.<br>Funds used for food, supplies, and honoraria. |
| <i>Sub-Total</i>                                       | <i>1.45</i>      |  |
| <b>Shelter, Support &amp; Housing Administration</b>   |                  |  |
| Individual Donors                                      | 16.69            | Use for emergency shelter clients  |
| <i>Sub-Total</i>                                       | <i>16.69</i>     |  |
| <b>City Planning</b>                                   |                  |  |
| Urban Design Awards                                    | 70.40            | To support the Urban Design Awards   |
| <i>Sub-Total</i>                                       | <i>70.40</i>     |  |
| <b>Municipal Licensing &amp; Standards</b>             |                  |  |
| Total donations from multiple individual donors        | 307.22           | Care and services related to animals   |
| <i>Sub-Total</i>                                       | <i>307.22</i>    |  |
| <b>City Council</b>                                    |                  |  |
| Royal Bank of Canada                                   | 6.00             | Council member community event   |
| Roasport Ltd   | 5.00             | Council member community event   |
| Meridian Credit Union                                  | 1.00             | Council member community event   |
| <i>Sub-Total</i>                                       | <i>12.00</i>     |  |
| <b>Heritage Toronto</b>                                |                  |  |
| Total donations from multiple individual donors        | 78.96            | General  |
| <i>Sub-Total</i>                                       | <i>78.96</i>     |  |
| <b>Toronto Police Service</b>                          |                  |  |
| D51 fund raising in honour of deceased member          | 3.70             | To Purchase Police Service Dog   |
| Voluntary Contributions Program                        | 2.20             | General  |
| Individual Donor                                       | 0.20             | Stop crime in Toronto  |
| Individual Donor                                       | 5.00             | To Purchase Police Service Dog   |
| Individual Donor                                       | 0.30             | General  |
| <i>Sub-Total</i>                                       | <i>11.40</i>     |  |
| <b>Grand Total</b>                                     | <b>569.10</b>    |  |

## **CONTACT**

---

Josie La Vita, Executive Director, Financial Planning  
Tel: 416-397-4229, Fax: 416-397-4465, Email: [jlavita@toronto.ca](mailto:jlavita@toronto.ca)

Andy Cui, Manager, Financial Planning  
Tel: 416-397-4207, Fax: 416-397-4465, Email: [acui@toronto.ca](mailto:acui@toronto.ca)

## **SIGNATURE**

---

Joe Farag  
Interim Chief Financial Officer

## **ATTACHMENTS**

---

Appendix A – City of Toronto Net Expenditures for Year Ended December 31, 2017  
Appendix B – City of Toronto Gross Expenditures for Year Ended December 31, 2017  
Appendix C – City of Toronto Revenues for Year Ended December 31, 2017  
Appendix D – Approved Complement for Year Ended December 31, 2017  
Appendix E – Operating Dashboards for City Programs and Agencies

## Appendix A

**CITY OF TORONTO**  
**CONSOLIDATED NET EXPENDITURES VARIANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(\$000s)**

|   | December 31, 2017  |                    |                   |               |
|---|--------------------|--------------------|-------------------|---------------|
|   | Year-End           |                    | Actual vs Budget  |               |
|   | Budget             | Actual             | Over / (Under)    | %             |
| <b>Citizen Centred Services "A"</b>           |                    |                    |                   |               |
| Affordable Housing Office                     | 1,170.1            | 1,170.1            | (0.0)             | 0.0%          |
| Children's Services                           | 80,682.9           | 80,682.9           | 0.0               | 0.0%          |
| Court Services                                | 8,077.2            | 949.3              | (7,127.9)         | -88.2%        |
| Economic Development & Culture                | 66,450.4           | 66,691.6           | 241.2             | 0.4%          |
| Toronto Paramedic Services                    | 78,285.3           | 77,519.0           | (766.4)           | -1.0%         |
| Long Term Care Homes and Services             | 47,376.1           | 45,643.2           | (1,732.9)         | -3.7%         |
| Parks, Forestry & Recreation                  | 320,340.8          | 327,329.7          | 6,988.9           | 2.2%          |
| Shelter, Support & Housing Administration     | 407,137.4          | 416,115.8          | 8,978.4           | 2.2%          |
| Social Development, Finance & Administration  | 32,199.4           | 32,160.6           | (38.8)            | -0.1%         |
| Toronto Employment & Social Services          | 110,536.3          | 110,536.3          | 0.0               | 0.0%          |
| <b>Sub-Total Citizen Centred Services "A"</b> | <b>1,152,256.0</b> | <b>1,158,798.6</b> | <b>6,542.6</b>    | <b>0.6%</b>   |
| <b>Citizen Centred Services "B"</b>           |                    |                    |                   |               |
| City Planning                                 | 15,287.2           | 8,457.5            | (6,829.6)         | -44.7%        |
| Fire Services                                 | 452,568.2          | 455,620.8          | 3,052.6           | 0.7%          |
| Municipal Licensing & Standards               | 19,382.4           | 12,449.9           | (6,932.4)         | -35.8%        |
| Policy, Planning, Finance and Administration  | 9,098.6            | 8,417.1            | (681.5)           | -7.5%         |
| Engineering and Construction Services         | 4,081.5            | (3,126.1)          | (7,207.6)         | -176.6%       |
| Toronto Building                              | (10,693.7)         | (38,281.8)         | (27,588.1)        | 258.0%        |
| Transportation Services                       | 221,732.3          | 213,868.9          | (7,863.4)         | -3.5%         |
| <b>Sub-Total Citizen Centred Services "B"</b> | <b>711,456.4</b>   | <b>657,406.4</b>   | <b>(54,050.0)</b> | <b>-7.6%</b>  |
| <b>Chief Financial Officer</b>                |                    |                    |                   |               |
| Office of the Chief Financial Officer         | 9,783.3            | 8,740.4            | (1,042.9)         | -10.7%        |
| Office of the Treasurer                       | 28,067.0           | 25,174.7           | (2,892.3)         | -10.3%        |
| <b>Sub-Total Chief Financial Officer</b>      | <b>37,850.3</b>    | <b>33,915.1</b>    | <b>(3,935.2)</b>  | <b>-10.4%</b> |
| <b>Internal Corporate Services</b>            |                    |                    |                   |               |
| Facilities, Real Estate, Environment & Energy | 69,602.6           | 68,902.4           | (700.2)           | -1.0%         |
| Fleet Services                                | (9.5)              | (73.0)             | (63.5)            | 668.2%        |
| Information & Technology                      | 75,309.5           | 74,813.1           | (496.4)           | -0.7%         |
| 311 Toronto                                   | 9,825.5            | 9,415.1            | (410.4)           | -4.2%         |
| <b>Sub-Total Internal Corporate Services</b>  | <b>154,728.1</b>   | <b>153,057.6</b>   | <b>(1,670.5)</b>  | <b>-1.1%</b>  |
| <b>City Manager</b>                           |                    |                    |                   |               |
| City Manager's Office                         | 47,342.5           | 44,851.0           | (2,491.5)         | -5.3%         |
| <b>Sub-Total City Manager</b>                 | <b>47,342.5</b>    | <b>44,851.0</b>    | <b>(2,491.5)</b>  | <b>-5.3%</b>  |
| <b>Other City Programs</b>                    |                    |                    |                   |               |
| City Clerk's Office                           | 32,446.3           | 31,559.5           | (886.8)           | -2.7%         |
| Legal Services                                | 19,304.0           | 15,725.3           | (3,578.7)         | -18.5%        |
| Mayor's Office                                | 2,251.0            | 2,118.1            | (132.8)           | -5.9%         |
| City Council                                  | 20,359.0           | 20,512.9           | 153.8             | 0.8%          |
| <b>Sub-Total Other City Programs</b>          | <b>74,360.2</b>    | <b>69,915.7</b>    | <b>(4,444.5)</b>  | <b>-6.0%</b>  |
| <b>Accountability Offices</b>                 |                    |                    |                   |               |
| Auditor General's Office                      | 5,902.9            | 5,387.8            | (515.1)           | -8.7%         |
| Integrity Commissioner's Office               | 506.7              | 501.0              | (5.7)             | -1.1%         |
| Lobbyist Registrar's Office                   | 1,154.1            | 1,094.3            | (59.8)            | -5.2%         |
| Ombudsman's Office                            | 1,810.3            | 1,758.2            | (52.1)            | -2.9%         |
| <b>Sub-Total Council Appointed Programs</b>   | <b>9,373.9</b>     | <b>8,741.3</b>     | <b>(632.7)</b>    | <b>-6.7%</b>  |
| <b>TOTAL - CITY OPERATIONS</b>                | <b>2,187,367.4</b> | <b>2,126,685.7</b> | <b>(60,681.7)</b> | <b>-2.8%</b>  |

## Appendix A

### CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE YEAR ENDED DECEMBER 31, 2017 (\$000s)

|  | December 31, 2017  |                    |                    |               |
|--|--------------------|--------------------|--------------------|---------------|
|  | Year-End           |                    | Actual vs Budget   |               |
|  | Budget             | Actual             | Over / (Under)     | %             |
| <b>Agencies</b>                                  |                    |                    |                    |               |
| Toronto Public Health                            | 60,826.9           | 60,141.7           | (685.1)            | -1.1%         |
| Toronto Public Library                           | 179,107.8          | 179,038.3          | (69.5)             | 0.0%          |
| Association of Community Centres                 | 7,810.0            | 7,811.6            | 1.5                | 0.0%          |
| Exhibition Place                                 | (124.4)            | (2,240.7)          | (2,116.3)          | 1701.9%       |
| Heritage Toronto                                 | 298.4              | 298.4              | (0.0)              | 0.0%          |
| Theatres   | 5,907.5            | 5,966.9            | 59.4               | 1.0%          |
| Toronto Zoo                                      | 12,034.3           | 14,539.4           | 2,505.1            | 20.8%         |
| Arena Boards of Management                       | (19.7)             | 125.5              | 145.2              | -737.5%       |
| Yonge Dundas Square                              | 377.2              | 398.3              | 21.1               | 5.6%          |
| Toronto & Region Conservation Authority          | 3,561.3            | 3,561.3            | 0.0                | 0.0%          |
| Toronto Transit Commission - Conventional        | 546,845.9          | 475,178.0          | (71,667.9)         | -13.1%        |
| Toronto Transit Commission - Wheel Trans         | 142,677.8          | 125,650.7          | (17,027.1)         | -11.9%        |
| Toronto Police Service                           | 996,325.5          | 987,200.0          | (9,125.5)          | -0.9%         |
| Toronto Police Services Board                    | 2,309.1            | 2,017.5            | (291.6)            | -12.6%        |
| <b>TOTAL - AGENCIES</b>                          | <b>1,957,937.7</b> | <b>1,859,687.0</b> | <b>(98,250.7)</b>  | <b>-5.0%</b>  |
| <b>Corporate Accounts</b>                        |                    |                    |                    |               |
| Capital Financing - Capital from Current         | 293,902.0          | 293,733.4          | (168.5)            | -0.1%         |
| Technology Sustainment                           | 17,911.6           | 17,911.6           | 0.0                | 0.0%          |
| Debt Charges                                     | 505,349.2          | 493,227.6          | (12,121.7)         | -2.4%         |
| Capital & Corporate Financing                    | 817,162.9          | 804,872.6          | (12,290.2)         | -1.5%         |
| <b>Non-Program Expenditures</b>                  |                    |                    |                    |               |
| Tax Deficiencies/Writeoffs                       | 56,476.8           | 56,370.3           | (106.4)            | -0.2%         |
| Tax Increment Equivalent Grants (TIEG)           | 20,372.7           | 22,233.5           | 1,860.8            | 9.1%          |
| Assessment Function (MPAC)                       | 42,270.0           | 42,303.8           | 33.8               | 0.1%          |
| Funding of Employee Related Liabilities          | 70,828.6           | 70,824.9           | (3.7)              | 0.0%          |
| Other Corporate Expenditures                     | 14,006.0           | 8,890.0            | (5,115.9)          | -36.5%        |
| Insurance Premiums & Claims                      | 300.0              | 300.0              | 0.0                | 0.0%          |
| Parking Tag Enforcement & Oper.                  | 69,374.8           | 67,157.0           | (2,217.7)          | -3.2%         |
| Programs Funded from Reserve Funds               | 0.0                | 0.0                | 0.0                | 0.0%          |
| Vacancy Rebate Program                           | 17,500.0           | 17,178.5           | (321.5)            | -1.8%         |
| Heritage Property Taxes Rebate                   | 1,750.0            | 1,031.1            | (718.9)            | -41.1%        |
| Tax Rebates for Registered Charities             | 0.0                | 0.0                | 0.0                | 0.0%          |
| Solid Waste Management Rebates                   | 144,301.9          | 142,995.5          | (1,306.4)          | -0.9%         |
| Pandemic Influenza Stockpiling                   | 500.0              | 500.0              | 0.0                | 0.0%          |
| Non-Program Expenditures                         | 437,680.7          | 429,784.8          | (7,896.0)          | -1.8%         |
| <b>Non-Program Revenue</b>                       |                    |                    |                    |               |
| Payments in Lieu of Taxes                        | (100,523.0)        | (95,449.2)         | 5,073.8            | -5.0%         |
| Supplementary Taxes                              | (35,000.0)         | (50,230.4)         | (15,230.4)         | 43.5%         |
| Tax Penalty Revenue                              | (29,000.0)         | (27,455.4)         | 1,544.6            | -5.3%         |
| Interest/Investment Earnings                     | (100,406.0)        | (116,152.9)        | (15,746.9)         | 15.7%         |
| Other Corporate Revenues                         | (12,161.8)         | (21,954.7)         | (9,792.9)          | 80.5%         |
| Dividend Income                                  | (75,000.0)         | (75,000.0)         | 0.0                | 0.0%          |
| Provincial Revenue                               | (91,600.0)         | (91,600.0)         | 0.0                | 0.0%          |
| Municipal Land Transfer Tax                      | (668,000.0)        | (763,684.1)        | (95,684.1)         | 14.3%         |
| Third Party Sign Tax                             | (11,035.7)         | (10,932.4)         | 103.4              | -0.9%         |
| Parking Authority Revenues                       | (49,034.5)         | (47,618.7)         | 1,415.8            | -2.9%         |
| Administrative Support Recoveries - Water        | (18,973.0)         | (18,973.0)         | 0.0                | 0.0%          |
| Administrative Support Recoveries - Health & EMS | (16,326.7)         | (16,326.7)         | 0.0                | 0.0%          |
| Parking Tag Enforcement & Operations Rev         | (112,567.3)        | (107,956.2)        | 4,611.1            | -4.1%         |
| Other Tax Revenues                               | (13,094.5)         | (11,778.6)         | 1,315.9            | -10.0%        |
| Hotel & Lodging Tax                              | (5,000.0)          | 0.0                | 5,000.0            | -100.0%       |
| Woodbine Slots Revenues                          | (16,000.0)         | (16,205.9)         | (205.9)            | 1.3%          |
| Non-Program Revenues                             | (1,353,722.5)      | (1,471,318.1)      | (117,595.6)        | 8.7%          |
| <b>TOTAL - CORPORATE ACCOUNTS</b>                | <b>(98,878.9)</b>  | <b>(236,660.7)</b> | <b>(137,781.8)</b> | <b>139.3%</b> |
| <b>NET OPERATING TAX LEVY</b>                    | <b>4,046,426.2</b> | <b>3,749,712.0</b> | <b>(296,714.2)</b> | <b>-7.3%</b>  |
| <b>NON LEVY OPERATIONS</b>                       |                    |                    |                    |               |
| Solid Waste Management Services                  | 0.0                | (4,027.5)          | (4,027.5)          | n/a           |
| Toronto Parking Authority                        | (63,413.9)         | (61,556.2)         | 1,857.7            | -2.9%         |
| Toronto Water                                    | 0.0                | (27,186.2)         | (27,186.2)         | n/a           |
| <b>NON LEVY OPERATING NET EXPENDITURES</b>       | <b>(63,413.9)</b>  | <b>(92,769.9)</b>  | <b>(29,356.0)</b>  | <b>46.3%</b>  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix B

**CITY OF TORONTO**  
**CONSOLIDATED GROSS EXPENDITURES VARIANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

|   | December 31, 2017  |                    |                                    |              |
|---|--------------------|--------------------|------------------------------------|--------------|
|   | Budget             | Year-End<br>Actual | Actual vs Budget<br>Over / (Under) | %            |
| <b>Citizen Centred Services "A"</b>           |                    |                    |                                    |              |
| Affordable Housing Office                     | 3,495.7            | 3,139.6            | (356.1)                            | -10.2%       |
| Children's Services                           | 537,902.3          | 513,171.7          | (24,730.6)                         | -4.6%        |
| Court Services                                | 52,706.3           | 45,315.6           | (7,390.6)                          | -14.0%       |
| Economic Development & Culture                | 83,075.8           | 86,152.5           | 3,076.8                            | 3.7%         |
| Toronto Paramedic Services                    | 212,137.2          | 212,682.0          | 544.8                              | 0.3%         |
| Long Term Care Homes & Services               | 257,034.1          | 245,437.7          | (11,596.4)                         | -4.5%        |
| Parks, Forestry & Recreation                  | 460,136.6          | 448,374.5          | (11,762.1)                         | -2.6%        |
| Shelter, Support & Housing Administration     | 843,745.1          | 772,071.1          | (71,674.0)                         | -8.5%        |
| Social Development, Finance & Administration  | 50,944.2           | 43,699.5           | (7,244.7)                          | -14.2%       |
| Toronto Employment & Social Services          | 1,083,491.5        | 1,086,802.6        | 3,311.2                            | 0.3%         |
| <b>Sub-Total Citizen Centred Services "A"</b> | <b>3,584,668.6</b> | <b>3,456,846.8</b> | <b>(127,821.8)</b>                 | <b>-3.6%</b> |
| <b>Citizen Centred Services "B"</b>           |                    |                    |                                    |              |
| City Planning Division                        | 48,528.1           | 47,200.4           | (1,327.7)                          | -2.7%        |
| Fire Services                                 | 469,669.5          | 475,195.0          | 5,525.5                            | 1.2%         |
| Municipal Licensing & Standards               | 53,128.4           | 50,068.3           | (3,060.2)                          | -5.8%        |
| Policy, Planning, Finance and Administration  | 23,344.7           | 19,924.5           | (3,420.2)                          | -14.7%       |
| Engineering and Construction Services         | 73,272.6           | 63,840.4           | (9,432.2)                          | -12.9%       |
| Toronto Building                              | 56,097.6           | 51,895.9           | (4,201.7)                          | -7.5%        |
| Transportation Services                       | 410,138.3          | 352,585.4          | (57,552.9)                         | -14.0%       |
| <b>Sub-Total Citizen Centred Services "B"</b> | <b>1,134,179.2</b> | <b>1,060,709.8</b> | <b>(73,469.4)</b>                  | <b>-6.5%</b> |
| <b>Chief Financial Officer</b>                |                    |                    |                                    |              |
| Office of the Chief Financial Officer         | 16,969.2           | 14,570.8           | (2,398.4)                          | -14.1%       |
| Office of the Treasurer                       | 72,214.3           | 68,565.6           | (3,648.7)                          | -5.1%        |
| <b>Sub-Total Chief Financial Officer</b>      | <b>89,183.5</b>    | <b>83,136.4</b>    | <b>(6,047.1)</b>                   | <b>-6.8%</b> |
| <b>Internal Corporate Services</b>            |                    |                    |                                    |              |
| Facilities, Real Estate, Environment & Energy | 195,315.4          | 190,802.5          | (4,513.0)                          | -2.3%        |
| Fleet Services                                | 54,207.2           | 58,256.1           | 4,048.9                            | 7.5%         |
| Information & Technology                      | 128,435.2          | 113,905.9          | (14,529.3)                         | -11.3%       |
| 311 Toronto                                   | 17,997.2           | 16,769.7           | (1,227.4)                          | -6.8%        |
| <b>Sub-Total Internal Corporate Services</b>  | <b>395,955.0</b>   | <b>379,734.2</b>   | <b>(16,220.8)</b>                  | <b>-4.1%</b> |
| <b>City Manager</b>                           |                    |                    |                                    |              |
| City Manager's Office                         | 55,926.5           | 56,591.2           | 664.8                              | 1.2%         |
| <b>Sub-Total City Manager</b>                 | <b>55,926.5</b>    | <b>56,591.2</b>    | <b>664.8</b>                       | <b>1.2%</b>  |
| <b>Other City Programs</b>                    |                    |                    |                                    |              |
| City Clerk's Office                           | 50,722.2           | 49,952.5           | (769.6)                            | -1.5%        |
| Legal Services                                | 58,447.3           | 53,277.3           | (5,170.0)                          | -8.8%        |
| Mayor's Office                                | 2,251.0            | 2,118.1            | (132.8)                            | -5.9%        |
| City Council                                  | 20,631.0           | 20,955.0           | 324.0                              | 1.6%         |
| <b>Sub-Total Other City Programs</b>          | <b>132,051.5</b>   | <b>126,303.0</b>   | <b>(5,748.5)</b>                   | <b>-4.4%</b> |
| <b>Accountability Offices</b>                 |                    |                    |                                    |              |
| Auditor General's Office                      | 5,902.9            | 5,387.8            | (515.1)                            | -8.7%        |
| Integrity Commissioner's Office               | 506.7              | 501.0              | (5.7)                              | -1.1%        |
| Lobbyist Registrar's Office                   | 1,154.1            | 1,094.3            | (59.8)                             | -5.2%        |
| Ombudsman's Office                            | 1,810.3            | 1,758.2            | (52.1)                             | -2.9%        |
| <b>Sub-Total Council Appointed Programs</b>   | <b>9,373.9</b>     | <b>8,741.3</b>     | <b>(632.7)</b>                     | <b>-6.7%</b> |
| <b>TOTAL - CITY OPERATIONS</b>                | <b>5,401,338.3</b> | <b>5,172,062.9</b> | <b>(229,275.4)</b>                 | <b>-4.2%</b> |

## Appendix B

**CITY OF TORONTO**  
**CONSOLIDATED GROSS EXPENDITURES VARIANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(\$000s)

|  | December 31, 2017   |                     |                                    |              |
|--|---------------------|---------------------|------------------------------------|--------------|
|  | Budget              | Year-End<br>Actual  | Actual vs Budget<br>Over / (Under) | %            |
| <b>Agencies</b>                                  |                     |                     |                                    |              |
| Toronto Public Health                            | 246,524.0           | 242,478.6           | (4,045.4)                          | -1.6%        |
| Toronto Public Library                           | 198,993.2           | 201,021.5           | 2,028.3                            | 1.0%         |
| Association of Community Centres                 | 8,136.4             | 8,197.0             | 60.6                               | 0.7%         |
| Exhibition Place                                 | 50,542.0            | 47,524.5            | (3,017.5)                          | -6.0%        |
| Heritage Toronto                                 | 794.9               | 854.3               | 59.4                               | 7.5%         |
| Theatres   | 29,080.0            | 27,488.9            | (1,591.1)                          | -5.5%        |
| Toronto Zoo                                      | 52,546.2            | 48,480.1            | (4,066.1)                          | -7.7%        |
| Arena Boards of Management                       | 9,013.1             | 8,772.9             | (240.2)                            | -2.7%        |
| Yonge Dundas Square                              | 2,352.3             | 3,051.2             | 698.9                              | 29.7%        |
| Toronto & Region Conservation Authority          | 43,532.0            | 43,532.0            | 0.0                                | 0.0%         |
| Toronto Transit Commission - Conventional        | 1,798,481.8         | 1,709,005.0         | (89,476.8)                         | -5.0%        |
| Toronto Transit Commission - Wheel Trans         | 151,169.3           | 133,297.2           | (17,872.1)                         | -11.8%       |
| Toronto Police Service                           | 1,130,906.9         | 1,120,556.1         | (10,350.8)                         | -0.9%        |
| Toronto Police Services Board                    | 2,809.1             | 2,380.1             | (429.0)                            | -15.3%       |
| <b>TOTAL - AGENCIES</b>                          | <b>3,724,881.2</b>  | <b>3,596,639.4</b>  | <b>(128,241.8)</b>                 | <b>-3.4%</b> |
| <b>Corporate Accounts</b>                        |                     |                     |                                    |              |
| Capital Financing - Capital from Current         | 293,902.0           | 293,733.4           | (168.5)                            | -0.1%        |
| Technology Sustainment                           | 17,911.6            | 17,911.6            | 0.0                                | 0.0%         |
| Debt Charges                                     | 566,377.2           | 547,919.3           | (18,457.8)                         | -3.3%        |
| Capital & Corporate Financing                    | 878,190.8           | 859,564.4           | (18,626.4)                         | -2.1%        |
| <b>Non-Program Expenditures</b>                  |                     |                     |                                    |              |
| Tax Deficiencies/Writeoffs                       | 85,372.0            | 81,323.9            | (4,048.1)                          | -4.7%        |
| Tax Increment Equivalent Grants (TIEG)           | 20,372.7            | 22,233.5            | 1,860.8                            | 9.1%         |
| Assessment Function (MPAC)                       | 42,270.0            | 42,303.8            | 33.8                               | 0.1%         |
| Funding of Employee Related Liabilities          | 70,828.6            | 70,824.9            | (3.7)                              | 0.0%         |
| Other Corporate Expenditures                     | 24,676.8            | 19,312.8            | (5,364.0)                          | -21.7%       |
| Insurance Premiums & Claims                      | 300.0               | 300.0               | 0.0                                | 0.0%         |
| Parking Tag Enforcement & Oper.                  | 69,374.8            | 67,157.0            | (2,217.7)                          | -3.2%        |
| Programs Funded from Reserve Funds               | 140,881.3           | 130,629.2           | (10,252.1)                         | -7.3%        |
| Vacancy Rebate Program                           | 17,500.0            | 17,178.5            | (321.5)                            | -1.8%        |
| Heritage Property Taxes Rebate                   | 1,750.0             | 1,031.1             | (718.9)                            | -41.1%       |
| Tax Rebates for Registered Charities             | 5,918.1             | 6,006.6             | 88.5                               | 1.5%         |
| Solid Waste Management Rebates                   | 144,301.9           | 142,995.5           | (1,306.4)                          | -0.9%        |
| Pandemic Influenza Stockpiling                   | 500.0               | 500.0               | 0.0                                | 0.0%         |
| Non-Program Expenditures                         | 624,046.3           | 601,796.9           | (22,249.3)                         | -3.6%        |
| <b>Non-Program Revenue</b>                       |                     |                     |                                    |              |
| Payments in Lieu of Taxes                        | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Supplementary Taxes                              | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Tax Penalty Revenue                              | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Interest/Investment Earnings                     | 1,708.5             | 1,456.6             | (251.9)                            | -14.7%       |
| Other Corporate Revenues                         | 1,290.2             | 8,548.8             | 7,258.6                            | 562.6%       |
| Dividend Income                                  | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Provincial Revenue                               | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Municipal Land Transfer Tax                      | 47,809.6            | 46,124.4            | (1,685.2)                          | -3.5%        |
| Third Party Sign Tax                             | 1,116.1             | 795.8               | (320.3)                            | -28.7%       |
| Parking Authority Revenues                       | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Administrative Support Recoveries - Water        | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Administrative Support Recoveries - Health & EMS | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Parking Tag Enforcement & Operations Rev         | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Other Tax Revenues                               | 0.0                 | 2,678.5             | 2,678.5                            | n/a          |
| Hotel & Lodging Tax                              | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Woodbine Slots Revenues                          | 0.0                 | 0.0                 | 0.0                                | n/a          |
| Non-Program Revenues                             | 51,924.3            | 59,604.1            | 7,679.7                            | 14.8%        |
| <b>TOTAL - CORPORATE ACCOUNTS</b>                | <b>1,554,161.4</b>  | <b>1,520,965.4</b>  | <b>(33,196.0)</b>                  | <b>-2.1%</b> |
| <b>LEVY OPERATING GROSS EXPENDITURES</b>         | <b>10,680,380.9</b> | <b>10,289,667.7</b> | <b>(390,713.1)</b>                 | <b>-3.7%</b> |
| <b>NON LEVY OPERATIONS</b>                       |                     |                     |                                    |              |
| Solid Waste Management Services                  | 393,697.9           | 384,904.2           | (8,793.7)                          | -2.2%        |
| Toronto Parking Authority                        | 96,003.4            | 94,051.3            | (1,952.1)                          | -2.0%        |
| Toronto Water                                    | 1,231,928.2         | 1,199,209.9         | (32,718.3)                         | -2.7%        |
| <b>NON LEVY OPERATING GROSS EXPENDITURES</b>     | <b>1,721,629.5</b>  | <b>1,678,165.5</b>  | <b>(43,464.1)</b>                  | <b>-2.5%</b> |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix C

**CITY OF TORONTO**  
**CONSOLIDATED REVENUE VARIANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(\$000s)**

|   | December 31, 2017  |                    |                                    |              |
|---|--------------------|--------------------|------------------------------------|--------------|
|   | Budget             | Year-End<br>Actual | Actual vs Budget<br>Over / (Under) | %            |
| <b>Citizen Centred Services "A"</b>           |                    |                    |                                    |              |
| Affordable Housing Office                     | 2,325.5            | 1,969.4            | (356.1)                            | -15.3%       |
| Children's Services                           | 457,219.4          | 432,488.8          | (24,730.6)                         | -5.4%        |
| Court Services                                | 44,629.1           | 44,366.3           | (262.8)                            | -0.6%        |
| Economic Development & Culture                | 16,625.4           | 19,461.0           | 2,835.6                            | 17.1%        |
| Toronto Paramedic Services                    | 133,851.9          | 135,163.0          | 1,311.2                            | 1.0%         |
| Long Term Care Homes & Services               | 209,658.0          | 199,794.5          | (9,863.5)                          | -4.7%        |
| Parks, Forestry & Recreation                  | 139,795.8          | 121,044.8          | (18,751.0)                         | -13.4%       |
| Shelter, Support & Housing Administration     | 436,607.7          | 355,955.2          | (80,652.5)                         | -18.5%       |
| Social Development, Finance & Administration  | 18,744.8           | 11,538.9           | (7,205.9)                          | -38.4%       |
| Toronto Employment & Social Services          | 972,955.1          | 976,266.3          | 3,311.2                            | 0.3%         |
| <b>Sub-Total Citizen Centred Services "A"</b> | <b>2,432,412.7</b> | <b>2,298,048.2</b> | <b>(134,364.4)</b>                 | <b>-5.5%</b> |
| <b>Citizen Centred Services "B"</b>           |                    |                    |                                    |              |
| City Planning Division                        | 33,240.9           | 38,742.8           | 5,501.9                            | 16.6%        |
| Fire Services                                 | 17,101.3           | 19,574.2           | 2,472.9                            | 14.5%        |
| Municipal Licensing & Standards               | 33,746.1           | 37,618.4           | 3,872.3                            | 11.5%        |
| Policy, Planning, Finance and Administration  | 14,246.1           | 11,507.4           | (2,738.7)                          | -19.2%       |
| Engineering and Construction Services         | 69,191.1           | 66,966.5           | (2,224.6)                          | -3.2%        |
| Toronto Building                              | 66,791.4           | 90,177.7           | 23,386.4                           | 35.0%        |
| Transportation Services                       | 188,406.0          | 138,716.5          | (49,689.5)                         | -26.4%       |
| <b>Sub-Total Citizen Centred Services "B"</b> | <b>422,722.8</b>   | <b>403,303.5</b>   | <b>(19,419.4)</b>                  | <b>-4.6%</b> |
| <b>Chief Financial Officer</b>                |                    |                    |                                    |              |
| Office of the Chief Financial Officer         | 7,185.9            | 5,830.4            | (1,355.5)                          | -18.9%       |
| Office of the Treasurer                       | 44,147.3           | 43,390.9           | (756.4)                            | -1.7%        |
| <b>Sub-Total Chief Financial Officer</b>      | <b>51,333.2</b>    | <b>49,221.3</b>    | <b>(2,111.9)</b>                   | <b>-4.1%</b> |
| <b>Internal Corporate Services</b>            |                    |                    |                                    |              |
| Facilities, Real Estate, Environment & Energy | 125,712.8          | 121,900.1          | (3,812.7)                          | -3.0%        |
| Fleet Services                                | 54,216.7           | 58,329.1           | 4,112.4                            | 7.6%         |
| Information & Technology                      | 53,125.7           | 39,092.8           | (14,032.9)                         | -26.4%       |
| 311 Toronto                                   | 8,171.6            | 7,354.6            | (817.0)                            | -10.0%       |
| <b>Sub-Total Internal Corporate Services</b>  | <b>241,226.9</b>   | <b>226,676.6</b>   | <b>(14,550.3)</b>                  | <b>-6.0%</b> |
| <b>City Manager</b>                           |                    |                    |                                    |              |
| City Manager's Office                         | 8,584.0            | 11,740.3           | 3,156.3                            | 36.8%        |
| <b>Sub-Total City Manager</b>                 | <b>8,584.0</b>     | <b>11,740.3</b>    | <b>3,156.3</b>                     | <b>36.8%</b> |
| <b>Other City Programs</b>                    |                    |                    |                                    |              |
| City Clerk's Office                           | 18,275.9           | 18,393.1           | 117.2                              | 0.6%         |
| Legal Services                                | 39,143.4           | 37,552.1           | (1,591.3)                          | -4.1%        |
| Mayor's Office                                | 0.0                | 0.0                | 0.0                                | n/a          |
| City Council                                  | 272.0              | 442.1              | 170.1                              | 62.6%        |
| <b>Sub-Total Other City Programs</b>          | <b>57,691.3</b>    | <b>56,387.3</b>    | <b>(1,304.0)</b>                   | <b>-2.3%</b> |
| <b>Accountability Offices</b>                 |                    |                    |                                    |              |
| Auditor General's Office                      | 0.0                | 0.0                | 0.0                                | n/a          |
| Integrity Commissioner's Office               | 0.0                | 0.0                | 0.0                                | n/a          |
| Lobbyist Registrar's Office                   | 0.0                | 0.0                | 0.0                                | n/a          |
| Ombudsman's Office                            | 0.0                | 0.0                | 0.0                                | 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>TOTAL - CITY OPERATIONS</b>                | <b>3,213,970.8</b> | <b>3,045,377.2</b> | <b>(168,593.6)</b>                 | <b>-5.2%</b> |

## Appendix C

**CITY OF TORONTO  
CONSOLIDATED REVENUE VARIANCE  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(\$000s)**

|  | December 31, 2017  |                    |                                    |              |
|--|--------------------|--------------------|------------------------------------|--------------|
|  | Budget             | Year-End<br>Actual | Actual vs Budget<br>Over / (Under) | %            |
| <b>Agencies</b>                                  |                    |                    |                                    |              |
| Toronto Public Health                            | 185,697.1          | 182,336.8          | (3,360.3)                          | -1.8%        |
| Toronto Public Library                           | 19,885.4           | 21,983.2           | 2,097.8                            | 10.5%        |
| Association of Community Centres                 | 326.3              | 385.4              | 59.1                               | 18.1%        |
| Exhibition Place                                 | 50,666.4           | 49,765.2           | (901.2)                            | -1.8%        |
| Heritage Toronto                                 | 496.5              | 555.9              | 59.4                               | 12.0%        |
| Theatres   | 23,172.5           | 21,522.0           | (1,650.5)                          | -7.1%        |
| Toronto Zoo                                      | 40,511.9           | 33,940.7           | (6,571.2)                          | -16.2%       |
| Arena Boards of Management                       | 9,032.8            | 8,647.4            | (385.4)                            | -4.3%        |
| Yonge Dundas Square                              | 1,975.1            | 2,652.9            | 677.8                              | 34.3%        |
| Toronto & Region Conservation Authority          | 39,970.7           | 39,970.7           | 0.0                                | 0.0%         |
| Toronto Transit Commission - Conventional        | 1,251,635.9        | 1,233,827.0        | (17,808.9)                         | -1.4%        |
| Toronto Transit Commission - Wheel Trans         | 8,491.5            | 7,646.5            | (845.0)                            | -10.0%       |
| Toronto Police Service                           | 134,581.4          | 133,356.1          | (1,225.3)                          | -0.9%        |
| Toronto Police Services Board                    | 500.0              | 362.6              | (137.4)                            | -27.5%       |
| <b>TOTAL - AGENCIES</b>                          | <b>1,766,943.5</b> | <b>1,736,952.5</b> | <b>(29,991.1)</b>                  | <b>-1.7%</b> |
| <b>Corporate Accounts</b>                        |                    |                    |                                    |              |
| Capital Financing - Capital from Current         | 0.0                | 0.0                | 0.0                                | n/a          |
| Technology Sustainment                           | 0.0                | 0.0                | 0.0                                | n/a          |
| Debt Charges                                     | 61,027.9           | 54,691.8           | (6,336.2)                          | -10.4%       |
| Capital & Corporate Financing                    | 61,027.9           | 54,691.8           | (6,336.2)                          | -10.4%       |
| <b>Non-Program Expenditures</b>                  |                    |                    |                                    |              |
| Tax Deficiencies/Writeoffs                       | 28,895.2           | 24,953.5           | (3,941.7)                          | -13.6%       |
| Tax Increment Equivalent Grants (TIEG)           | 0.0                | 0.0                | 0.0                                | n/a          |
| Assessment Function (MPAC)                       | 0.0                | 0.0                | 0.0                                | n/a          |
| Funding of Employee Related Liabilities          | 0.0                | 0.0                | 0.0                                | n/a          |
| Other Corporate Expenditures                     | 10,670.9           | 10,422.8           | (248.1)                            | -2.3%        |
| Insurance Premiums & Claims                      | 0.0                | 0.0                | 0.0                                | n/a          |
| Parking Tag Enforcement & Oper.                  | 0.0                | 0.0                | 0.0                                | n/a          |
| Programs Funded from Reserve Funds               | 140,881.3          | 130,629.2          | (10,252.1)                         | -7.3%        |
| Vacancy Rebate Program                           | 0.0                | 0.0                | 0.0                                | n/a          |
| Heritage Property Taxes Rebate                   | 0.0                | 0.0                | 0.0                                | n/a          |
| Tax Rebates for Registered Charities             | 5,918.1            | 6,006.6            | 88.5                               | 1.5%         |
| Solid Waste Management Rebates                   | 0.0                | 0.0                | 0.0                                | n/a          |
| Pandemic Influenza Stockpiling                   | 0.0                | 0.0                | 0.0                                | n/a          |
| Non-Program Expenditures                         | 186,365.5          | 172,012.2          | (14,353.3)                         | -7.7%        |
| <b>Non-Program Revenue</b>                       |                    |                    |                                    |              |
| Payments in Lieu of Taxes                        | 100,523.0          | 95,449.2           | (5,073.8)                          | -5.0%        |
| Supplementary Taxes                              | 35,000.0           | 50,230.4           | 15,230.4                           | 43.5%        |
| Tax Penalty Revenue                              | 29,000.0           | 27,455.4           | (1,544.6)                          | -5.3%        |
| Interest/Investment Earnings                     | 102,114.5          | 117,609.6          | 15,495.1                           | 15.2%        |
| Other Corporate Revenues                         | 13,452.0           | 30,503.5           | 17,051.5                           | 126.8%       |
| Dividend Income                                  | 75,000.0           | 75,000.0           | 0.0                                | 0.0%         |
| Provincial Revenue                               | 91,600.0           | 91,600.0           | 0.0                                | 0.0%         |
| Municipal Land Transfer Tax                      | 715,809.6          | 809,808.5          | 93,998.9                           | 13.1%        |
| Third Party Sign Tax                             | 12,151.8           | 11,728.1           | (423.7)                            | -3.5%        |
| Parking Authority Revenues                       | 49,034.5           | 47,618.7           | (1,415.8)                          | -2.9%        |
| Administrative Support Recoveries - Water        | 18,973.0           | 18,973.0           | 0.0                                | 0.0%         |
| Administrative Support Recoveries - Health & EMS | 16,326.7           | 16,326.7           | 0.0                                | 0.0%         |
| Parking Tag Enforcement & Operations Rev         | 112,567.3          | 107,956.2          | (4,611.1)                          | -4.1%        |
| Other Tax Revenues                               | 13,094.5           | 14,457.1           | 1,362.6                            | 10.4%        |
| Hotel & Lodging Tax                              | 5,000.0            | 0.0                | (5,000.0)                          | -100.0%      |
| Woodbine Slots Revenues                          | 16,000.0           | 16,205.9           | 205.9                              | 1.3%         |
| Non-Program Revenues                             | 1,405,646.9        | 1,530,922.2        | 125,275.3                          | 8.9%         |
| <b>TOTAL - CORPORATE ACCOUNTS</b>                | <b>1,653,040.3</b> | <b>1,757,626.1</b> | <b>104,585.8</b>                   | <b>6.3%</b>  |
| <b>LEVY OPERATING REVENUES</b>                   | <b>6,633,954.6</b> | <b>6,539,955.7</b> | <b>(93,998.9)</b>                  | <b>-1.4%</b> |
| <b>NON LEVY OPERATIONS</b>                       |                    |                    |                                    |              |
| Solid Waste Management Services                  | 393,697.9          | 388,931.7          | (4,766.2)                          | -1.2%        |
| Toronto Parking Authority                        | 159,417.3          | 155,607.5          | (3,809.8)                          | -2.4%        |
| Toronto Water                                    | 1,231,928.2        | 1,226,396.1        | (5,532.1)                          | -0.4%        |
| <b>NON LEVY OPERATING REVENUES</b>               | <b>1,785,043.4</b> | <b>1,770,935.3</b> | <b>(14,108.1)</b>                  | <b>-0.8%</b> |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix E

### Operating Variance report for the Year Ended December 31, 2017 Operating Dashboards for City Programs and Agencies

#### Citizen Centred Services "A"

Figure 1: Net Variance Summary

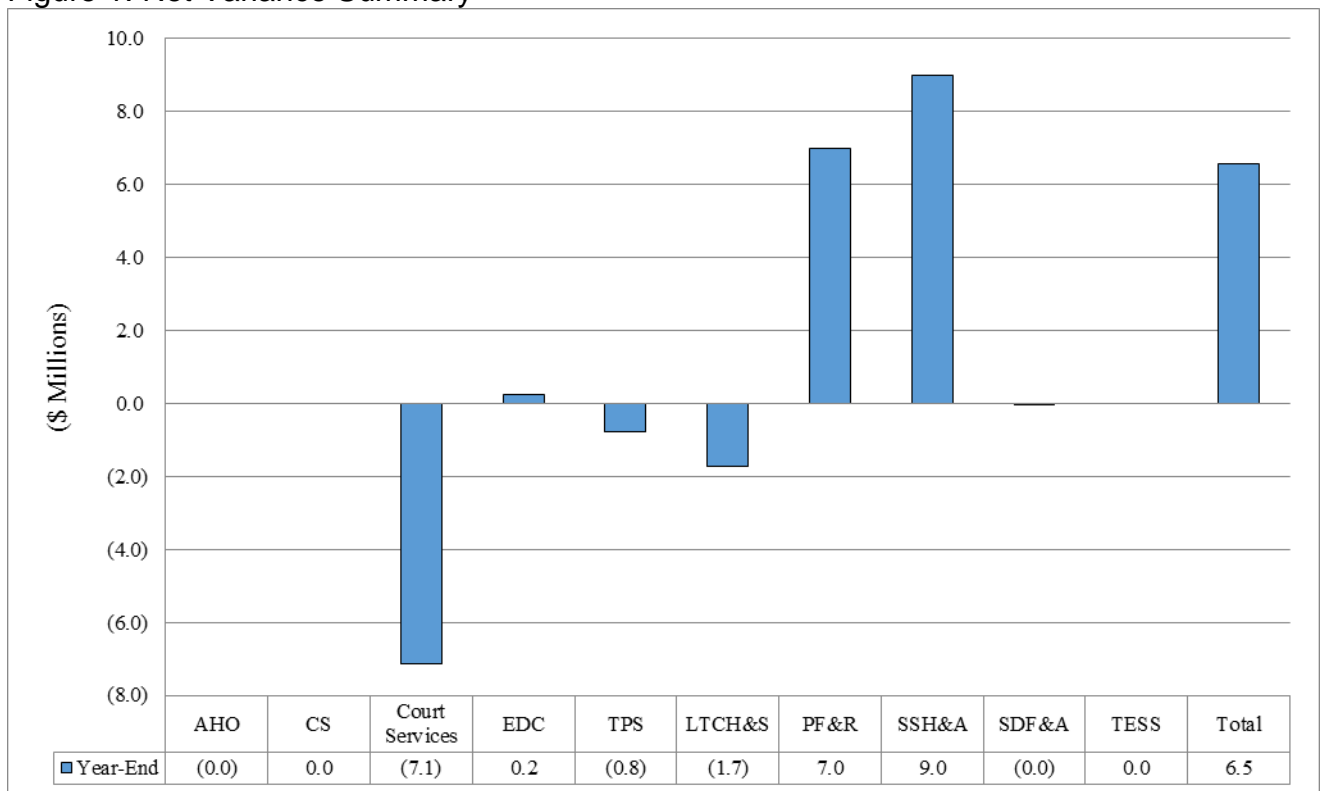


Figure 1 illustrates **Citizen Centred Services "A"** year-end net variances. As of December 31, 2017 the Cluster reported a net unfavourable variance of \$6.543 million or 0.6%.

## Appendix E

Figure 2: Citizen Centred Services "A" Year-End Variance Summary

| City Program/Agency            | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                                |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                                |          |                    | trend | \$      | trend | \$           | trend |       |
| Affordable Housing Office      | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                | 6-Month  | (0.1)              | ▼     | (0.1)   | ▼     | 0.0          | —     | Ⓞ     |
|                                | 9-Month  | (0.3)              | ▼     | (0.3)   | ▼     | 0.0          | —     | Ⓞ     |
|                                | 12-Month | (0.4)              | ▼     | (0.4)   | ▼     | (0.0)        | —     | Ⓞ     |
| Children's Services            | 3-Month  | 0.6                | ▲     | 0.6     | ▲     | 0.0          | —     | Ⓞ     |
|                                | 6-Month  | 0.9                | ▲     | 0.9     | ▲     | 0.0          | —     | Ⓞ     |
|                                | 9-Month  | (16.7)             | ▲     | (4.7)   | ▲     | (12.0)       | —     | Ⓞ     |
|                                | 12-Month | (24.7)             | ▼     | (24.7)  | ▼     | 0.0          | —     | Ⓞ     |
| Court Services                 | 3-Month  | (1.8)              | ▼     | 1.3     | ▲     | (3.1)        | ▼     | Ⓞ     |
|                                | 6-Month  | (2.2)              | ▼     | 1.5     | ▲     | (3.8)        | ▼     | Ⓞ     |
|                                | 9-Month  | (5.2)              | ▼     | 0.6     | ▲     | (5.8)        | ▼     | Ⓞ     |
|                                | 12-Month | (7.4)              | ▼     | (0.3)   | ▼     | (7.1)        | ▼     | Ⓞ     |
| Economic Development & Culture | 3-Month  | 1.9                | ▲     | 1.3     | ▲     | 0.6          | ▲     | Ⓜ     |
|                                | 6-Month  | 1.2                | ▲     | 0.6     | ▲     | 0.6          | ▲     | Ⓜ     |
|                                | 9-Month  | 1.6                | ▲     | 1.4     | ▲     | 0.3          | ▲     | Ⓜ     |
|                                | 12-Month | 3.1                | ▲     | 2.8     | ▲     | 0.2          | ▲     | Ⓜ     |
| Toronto Paramedic Services     | 3-Month  | (0.4)              | ▼     | 0.0     | —     | (0.4)        | ▼     | Ⓞ     |
|                                | 6-Month  | 0.1                | ▲     | 1.3     | ▲     | (1.2)        | ▼     | Ⓞ     |
|                                | 9-Month  | 0.0                | ▲     | 1.1     | ▲     | (1.1)        | ▼     | Ⓞ     |
|                                | 12-Month | 0.5                | ▲     | 1.3     | ▲     | (0.8)        | ▼     | Ⓞ     |

## Appendix E

Figure 3: Citizen Centred Services "A" Year-End Variance Summary

| City Program/Agency                          | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|  |          |                    | trend | \$      | trend | \$           | trend |       |
| Long Term Care Homes and Services            | 3-Month  | (6.0)              | ▼     | (5.5)   | ▼     | (0.5)        | ▼     | Ⓞ     |
|  | 6-Month  | (9.3)              | ▼     | (8.6)   | ▼     | (0.7)        | ▼     | Ⓞ     |
|  | 9-Month  | (11.1)             | ▼     | (10.2)  | ▼     | (0.9)        | ▼     | Ⓞ     |
|  | 12-Month | (11.6)             | ▼     | (9.9)   | ▼     | (1.7)        | ▼     | Ⓞ     |
| Parks, Forestry & Recreation                 | 3-Month  | (7.7)              | ▼     | (7.7)   | ▼     | (0.0)        | —     | Ⓞ     |
|  | 6-Month  | (15.7)             | ▼     | (19.7)  | ▼     | 4.0          | ▲     | Ⓜ     |
|  | 9-Month  | (14.7)             | ▼     | (18.6)  | ▼     | 3.9          | ▲     | Ⓜ     |
|  | 12-Month | (11.8)             | ▼     | (18.8)  | ▼     | 7.0          | ▲     | Ⓜ     |
| Shelter, Support & Housing Administration    | 3-Month  | 5.4                | ▲     | 0.0     | —     | 5.4          | ▲     | Ⓜ     |
|  | 6-Month  | (22.1)             | ▼     | (32.5)  | ▼     | 10.3         | ▲     | Ⓜ     |
|  | 9-Month  | (21.0)             | ▼     | (31.5)  | ▼     | 10.5         | ▲     | Ⓜ     |
|  | 12-Month | (71.7)             | ▼     | (80.7)  | ▼     | 9.0          | ▲     | Ⓜ     |
| Social Development, Finance & Administration | 3-Month  | (5.5)              | ▼     | (5.4)   | ▼     | (0.1)        | ▼     | Ⓞ     |
|  | 6-Month  | (5.5)              | ▼     | (5.5)   | ▼     | (0.0)        | —     | Ⓞ     |
|  | 9-Month  | (6.5)              | ▼     | (6.5)   | ▼     | (0.0)        | —     | Ⓞ     |
|  | 12-Month | (7.2)              | ▼     | (7.2)   | ▼     | (0.0)        | —     | Ⓞ     |

## Appendix E




Figure 4: Citizen Centred Services "A" Year-End Variance Summary

| City Program/Agency                  | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--------------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                                      |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                                      |          |                    | trend | \$      | trend | \$           | trend |       |
| Toronto Employment & Social Services | 3-Month  | (2.8)              | ▼     | (2.8)   | ▼     | 0.0          | —     | Ⓞ     |
|                                      | 6-Month  | 5.1                | ▲     | 5.1     | ▲     | (0.0)        | —     | Ⓞ     |
|                                      | 9-Month  | 5.9                | ▲     | 5.9     | ▲     | (0.0)        | —     | Ⓞ     |
|                                      | 12-Month | 3.3                | ▲     | 3.3     | ▲     | 0.0          | —     | Ⓞ     |
| Total                                | 3-Month  | (16.4)             | ▼     | (18.2)  | ▼     | 1.8          | ▼     | Ⓡ     |
|                                      | 6-Month  | (14.1)             | ▼     | (15.0)  | ▼     | 0.8          | ▲     | Ⓡ     |
|                                      | 9-Month  | (67.9)             | ▼     | (62.7)  | ▼     | (5.2)        | ▲     | Ⓞ     |
|                                      | 12-Month | (127.8)            | ▼     | (134.4) | ▼     | 6.5          | ▲     | Ⓡ     |
| Year-End Net Variance                | Ⓞ        | <=100%             | Ⓡ     | >100%   |       |              |       |       |





## Appendix E




### Citizen Centred Services "A"

#### Year End Results

|  |   |
|--|---|
| <p><b>Affordable Housing Office:</b></p> <ul style="list-style-type: none"> <li>• Favourable gross expenditure variance resulting from underspending in salaries and benefits from vacancies and lower than planned expenditures for professional and technical services, meterage, wireless communications and other expenses.</li> <li>• Underspending has been fully offset by corresponding underachieved federal-provincial revenue.</li> <li>• Year-end \$0 net variance.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 5.0 positions below approved complement, which after considering gapping, is equivalent to a 20% operating vacancy rate.</li> </ul>  |    |
| <p><b>Children's Services:</b></p> <ul style="list-style-type: none"> <li>• Gross expenditure underspending reflects unspent provincial revenues which will be transferred to the Child Care Expansion Reserve Fund, to support expanded programming in 2018, in accordance with the direction provided by Council (EX26.30).</li> <li>• The underspending reflects offsetting under achieved revenues due to the delayed delivery of services associated with the receipt of the expansion funding. Provincial guidelines allow the Program to deliver these services in 2018 using the 2017 funding, given the late receipt of the funding in 2017,</li> <li>• Year-end \$0 net variance</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 26 positions below the approved complement, which after considering gapping is equivalent to a 2.2% vacancy rate.</li> </ul>  |    |
| <p><b>Court Service:</b></p> <ul style="list-style-type: none"> <li>• Favourable gross expenditure variance of \$7.391 million mainly due to under expenditures in salaries and benefits as a result of the delay in implementation of Toronto Local Appeal Body (TLAB), Administrative Penalty Tribunal (APT) and Red Light Camera Expansion (RLC) as well as to accommodate organizational changes in 2018 for Court's administration of disputed parking tag matters.</li> <li>• Unfavourable revenue of \$0.263 million primarily due to fewer charges filed by Toronto Police services.</li> <li>• Favourable net variance of \$7.128 million due to delays resulting from the implementation of multiple initiatives (TLAB, APT and RLC).</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 40 positions below the approved complement which after considering gapping is equivalent to 12.9% vacancy rate.</li> </ul> |  |



|  |   |
|--|---|
| <p><b>Economic Development &amp; Culture:</b></p> <ul style="list-style-type: none"> <li>Overall unfavorable net expenditure of \$0.241 million or 0.4% higher than the 2017 Approved Operating Budget is driven by: <ul style="list-style-type: none"> <li>Higher than planned consulting costs of \$0.180 million, primarily driven by urgent unbudgeted studies requested by the Imagination, Manufacturing, Innovation Technology (IMIT) Property Tax program</li> <li>Unfavorable other expenditures of \$2.877 million that are mostly offset by favorable revenue of \$2.836 million include: <ul style="list-style-type: none"> <li>Toronto Global \$0.890 million fully funded by Toronto Port Lands Company</li> <li>Severance costs of \$0.553 million associated with positions eliminated during the 2017 budget process, with a recovery from corporate reserves.</li> <li>Canada 150 Celebrations additional \$0.490 million expenses funded by sponsorship</li> <li>Starter Company program \$0.244 million funded by a grant</li> </ul> </li> </ul> </li> <li>2.0 positions below approved complement of 300.5 due to staff turnovers. This represents full complement after budgeted gapping.</li> </ul> |    |
| <p><b>Toronto Paramedic Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditure variance of \$0.545 million mainly due to increased WSIB claims as a result of legislative changes, Bill 163 for new "Post-Traumatic Stress Disorder".</li> <li>Favourable revenue of \$1.311 million primarily due to higher than budgeted Base Provincial Funding for Land Ambulance Services and the Communication Centre (CACC).<br/>Favourable net variance of \$0.766 million due to higher than expected provincial grant.</li> <li>14 positions below the approved complement which after considering gapping is equivalent to 0% vacancy rate.</li> </ul>   |    |
| <p><b>Long-Term Care Homes &amp; Services:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditure of \$11.596 million primarily attributed to the delays in re-opening of Kipling Acres site and underspending in 100% claims-based programs.</li> <li>Unfavourable revenue variance of \$9.864 million due to lower provincial subsidies driven by underspending in 100% claims-based programs.</li> <li>Favourable net variance of \$1.733 million primarily due to delays in re-opening of Kipling Acres facility.</li> <li>0.0 positions below approved complement which after considering gapping is equivalent to a 0.0% vacancy rate.</li> </ul>   |  |
| <p><b>Parks, Forestry &amp; Recreation:</b></p> <ul style="list-style-type: none"> <li>Underachieved revenues of \$18.751 million related to ferry, parks &amp; recreation permit and user fees are projected to year-end. This revenue shortfall is partially offset by expenditure savings of \$11.762 million, resulting in an unfavourable year end projection of \$6.989 million.</li> <li>The 2017-2018 impact of the high water levels on the operating budget is projected to be \$7.686 million, with \$7.286 million incurred in 2017 and the</li> </ul>   |  |

|  |   |
|--|---|
| <p>balance of \$0.400 million in 2018. The 2017 costs include \$1.554 million in emergency mitigation, \$4.864 million in loss of ferry, recreation and permit revenues, and \$1.083 million in proposed rent abatements in 2017. These costs are partially offset by savings in staff and fuel costs of 0.216 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 this Spring flooding.</li> </ul>   |   |
| <ul style="list-style-type: none"> <li>151.3 positions below approved complement. After budgeted gapping considerations this is equivalent to a 0.0% vacancy rate.</li> </ul>  |   |
| <p><b>Shelter, Support &amp; Housing Administration:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditure due to occupancy pressures in Hostel Services resulting from the influx of refugees and newcomers to the City partially offset by underspending in Social Housing due to hiring delays and savings in housing provider subsidies for mortgage payments, operating expenses and rent.</li> <li>Underachieved revenues corresponding to lower than plan expenditures in federal-provincial grant funded affordable housing and apartment retrofit projects.</li> <li>Net unfavourable variance resulting from over-spending in Hostel Services primarily attributable to continued occupancy pressures in the City's Shelter system.</li> </ul> |    |
| <ul style="list-style-type: none"> <li>73.3 positions below approved complement which after considering gapping is equivalent to a 3.0% operating vacancy rate.</li> </ul>   |   |
| <p><b>Social Development, Finance and Administration:</b></p> <ul style="list-style-type: none"> <li>Gross underspending of \$7.245 million is primarily attributable to delays in delivering the Tower Renewal Hi-Ris Retrofit project and the Healthy Kids Community Challenge Initiative.</li> <li>Under achieved revenues of \$7.206 million offset the underspending, with the draw from the Local Improvement Charge Reserve Fund reduced for the underspent Tower Renewal Initiative and lower provincial funding due to delay in delivering the Healthy Kids Community Challenge Initiative.</li> <li>Favourable net variance of \$0.039 million is primarily attributable to underspent Salaries and Benefits due to hiring delays and staff turnover.</li> </ul>       |  |
| <ul style="list-style-type: none"> <li>8 positions below approved complement which after considering gapping is 2.5%</li> </ul>  |   |
| <p><b>Toronto Employment &amp; Social Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditure variance of \$3.311 million due to higher mandatory financial benefit payments.</li> <li>Favourable revenue variance of \$3.311 million due to higher expenditure based provincial subsidies.</li> <li>Year-end \$0 net variance due to flat Ontario Works (OW) caseload to budget. The caseload in 2017 is 84,015, 15 cases higher than the budget of 84,000 caseload.</li> </ul>   |  |
| <ul style="list-style-type: none"> <li>13 positions below the approved complement which after considering gapping is equivalent to a 0% vacancy rate.</li> </ul>   |   |

## Appendix E

### Citizen Centred Services "B"

Figure 5: Net Variance Summary

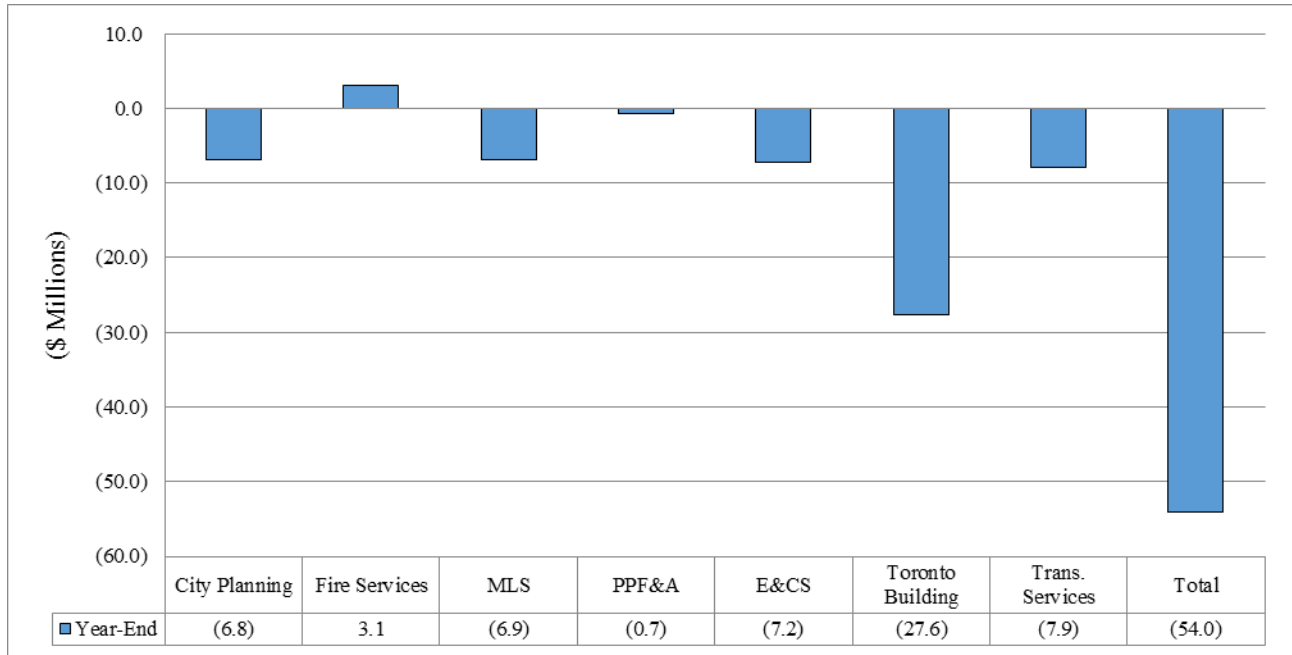


Figure 5 provides an overview of **Citizen Centred Services "B"** year-end net variances. As of December 31, 2017 the Cluster reported a net favourable variance of \$54.050 million or 7.6%.

## Appendix E

Figure 6: Citizen Centred Services "B" Year-End Variance Summary

| City Program/Agency                          | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|  |          | \$                 | trend | \$      | trend | \$           | trend |       |
| City Planning                                | 3-Month  | (0.3)              | ▼     | 0.7     | ▲     | (1.0)        | ▼     | Ⓞ     |
|  | 6-Month  | (0.6)              | ▼     | 2.9     | ▲     | (3.4)        | ▼     | Ⓞ     |
|  | 9-Month  | (1.1)              | ▼     | 5.6     | ▲     | (6.7)        | ▼     | Ⓞ     |
|  | 12-Month | (1.3)              | ▼     | 5.5     | ▲     | (6.8)        | ▼     | Ⓞ     |
| Fire Services                                | 3-Month  | 1.0                | ▲     | 0.6     | ▲     | 0.5          | ▲     | Ⓡ     |
|  | 6-Month  | 6.7                | ▲     | 0.6     | ▲     | 6.2          | ▲     | Ⓡ     |
|  | 9-Month  | 9.1                | ▲     | 0.6     | ▲     | 8.5          | ▲     | Ⓡ     |
|  | 12-Month | 5.5                | ▲     | 2.5     | ▲     | 3.1          | ▲     | Ⓡ     |
| Municipal Licensing & Standards              | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | (2.3)              | ▼     | 0.3     | ▲     | (2.6)        | ▼     | Ⓞ     |
|  | 9-Month  | (2.3)              | ▼     | 1.2     | ▲     | (3.4)        | ▼     | Ⓞ     |
|  | 12-Month | (3.1)              | ▼     | 3.9     | ▲     | (6.9)        | ▼     | Ⓞ     |
| Policy, Planning, Finance and Administration | 3-Month  | (1.4)              | ▼     | (1.1)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|  | 6-Month  | (1.8)              | ▼     | (1.6)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|  | 9-Month  | (2.4)              | ▼     | (2.2)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|  | 12-Month | (3.4)              | ▼     | (2.7)   | ▼     | (0.7)        | ▼     | Ⓞ     |
| Engineering and Construction Services        | 3-Month  | (4.8)              | ▼     | (4.6)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|  | 6-Month  | (6.2)              | ▼     | (2.5)   | ▼     | (3.6)        | ▼     | Ⓞ     |
|  | 9-Month  | (5.0)              | ▼     | (0.8)   | ▼     | (4.3)        | ▼     | Ⓞ     |
|  | 12-Month | (9.4)              | ▼     | (2.2)   | ▼     | (7.2)        | ▼     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

Figure 7: Citizen Centred Services "B" Year-End Variance Summary




| City Program/Agency              | Quarter  | Year-End Results   |          |                 |       |              |       |       |
|----------------------------------|----------|--------------------|----------|-----------------|-------|--------------|-------|-------|
|                                  |          | Gross Expenditures |          | Revenue         |       | Net Variance |       | Alert |
|                                  |          | \$                 | trend    | \$              | trend | \$           | trend |       |
| Toronto Building                 | 3-Month  | (2.9)              | ▼        | 0.0             | —     | (2.9)        | ▼     | Ⓞ     |
|                                  | 6-Month  | (3.5)              | ▼        | 14.4            | ▲     | (17.9)       | ▼     | Ⓞ     |
|                                  | 9-Month  | (3.7)              | ▼        | 8.8             | ▲     | (12.5)       | ▼     | Ⓞ     |
|                                  | 12-Month | (4.2)              | ▼        | 23.4            | ▲     | (27.6)       | ▼     | Ⓞ     |
| Transportation Services          | 3-Month  | (36.3)             | ▼        | (39.4)          | ▼     | 3.1          | ▲     | Ⓡ     |
|                                  | 6-Month  | (22.1)             | ▼        | (24.0)          | ▼     | 1.9          | ▲     | Ⓡ     |
|                                  | 9-Month  | (25.1)             | ▼        | (22.3)          | ▼     | (2.8)        | ▲     | Ⓞ     |
|                                  | 12-Month | (57.6)             | ▼        | (49.7)          | ▼     | (7.9)        | ▼     | Ⓞ     |
| Total                            | 3-Month  | (44.8)             | ▼        | (44.0)          | ▼     | (0.8)        | ▼     | Ⓞ     |
|                                  | 6-Month  | (29.8)             | ▼        | (10.0)          | ▼     | (19.8)       | ▼     | Ⓞ     |
|                                  | 9-Month  | (30.6)             | ▼        | (9.2)           | ▼     | (21.4)       | ▼     | Ⓞ     |
|                                  | 12-Month | (73.5)             | ▼        | (19.4)          | ▼     | (54.0)       | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b> | <b>Ⓞ</b> | <b>&lt;=100%</b>   | <b>Ⓡ</b> | <b>&gt;100%</b> |       |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix E

### Citizen Centred Services "B"



#### Year End Results

|   |   |
|---|---|
| <p><b>City Planning:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditure variance of \$1.328 million due savings in salaries and benefits related to vacancies, partially offset by increased non-salary expenditures such as legal fees, postage, copying and printing costs due to the higher volume of development applications.</li> <li>Favourable gross revenue variance of \$5.502 million due to the higher volume of Committee of Adjustment applications and larger development projects in Community Planning.</li> </ul>  |    |
| <ul style="list-style-type: none"> <li>36.0 positions or 9.2% below the approved complement, and after considering the budgeted gapping, this represents the equivalent of a 5.3% vacancy rate.</li> </ul>  |   |
| <p><b>Fire Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditure variance of \$5.526 million is primarily attributable to over spending for WSIB awards arising from claims for 14 work-related cancers and work-related Post Traumatic Stress Disorder, and other non-salary over spending.</li> <li>Gross expenditures over spending is partially offset by over achieved revenue of \$2.473 million, mainly due to false alarms charges that are greater than budget and cost recoveries from the removal of hazardous materials from various emergency incidents.</li> </ul>  |    |
| <ul style="list-style-type: none"> <li>51 positions below the approved complement which after considering gapping represents a full complement.</li> </ul>  |   |
| <p><b>Municipal Licensing &amp; Standards:</b></p> <ul style="list-style-type: none"> <li>Under-expenditures totaling \$5.17 million primarily arise from salaries and benefits savings (\$3.35 million) which are mainly due to the longer processing time to fill vacancies.</li> <li>The balance of underspending of \$1.82 million mainly included delay in obtaining a work plan from Toronto Wildlife Centre which has delayed the expense funded by the 2017 Grant (\$0.75 million) and lower spending on contracted services for delayed audit services (\$0.40 million). Under-expenditures (\$0.67 million) included the delayed procurement of uniforms and computer software, lower than planned credit related merchant fees and in-town meterage and parking. Staff vacancies are causing less spending for protective equipment, external training, software and meterage.             <ul style="list-style-type: none"> <li>Underspending was partially offset by over-expenditures of \$2.11 million and mainly includes spending related to office modernization (\$1.06 million) for construction, furniture and facilities maintenance. Miscellaneous expenditure accounts (\$0.75 million) were also overspent</li> </ul> </li> </ul> |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|   |   |
|---|---|
| <p>including contracted staff, cell phones, medical supplies, emergency veterinary expenditures due increased activity. Payment for early lease termination (Exhibition Place-South District Shelter) cost \$0.30 million.</p> <ul style="list-style-type: none"> <li>Higher than planned revenue of \$5.24 million was comprised of higher revenue of \$3.70 million due to higher than expected volumes of PTC (Private Transportation Company) applications and trip fees as well as higher than planned revenue from Apartment Building registration fees (\$1.19 million) and licenses &amp; permits (\$0.31 million).</li> <li>Offsetting revenue shortfalls of \$1.37 million were driven by lower than planned Apartment Building Standards inspection and audit fee revenue (\$0.20 million) and transfers from capital (\$0.18 million). In addition, there was delayed reserve funding (\$0.99 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> <p>Combined, this results in a net under-expenditure (surplus) of \$6.93 million or 35.8% as of the year-end. It is recommended that part of this surplus (\$1.2 million) be allocated to deferred revenue and used to fund the acquisition of new vehicles for enforcement officers in 2019.</p> |   |
| <ul style="list-style-type: none"> <li>As of year-end, ML&amp;S is 27 positions below total approved complement of 479.5 positions. Recruitment is underway and staff are expected to be on board in July 2018.</li> <li>After considering budgeted gapping, this is equivalent to a 3.4% operating vacancy rate. The Program is continuing the process of recruiting qualified candidates.</li> </ul>  |   |
| <p><b>Policy, Planning, Finance &amp; Administration:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditure variance of \$3.420 million due savings in salaries and benefits related to vacancies, and lower expenditures relating to the Regional Express Rail project due to the project progressing at a slower pace.</li> <li>Unfavourable gross revenue variance of \$2.739 million mainly due to the lower recoveries from Metrolinx for the Regional Express Rail project and reduced inter-divisional recoveries from Toronto Water and Solid Waste Management due to reduced services provided to these City Divisions.</li> </ul> <p>13.4 positions or 7.1% below the approved complement, and after considering the budgeted gapping rate, this represents the equivalent of a 3.1% vacancy rate.</p>  |  |
| <p><b>Engineering and Construction Services:</b></p> <ul style="list-style-type: none"> <li>Under-spending in salaries &amp; benefits and related non-salary expenses due to vacant positions.</li> <li>Lower costs due to delay of the Capital Works Procedure Manual update project (to reflect all Auditor General recommendations, Purchasing By-Law changes, etc.).</li> </ul>   |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Lower recoveries from client capital projects resulting from vacant positions.</li> <li>• Partially offset by higher development and full stream (utility companies) application fees due to higher volume of applications.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 60.0 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 2.1% operating vacancy rate.</li> </ul>   |   |
| <p><b>Toronto Building:</b></p> <p>Expenditures:</p> <ul style="list-style-type: none"> <li>• Consulting costs has a positive variance of \$0.036 million due to a delayed consulting project related to fee review.</li> <li>• Other gross expenditures are \$4.191 million under budget mainly due to \$3.590 million from vacancy-related underspending in salaries &amp; benefits, \$0.245 million primarily from computer hardware and software expenditures associated with delays in operationalization of capital projects, and \$0.234 million other savings from office furnishings and wireless services.</li> </ul> <p>Revenue:</p> <ul style="list-style-type: none"> <li>• Variance of \$23.386 million is driven by a higher than anticipated volume of building permit applications.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• At December 31, 2017, Toronto Building is 30 positions below approved complement, which after gapping is equivalent to a 3.5% vacancy rate.</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>• Under-spending in road / bridge repair contracts due to lower than expected utility cut repair volumes and lower costs in the winter maintenance program due to mild winter conditions.</li> <li>• Under-spending in salaries &amp; benefits due to vacant positions and lower street lighting hydro costs.</li> <li>• Under-achieved utility cut repair revenue due to lower than expected volumes.</li> <li>• Partially offset by higher permit / application revenues due to higher than expected lane occupancy fees and Right-of-Way permit fees as a result of increased construction activity, and higher permit parking fees due to increased volumes.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 59.5 positions below the approved complement, after considering budgeted gapping this essentially reflects full complement.</li> <li>• Transportation Services continues to implement an accelerated hiring program to address the filling of vacant positions.</li> </ul>   |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix E

### Chief Financial Officer

Figure 8: Net Variance Summary

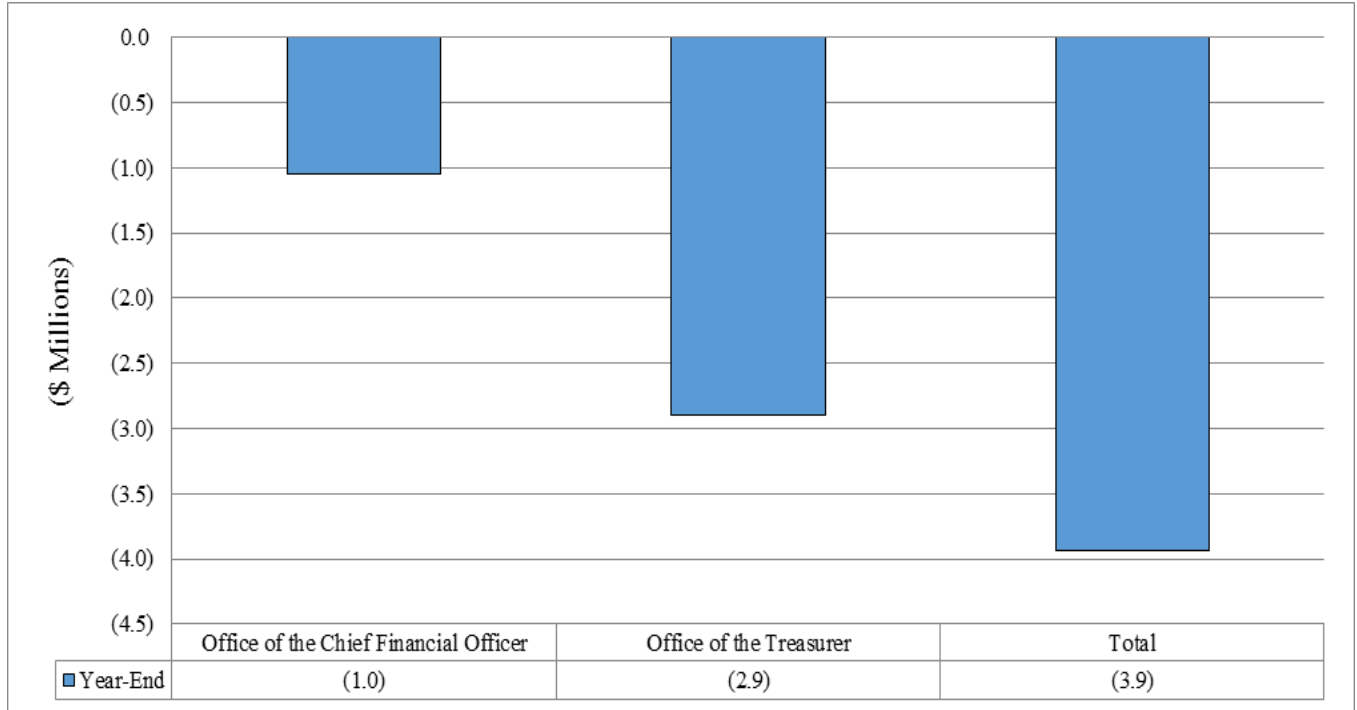


Figure 8 is summarizing Chief Financial Officer year-end net variances. As of December 31, 2017 **Chief Financial Officer** reported a net favourable variance of \$3.935 million or 10.4% compared to the 2017 Approved Net Operating Budget.

## Appendix E

Figure 9: Chief Financial Officer Year-End Variance Summary



| City Program/Agency                   | Quarter  | Year-End Results   |        |         |       |              |       | Alert |
|---------------------------------------|----------|--------------------|--------|---------|-------|--------------|-------|-------|
|                                       |          | Gross Expenditures |        | Revenue |       | Net Variance |       |       |
|                                       |          | \$                 | trend  | \$      | trend | \$           | trend |       |
| Office of the Chief Financial Officer | 3-Month  | (0.8)              | ▼      | (0.6)   | ▼     | (0.3)        | ▼     | Ⓞ     |
|                                       | 6-Month  | (1.3)              | ▼      | (0.5)   | ▼     | (0.7)        | ▼     | Ⓞ     |
|                                       | 9-Month  | (1.8)              | ▼      | (1.1)   | ▼     | (0.7)        | ▼     | Ⓞ     |
|                                       | 12-Month | (2.4)              | ▼      | (1.4)   | ▼     | (1.0)        | ▼     | Ⓞ     |
| Office of the Treasurer               | 3-Month  | (0.5)              | ▼      | (0.3)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|                                       | 6-Month  | (2.4)              | ▼      | (1.3)   | ▼     | (1.2)        | ▼     | Ⓞ     |
|                                       | 9-Month  | (2.1)              | ▼      | (0.8)   | ▼     | (1.3)        | ▼     | Ⓞ     |
|                                       | 12-Month | (3.6)              | ▼      | (0.8)   | ▼     | (2.9)        | ▼     | Ⓞ     |
| Total                                 | 3-Month  | (1.3)              | ▼      | (0.8)   | ▼     | (0.4)        | ▼     | Ⓞ     |
|                                       | 6-Month  | (3.7)              | ▼      | (1.8)   | ▼     | (1.9)        | ▼     | Ⓞ     |
|                                       | 9-Month  | (3.9)              | ▼      | (1.9)   | ▼     | (2.0)        | ▼     | Ⓞ     |
|                                       | 12-Month | (6.0)              | ▼      | (2.1)   | ▼     | (3.9)        | ▼     | Ⓞ     |
| Year-to-Date Net Variance             |          | Ⓞ                  | <=100% | Ⓡ       | >100% |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

### Chief Financial Officer

#### Year End Results

|  |   |
|--|---|
| <p><b>Office of the Chief Financial Officer:</b></p> <ul style="list-style-type: none"><li>Favourable variance in gross expenditures of \$2.398 million is primarily attributable to delays in filing vacant operational and capital positions. Revenues were under-achieved by \$1.356 million mainly due to lower recoveries from reserves and divisions due to delays or deferrals of projects, resulting in a favourable net expenditure variance of \$1.043 million.</li></ul>  |  |
| <ul style="list-style-type: none"><li>21.0 vacant positions below approved complement, 16.0 operating and 5.0 capital, which after considering budgeted gapping, is equivalent to a 13.0% operating vacancy rate.</li></ul>  |   |
| <p><b>Office of the Treasurer:</b></p> <ul style="list-style-type: none"><li>Favourable variance in gross expenditures of \$3.649 million is primarily attributable to delays in filing vacant operational positions and delays in the implementation of PMMD category management program review. The gross expenditure variance is partially offset by unbudgeted capital positions and over expenditures in postage and interdivisional costs. Revenues were under-achieved mainly due to lower transfers from divisions/reserve/reserve funds due to delays or deferrals of projects which was partially offset by higher than anticipated capital recoveries and external revenues. The overall result was a favourable net expenditure variance of \$2.892 million.</li></ul> |  |
| <ul style="list-style-type: none"><li>62.0 vacant positions below approved complement, 57.0 operating and 5.0 capital, which after considering budgeted gapping, is equivalent to a 6.0% operating vacancy rate.</li></ul>   |   |

## Appendix E

### Internal Corporate Services

Figure 10: Net Variance Summary

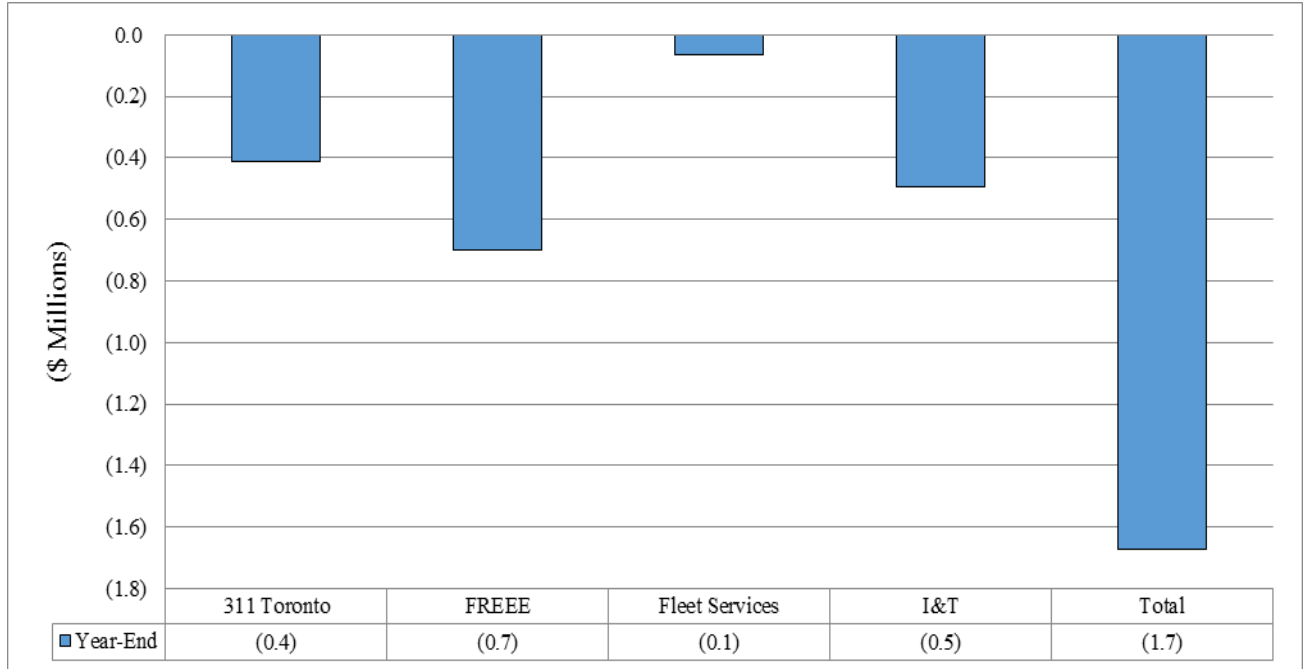


Figure 10 is summarizing Internal Corporate Services year-end net variances. As of December 31, 2017 **Internal Corporate Services** reported a net favourable variance of \$1.671 million or 1.1% compared to the 2017 Approved Net Operating Budget.

## Appendix E

Figure 11: Internal Corporate Services Year-End Variance Summary




| City Program/Agency                           | Quarter  | Year-End Results   |        |         |       |              |       | Alert |
|---|----------|--------------------|--------|---------|-------|--------------|-------|-------|
|   |          | Gross Expenditures |        | Revenue |       | Net Variance |       |       |
|   |          | \$                 | trend  | \$      | trend | \$           | trend |       |
| Facilities, Real Estate, Environment & Energy | 3-Month  | (6.5)              | ▼      | (6.4)   | ▼     | (0.1)        | ▼     | Ⓞ     |
|   | 6-Month  | (4.5)              | ▼      | (4.4)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|   | 9-Month  | (6.2)              | ▼      | (5.8)   | ▼     | (0.4)        | ▼     | Ⓞ     |
|   | 12-Month | (4.5)              | ▼      | (3.8)   | ▼     | (0.7)        | ▼     | Ⓞ     |
| Fleet Services                                | 3-Month  | 3.0                | ▲      | 3.2     | ▲     | (0.2)        | ▼     | Ⓞ     |
|   | 6-Month  | 3.2                | ▲      | 4.4     | ▲     | (1.2)        | ▼     | Ⓞ     |
|   | 9-Month  | 5.0                | ▲      | 5.1     | ▲     | (0.1)        | ▼     | Ⓞ     |
|   | 12-Month | 4.0                | ▲      | 4.1     | ▲     | (0.1)        | ▼     | Ⓞ     |
| Information & Technology                      | 3-Month  | (9.2)              | ▼      | (9.2)   | ▼     | (0.0)        | —     | Ⓞ     |
|   | 6-Month  | (13.5)             | ▼      | (12.5)  | ▼     | (1.0)        | ▼     | Ⓞ     |
|   | 9-Month  | (14.1)             | ▼      | (13.4)  | ▼     | (0.8)        | ▼     | Ⓞ     |
|   | 12-Month | (14.5)             | ▼      | (14.0)  | ▼     | (0.5)        | ▼     | Ⓞ     |
| 311 Toronto                                   | 3-Month  | (0.4)              | ▼      | (0.3)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|   | 6-Month  | (0.5)              | ▼      | (0.3)   | ▼     | (0.2)        | ▼     | Ⓞ     |
|   | 9-Month  | (0.9)              | ▼      | (0.6)   | ▼     | (0.3)        | ▼     | Ⓞ     |
|   | 12-Month | (1.2)              | ▼      | (0.8)   | ▼     | (0.4)        | ▼     | Ⓞ     |
| Total   | 3-Month  | (13.2)             | ▼      | (12.7)  | ▼     | (0.5)        | ▼     | Ⓞ     |
|   | 6-Month  | (15.3)             | ▼      | (12.7)  | ▼     | (2.6)        | ▼     | Ⓞ     |
|   | 9-Month  | (16.2)             | ▼      | (14.7)  | ▼     | (1.5)        | ▼     | Ⓞ     |
|   | 12-Month | (16.2)             | ▼      | (14.6)  | ▼     | (1.7)        | ▼     | Ⓞ     |
| Year-to-Date Net Variance                     |          | Ⓞ                  | <=100% | Ⓜ       | >100% |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017


## Appendix E

### Internal Corporate Services

#### Year End Results

|   |   |
|---|---|
| <p><b>Facilities, Real Estate, Environment &amp; Energy:</b></p> <ul style="list-style-type: none"> <li>Underspending of \$0.700 million net is primarily attributable to operating vacancies due to staffing delays resulting from implementation of the new Facilities Management service delivery model.</li> <li>Other underspend in gross expenditures were offset by lower recoveries from reserve funds and clients, contributing to minimal net impact.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>119.0 positions below the approved complement mainly driven by staffing delays due to the ongoing implementation of the new Facilities Management service delivery model within the Division. After considering budgeted gapping, current vacancies represent the equivalent of a 7.1% operating vacancy rate.</li> <li>The impacts of vacancies across the program include existing staff working extra hours to cover off 24/7 and critical operations, and a greater reliance on external contractors to support operations. Overall, the program mitigated these impacts by having critical work performed with existing resources to meet service levels.</li> </ul> |    |
| <p><b>Fleet Services:</b></p> <ul style="list-style-type: none"> <li>Unfavourable gross expenditure variance of \$4.049 million is mainly attributable to increased maintenance costs to maintain the City's fleet due to vehicles and equipment that have passed their optimum life, higher fuel costs and short-term vehicle rental costs, partially offset by underspent salaries and benefits from staff vacancies in hard-to-fill positions. This is offset by increased recoveries from Client divisions for a net favourable variance of \$0.064M.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>24.0 positions below the approved complement, and after considering budgeted gapping, this represents the equivalent of a 7.1% operating vacancy rate.</li> </ul>   |  |
| <p><b>Information &amp; Technology:</b></p> <ul style="list-style-type: none"> <li>Favourable variance in net expenditures of \$0.496 million is primarily attributable to operating vacancies. Capital and client funded vacancies were offset by lower recoveries from reserves and divisions.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>131.0 vacant positions below approved complement, 57.0 operating and 74.0 capital, which after considering budgeted gapping, is equivalent to a 3.6% operating vacancy rate.</li> <li>I &amp; T continues to work closely with a dedicated team of HR professionals to fill capital positions as per I &amp; T Division priorities and project schedules.</li> </ul>   |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|   |   |
|---|---|
| <p><b>311 Toronto:</b></p> <ul style="list-style-type: none"> <li>• Favourable net expenditure of \$0.410 million is mainly attributable to vacancies in the Project Management Office (PMO), and underspending in contracts due to various contract negotiations and IT technologies being updated.</li> <li>• Achieved 81% of calls answered within 75 seconds, compared to the 80% Council approved service level.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 12.0 positions below the approved complement. After considering budgeted gapping, this represents the equivalent of 1.8% operating vacancy rate.</li> <li>• There is no service level impact resulting from these vacancies.</li> </ul> |  |
|---|---|

## Appendix E

### City Manager's Office

The City Manager's Office reported net favourable year-end variance of \$2.492 million or 5.3% compared to the 2017 Approved Net Operating Budget.

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

| City Program/Agency              | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|----------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                                  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                                  |          | \$                 | trend | \$      | trend | \$           | trend |       |
| City Manager's Office            | 3-Month  | 2.1                | ▲     | 2.5     | ▲     | (0.4)        | ▼     | Ⓞ     |
|                                  | 6-Month  | 3.1                | ▲     | 3.5     | ▲     | (0.4)        | ▼     | Ⓞ     |
|                                  | 9-Month  | 3.1                | ▲     | 3.5     | ▲     | (0.4)        | ▼     | Ⓞ     |
|                                  | 12-Month | 0.7                | ▲     | 3.2     | ▲     | (2.5)        | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b> | Ⓞ        | <=100%             | Ⓡ     | >100%   |       |              |       |       |

### Year End Results

|  |   |
|--|---|
| <p><b>City Manager's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable net variance of \$2.492 million was mainly due to underspent salaries and benefits from unfunded vacant positions.</li> <li>36.0 positions, and after considering budgeted gapping, this represents the equivalent of a 2.5% operating vacancy rate.</li> </ul> | Ⓞ |
|--|---|



## Appendix E

### Other City Programs

Figure 13: Net Variance Summary

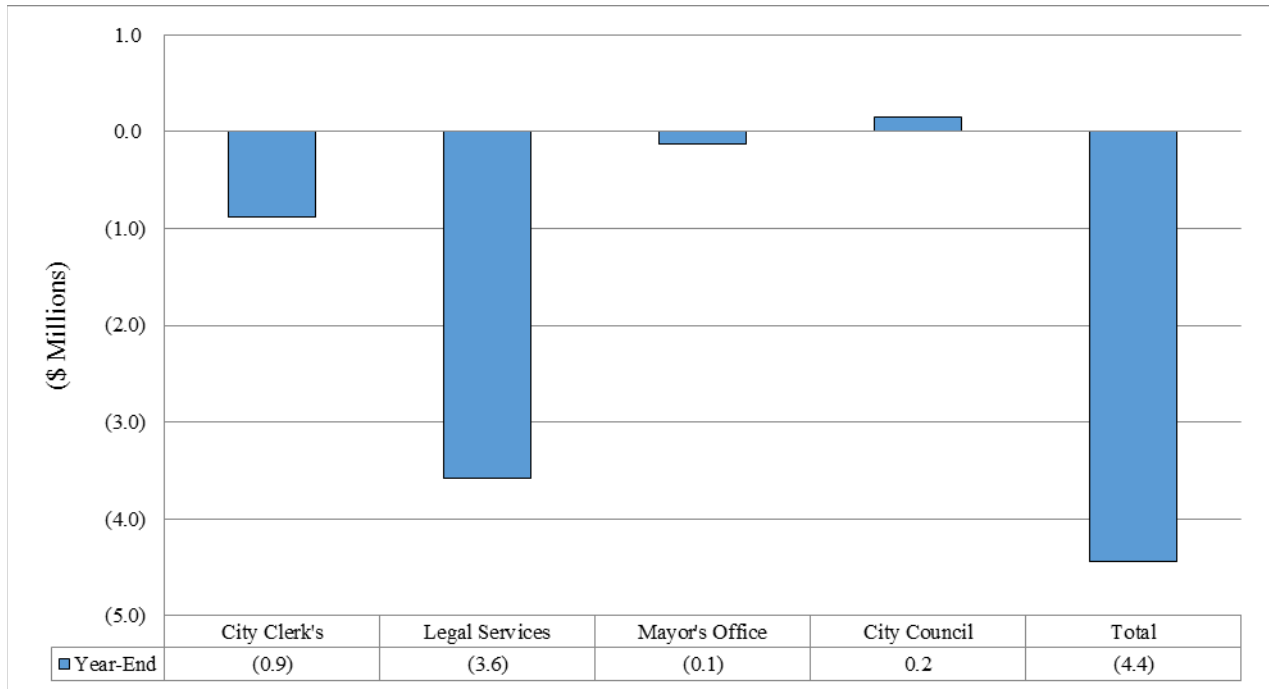


Figure 13 illustrates program specific year-end net variances. As of December 31, 2017 **Other City Programs** are reporting a net favourable variance of \$4.445 million or 6.0%.

## Appendix E

Figure 14: Other City Programs Year-End Variance Summary





| City Program/Agency              | Quarter  | Year-End Results   |       |          |       |              |       | Alert |
|----------------------------------|----------|--------------------|-------|----------|-------|--------------|-------|-------|
|                                  |          | Gross Expenditures |       | Revenue  |       | Net Variance |       |       |
|                                  |          | \$                 | trend | \$       | trend | \$           | trend |       |
| City Clerk's Office              | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 9-Month  | (0.9)              | —     | (0.7)    | —     | (0.3)        | —     | Ⓞ     |
|                                  | 12-Month | (0.8)              | ▼     | 0.1      | ▲     | (0.9)        | ▼     | Ⓞ     |
| Legal Services                   | 3-Month  | (2.7)              | ▼     | (2.4)    | ▼     | (0.3)        | ▼     | Ⓞ     |
|                                  | 6-Month  | (2.3)              | ▼     | (2.1)    | ▼     | (0.2)        | ▼     | Ⓞ     |
|                                  | 9-Month  | (6.1)              | ▼     | (3.2)    | ▼     | (3.0)        | ▼     | Ⓞ     |
|                                  | 12-Month | (5.2)              | ▼     | (1.6)    | ▼     | (3.6)        | ▼     | Ⓞ     |
| Mayor's Office                   | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 9-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 12-Month | (0.1)              | ▼     | 0.0      | —     | (0.1)        | ▼     | Ⓞ     |
| City Council                     | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | (0.0)        | —     | Ⓞ     |
|                                  | 9-Month  | 0.0                | —     | 0.0      | —     | 0.0          | —     | Ⓞ     |
|                                  | 12-Month | 0.3                | ▲     | 0.2      | ▲     | 0.2          | ▲     | Ⓜ     |
| Total                            | 3-Month  | (2.7)              | ▼     | (2.4)    | ▼     | (0.3)        | ▼     | Ⓞ     |
|                                  | 6-Month  | (2.3)              | ▼     | (2.1)    | ▼     | (0.2)        | ▼     | Ⓞ     |
|                                  | 9-Month  | (7.0)              | ▼     | (3.8)    | ▼     | (3.2)        | ▼     | Ⓞ     |
|                                  | 12-Month | (5.7)              | ▼     | (1.3)    | ▼     | (4.4)        | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b> | <b>Ⓞ</b> | <=100%             |       | <b>Ⓜ</b> | >100% |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

### Other City Programs

#### Year End Results

|  |   |
|--|---|
| <p><b>City Clerk's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable net variance of \$0.887 million was mainly due to underspend in salaries and benefits due to delay in filling staff vacancies for the year, and higher revenues for internal mailing, printing and copying services</li> </ul> <hr/> <ul style="list-style-type: none"> <li>17.8 positions, and after considering budgeted gapping, this represents the equivalent of a 0% operating vacancy rate.</li> <li>There was no service level impact resulting from these vacancies.</li> </ul>  |    |
| <p><b>Legal Services:</b></p> <ul style="list-style-type: none"> <li>Favourable net expenditure of \$3.579 million is mainly due to staff vacancies, delay in implementation of the Administrative Penalty System and replacement of retiring staff with less senior staff, which drive the gross expenditure favourability of \$5.170 million, which is partially offset by lower recoveries from clients.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Down 45.9 positions or an operating variance of 10.1% after budgeted gapping.</li> <li>There was no impact to the service level resulting from these vacancies.</li> </ul> |    |
| <p><b>Mayor's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable net variance of \$0.133 million was mainly due to underspent salaries and benefits for the year.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Full complement.</li> </ul>   |  |
| <p><b>City Council:</b></p> <ul style="list-style-type: none"> <li>Unfavourable net variance of \$0.154 million was mainly due to overspending in General Expense Budget and Councillor Transition Expenses, partially offset by underspending in Councillors' Constituency Services and Office Budgets and in Councillors' and Staff Salaries &amp; Benefits</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Full complement.</li> </ul>  |  |

## Appendix E

### Accountability Offices

Figure 15: Net Variance Summary

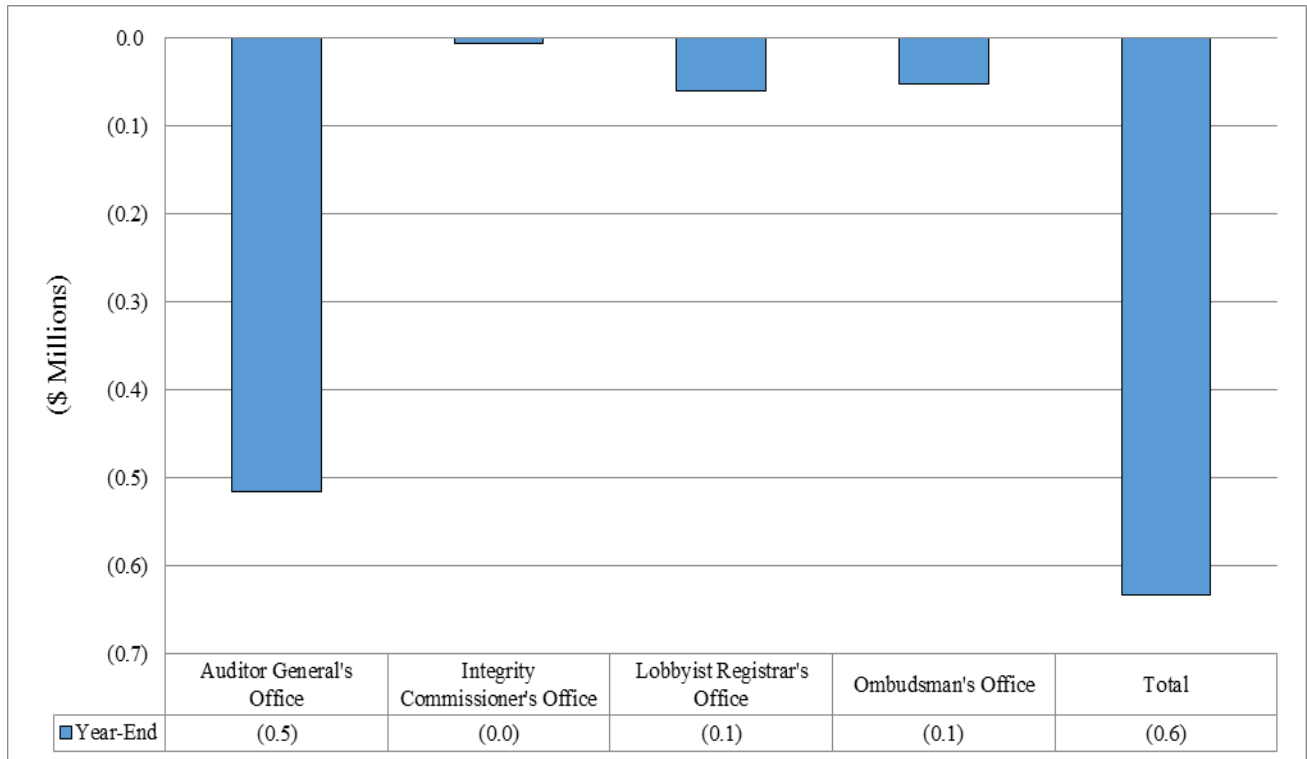


Figure 15 provides an overview of the Accountability Offices year-end projected net variances. As of December 31, 2017 **Accountability Offices** are reporting a net favourable variance of \$0.633 million or 6.7%.

## Appendix E

Figure 16: Accountability Offices Year-End Variance Summary





| City Program/Agency              | Quarter  | Year-End Results   |       |          |       |                 |       |       |
|----------------------------------|----------|--------------------|-------|----------|-------|-----------------|-------|-------|
|                                  |          | Gross Expenditures |       | Revenue  |       | Net Variance    |       | Alert |
|                                  |          | \$                 | trend | \$       | trend | \$              | trend |       |
| Auditor General's Office         | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 9-Month  | (0.2)              | —     | 0.0      | —     | (0.2)           | —     | Ⓞ     |
|                                  | 12-Month | (0.5)              | ▼     | 0.0      | —     | (0.5)           | ▼     | Ⓞ     |
| Integrity Commissioner's Office  | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 9-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 12-Month | (0.0)              | —     | 0.0      | —     | (0.0)           | —     | Ⓞ     |
| Lobbyist Registrar's Office      | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 9-Month  | (0.0)              | —     | 0.0      | —     | (0.0)           | —     | Ⓞ     |
|                                  | 12-Month | (0.1)              | ▼     | 0.0      | —     | (0.1)           | ▼     | Ⓞ     |
| Ombudsman's Office               | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 9-Month  | (0.0)              | —     | 0.0      | —     | (0.0)           | —     | Ⓞ     |
|                                  | 12-Month | (0.1)              | ▼     | 0.0      | —     | (0.1)           | ▼     | Ⓞ     |
| Total                            | 3-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0      | —     | 0.0             | —     | Ⓞ     |
|                                  | 9-Month  | (0.2)              | ▼     | 0.0      | —     | (0.2)           | ▼     | Ⓞ     |
|                                  | 12-Month | (0.6)              | ▼     | 0.0      | —     | (0.6)           | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b> | <b>Ⓞ</b> | <b>≤100%</b>       |       | <b>Ⓜ</b> |       | <b>&gt;100%</b> |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

### Accountability Offices

#### Year End Results

|  |   |
|--|---|
| <p><b>Auditor General's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable net variance of \$0.515 million was mainly due to underspending in services and rents, and salaries and benefits as a result of staff vacancies and delay in hiring temporary staff.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>2.0 positions, or 6.3% below the approved complement.</li> <li>There was no service level impact resulting from these vacancies.</li> </ul>   |    |
| <p><b>Integrity Commissioner's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable variance of \$0.006 million was mainly due to underspent salaries and benefits.</li> </ul> <hr/> <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>Favourable variance of \$0.060 million was mainly due to underspent salaries and benefits as a result of a staff vacancy during the year, as well as underspending in services and rents.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>0.3 positions, and after considering budgeted gapping, this represents the equivalent of a 1.7% operating vacancy rate. This reflects one temporary position which is only filled if required when operational needs arise. The Office is at full complement in terms of the 8 permanent positions.</li> </ul> |    |
| <p><b>Ombudsman's Office:</b></p> <ul style="list-style-type: none"> <li>Favourable variance of \$0.052 million was mainly due to underspending in services and rents, partially offset by higher salary and benefit costs due to the hiring of temporary staff to meet operational requirements as well as overspending in equipment for the year.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Full complement.</li> </ul>  |  |

## Appendix E

### Agencies

Figure 17: Net Variance Summary

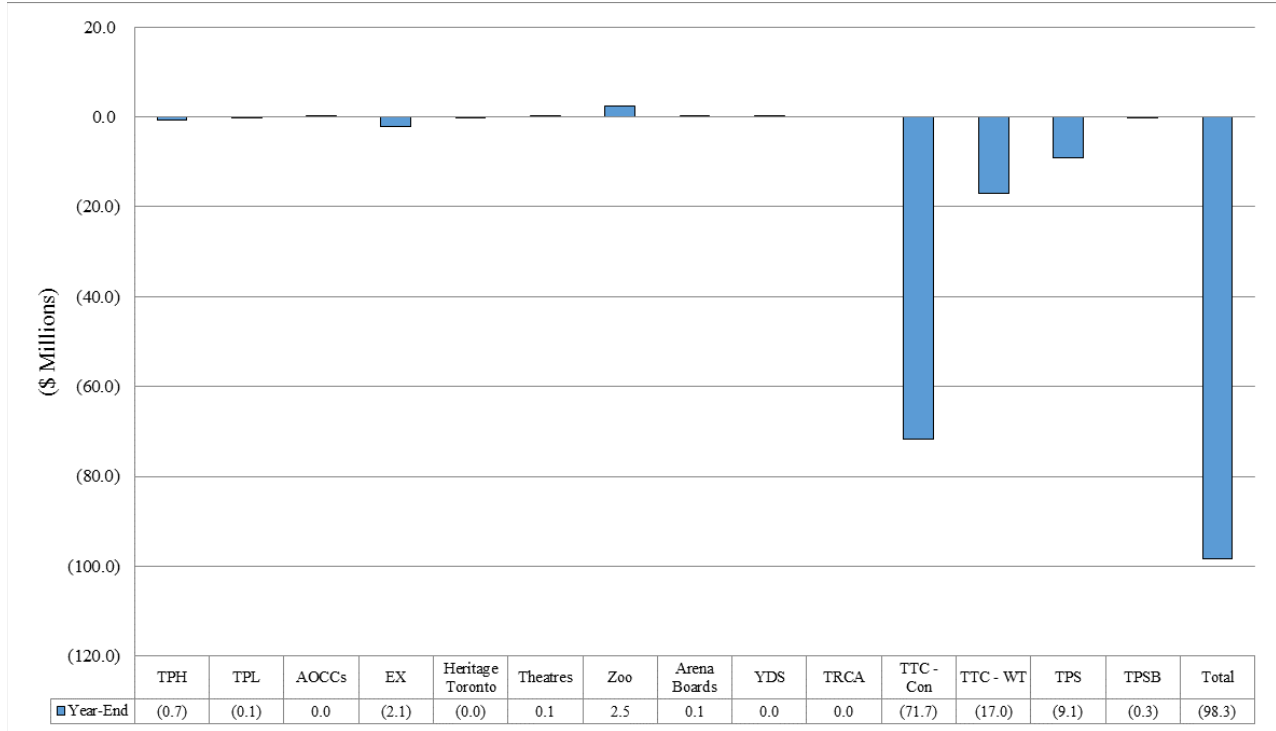


Figure 17 illustrates **Agencies'** year-end net variances. As of December 31, 2017 **Agencies** are reporting a net favourable variance of \$98.251 million or 5.0% compared to the 2017 Approved Net Operating Budget.

## Appendix E

Figure 18: Agencies Year-End Variance Summary

| City Program/Agency              | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|----------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                                  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                                  |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Toronto Public Health            | 3-Month  | (2.7)              | ▼     | (2.2)   | ▼     | (0.5)        | ▼     | Ⓞ     |
|                                  | 6-Month  | (3.9)              | ▼     | (3.4)   | ▼     | (0.5)        | ▼     | Ⓞ     |
|                                  | 9-Month  | (5.0)              | ▼     | (4.5)   | ▼     | (0.5)        | ▼     | Ⓞ     |
|                                  | 12-Month | (4.0)              | ▼     | (3.4)   | ▼     | (0.7)        | ▼     | Ⓞ     |
| Toronto Public Library           | 3-Month  | 0.3                | ▲     | 0.3     | ▲     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 0.9                | ▲     | 0.9     | ▲     | 0.0          | —     | Ⓞ     |
|                                  | 9-Month  | 1.3                | ▲     | 1.3     | ▲     | (0.0)        | —     | Ⓞ     |
|                                  | 12-Month | 2.0                | ▲     | 2.1     | ▲     | (0.1)        | ▼     | Ⓞ     |
| Association of Community Centres | 3-Month  | (0.0)              | —     | (0.0)   | —     | (0.0)        | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 12-Month | 0.1                | ▲     | 0.1     | ▲     | 0.0          | —     | Ⓞ     |
| Exhibition Place                 | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 2.9                | ▲     | 0.9     | ▲     | 2.1          | ▲     | Ⓜ     |
|                                  | 9-Month  | 0.6                | ▲     | 0.5     | ▲     | 0.1          | ▲     | Ⓜ     |
|                                  | 12-Month | (3.0)              | ▼     | (0.9)   | ▼     | (2.1)        | ▼     | Ⓞ     |
| Heritage Toronto                 | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                  | 12-Month | 0.1                | ▲     | 0.1     | ▲     | (0.0)        | —     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix E

Figure 19: Agencies Year-End Variance Summary

| City Program/Agency                     | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|---|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|   |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|   |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Theatres                                | 3-Month  | (0.4)              | ▼     | (0.5)   | ▼     | 0.1          | ▲     | Ⓜ     |
|   | 6-Month  | 2.5                | ▲     | 0.4     | ▲     | 2.1          | ▲     | Ⓜ     |
|   | 9-Month  | 0.5                | ▲     | 0.1     | ▲     | 0.4          | ▲     | Ⓜ     |
|   | 12-Month | (1.6)              | ▼     | (1.7)   | ▼     | 0.1          | ▲     | Ⓜ     |
| Toronto Zoo                             | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|   | 6-Month  | (3.3)              | ▼     | (7.3)   | ▼     | 4.0          | ▲     | Ⓜ     |
|   | 9-Month  | (2.9)              | ▼     | (6.8)   | ▼     | 3.9          | ▲     | Ⓜ     |
|   | 12-Month | (4.1)              | ▼     | (6.6)   | ▼     | 2.5          | ▲     | Ⓜ     |
| Arena Boards of Management              | 3-Month  | (0.0)              | —     | (0.0)   | —     | (0.0)        | —     | Ⓞ     |
|   | 6-Month  | (0.9)              | ▼     | (0.9)   | ▼     | (0.0)        | —     | Ⓞ     |
|   | 9-Month  | (0.3)              | ▼     | (0.3)   | ▼     | 0.1          | —     | Ⓜ     |
|   | 12-Month | (0.2)              | ▼     | (0.4)   | ▼     | 0.1          | ▲     | Ⓜ     |
| Yonge Dundas Square                     | 3-Month  | 0.3                | ▲     | 0.4     | ▲     | (0.1)        | ▼     | Ⓞ     |
|   | 6-Month  | 0.6                | ▲     | 0.8     | ▲     | (0.2)        | ▼     | Ⓞ     |
|   | 9-Month  | 0.6                | ▲     | 0.8     | ▲     | (0.2)        | ▼     | Ⓞ     |
|   | 12-Month | 0.7                | ▲     | 0.7     | ▲     | 0.0          | —     | Ⓞ     |
| Toronto & Region Conservation Authority | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|   | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|   | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|   | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

Figure 20: Agencies Year-End Variance Summary





| City Program/Agency                       | Quarter  | Year-End Results   |        |         |       |              |       | Alert |
|---|----------|--------------------|--------|---------|-------|--------------|-------|-------|
|   |          | Gross Expenditures |        | Revenue |       | Net Variance |       |       |
|   |          | \$                 | trend  | \$      | trend | \$           | trend |       |
| Toronto Transit Commission - Conventional | 3-Month  | (8.5)              | ▼      | (8.5)   | ▼     | (0.0)        | —     | Ⓞ     |
|   | 6-Month  | (34.5)             | ▼      | (19.4)  | ▼     | (15.1)       | ▼     | Ⓞ     |
|   | 9-Month  | (50.4)             | ▼      | (15.3)  | ▼     | (35.1)       | ▼     | Ⓞ     |
|   | 12-Month | (89.5)             | ▼      | (17.8)  | ▼     | (71.7)       | ▼     | Ⓞ     |
| Toronto Transit Commission - Wheel Trans  | 3-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|   | 6-Month  | (11.6)             | ▼      | (0.5)   | ▼     | (11.1)       | ▼     | Ⓞ     |
|   | 9-Month  | (15.1)             | ▼      | (0.8)   | ▼     | (14.3)       | ▼     | Ⓞ     |
|   | 12-Month | (17.9)             | ▼      | (0.8)   | ▼     | (17.0)       | ▼     | Ⓞ     |
| Toronto Police Service                    | 3-Month  | (1.1)              | ▼      | 0.2     | ▲     | (1.3)        | ▼     | Ⓞ     |
|   | 6-Month  | (6.3)              | ▼      | 0.2     | ▲     | (6.5)        | ▼     | Ⓞ     |
|   | 9-Month  | (9.4)              | ▼      | (0.5)   | ▲     | (8.9)        | ▼     | Ⓞ     |
|   | 12-Month | (10.4)             | ▼      | (1.2)   | ▼     | (9.1)        | ▼     | Ⓞ     |
| Toronto Police Services Board             | 3-Month  | (0.1)              | ▼      | 0.0     | —     | (0.1)        | ▼     | Ⓞ     |
|   | 6-Month  | (0.1)              | ▼      | 0.0     | —     | (0.1)        | ▼     | Ⓞ     |
|   | 9-Month  | (0.1)              | ▼      | 0.0     | —     | (0.1)        | ▼     | Ⓞ     |
|   | 12-Month | (0.4)              | ▼      | (0.1)   | ▼     | (0.3)        | ▼     | Ⓞ     |
| Total                                     | 3-Month  | (12.2)             | ▼      | (10.3)  | ▼     | (1.9)        | ▼     | Ⓞ     |
|   | 6-Month  | (53.5)             | ▼      | (28.3)  | ▼     | (25.2)       | ▼     | Ⓞ     |
|   | 9-Month  | (80.1)             | ▼      | (25.6)  | ▼     | (54.5)       | ▼     | Ⓞ     |
|   | 12-Month | (128.2)            | ▼      | (30.0)  | ▼     | (98.3)       | ▼     | Ⓞ     |
| Year-to-Date Net Variance                 |          | Ⓞ                  | <=100% | Ⓜ       | >100% |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017





## Appendix E

### City Agencies




#### Year End Results



|   |   |
|---|---|
| <p><b>Toronto Public Health:</b></p> <ul style="list-style-type: none"> <li>• Favourable gross expenditure variance of \$4.045 million mainly due to underspending in salaries and benefits due to retirements, short term absences and unfilled positions.</li> <li>• Unfavourable revenue of \$3.360 million primarily due to lower provincial revenue as a result of lower expenditures.</li> <li>• Favourable net variance of \$0.685 million due to underspending in salaries and benefits.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 70.9 positions below the approved complement which after considering budgeted gapping is equivalent to 0% operating vacancy rate.</li> </ul> |    |
| <p><b>Toronto Public Library:</b></p> <ul style="list-style-type: none"> <li>• A net favourable variance of \$0.069 million consisting of higher than planned expenditures of \$2.028 million in equipment, services and rent mainly due to specific library initiatives offset higher than planned revenues of \$2.098 million mainly from funding for these initiatives from the Toronto Public Library Foundation and higher than budgeted user fees for public printing.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 89 positions below approved complement, which is 40 positions more than the gapping target of 49 positions or 2.7%</li> </ul>                                    |    |
| <p><b>Association of Community Centres:</b></p> <ul style="list-style-type: none"> <li>• Unfavourable gross expenditure variance of \$0.061 million is primarily driven by higher operating expenditures from Swansea Town Hall due to increased room rentals.</li> <li>• Over achieved revenues of \$0.059 million due to higher room rental revenue from Swansea Town Hall.</li> <li>• Year-end net variance of \$0.002 million.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 0.0 positions below approved complement which after considering gapping is equivalent to a 0.0% vacancy rate.</li> </ul>   |  |
| <p><b>Exhibition Place:</b></p> <ul style="list-style-type: none"> <li>• Exhibition Place reported a year-end favourable net variance of \$2.116 million due to implementation of management energy initiatives and underspending in utility costs from Energy Retrofit Projects.             <ul style="list-style-type: none"> <li>• Unfavourable net revenue variance of \$0.901 million due lower than expected energy sales from District Energy System.</li> </ul> </li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Full Complement</li> </ul>  |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017


|   |   |
|---|---|
| <p><b>Heritage Toronto:</b></p> <ul style="list-style-type: none"> <li>Heritage Toronto reported no net variance from the 2017 Approved Operating Budget <ul style="list-style-type: none"> <li>Unfavourable expenditure variance of \$0.059 million due to the redesign of the Heritage Toronto Awards and the execution of 3 significant projects.</li> <li>Favourable revenue variance of \$0.059 million due to additional revenue from the redesign of the Heritage Toronto Awards and additional donations.</li> </ul> </li> <li>Full Complement</li> </ul>   |    |
| <p><b>Theatres:</b></p> <ul style="list-style-type: none"> <li>Overall unfavorable net expenditure of \$0.059 million or 1% over the 2017 Approved Operating Budget. Variances are primarily driven by: <ul style="list-style-type: none"> <li>Underspending of transition cost \$0.116 million in Leadership Development.</li> <li>Favorable net expenditure in Sony Centre of \$0.338 million due to a higher than planned volume of stage activity.</li> <li>Overspending in salaries and benefits primarily related to \$0.514 million to severance and transition costs in St. Lawrence Centre for the Arts as a result of the amalgamation.</li> </ul> </li> <li>3.4 positions below approved complement of 187.7 due to vacancies. There is no budgeted gapping for Civic Theatres Toronto (CTT).</li> </ul>   |    |
| <p><b>Toronto Zoo:</b></p> <ul style="list-style-type: none"> <li>Overall unfavorable net expenditure of \$2.505 million or 20.8% over the 2017 Approved Operating Budget.</li> <li>Loss of admissions, incidentals and group events booking revenue of \$6.571 million due to 34 days of labour disruption. This revenue shortfall is partially offset by underspending of \$4.066 million in expenditures due to closure of the facility during this period.</li> <li>Toronto Zoo initially projected a deficit of \$3.900 million due to labour disruption. The projected risk was significantly reduced to \$2.505 million (\$1.395 million decrease) through active promotion of fall programs and the advertising of the final year of the exhibition of Panda.</li> <li>9.0 positions below approved complement of 394.0 due to retirements and staff turnovers. This represents a 0.1% operating vacancy rate after consideration of budgeted gapping of 2.2%.</li> </ul> |  |
| <p><b>Arena Boards of Management:</b></p> <ul style="list-style-type: none"> <li>The Arena Boards collectively reported net unfavourable variance driven by a overspending in utilities due to warmer than average winter season. Other variances arose from Ted Reeve not receiving payment from a third party, as well as lower than planned ice rentals at George Bell and a loss of snack revenue at Leaside Gardens due to the vacancies.</li> <li>9.0 positions below approved complement of 67.6 attributable to vacancies at Leaside Gardens.</li> </ul>  |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|  |   |
|--|---|
| <p><b>Yonge Dundas Square (YDS):</b></p> <ul style="list-style-type: none"> <li>• Yonge-Dundas Square reported net unfavourable variance of \$0.021 million above the 2017 Approved Operating Budget <ul style="list-style-type: none"> <li>• Unfavourable expenditure variance of \$0.699 million due to additional expenses to support new business initiatives.</li> <li>• Favourable revenue variance of \$0.678 million due to additional revenue from a new sponsorship agreement and digital signage agreement.</li> </ul> </li> <li>• Full Complement</li> </ul>   |  |
| <p><b>Toronto &amp; Region Conversation Authority:</b></p> <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 received the full funding amount as approved by Council, resulting in no year-end variance.</li> <li>• Full Complement</li> </ul>  |  |
| <p><b>Toronto Transit Commission – Conventional:</b><br/>Ridership was 533.2M or 1.9% below budget 543.8M.</p> <p>Passenger Revenues:</p> <ul style="list-style-type: none"> <li>• 1.9% below budget; however, passenger revenues are only 0.5% below budget. The more favourable revenue projection is mainly due to the current trend of customers switching from pass-based fare media to single-ride fare media, particularly PRESTO e-purse, which has resulted in a 1.5% increase in the average fare</li> <li>• Other Revenues \$1.7M in additional non-passenger revenue.</li> <li>• The planned \$14 million draw from the TTC Stabilization Reserve will not be required this year.</li> <li>• Operating expenses were under budget, due to the following: <ul style="list-style-type: none"> <li>• Labour cost \$16.6 million decrease: delays in filling some positions especially skilled trades and IT contractor conversions, lower average rates, the need to have a portion of operating personnel work on capital projects and the deferral or elimination of selected initiatives.</li> <li>• Department non-labour \$18.0 million decrease: Savings mainly due to lower than expected vehicle maintenance expenses, as a result of improved bus vehicle reliability and; delays in receiving parts for certain subway car preventative maintenance programs. The additional time required to fill certain skilled trade positions has also contributed to the non-labour under expenditures.</li> <li>• Employee Benefits: \$21.6 million decrease - savings related to lower healthcare expenses.</li> <li>• Hydro and Utilities: \$11.4 million decrease –Favourable price variances and lower than expected consumption.</li> </ul> </li> </ul> |  |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Diesel: 6.8 million decrease – Diesel cost savings are a result of a lower than expected average price per litre and more favourable fuel consumption rates in part due to more favourable weather conditions.</li> <li>• PRESTO fees: \$6.7 million decrease - primarily due to the projected take up rate for pass users being lower than initially anticipated in 2017</li> <li>• Depreciation: \$4.2 million decrease - Lower than budget due to fewer capital asset acquisitions.</li> <li>• Leasing Expenses: \$3.5 million decrease - The cancellation of plans for one lease and one-time adjustments to other leases has resulted in this favourable variance.</li> <li>• Other Operating: 0.6 million in other under-expenditures.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 233 positions below the approved complement primarily due to staffing variances related to capital projects.</li> </ul>   |   |
| <p><b>Toronto Transit Commission – Wheel-Trans:</b><br/>Ridership was 4.190M or 11.4% below budget 4.723M</p> <ul style="list-style-type: none"> <li>• Operating Revenues: \$0.9 million decrease - The decrease in revenues is mainly due to 537K (or 11.4%) less customer journeys than budgeted, which is slightly offset by a higher average fare.</li> </ul> <p>Operating Expenses:</p> <ul style="list-style-type: none"> <li>• Contracted Taxi Services: \$12.5 million decrease - lower ridership equivalent to \$9.4 million and a lower cost per passenger trip of \$0.96 (or 5%) equivalent to \$3.1 million</li> <li>• Customer Service: \$3.1 million decrease - primarily due to lower volume and lower costs for Functional Assessments and Appeals and scheduling adjustments to AODA training.</li> <li>• Employee Benefits: \$1.3 million decrease - Reductions in healthcare expenses and the impact of lower labour expenses primarily account for this under-expenditure.</li> <li>• Labour expenses: \$1 million decrease - Labour expenses are under budget due to delays in filling some positions especially skilled trades and lower average rates.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 3.0 positions below approved complement.</li> </ul> |    |
| <p><b>Toronto Police Service:</b></p> <ul style="list-style-type: none"> <li>• A net favourable variance of \$9.125 million as a result of the hiring moratorium and higher than planned resignations and retirements, with 232 officer separations for the year versus the 160 which was budgeted and lower than anticipated medical/dental costs.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• 849 positions below approved complement. After gapping considerations, this represents a 4.0% gapping rate</li> </ul>   |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|  |   |
|--|---|
| <p><b>Toronto Police Services Board:</b></p> <ul style="list-style-type: none"> <li>• A net favourable variance of \$0.262 million as a result of the cost savings related to vacant positions in the earlier part of the year as well as lower than planned City legal chargebacks for arbitrations and grievances.</li> <li>• Full Complement</li> </ul> |  |
|--|---|

## Appendix E

### Corporate Accounts

Figure 21: Net Variance Summary

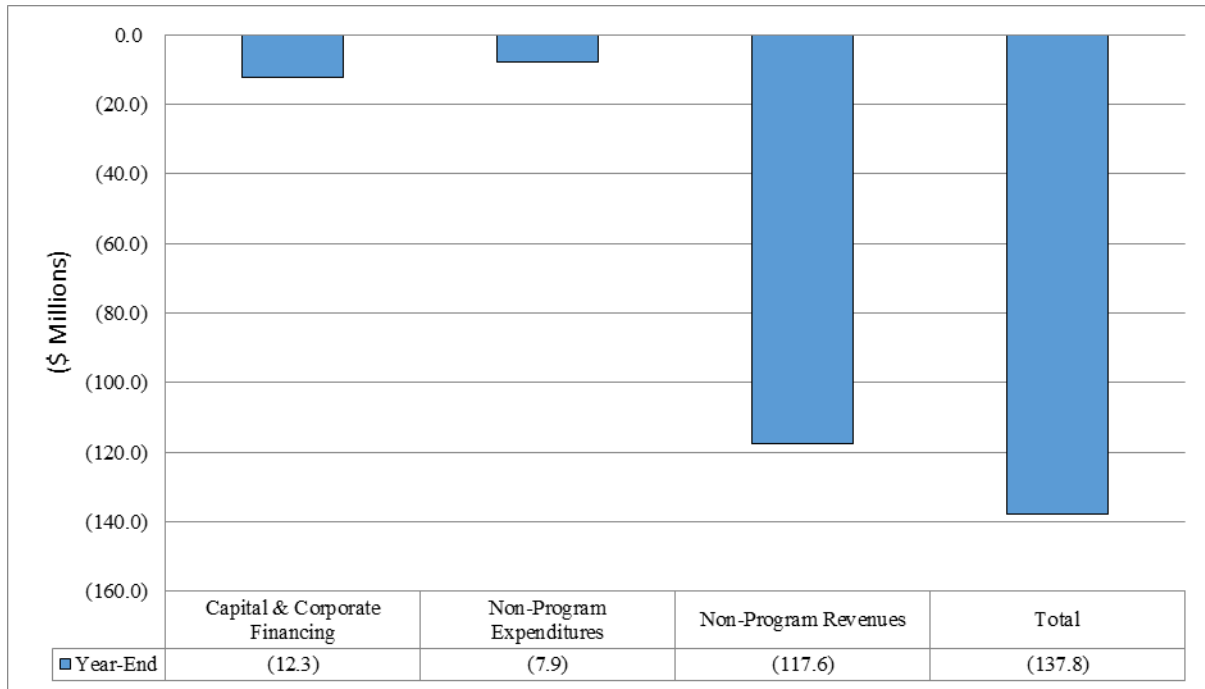


Figure 21 provides an overview of year-end net variances. As of December 31, 2017 **Corporate Accounts** have experienced a net favourable variance of \$137.782 million or 139.3% of the 2017 Approved Net Operating Budget.



## Appendix E

### Capital & Corporate Financing

The Capital and Corporate Financing accounts were under-spent by \$12.290 million or 1.5% for the year ended December 31, 2017.

Figure 22: Capital & Corporate Financing Year-End Variance Summary

| City Program/Agency                      | Quarter  | Year-End Results   |          |                 |       |              |       | Alert |
|--|----------|--------------------|----------|-----------------|-------|--------------|-------|-------|
|  |          | Gross Expenditures |          | Revenue         |       | Net Variance |       |       |
|  |          | \$                 | trend    | \$              | trend | \$           | trend |       |
| Capital Financing - Capital from Current | 3-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | (0.2)              | ▼        | 0.0             | —     | (0.2)        | ▼     | Ⓞ     |
| Technology Sustainment                   | 3-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | 0.0                | —        | 0.0             | —     | 0.0          | —     | Ⓞ     |
| Debt Charges                             | 3-Month  | (3.5)              | ▼        | 0.2             | ▲     | (3.7)        | ▼     | Ⓞ     |
|  | 6-Month  | (5.5)              | ▼        | 0.0             | —     | (5.5)        | ▼     | Ⓞ     |
|  | 9-Month  | (2.6)              | ▼        | 0.0             | —     | (2.6)        | ▼     | Ⓞ     |
|  | 12-Month | (18.5)             | ▼        | (6.3)           | ▼     | (12.1)       | ▼     | Ⓞ     |
| Total                                    | 3-Month  | (3.5)              | ▼        | 0.2             | ▲     | (3.7)        | ▼     | Ⓞ     |
|  | 6-Month  | (5.5)              | ▼        | 0.0             | —     | (5.5)        | ▼     | Ⓞ     |
|  | 9-Month  | (2.6)              | ▼        | 0.0             | —     | (2.6)        | ▼     | Ⓞ     |
|  | 12-Month | (18.6)             | ▼        | (6.3)           | ▼     | (12.3)       | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b>         | <b>Ⓞ</b> | <b>&lt;=100%</b>   | <b>Ⓜ</b> | <b>&gt;100%</b> |       |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

### Capital & Corporate Financing

#### Year End Results

|   |   |
|---|---|
| <b>Capital &amp; Corporate Financing:</b> <ul style="list-style-type: none"><li>• Lower than budgeted expenditures on administrative charges related to vacant positions.</li></ul>   | G |
| <b>Technology Sustainment:</b> <ul style="list-style-type: none"><li>• On budget</li></ul>  | G |
| <b>Debt Charges:</b> <ul style="list-style-type: none"><li>• Favourable year-end variance is due to unissued debt of \$150 million that was planned for December of 2016, and lower than anticipated interest rates in 2017, some of which were partially offset by the reopening of a 30 year debt issue. The reopening of last year's issue instead of new 30 year issue caused the sinking fund deposit to start a year earlier.</li></ul> | G |

## Appendix E

### Non-Program Expenditures

Non-Program Expenditures have a favourable net year-end variance of \$7.896 million or 1.8%.

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

| City Program/Agency                          | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|  |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Tax<br>Deficiencies/Writeoffs                | 3-Month  | 1.5                | ▲     | 0.0     | —     | 1.5          | ▲     | Ⓜ     |
|  | 6-Month  | 12.5               | ▲     | 0.0     | —     | 12.5         | ▲     | Ⓜ     |
|  | 9-Month  | 12.5               | ▲     | 0.0     | —     | 12.5         | ▲     | Ⓜ     |
|  | 12-Month | (4.0)              | ▼     | (3.9)   | ▼     | (0.1)        | ▼     | Ⓞ     |
| Tax Increment<br>Equivalent Grants<br>(TIEG) | 3-Month  | N/A                | —     | N/A     | —     | N/A          | —     | N/A   |
|  | 6-Month  | 9.9                | ▲     | 0.0     | —     | 9.9          | ▲     | Ⓜ     |
|  | 9-Month  | 4.9                | ▲     | 0.0     | —     | 4.9          | ▲     | Ⓜ     |
|  | 12-Month | 1.9                | ▲     | 0.0     | —     | 1.9          | ▲     | Ⓜ     |
| Assessment Function<br>(MPAC)                | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Funding of Employee<br>Related Liabilities   | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | (0.0)              | —     | 0.0     | —     | (0.0)        | —     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E



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

| City Program/Agency                | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|------------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                                    |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                                    |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Other Corporate Expenditures       | 3-Month  | (0.5)              | ▼     | 0.0     | —     | (0.5)        | ▼     | Ⓞ     |
|                                    | 6-Month  | (0.5)              | ▼     | 0.0     | —     | (0.5)        | ▼     | Ⓞ     |
|                                    | 9-Month  | (2.6)              | ▼     | (0.1)   | —     | (2.5)        | ▼     | Ⓞ     |
|                                    | 12-Month | (5.4)              | ▼     | (0.2)   | ▼     | (5.1)        | ▼     | Ⓞ     |
| Insurance Premiums & Claims        | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Parking Tag Enforcement & Oper.    | 3-Month  | (2.0)              | ▼     | 0.0     | —     | (2.0)        | ▼     | Ⓞ     |
|                                    | 6-Month  | (3.5)              | ▼     | 0.0     | —     | (3.5)        | ▼     | Ⓞ     |
|                                    | 9-Month  | (0.7)              | ▼     | 0.0     | —     | (0.7)        | ▼     | Ⓞ     |
|                                    | 12-Month | (2.2)              | ▼     | 0.0     | —     | (2.2)        | ▼     | Ⓞ     |
| Programs Funded from Reserve Funds | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 12-Month | (10.3)             | ▼     | (10.3)  | ▼     | 0.0          | —     | Ⓞ     |
| Vacancy Rebate Program             | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                    | 12-Month | (0.3)              | ▼     | 0.0     | —     | (0.3)        | ▼     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

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







| City Program/Agency                  | Quarter   | Year-End Results   |   |         |       |              |       | Alert |
|--------------------------------------|---|--------------------|---|---------|-------|--------------|-------|-------|
|                                      |   | Gross Expenditures |   | Revenue |       | Net Variance |       |       |
|                                      |   | \$                 | trend   | \$      | trend | \$           | trend |       |
| Heritage Property Taxes Rebate       | 3-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 6-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 9-Month   | (0.7)              | —   | 0.0     | —     | (0.7)        | —     | Ⓞ     |
|                                      | 12-Month  | (0.7)              | ▼   | 0.0     | —     | (0.7)        | ▼     | Ⓞ     |
| Tax Rebates for Registered Charities | 3-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 6-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 9-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 12-Month  | 0.1                | ▲   | 0.1     | ▲     | 0.0          | —     | Ⓞ     |
| Solid Waste Management Rebates       | 3-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 6-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 9-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 12-Month  | (1.3)              | ▼   | 0.0     | —     | (1.3)        | ▼     | Ⓞ     |
| Pandemic Influenza Stockpiling       | 3-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 6-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 9-Month   | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                      | 12-Month  | 0.0                | —   | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Total                                | 3-Month   | (0.9)              | ▼   | 0.0     | —     | (0.9)        | ▼     | Ⓞ     |
|                                      | 6-Month   | 18.3               | ▲   | 0.0     | —     | 18.3         | ▲     | Ⓜ     |
|                                      | 9-Month   | 13.4               | ▲   | (0.1)   | ▼     | 13.5         | ▲     | Ⓜ     |
|                                      | 12-Month  | (22.2)             | ▼   | (14.4)  | ▼     | (7.9)        | ▼     | Ⓞ     |
| <b>Year-to-Date Net Variance</b>     |  | <=100%             |  | >100%   |       |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

### Non-Program Expenditures

#### Year End Results

|  |   |
|--|---|
| <p><b>Tax Deficiencies/Write-Offs:</b></p> <ul style="list-style-type: none"> <li>At year-end, a \$3.9 million gross favourable variance was realized as result of:             <ul style="list-style-type: none"> <li>\$3.3 million favourable variance due to posted and pending appeals being less than budget.</li> <li>\$0.6 million favourable due to costs to defend the City's assessment base being less than budget.</li> </ul> </li> <li>Overall, tax deficiencies/costs to defend the City's assessment base actuals were \$3.9 million less than budget, as a result, the draw from the Assessment Appeal Stabilization Reserve was less than budget by \$3.9 million.</li> <li>The \$0.106 million net favourable variance was realized due to the actual interest paid on tax refunds being lower than expected.</li> </ul> |    |
| <p><b>Tax Increment Equivalent Grants (TIEG)</b></p> <ul style="list-style-type: none"> <li>At year-end, a \$1.861 million unfavourable variance due to the earlier than budgeted start date of TIEG grants.</li> </ul>  |    |
| <p><b>Assessment Function (MPAC):</b></p> <ul style="list-style-type: none"> <li>The unfavourable variance of \$0.034 million was realized 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>A slight favourable variance of \$0.004 million is due to lower than budgeted expenditures on monetary assistance for firefighters.</li> </ul>  |  |
| <p><b>Other Corporate Expenditures:</b></p> <ul style="list-style-type: none"> <li>Under-spending of \$0.946 million in Chief Transformation Office as a result of delays in hiring staff.</li> <li>Under-spending on corporate related studies and reviews</li> <li>A \$0.209 million favourable variance in Sale of Land for Tax Areas due to the number of properties under potential environmental investigations being lower than budgeted.</li> </ul>  |  |
| <p><b>Insurance Premiums &amp; Claims:</b></p> <ul style="list-style-type: none"> <li>On budget</li> </ul>   |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|  |   |
|--|---|
| <p><b>Parking Tag Enforcement &amp; Operations:</b></p> <ul style="list-style-type: none"> <li>Favourable gross expenditures of \$2.217 million due to savings from Parking Enforcement Officer vacancies, and delayed implementation of the Administrative Penalty System (APS), which is partially offset by increased MTO Search Fee.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>40 vacancies or 10.2% below the approved complement.</li> </ul> |    |
| <p><b>Programs Funded from Reserve Funds:</b></p> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |    |
| <p><b>Vacancy Rebate Program:</b></p> <ul style="list-style-type: none"> <li>The 2017 year-end favourable variance of \$0.322 million is due to lower than expected rebates processed and pending to be processed.</li> </ul>  |    |
| <p><b>Heritage Property Tax Rebates:</b></p> <ul style="list-style-type: none"> <li>Changes to the Heritage Rebate Program were approved by Council on July 8, 9, 10 and 11, 2014 to take effect for the 2015 tax year applications (which will be received and paid out in 2016 and later).</li> <li>The \$0.719 million favourable budget variance at 2017 year-end was due to lower than expected uptake of the new program.</li> </ul>                       |    |
| <p><b>Tax Rebates for Registered Charities:</b></p> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |   |
| <p><b>Solid Waste Management Rebates:</b></p> <ul style="list-style-type: none"> <li>A favorable variance of \$1.306 million was realized during 2017 as a result of lower than expected rebates issued during the year.</li> </ul>  |  |
| <p><b>Pandemic Influenza Stockpiling:</b></p> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |  |

## Appendix E

**Non-Program Revenues** are reporting a favourable variance of \$117.596 million or 8.7% above the 2017 Approved Net Operating Budget at year-end.

Figure 26: Non-Program Revenues Year-End Variance Summary

| City Program/Agency          | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|------------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                              |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                              |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Payments in Lieu of Taxes    | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 6-Month  | 0.0                | —     | (3.7)   | ▼     | 3.7          | ▲     | Ⓡ     |
|                              | 9-Month  | 0.0                | —     | (7.8)   | ▼     | 7.8          | ▲     | Ⓡ     |
|                              | 12-Month | 0.0                | —     | (5.1)   | ▼     | 5.1          | ▲     | Ⓡ     |
| Supplementary Taxes          | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 9-Month  | 0.0                | —     | 5.0     | —     | (5.0)        | —     | Ⓞ     |
|                              | 12-Month | 0.0                | —     | 15.2    | ▲     | (15.2)       | ▼     | Ⓞ     |
| Tax Penalty Revenue          | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 12-Month | 0.0                | —     | (1.5)   | ▼     | 1.5          | ▲     | Ⓡ     |
| Interest/Investment Earnings | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                              | 9-Month  | 0.0                | —     | 2.5     | —     | (2.5)        | —     | Ⓞ     |
|                              | 12-Month | (0.3)              | ▼     | 15.5    | ▲     | (15.7)       | ▼     | Ⓞ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017



## Appendix E

Figure 27: Non-Program Revenues Year-End Variance Summary

| City Program/Agency         | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|-----------------------------|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|                             |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|                             |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Other Corporate Revenues    | 3-Month  | 0.0                | —     | 0.5     | ▲     | (0.5)        | ▼     | Ⓞ     |
|                             | 6-Month  | 0.0                | —     | 0.2     | ▲     | (0.1)        | ▼     | Ⓞ     |
|                             | 9-Month  | 0.0                | —     | 0.3     | ▲     | (0.2)        | ▼     | Ⓞ     |
|                             | 12-Month | 7.3                | ▲     | 17.1    | ▲     | (9.8)        | ▼     | Ⓞ     |
| Dividend Income             | 3-Month  | 0.0                | —     | 0.7     | ▲     | (0.7)        | ▼     | Ⓞ     |
|                             | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Provincial Revenue          | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Municipal Land Transfer Tax | 3-Month  | (0.0)              | —     | 32.4    | ▲     | (32.5)       | ▼     | Ⓞ     |
|                             | 6-Month  | 0.3                | ▲     | 30.3    | ▲     | (30.0)       | ▼     | Ⓞ     |
|                             | 9-Month  | (1.4)              | ▲     | 83.6    | ▲     | (85.0)       | ▼     | Ⓞ     |
|                             | 12-Month | (1.7)              | ▼     | 94.0    | ▲     | (95.7)       | ▼     | Ⓞ     |
| Third Party Sign Tax        | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                             | 12-Month | (0.3)              | ▼     | (0.4)   | ▼     | 0.1          | ▲     | Ⓜ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

Figure 28: Non-Program Revenues Year-End Variance Summary

| City Program/Agency                              | Quarter  | Year-End Results   |       |         |       |              |       | Alert |
|--|----------|--------------------|-------|---------|-------|--------------|-------|-------|
|  |          | Gross Expenditures |       | Revenue |       | Net Variance |       |       |
|  |          | \$                 | trend | \$      | trend | \$           | trend |       |
| Parking Authority Revenues                       | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | (0.5)   | ▼     | 0.5          | ▲     | Ⓡ     |
|  | 9-Month  | 0.0                | —     | (0.6)   | ▼     | 0.6          | ▲     | Ⓡ     |
|  | 12-Month | 0.0                | —     | (1.4)   | ▼     | 1.4          | ▲     | Ⓡ     |
| Administrative Support Recoveries - Water        | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Administrative Support Recoveries - Health & EMS | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
| Parking Tag Enforcement & Operations Rev         | 3-Month  | 0.0                | —     | 0.0     | —     | (0.0)        | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | (15.0)  | ▼     | 15.0         | ▲     | Ⓡ     |
|  | 9-Month  | 0.0                | —     | (15.0)  | ▼     | 15.0         | ▲     | Ⓡ     |
|  | 12-Month | 0.0                | —     | (4.6)   | ▼     | 4.6          | ▲     | Ⓡ     |
| Other Tax Revenues                               | 3-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 6-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 9-Month  | 0.0                | —     | 0.0     | —     | 0.0          | —     | Ⓞ     |
|  | 12-Month | 2.7                | ▲     | 1.4     | ▲     | 1.3          | ▲     | Ⓡ     |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

## Appendix E

Figure 29: Non-Program Revenues Year-End Variance Summary







| City Program/Agency       | Quarter  | Year-End Results   |        |         |       |              |       | Alert |
|---------------------------|----------|--------------------|--------|---------|-------|--------------|-------|-------|
|                           |          | Gross Expenditures |        | Revenue |       | Net Variance |       |       |
|                           |          | \$                 | trend  | \$      | trend | \$           | trend |       |
| Hotel & Lodging Tax       | 3-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                           | 6-Month  | 0.0                | —      | (5.0)   | ▼     | 5.0          | ▲     | Ⓡ     |
|                           | 9-Month  | 0.0                | —      | (5.0)   | ▼     | 5.0          | ▲     | Ⓡ     |
|                           | 12-Month | 0.0                | —      | (5.0)   | ▼     | 5.0          | ▲     | Ⓡ     |
| Woodbine Slots Revenues   | 3-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                           | 6-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                           | 9-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                           | 12-Month | 0.0                | —      | 0.2     | ▲     | (0.2)        | ▼     | Ⓞ     |
| Total                     | 3-Month  | (0.0)              | —      | 33.7    | ▲     | (33.7)       | ▼     | Ⓞ     |
|                           | 6-Month  | 0.4                | ▲      | 6.2     | ▲     | (5.8)        | ▼     | Ⓞ     |
|                           | 9-Month  | (1.4)              | ▼      | 63.0    | ▲     | (64.3)       | ▼     | Ⓞ     |
|                           | 12-Month | 7.7                | ▲      | 125.3   | ▲     | (117.6)      | ▼     | Ⓞ     |
| Year-to-Date Net Variance |          | Ⓞ                  | <=100% | Ⓡ       | >100% |              |       |       |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017









## Appendix E

### Non-Program Revenues



#### Year End Results

|   |   |
|---|---|
| <p><b>Payments In Lieu of Taxes (PILs):</b></p> <ul style="list-style-type: none"> <li>At year-end, a \$5.074 million unfavourable variance was primarily due to: \$7.5 million unfavourable in assessment-based levies due to decreases in assessment and shifts from PIL to taxable assessment, offset by:             <ul style="list-style-type: none"> <li>\$2.0 million favourable due to appeals and estimated provision adjustments, coupled with conversion of properties from PIL to taxable adjustments, were less than budget,</li> <li>\$0.2 million favourable because Heads &amp; Beds levies were higher than budget and</li> <li>\$0.2 million favourable resulting from a University of Toronto payment.</li> </ul> </li> </ul> |    |
| <p><b>Supplementary Taxes:</b></p> <ul style="list-style-type: none"> <li>A favorable variance of \$15.230 million was realized due to higher than anticipated number of properties and assessed values.</li> </ul>   |    |
| <p><b>Tax Penalties:</b></p> <ul style="list-style-type: none"> <li>The 2017 year-end actual was lower than budget by \$1.545 million mainly due to higher than anticipated provision adjustment at year-end.</li> </ul>  |   |
| <p><b>Interest &amp; Investment Earnings:</b></p> <ul style="list-style-type: none"> <li>Higher than budgeted Interest / Investment Earnings revenue of \$15.747 million due to:             <ul style="list-style-type: none"> <li>Introduction of higher-yielding investment products to the Short Term Fund during 2017</li> <li>Lower than forecasted income allocation to reserve and reserve funds due to lower than projected Bank of Canada T-Bill rates used for allocation purpose.</li> </ul> </li> </ul>  |  |
| <p><b>Other Corporate Revenues:</b></p> <ul style="list-style-type: none"> <li>Favourable year-end variance of \$9.793 million is due to:             <ul style="list-style-type: none"> <li>Unbudgeted recovery for Municipal Capital Facilities (MCF) that were charged realty taxes by the landlord but should have been exempt from taxation.</li> <li>Unspent balance from the settlement with the province for Public Health (2005-2012 reconciliations) being returned back to the City.</li> </ul> </li> </ul>  |  |
| <p><b>Dividend Income:</b></p> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |  |

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|   |   |
|---|---|
| <b>Provincial Revenue:</b> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |    |
| <b>Municipal Land Transfer Tax (MLTT):</b> <ul style="list-style-type: none"> <li>A favourable variance of \$1.7 million was realized for 2017, due to lower than expected transaction costs for the year.</li> <li>A favourable variance of \$94.0 million was realized for 2017, due to higher than expected sales revenue experienced during the year.</li> </ul>  |    |
| <b>Third Party Sign Tax:</b> <ul style="list-style-type: none"> <li>Gross expenditures are \$0.320 million under budget due to lower than expected Toronto Builder charge back as a result of higher than expected sign permit revenue.</li> <li>Revenue is \$0.424 million under budget resulting from a lower than anticipated sign inventory. An approximate decrease of 2.5% in sign inventories based on past years trends was built into 2018 budget, while the actual inventory decrease was about 5% between 2017 and 2018.</li> </ul>                                    |    |
| <b>Parking Authority Revenues:</b> <ul style="list-style-type: none"> <li>Revenue shortfall of \$1.416 million is primarily due to closures of CarPark 1, 32 and 262.</li> </ul>  |    |
| <b>Administrative Support Recoveries – Toronto Water:</b> <ul style="list-style-type: none"> <li>On budget</li> </ul>   |  |
| <b>Administrative Support Recoveries – Health &amp; EMS:</b> <ul style="list-style-type: none"> <li>On budget</li> </ul>  |  |
| <b>Parking Tag and Enforcement Operations:</b> <ul style="list-style-type: none"> <li>Revenue is unfavourable by \$4.611 million due to lower than budgeted ticket issuance, delayed implementation of APS, removal of fixed fines and prosecutor intervention at counters.</li> <li>2,146,526 parking tickets issued to December 31, 2017.</li> </ul>  |  |
| <b>Other Tax Revenues:</b> <ul style="list-style-type: none"> <li>Year-end unfavourable variance of \$1.3 million was realized as a result of the following: <ul style="list-style-type: none"> <li>\$2.2 million unfavourable resulting from appeals posted and required provision being more than budgeted, primarily due to a Hydro property shifting to taxable,</li> <li>Offset by \$0.7 million favourable for Hydro property tax levies being higher than budget and \$0.2 million favourable due to supplementary levies being higher than budget.</li> </ul> </li> </ul> |  |

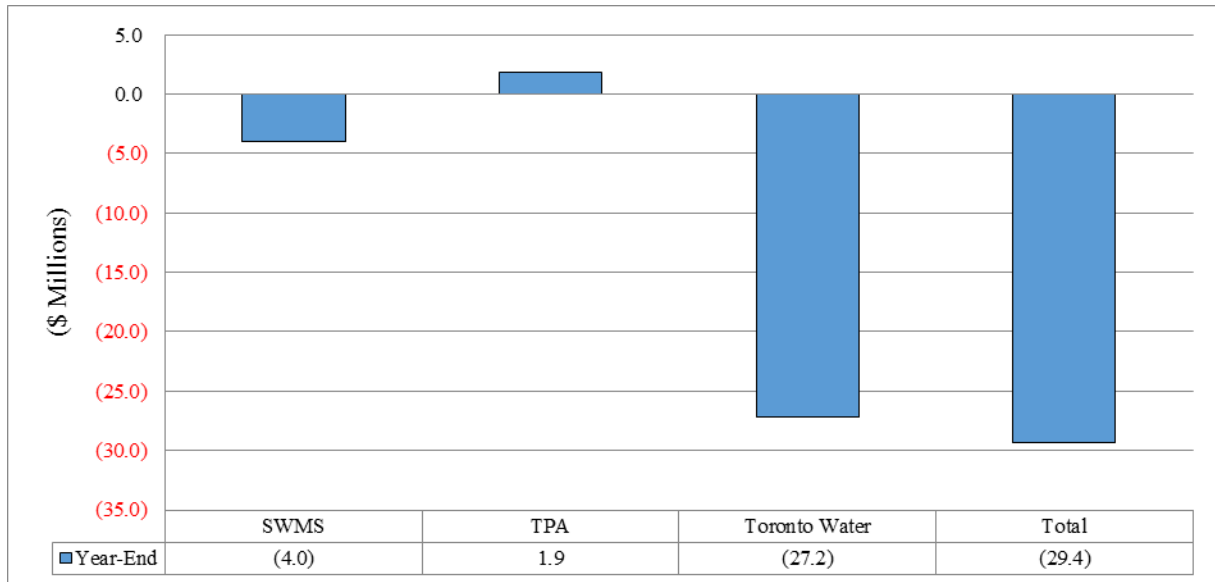
Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|  |   |
|--|---|
| <p><b>Hotel and Lodging Tax:</b></p> <ul style="list-style-type: none"> <li>Unfavourable variance of \$5 million at year-end as a result of delayed implementation.</li> </ul>                                 |  |
| <p><b>Woodbine Slots:</b></p> <ul style="list-style-type: none"> <li>The over-achieved net revenue of \$0.206 million was the result of higher than expected slot gaming revenue at Woodbine Slots.</li> </ul> |  |

## Appendix E

### Rate Supported Programs

Figure 30: Net Variance Summary



**Rate Supported Programs**, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, have reported a favourable net variance \$29.356 million at year-end.

## Appendix E

Figure 31: Rate Supported Programs Year-End Variance Summary

| City Program/Agency             | Quarter  | Year-End Results   |        |         |       |              |       | Alert |
|---------------------------------|----------|--------------------|--------|---------|-------|--------------|-------|-------|
|                                 |          | Gross Expenditures |        | Revenue |       | Net Variance |       |       |
|                                 |          | \$                 | trend  | \$      | trend | \$           | trend |       |
| Solid Waste Management Services | 3-Month  | (6.5)              | ▼      | (2.9)   | ▼     | (3.6)        | ▼     | Ⓞ     |
|                                 | 6-Month  | (6.1)              | ▼      | (2.5)   | ▼     | (3.6)        | ▼     | Ⓞ     |
|                                 | 9-Month  | (2.1)              | ▼      | (0.8)   | ▼     | (1.3)        | ▼     | Ⓞ     |
|                                 | 12-Month | (8.8)              | ▼      | (4.8)   | ▼     | (4.0)        | ▼     | Ⓞ     |
| Toronto Parking Authority       | 3-Month  | 0.0                | —      | 0.0     | —     | 0.0          | —     | Ⓞ     |
|                                 | 6-Month  | 0.9                | ▲      | 0.2     | ▲     | 0.7          | ▲     | Ⓡ     |
|                                 | 9-Month  | (2.5)              | ▲      | (3.2)   | ▲     | 0.7          | ▲     | Ⓡ     |
|                                 | 12-Month | (2.0)              | ▼      | (3.8)   | ▼     | 1.9          | ▲     | Ⓡ     |
| Toronto Water                   | 3-Month  | (12.1)             | ▼      | 2.1     | ▲     | (14.1)       | ▼     | Ⓞ     |
|                                 | 6-Month  | (13.7)             | ▼      | 2.6     | ▲     | (16.3)       | ▼     | Ⓞ     |
|                                 | 9-Month  | (14.2)             | ▼      | (11.9)  | ▲     | (2.2)        | ▼     | Ⓞ     |
|                                 | 12-Month | (32.7)             | ▼      | (5.5)   | ▼     | (27.2)       | ▼     | Ⓞ     |
| Total                           | 3-Month  | (18.5)             | ▼      | (0.8)   | ▼     | (17.7)       | ▼     | Ⓞ     |
|                                 | 6-Month  | (18.9)             | ▼      | 0.3     | ▲     | (19.2)       | ▼     | Ⓞ     |
|                                 | 9-Month  | (18.7)             | ▼      | (15.9)  | ▼     | (2.9)        | ▼     | Ⓞ     |
|                                 | 12-Month | (43.5)             | ▼      | (14.1)  | ▼     | (29.4)       | ▼     | Ⓞ     |
| Year-to-Date Net Variance       |          | Ⓞ                  | <=100% | Ⓡ       | >100% |              |       |       |


Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017





## Appendix E

### Rate Supported Programs

#### Year End Results

|  |   |
|--|---|
| <p><b>Solid Waste Management Services (SWMS):</b></p> <ul style="list-style-type: none"><li>• Under-expenditures totaling \$11.18 million mainly arise from salaries and benefits savings of \$6.24 million mostly due to vacancies in Collections and Litter Operations for waste load operators, light equipment operators and skilled trades.</li><li>• Contracted collection and processing services also experienced under-spending of \$4.67 million driven by lower tonnages for recyclables (\$2.74 million); durable goods (\$1.36 million) and leaf &amp; yard waste (\$0.57 million).<ul style="list-style-type: none"><li>• These savings are offset by higher than planned expenditures totalling \$2.39 million primarily for organics (SSO) processing costs of \$1.57 million. In addition, there was higher spending of \$0.68 million for materials &amp; supplies mainly as a result of over-spending for hydro and natural gas. Interdivisional charges were overspent compared to plan (\$0.46 million) mainly for charges for fleet including fuel and rental of city facilities offset by savings on charges for facility maintenance and IT system support.</li></ul></li><li>• Higher than planned revenue of \$8.65 million was primarily due to more than planned Stewardship Funding (\$1.51 million), Tipping Fees at Green Lane and Transfer Stations (\$2.85 million), Sale of Bins &amp; Tags (\$0.48 million) and Sale of Recyclables and Scrap (\$3.36 million).<ul style="list-style-type: none"><li>• These revenues were offset by reduced revenues of \$13.41 million due to Bin Fees (\$9.29 million); lower inter-divisional recoveries (\$2 million) due to lower actual tonnages of waste; delayed funding Transfer from Capital (\$1.21 million) as a result of the delay in capital projects and less than planned recoveries from Special Events (\$0.89 million) due to market conditions.</li></ul></li><li>• Combined, this results in a net under-expenditure (surplus) of \$4.03 million or 1.02% as of the year-end. This net surplus will be contributed to the Waste Management reserve fund to support the SWMS Capital program.</li></ul> <hr/> <ul style="list-style-type: none"><li>• As of year-end, SWMS is 63 positions below total approved complement of 1,113.7 positions due to an on-going difficult recruiting process for qualified candidates for Solid Waste Collection Operator positions and capital project staff as well as staff movements related to the divisions' Talent Growth Plan (TGP).</li><li>• After considering budgeted gapping, this is equivalent to a 1.4% operating vacancy rate. The Program is continuing the process of seeking qualified candidates in order to manage operations to plan.</li></ul> |  |
|--|---|

Staff report for action on Operating Variance Report for the Year Ended December 31st, 2017

|   |   |
|---|---|
| <p><b>Toronto Parking Authority:</b></p> <ul style="list-style-type: none"> <li>• Reported net over expenditure of \$1.858 million at December 31, 2017.</li> <li>• Lower expenditure of \$1.952 million mainly due to underspending of salaries and benefits, lower repair and maintenance fees, lower utility costs due to the provincial hydro rebate, and lower municipal taxes mainly as a result of the closure of Carpark 32.</li> <li>• This under expenditure was partially offset by higher than anticipated rent expenses due to construction delays with CP15, higher credit card processing fees, and additional security costs of downtown carparks and special City events.</li> <li>• Revenues were lower than expected by \$3.810 million primarily due to off-street carpark closures and a delay in acquiring sponsorship for the Bike Share Program. This was partially offset by higher revenues than anticipated for the on-street parking service of \$2.475 million due to an increased number of transactions from the GreenP app adoption.</li> </ul>   |  |
| <ul style="list-style-type: none"> <li>• 10.7 positions or 3.3% below approved complement at year-end due to vacancies in maintenance and attendant positions.</li> </ul>   |   |
| <p><b>Toronto Water:</b></p> <ul style="list-style-type: none"> <li>• Reported net under expenditure of \$27.186 million at December 31, 2017.</li> <li>• Lower spending of \$32.718 million mainly due to underspending in salaries and benefits due to vacancies (\$6.437 million), lower than anticipated demand for chemicals, electricity rates and usage (\$9.544 million), savings in parts, materials and professional and technical services from fewer weather related emergencies and project delays resulting in restricted use of equipment and certain areas at some of the waste water treatment plants (\$14.218 million), as well as lower payment in lieu of taxes as a result of property assessment adjustments and other charges (\$2.519 million).</li> <li>• Revenues are lower than budgeted by \$5.532 million, primarily because of lower than anticipated volume of water sold, as a result of cooler, wet spring and summer (\$19.645 million), and also due to decline in revenues from industrial waste agreements (\$1.164 million), which were partially offset by higher than projected revenues from an overall increase in a volume of new water and sewer service connections (\$6.659 million), private water agreements and other revenues and recoveries (\$8.618 million).</li> </ul> |  |
| <ul style="list-style-type: none"> <li>• 112 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 3.4% vacancy rate.</li> <li>• Due to operational vacancies, Toronto Water has been deferring some proactive preventative maintenance activities causing modest increases to overtime costs.</li> </ul>  |   |

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• The 2010-2020 Strategic Plan includes enhancement of recruiting strategies and development and implementation of an Enterprise Knowledge Retention Program.</li></ul> |  |
|---|--|