



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Operating Variance Report for the Six Months Ended June 30, 2019

Date: August 26, 2019

To: Budget Committee and Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report involves the security of property belonging to the City of Toronto.

SUMMARY

The purpose of this report is to provide City Council with the Operating Variance for the six months ended June 30, 2019 as well as projections to year-end. This report also requests City Council's approval for amendments to the 2019 Approved Operating Budget that have no impact on the City's 2019 Approved Net Operating Budget.

The following table summarizes the financial position of the City's Tax Supported Operations as of June 30, 2019 and the projection at year-end:

Table 1: Tax Supported Operating Variance Summary

Variance (\$M) Favourable / (Unfavourable)	2019 Q2 YTD			2019 Year-End Projection		
	Budget	Actual	Var	Budget	Actual	Var
City Operations	1,166.1	1,138.3	27.8	2,287.7	2,272.5	15.4
Agencies	1,032.8	1,022.7	10.1	2,098.5	2,100.3	(1.9)
Corporate Accounts	223.3	72.7	150.6	(73.2)	(172.0)	98.8
Total Variance	2,422.2	2,233.8	188.5	4,313.0	4,200.8	112.3
Less: Toronto Building*	(1.1)	(18.7)	17.6	(16.9)	(41.6)	24.7
Adjusted Variance	2,423.3	2,252.4	170.8	4,329.9	4,242.4	87.6
% of Gross Budget			3.0%			0.8%

* In accordance with the Building Code Act, any surplus from Toronto Building must be contributed to the Building Code Act Service Improvement Reserve Fund.

Year-to-Date and Year-End Spending Results:

As noted in Table 1 above, for the six months ended June 30, 2019 Tax Supported Operations experienced a favourable net variance of \$188.5 million or 8% of planned expenditures. The key factors contributing to the favourable year-to-date variance are:

- Year-to-date net under expenditure in City Operations is primarily due to lower than planned salary and benefits, as well as higher than planned revenue in Fire Services, Municipal Licensing & Standards, and Toronto Building. Favourable year-to-date variance was partially offset by over spending in Shelter, Support & Housing Administration.
- Lower than planned gross expenditures in Toronto Zoo and Toronto Transit Commission.
- Favourable revenue from Interest/Investment Earnings and Municipal Land Transfer Tax, as well as lower than planned Debt Charges.

For year-end, the City is projecting a net favourable variance of \$112.3 million or 3% of the 2019 Approved Operating Budget that is partially offset by Shelter, Support & Housing Administration due to continued high demand for Hostel Services.

An overview of the key variance drivers can be found in the "Comments" section of this report as well as in a detailed summary provided in Appendix E.

Rate Supported Programs:

Rate Supported Programs reported a favourable year-to-date variance of \$47.3 million. The favourable variance is attributed to gross under expenditures in salary and benefits, earlier than planned receipt of revenue, and one-time capital gain from the sale of property. At year-end, a favourable projected variance is anticipated to be \$32.6 million that is primarily driven by gross under spending in Toronto Water.

Rate Supported Programs are funded entirely by the user fees that are used to pay for the services provided and the infrastructure to deliver them. Solid Waste Management Services and Toronto Water's respective year-end surpluses, if any, must be transferred to the Wastewater and Water Stabilization Reserves and Waste Management Reserve Fund, respectively, to finance capital investments and ongoing operations.

Table 2: Year-To-Date Rate Supported Operating Variance Summary

Variance (\$M) Favourable / (Unfavourable)	2019 Q2 YTD			2019 Year-End Projection		
	Budget	Actual	Var	Budget	Actual	Var
Solid Waste Management Services	4.0	(12.8)	16.8	0.0	(1.1)	1.1
Toronto Parking Authority	(31.9)	(39.9)	8.1	(66.5)	(69.0)	2.4
Toronto Water	17.8	(4.5)	22.4	0.0	(29.0)	29.0
Total Variance	(10.0)	(57.3)	47.3	(66.5)	(99.1)	32.6

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the transfer of \$0.064 million from Policy, Planning, Finance and Administration's (PPFA) Vehicle Reserve (XQ1401) to City Clerk's (Clerk's) Vehicle Reserve (XQ1401) to finalize the transfer of internal mail function from PPFA to Clerk's related to courier services.
2. City Council approve the budget adjustments and any associated complement changes detailed in Appendix D to amend the 2019 Approved Operating Budget, such adjustments to have no impact on the 2019 Approved Net Operating Budget of the City.

3. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it involves the security of property belonging to the City of Toronto.

FINANCIAL IMPACT

As of June 30, 2019 the City experienced a favourable variance of net revenues and expenses of \$188.5 million. The City is projecting for December 31, 2019 a favourable variance of net revenues and expenditures of \$112.3 million.

Appendices A, B and C provide detailed summary of gross expenditures, revenue and net expenditures for the six month results and projections to year-end by Program and Agency, respectively. Appendix D details the recommended in-year budget adjustments that are fiscally neutral to the 2019 Approved Operating Budget.

DECISION HISTORY

At its meeting of March 7, 2019, City Council approved a 2019 Rate-Supported Operating Budget of \$1.844 billion gross and \$0.067 billion net and a 2019 Tax Supported Operating Budget of \$11.559 billion gross and \$4.313 billion net.

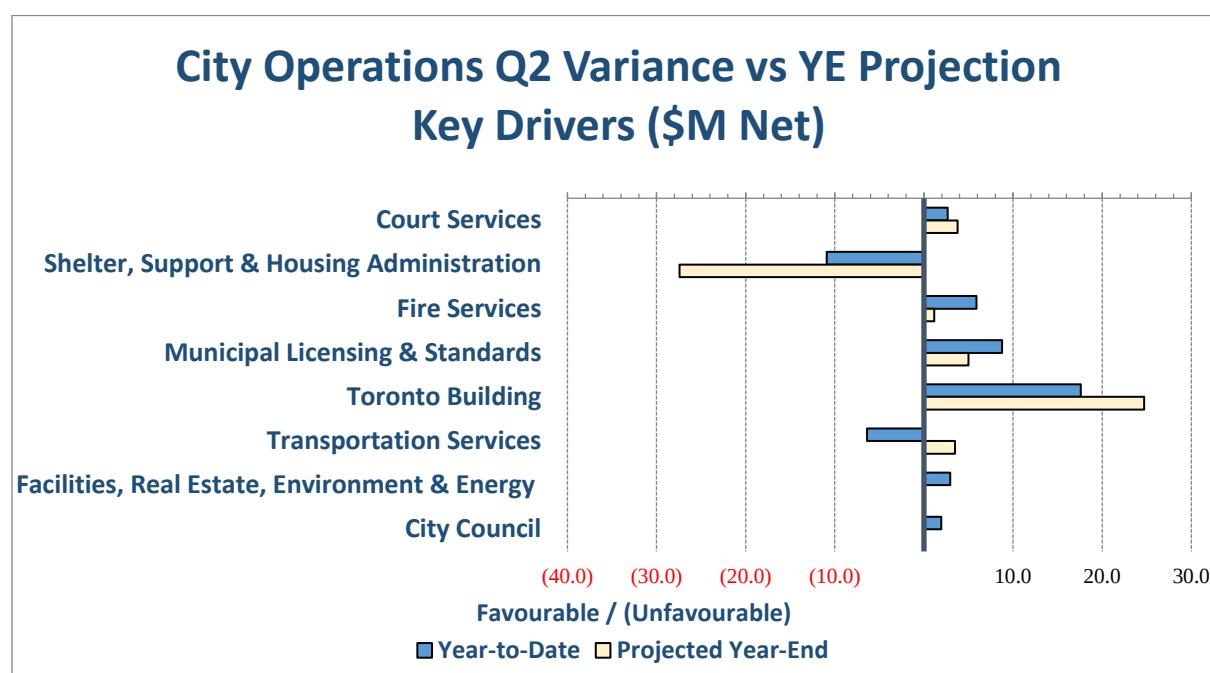
This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year-end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the 2019 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management policies.

COMMENTS

City Operations: Q2

As of June 30, 2019, City Operations reported a favourable gross expenditure variance of \$104.8 million (4%) and a revenue shortfall of \$77.0 million (5%), resulting in a favourable net variance of \$27.8 million (2%). The key drivers of this year-to-date favourable net variance are outlined in Figure 1 below:

Figure 1: City Operations Variance Summary of Key Program Drivers



- Court Services (\$2.7 million net favourable): while service levels have been maintained expenditures in salaries and benefits are lower than plan, and under spending has also been experienced for honorarium, interpreter services costs and payments to the province.
- Shelter, Support & Housing Administration (\$10.9 million net unfavourable): gross over expenditure primarily in Hostel and Respite Services resulting from higher than plan demand for emergency shelter and respite beds and higher costs for motels, meals and support services.
- Fire Services (\$5.9 million net favourable): higher than planned false alarm fee revenues and the receipt of Heavy Urban Search and Rescue (HUSAR) funding that will be offset once these funds are applied to the HUSAR building expansion project and HUSAR related expenditures.
- Municipal Licensing & Standards (\$8.8 million net favourable): higher than planned revenue from higher than anticipated PTC (Private Transportation Company) applications, trip fees, higher volume for license & permit activity, and Apartment Building Standards registration fees, and lower than planned labour costs.
- Toronto Building (\$17.6 million net favourable): driven predominantly by higher revenue due to increased volume of building permit applications, while continuing to deliver on its committed service levels.

- Transportation Services (\$6.4 million net unfavourable): gross over expenditure in winter maintenance program for the first half of 2019 and higher than planned utility cut repair costs that will be offset through corresponding revenue recovery by year-end.
- Facilities, Real Estate, Environment & Energy (\$3.0 million net favourable): underspending in utilities due to lower consumption and hydro rates, coupled with under spending in salaries and benefits while continuing to maintain service levels.
- City Council (\$2.0 million net favourable): lower than planned labour costs and expenditures in Councillors' Constituency Services and Office Budgets and Council General Budget.

City Operations: Year-End Projection

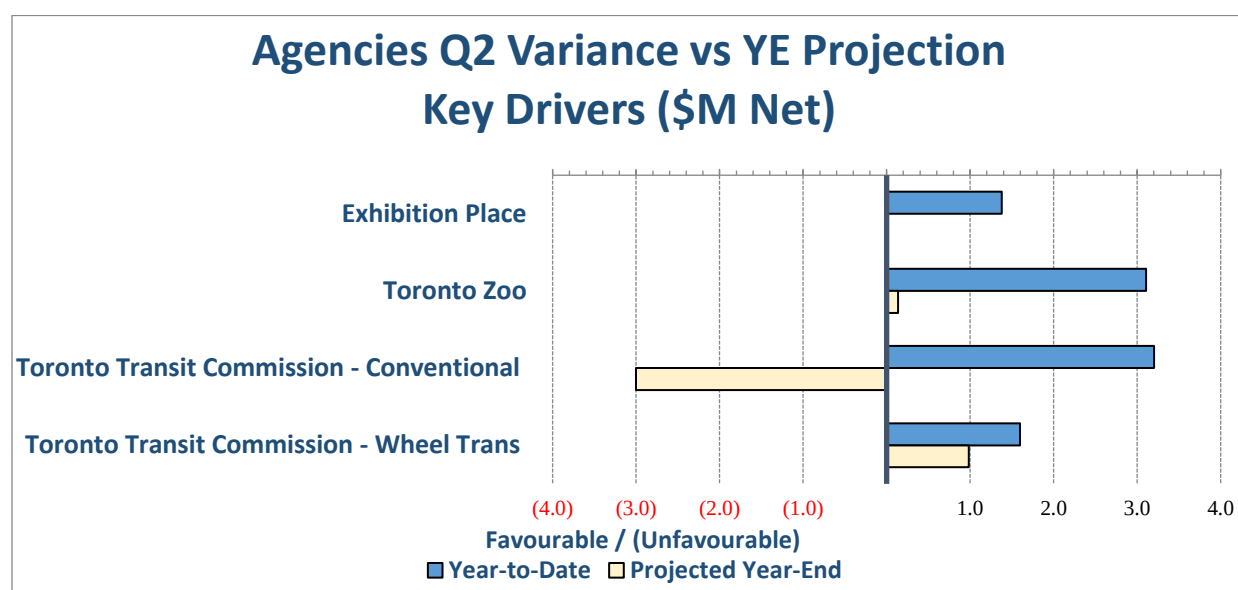
In total, City Operations is projecting a favourable year-end gross expenditure variance of \$214.3 million (4%) that is partially offset by revenue shortfall of \$199.0 million (5%). As a result, the year-end favourable net variance is forecasted to be \$15.4 million. The key drivers of the projected favourable net variance include:

- Court Services (\$3.8 million net favourable): the favourable year-end projection represents the continued trend of the year-to-date experience.
- Shelter, Support & Housing Administration (\$27.4 million net unfavourable): consistent with year-to-date experience, gross over expenditure is anticipated at year-end as a result of cost escalations in Hostel Services.
- Municipal Licensing & Standards (\$5.0 million net favourable): primarily driven by lower than budgeted labour costs, while revenue is anticipated to be on budget.
- Toronto Building (\$24.7 million net favourable): consistent with year-to-date results, a continued trend of higher volumes of building permit application activity is anticipated at year-end.
- Transportation Services (\$3.5 million net favourable): continued implementation of the next phase of the new organizational structure resulting in under spending in salaries and benefits, under spending in traffic signal maintenance and lower street lighting costs due to lower than expected hydro rates.

Agencies: Q2

As of the six months ended on June 30, 2019, Agencies reported a favourable gross expenditure variance of \$14.3 million (1%), and under-achieved revenue of \$4.2 million, which resulted in a favourable net variance of \$10.1 million (1.0%). The key drivers of this year-to-date favourable net variance are outlined in Figure 2 below:

Figure 2: Agencies Variance Summary of Key Program Drivers



- Exhibition Place (\$1.4 million net favourable): higher than planned revenue from additional large events that was partially offset by associated costs to deliver these events.
- Toronto Zoo (\$3.1 million net favourable): lower than planned labour costs, partially offset by revenue shortfall from lower than anticipated visitors due to poor weather conditions.
- Toronto Transit Commission - Conventional Service (\$3.2 million net favourable): under expenditure in materials and supplies, corporate costs related to lease expenses and commission payments, employee benefits, utilities and diesel costs that are partially offset passenger revenue shortfall due to significant inclement weather events and lower than anticipated weekend and holiday ridership.
- Toronto Transit Commission - Wheel Trans Service (\$1.6 million net favourable): under expenditure in labour costs and employee benefits, under spending in materials and supplies, lower than planned Wheel-Trans transformation expenses and lower costs for eligibility appeals.

Agencies: Year-End Projection

Agencies are projecting a year-end gross under-expenditure of \$2.5 million and revenue shortfall of \$4.3 million, resulting in a net unfavourable variance of \$1.9 million.

- Toronto Transit Commission - Conventional Service (\$3.0 million net unfavourable): passenger revenue shortfall of \$18.0 million due to 4% lower than budgeted

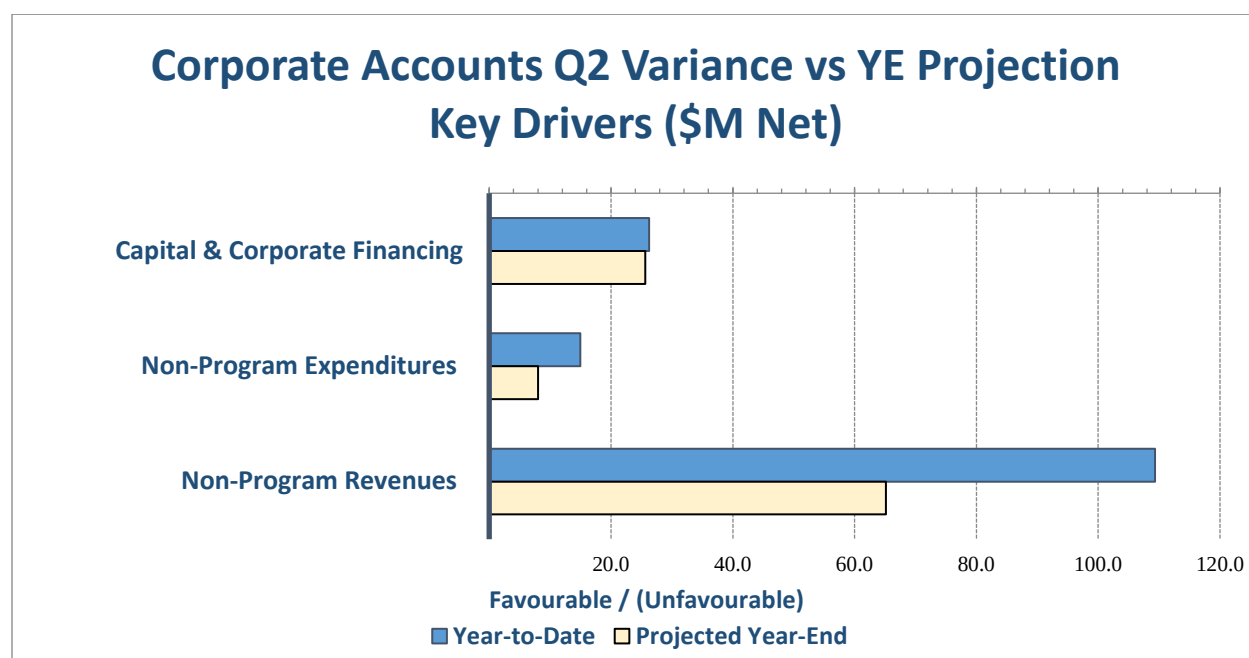
ridership that is partially offset by under expenditure in employee benefits, vehicle maintenance, PRESTO commissions, diesel, and lower leasing costs.

- Toronto Transit Commission - Wheel - Trans Service (\$1.0 million net favourable): over achieved revenue due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional service, under expenditure in labour and employee benefits, lower costs for eligibility appeals and transformation projects costs that are partially offset by increase in contracted taxi services costs.

Corporate Accounts: Q2

As of June 30, 2019, Corporate Accounts experienced a cumulative gross under expenditure of \$31.4 million (3%) and higher than planned revenue of \$119.2 million (15%), which resulted in a favourable net variance of \$150.6 million. The following key drivers have contributed to the year-to-date favourable net variance:

Figure 3: Corporate Accounts Variance Summary of Key Drivers



- Capital & Corporate Financing (\$26.3 million net favourable): gross under expenditure in Debt Charges for internal loans to address future capital requirements.
- Non-Program Expenditures (\$15.0 million net favourable): under expenditure from Parking Enforcement Officer vacant positions, under spending in Solid Waste Management Services Rebate program due to the actual historical billings being lower the plan, and lower than planned other corporate expenditures.

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

- Non-Program Revenues (\$109.3 million net favourable): higher than planned one-time Interest/Investment Earnings revenue from realized capital gains, higher than planned Municipal Land Transfer Tax revenue from increased sales activity and Supplementary Tax revenue based on the latest tax roll received from Municipal Property Assessment Corporation (MPAC).

Corporate Accounts: Year-End Projection

The projected year-end gross under expenditure of \$35.9 million (2%) combined with \$62.9 million (4%) in higher than budgeted revenue, is anticipated to result in a net favourable variance of \$98.8 million by year-end.

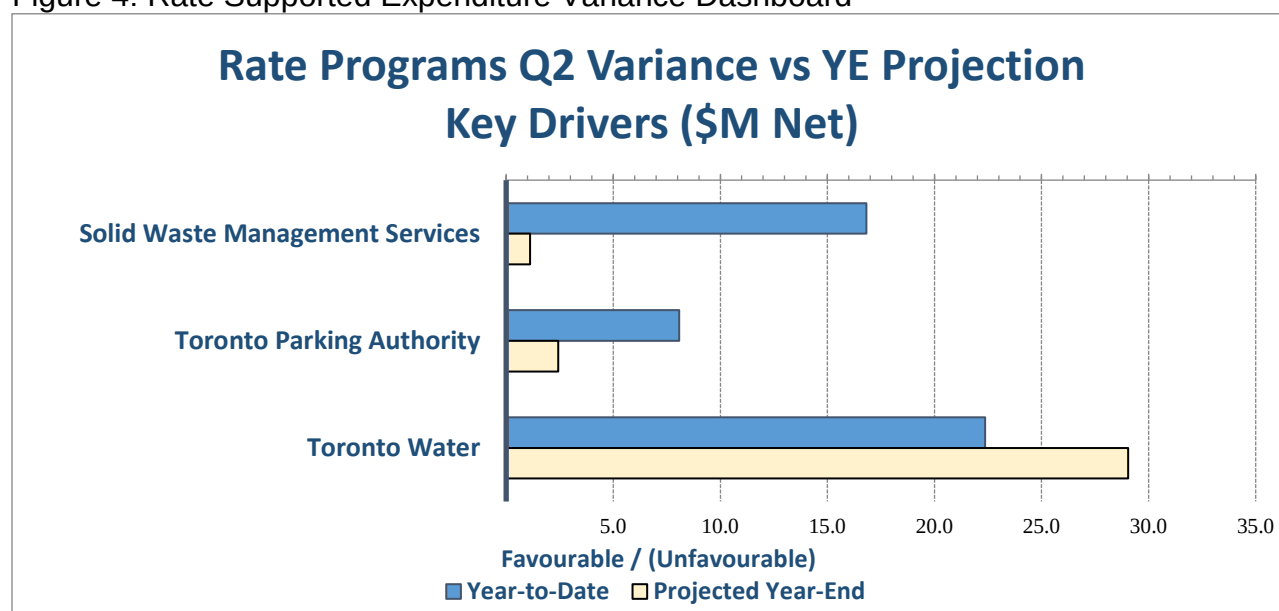
- Capital & Corporate Financing (\$25.6 million net favourable): the year-end projection is consistent with year-to-date experience.
- Non-Program Expenditures (\$8.0 million net favourable): gross under expenditure on Tax Increment Equivalent Grants (TIEG) based on the latest available information for eligible properties, and under spending in other corporate expenditures.
- Non-Program Revenues (\$65.1 million net favourable): over achieved revenue that is primarily driven by one-time capital gain in Interest/Investment Earnings, higher than budgeted Parking Authority Revenue primarily from one-time sale of property, and higher than budgeted Toronto Hydro Dividend Income based on the earnings realized in 2018 that is partially offset by revenue shortfall in Third Party Sign Tax due to the shift in sign industry.

For the full list of detailed variance breakdown, please refer to Appendix A.

Rate Programs

As per Figure 4 below, Rate Programs reported an under-expenditure of \$22.9 million gross (3%) and over-achieved revenue of \$24.4 million (3%), which resulted in a favourable net variance of \$47.3 million.

Figure 4: Rate Supported Expenditure Variance Dashboard



- **Solid Waste Management Services:** year-to-date favourable variance of \$16.8 million is primarily from lower than planned labour costs, and higher than planned collection revenues for oversized bin fees and commercial bags and tags, as well as volume driven higher tipping fees at Transfer Stations. A favourable year-end projection of \$1.1 million net is anticipated primarily from lower than budgeted salaries and benefits.
- **Toronto Parking Authority:** favourable year-to-date revenue of \$8.1 million net is primarily due to lower than planned labour costs, lower maintenance and administration expenditures, and unanticipated one-time capital gain from the sale of property. Toronto Parking Authority is projecting a favourable variance of \$2.4 million net primarily driven by unanticipated one-time capital gain that is partially offset by lower than budgeted revenue from transaction volume in the Off-Street Parking service.
- **Toronto Water:** a favourable variance of \$22.4 million net due to lower than planned labour costs that has been experienced while maintaining service levels, hydro rates and lower water consumption due to continued efficiency initiatives. Overall, revenues are over achieved due to higher than anticipated water consumption and overall increased volume of watermain connections. Consistent with year-to-date results, a favourable year-end variance of \$29.0 million net is forecasted mainly from underspending in salaries and benefits, lower hydro rates and under spending in chemicals due from efficient usage, and higher than budgeted revenues.

Approved Complement

At the end of June 30, 2019, the City reported a strength of 53,293 operating and capital positions. The year-end projected strength is forecasted to be 54,426 positions (capital and operating).

Figure 5: Approved Complement and Strength Comparison (Includes Capital and Operating Positions)

Approved Complement and Strength Comparison (Includes Capital and Operating Positions)								
Program/Agency	June 30, 2019				Year-End Projections			
	Approved Complement	Strength	Vacancies	Vacancy %	Approved Complement	Strength	Vacancies	Vacancy %
Community and Social Services	13,126.8	12,699.3	(427.5)	3.3%	13,122.8	12,879.2	(243.6)	1.9%
Infrastructure and Development Services	6,651.3	6,196.3	(455.0)	6.8%	6,657.3	6,371.3	(286.0)	4.3%
Corporate Services	2,298.5	1,944.1	(354.4)	15.4%	2,300.5	1,997.5	(303.0)	13.2%
Finance and Treasury Services	829.2	711.3	(117.9)	14.2%	823.0	801.0	(22.0)	2.7%
City Manager's Office	448.0	424.0	(24.0)	5.4%	434.0	431.0	(3.0)	0.7%
Other City Programs	806.2	735.2	(71.0)	8.8%	804.4	782.7	(21.7)	2.7%
Accountability Offices	59.3	58.0	(1.3)	2.1%	59.3	59.0	(0.3)	0.4%
Total City Operations	24,219.2	22,768.2	(1,451.1)	6.0%	24,201.2	23,321.6	(879.5)	3.6%
Agencies	28,898.3	27,127.0	(1,771.3)	6.1%	28,631.3	27,627.5	(1,003.8)	3.5%
Corporate Accounts	406.0	370.0	(36.0)	8.9%	406.0	406.0	0.0	0.0%
Total Tax Supported Programs and Agencies	53,523.6	50,265.2	(3,258.4)	6.1%	53,238.5	51,355.2	(1,883.3)	3.5%
Rate Supported Programs	3,256.9	3,027.4	(229.5)	7.0%	3,256.9	3,070.6	(186.3)	5.7%
Grand Total	56,780.5	53,292.6	(3,487.9)	6.1%	56,495.5	54,425.8	(2,069.7)	3.7%

Management continues to focus on providing and meeting service levels, program delivery and outcomes while managing vacancies created by turnovers and retirements. The vacancy rate is a reflection of a moment in time. For an organization with an approved complement of more 56,000, a vacancy rate of 4-6% is deemed reasonable comparing to organizations including other levels of government.

Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the quarterly variance process. As set out in Figure 6 below, the City received \$0.1 million in donations during Q2 of 2019.

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

Donor	Amount (\$000s)	Purpose
Economic Development & Culture		
Colborne Lodge, Donations From the Box	0.38	General
Gibson House, Individual Donor	0.50	General
Gibson House, PWYC/General Cash/From the Box	0.26	General
Montgomery's Inn, Individual Donor	1.48	General
Fort York, PWYC/General Cash/From the Box	0.23	General
Fort York, Indigenous Arts Festival (Individual)	0.75	General
Mackenzie House, PWYC/General Cash/From the Box	0.25	General
Mackenzie House, Individual Donor	0.04	General
Spadina House, General Cash (Yoga Event)	0.24	General
Spadina House, General Cash/From the Box	0.64	General
Spadina House, General Cash (Music from the Orchard Event)	0.58	General
Spadina House, Individual Donor	6.52	General
Scarborough, PWYC/General Cash/From the Box	0.96	General
Market Gallery, General Cash/From the Box	0.04	General
<i>Sub-Total</i>	<i>12.87</i>	
Toronto Paramedic Services		
Individual Donor	0.61	Individual donors to Safe City - First Aid, CPR, AED trainings
<i>Sub-Total</i>	<i>0.61</i>	
Parks, Forestry & Recreation		
Dove	5.00	Dove Self-Esteem/Confident Me Project
Kim IV Prods. Inc.	0.50	Parks Improvement for Withrow Park
Mulholland Ross Group	1.50	Edithvale CC Program Improvements
Rosethorn Tennis Club	1.50	Parks Improvement for Rosethorn Park
Individual Donor	0.02	Parks Improvement at High Park
<i>Sub-Total</i>	<i>8.52</i>	
City Planning		
Urban Design Awards 5200-UR0033	15.90	Toronto Urban Design Awards
<i>Sub-Total</i>	<i>15.90</i>	
Municipal Licensing & Standards		
Individual Donors (multiple donations of small value)	64.32	Care and services related to animals
<i>Sub-Total</i>	<i>64.32</i>	
Heritage Toronto		
Timmins Martelle	2.25	General
Individual	1.00	General
Primrose Foundation	1.00	General
<i>Sub-Total</i>	<i>4.25</i>	
Grand Total	106.47	

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix A – City of Toronto Net Expenditures for Six Months Ended June 30, 2019
Appendix B – City of Toronto Gross Expenditures for Six Months Ended June 30, 2019
Appendix C – City of Toronto Revenues for Six Months Ended June 30, 2019
Appendix D – Pending Budget Adjustments
Appendix E – Operating Variance Dashboard for City Programs and Agencies
Confidential Attachment 1 – Other Corporate Expenditures

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2019 (\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Community and Social Services								
Housing Secretariat	565	611	(46)	-8%	1,180	1,180	0	0%
Children's Services	38,817	37,656	1,161	3%	85,877	84,877	1,000	1%
Court Services	(5,025)	(7,700)	2,675	-53%	(6,625)	(10,406)	3,781	-57%
Economic Development & Culture	52,124	50,678	1,446	3%	72,575	73,275	(700)	-1%
Toronto Paramedic Services	42,673	44,469	(1,796)	-4%	85,880	86,750	(870)	-1%
Seniors Services and Long-Term Care	20,140	19,241	899	4%	46,741	46,741	0	0%
Parks, Forestry & Recreation	150,220	150,173	47	0%	326,560	326,560	0	0%
Shelter, Support & Housing Administration	235,438	246,353	(10,916)	-5%	463,258	490,669	(27,411)	-6%
Social Development, Finance & Administration	20,654	19,306	1,348	7%	48,470	48,605	0	0%
Toronto Employment & Social Services	42,442	42,501	(59)	0%	91,362	91,362	0	0%
Sub-Total Community and Social Services	598,048	603,288	(5,240)	-1%	1,215,278	1,239,613	(24,200)	-2%
Infrastructure and Development Services								
City Planning	5,088	5,670	(583)	-11%	15,425	14,837	588	4%
Fire Services	241,123	235,227	5,895	2%	478,542	477,405	1,137	0%
Municipal Licensing & Standards	9,552	776	8,776	92%	19,177	14,187	4,990	26%
Policy, Planning, Finance and Administration	4,275	3,682	593	14%	5,895	5,648	247	4%
Engineering and Construction Services	1,951	869	1,082	55%	4,148	2,669	1,479	36%
Toronto Building	(1,076)	(18,681)	17,605	-1635%	(16,891)	(41,581)	24,690	-146%
Transportation Services	126,193	132,575	(6,382)	-5%	230,477	227,005	3,473	2%
Sub-Total Infrastructure and Development Services	387,103	360,118	26,986	7%	736,772	700,169	36,603	5%
Finance and Treasury Services								
Office of the Chief Financial Officer	5,196	4,922	274	5%	11,295	10,904	391	3%
Office of the Controller	13,948	12,743	1,205	9%	28,282	27,757	525	2%
Sub-Total Finance and Treasury Services	19,144	17,665	1,479	8%	39,577	38,661	916	2%
Corporate Services								
Facilities, Real Estate, Environment & Energy	46,794	43,829	2,964	6%	72,055	71,938	117	0%
Fleet Services	(1,880)	(2,169)	289	-15%	313	257	56	18%
Information & Technology	47,620	46,781	839	2%	78,798	78,593	205	0%
311 Toronto	4,625	4,611	14	0%	10,148	10,131	18	0%
Sub-Total Corporate Services	97,159	93,052	4,106	4%	161,314	160,919	395	0%
City Manager								
City Manager's Office	21,603	21,661	(58)	0%	48,315	48,315	0	0%
Sub-Total City Manager	21,603	21,661	(58)	0%	48,315	48,315	0	0%
Other City Programs								
City Clerk's Office	15,569	15,125	444	3%	32,265	32,165	100	0%
Legal Services	10,992	13,490	(2,498)	-23%	19,627	18,163	1,464	7%
Mayor's Office	1,198	1,168	30	2%	2,567	2,567	0	0%
City Council	10,354	8,395	1,959	19%	21,572	21,572	0	0%
Sub-Total Other City Programs	38,113	38,178	(66)	0%	76,031	74,467	1,564	2%
Accountability Offices								
Auditor General's Office	3,103	2,622	481	15%	6,641	6,641	0	0%
Integrity Commissioner's Office	265	205	61	23%	573	448	125	22%
Lobbyist Registrar's Office	592	564	28	5%	1,235	1,235	0	0%
Ombudsman's Office	937	940	(3)	0%	1,999	1,999	0	0%
Sub-Total Accountability Offices	4,897	4,330	567	12%	10,447	10,322	125	1%
TOTAL - CITY OPERATIONS	1,166,066	1,138,292	27,774	2%	2,287,735	2,272,466	15,403	1%

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2019 (\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Agencies								
Toronto Public Health	22,349	22,235	114	1%	63,741	63,731	10	0%
Toronto Public Library	92,472	92,886	(415)	0%	188,093	188,093	0	0%
Association of Community Centres	4,139	3,844	295	7%	8,265	8,251	14	0%
Exhibition Place	212	(1,167)	1,379	651%	(173)	(173)	0	0%
Heritage Toronto	174	395	(221)	-127%	401	401	0	0%
TO Live	2,111	1,841	270	13%	5,599	5,599	0	0%
Toronto Zoo	9,800	6,695	3,106	32%	12,462	12,324	138	1%
Arena Boards of Management	(48)	(629)	581	-1217%	(18)	(31)	13	-74%
Yonge Dundas Square	151	(36)	187	124%	23	46	(23)	-101%
CreateTO	0	0	0	n/a	0	0	0	n/a
Toronto & Region Conservation Authority	2,091	2,091	0	0%	3,833	3,833	0	0%
Toronto Transit Commission - Conventional	336,402	333,201	3,201	1%	621,958	624,958	(3,000)	0%
Toronto Transit Commission - Wheel Trans	72,511	70,913	1,598	2%	140,908	139,924	984	1%
Toronto Police Service	489,191	489,191	0	0%	1,050,908	1,050,908	0	0%
Toronto Police Services Board	1,265	1,265	0	0%	2,461	2,461	0	0%
TOTAL - AGENCIES	1,032,819	1,022,724	10,095	1%	2,098,462	2,100,326	(1,864)	0%
Corporate Accounts								
Capital Financing - Capital from Current	339,928	339,928	0	0%	340,836	340,836	0	0%
Technology Sustainment	9,956	9,956	0	0%	19,912	19,912	0	0%
Debt Charges	328,465	302,201	26,265	8%	568,026	542,389	25,637	5%
Capital & Corporate Financing	678,349	652,085	26,265	4%	928,774	903,137	25,637	3%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	38,851	38,402	450	1%	68,529	68,529	0	0%
Tax Increment Equivalent Grants (TIEG)	15,592	15,608	(16)	0%	31,184	29,536	1,648	5%
Assessment Function (MPAC)	22,497	22,497	0	0%	44,993	44,993	0	0%
Funding of Employee Related Liabilities	35,420	35,341	78	0%	70,833	70,833	0	0%
Other Corporate Expenditures*	944	(1,254)	2,199	233%	21,006	16,606	4,400	21%
Insurance Premiums & Claims	150	150	0	0%	300	300	0	0%
Parking Tag Enforcement & Oper.	32,260	27,383	4,877	15%	71,729	71,094	635	1%
Programs Funded from Reserve Funds	(248)	(248)	0	0%	0	0	0	0%
Distressed Retail Areas & Transit Fare Equity Phase 1**	1,398	(17)	1,415	101%	2,466	1,150	1,316	53%
Heritage Property Taxes Rebate	1,038	1,038	0	0%	2,076	2,076	0	0%
Tax Rebates for Registered Charities	0	0	0	0%	0	0	0	0%
Solid Waste Management Rebates	59,392	53,409	5,983	10%	109,680	109,680	0	0%
Tax Increment Funding (TIF)	0	0	0	n/a	935	935	0	0%
Non-Program Expenditures	207,295	192,309	14,986	7%	423,732	415,733	8,000	2%
Non-Program Revenue								
Payments in Lieu of Taxes	(75,213)	(75,771)	558	-1%	(93,453)	(94,767)	1,313	-1%
Supplementary Taxes	(13,090)	(18,593)	5,503	-42%	(35,000)	(35,000)	0	0%
Tax Penalty Revenue	(14,239)	(15,284)	1,044	-7%	(31,000)	(32,000)	1,000	-3%
Interest/Investment Earnings	(37,032)	(123,323)	86,292	-233%	(110,320)	(168,989)	58,669	-53%
Other Corporate Revenues	(2,039)	(2,375)	336	-16%	(11,923)	(11,914)	(9)	0%
Dividend Income	(45,100)	(46,390)	1,290	-3%	(90,200)	(92,780)	2,580	-3%
Provincial Revenue	(45,800)	(45,800)	0	0%	(91,600)	(91,600)	0	0%
Municipal Land Transfer Tax	(300,385)	(312,251)	11,866	-4%	(687,146)	(687,146)	0	0%
Third Party Sign Tax	(10,911)	(9,775)	(1,136)	10%	(9,758)	(8,746)	(1,011)	10%
Parking Authority Revenues	(19,002)	(19,002)	0	0%	(51,712)	(53,773)	2,061	-4%
Administrative Support Recoveries - Water	(9,487)	(9,487)	0	0%	(18,973)	(18,973)	0	0%
Administrative Support Recoveries - Health & EMS	(8,163)	(8,163)	0	0%	(16,327)	(16,327)	0	0%
Parking Tag Enforcement & Operations Rev	(52,091)	(54,421)	2,329	-4%	(113,072)	(113,072)	0	0%
Other Tax Revenues	(4,479)	(4,905)	426	-10%	(10,431)	(10,857)	426	-4%
Municipal Accommodation Tax	(11,339)	(13,186)	1,848	-16%	(27,378)	(27,378)	0	0%
Casino Woodbine	(13,952)	(12,928)	(1,024)	7%	(27,442)	(27,551)	109	0%
Non-Program Revenues	(662,323)	(771,653)	109,330	-17%	(1,425,733)	(1,490,871)	65,138	-5%
TOTAL - CORPORATE ACCOUNTS	223,321	72,740	150,581	67%	(73,227)	(172,002)	98,774	-135%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	2,422,206	2,233,756	188,450	8%	4,312,970	4,200,791	112,314	3%
RATE SUPPORTED PROGRAMS								
Solid Waste Management Services	4,024	(12,797)	16,821	418%	0	(1,117)	1,117	n/a
Toronto Parking Authority	(31,860)	(39,939)	8,079	-25%	(66,538)	(68,963)	2,425	-4%
Toronto Water	17,835	(4,527)	22,362	125%	0	(29,040)	29,040	n/a
TOTAL RATE SUPPORTED PROGRAMS	(10,001)	(57,263)	47,262	-473%	(66,538)	(99,120)	32,582	n/a

* Please see Confidential Attachment 1 for details

** In 2019, City Council approved reinvestment of funds from the discontinued Vacancy Rebate Program's budget into Transit Fare Equity Phase 1 and Distressed Retail Areas.

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Community and Social Services								
Housing Secretariat	4,424	1,531	2,892	65%	11,087	11,087	0	0%
Children's Services	287,460	266,461	20,998	7%	656,515	631,515	25,000	4%
Court Services	24,902	22,144	2,758	11%	52,178	49,649	2,529	5%
Economic Development & Culture	54,765	53,989	776	1%	85,345	86,050	(705)	-1%
Toronto Paramedic Services	115,953	117,876	(1,923)	-2%	233,700	233,854	(154)	0%
Seniors Services and Long-Term Care	124,625	125,825	(1,200)	-1%	265,812	265,812	0	0%
Parks, Forestry & Recreation	203,787	199,507	4,280	2%	478,150	461,217	16,933	4%
Shelter, Support & Housing Administration	457,919	449,294	8,625	2%	1,007,387	964,898	42,489	4%
Social Development, Finance & Administration	31,783	27,873	3,910	12%	74,377	65,897	8,481	11%
Toronto Employment & Social Services	567,937	528,731	39,206	7%	1,147,941	1,079,877	68,065	6%
Sub-Total Community and Social Services	1,873,553	1,793,231	80,322	4%	4,012,492	3,849,855	162,637	4%
Infrastructure and Development Services								
City Planning	25,127	23,596	1,531	6%	55,031	52,920	2,111	4%
Fire Services	249,646	249,020	627	0%	497,063	498,616	(1,553)	0%
Municipal Licensing & Standards	28,167	25,760	2,407	9%	67,410	62,314	5,096	8%
Policy, Planning, Finance and Administration	11,793	9,879	1,914	16%	22,609	20,599	2,009	9%
Engineering and Construction Services	35,719	31,285	4,434	12%	76,169	68,504	7,666	10%
Toronto Building	29,959	25,461	4,497	15%	58,804	53,040	5,764	10%
Transportation Services	189,059	197,674	(8,614)	-5%	401,346	395,268	6,078	2%
Sub-Total Infrastructure and Development Services	569,470	562,675	6,795	1%	1,178,432	1,151,261	27,171	2%
Finance and Treasury Services								
Office of the Chief Financial Officer	9,514	8,102	1,412	15%	20,795	18,663	2,132	10%
Office of the Controller	37,248	34,139	3,109	8%	80,510	78,222	2,288	3%
Sub-Total Finance and Treasury Services	46,762	42,241	4,521	10%	101,305	96,885	4,420	4%
Corporate Services								
Facilities, Real Estate, Environment & Energy	92,876	91,565	1,312	1%	206,952	201,269	5,682	3%
Fleet Services	26,766	27,192	(425)	-2%	58,727	60,516	(1,789)	-3%
Information & Technology	70,297	64,657	5,641	8%	133,265	120,588	12,677	10%
311 Toronto	9,121	8,594	528	6%	19,329	18,434	895	5%
Sub-Total Corporate Services	199,061	192,007	7,054	4%	418,272	400,808	17,465	4%
City Manager								
City Manager's Office	26,486	28,551	(2,065)	-8%	57,010	60,247	(3,237)	-6%
Sub-Total City Manager	26,486	28,551	(2,065)	-8%	57,010	60,247	(3,237)	-6%
Other City Programs								
City Clerk's Office	24,836	23,864	971	4%	52,237	52,137	100	0%
Legal Services	31,009	26,403	4,606	15%	65,694	60,072	5,622	9%
Mayor's Office	1,198	1,168	30	2%	2,567	2,567	0	0%
City Council	10,399	8,395	2,004	19%	22,157	22,157	0	0%
Sub-Total Other City Programs	67,441	59,831	7,611	11%	142,654	136,933	5,722	4%
Accountability Offices								
Auditor General's Office	3,103	2,622	481	15%	6,641	6,641	0	0%
Integrity Commissioner's Office	265	205	61	23%	573	448	125	22%
Lobbyist Registrar's Office	592	564	28	5%	1,235	1,235	0	0%
Ombudsman's Office	937	940	(3)	0%	1,999	1,999	0	0%
Sub-Total Accountability Offices	4,897	4,330	567	12%	10,447	10,322	125	1%
TOTAL - CITY OPERATIONS	2,787,671	2,682,866	104,805	4%	5,920,614	5,706,311	214,303	4%

Staff report for action on Operating Variance Report for the Six Months
 Ended June 30, 2019

Appendix B

CITY OF TORONTO CONSOLIDATED GROSS EXPENDITURES VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2019 (\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Agencies								
Toronto Public Health	109,937	108,507	1,431	1%	254,521	252,035	2,486	1%
Toronto Public Library	101,278	102,885	(1,607)	-2%	207,314	209,823	(2,508)	-1%
Association of Community Centres	4,297	4,035	262	6%	8,581	8,568	14	0%
Exhibition Place	25,310	26,834	(1,524)	-6%	56,582	56,582	0	0%
Heritage Toronto	529	544	(14)	-3%	1,143	1,143	0	0%
TO Live	19,824	16,598	3,226	16%	38,035	37,254	781	2%
Toronto Zoo	24,342	21,105	3,238	13%	53,092	52,071	1,021	2%
Arena Boards of Management	4,729	4,494	235	5%	9,782	9,803	(21)	0%
Yonge Dundas Square	1,430	1,507	(77)	-5%	3,465	3,344	121	3%
CreateTO	6,346	5,806	540	9%	12,841	12,841	0	0%
Toronto & Region Conservation Authority	19,321	18,943	378	2%	45,403	45,403	0	0%
Toronto Transit Commission - Conventional	978,751	963,989	14,762	2%	1,906,240	1,890,240	16,000	1%
Toronto Transit Commission - Wheel Trans	76,634	75,467	1,166	2%	149,019	149,035	(16)	0%
Toronto Police Service	533,758	541,458	(7,700)	-1%	1,196,885	1,212,285	(15,400)	-1%
Toronto Police Services Board	1,265	1,265	0	0%	4,761	4,761	0	0%
TOTAL - AGENCIES	1,907,753	1,893,438	14,314	1%	3,947,667	3,945,189	2,478	0%
Corporate Accounts								
Capital Financing - Capital from Current	339,928	339,928	0	0%	340,836	340,836	0	0%
Technology Sustainment	9,956	9,956	0	0%	19,912	19,912	0	0%
Debt Charges	360,738	332,703	28,036	8%	634,683	609,046	25,637	4%
Capital & Corporate Financing	710,622	682,586	28,036	4%	995,431	969,794	25,637	3%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	38,851	38,402	450	1%	78,529	78,529	0	0%
Tax Increment Equivalent Grants (TIEG)	15,592	15,608	(16)	0%	31,184	29,536	1,648	5%
Assessment Function (MPAC)	22,497	22,497	0	0%	44,993	44,993	0	0%
Funding of Employee Related Liabilities	35,420	35,341	78	0%	70,833	70,833	0	0%
Other Corporate Expenditures*	4,034	15,165	(11,131)	-276%	28,615	24,266	4,348	15%
Insurance Premiums & Claims	150	150	0	0%	300	300	0	0%
Parking Tag Enforcement & Oper.	32,260	27,383	4,877	15%	71,729	71,094	635	1%
Programs Funded from Reserve Funds	68,967	68,967	0	0%	149,791	149,791	0	0%
Distressed Retail Areas & Transit Fare Equity Phase 1**	1,398	(17)	1,415	101%	2,466	1,150	1,316	53%
Heritage Property Taxes Rebate	1,038	1,038	0	0%	2,076	2,076	0	0%
Tax Rebates for Registered Charities	4,616	4,620	(4)	0%	4,616	4,620	(4)	0%
Solid Waste Management Rebates	59,392	53,409	5,983	10%	109,680	109,680	0	0%
Tax Increment Funding (TIF)	0	0	0	n/a	935	935	0	0%
Non-Program Expenditures	284,214	282,562	1,652	1%	595,748	587,803	7,944	1%
Non-Program Revenue								
Payments in Lieu of Taxes	0	0	0	n/a	0	0	0	n/a
Supplementary Taxes	0	0	0	n/a	0	0	0	n/a
Tax Penalty Revenue	0	0	0	n/a	0	0	0	n/a
Interest/Investment Earnings	3,099	1,196	1,902	61%	9,898	7,011	2,887	29%
Other Corporate Revenues	1,958	1,338	621	32%	4,045	4,086	(41)	-1%
Dividend Income	3,800	3,800	0	0%	7,600	7,600	0	0%
Provincial Revenue	0	0	0	n/a	0	0	0	n/a
Municipal Land Transfer Tax	22,696	23,220	(524)	-2%	46,045	46,045	0	0%
Third Party Sign Tax	0	0	0	n/a	1,154	1,154	0	0%
Parking Authority Revenues	0	0	0	n/a	0	0	0	n/a
Administrative Support Recoveries - Water	0	0	0	n/a	0	0	0	n/a
Administrative Support Recoveries - Health & EMS	0	0	0	n/a	0	0	0	n/a
Parking Tag Enforcement & Operations Rev	0	0	0	n/a	0	0	0	n/a
Other Tax Revenues	0	674	(674)	n/a	0	674	(674)	n/a
Municipal Accommodation Tax	14,361	14,048	314	2%	29,422	29,422	0	0%
Casino Woodbine	174	133	41	24%	458	349	109	24%
Non-Program Revenues	46,088	44,408	1,680	4%	98,621	96,341	2,280	2%
TOTAL - CORPORATE ACCOUNTS	1,040,925	1,009,557	31,368	3%	1,689,800	1,653,938	35,862	2%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	5,736,348	5,585,861	150,487	3%	11,558,080	11,305,438	252,642	2%
RATE SUPPORTED PROGRAMS								
Solid Waste Management Services	174,592	172,116	2,476	1%	411,620	408,354	3,266	1%
Toronto Parking Authority	48,300	44,735	3,565	7%	100,599	99,037	1,562	2%
Toronto Water	644,245	627,423	16,822	3%	1,331,390	1,307,890	23,500	2%
TOTAL RATE SUPPORTED PROGRAMS	867,137	844,274	22,863	3%	1,843,609	1,815,281	28,328	2%

* Please see Confidential Attachment 1 for details

** In 2019, City Council approved reinvestment of funds from the discontinued Vacancy Rebate Program's budget into Transit Fare Equity Phase 1 and Distressed Retail Areas.

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix C

CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2019 (\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Community and Social Services								
Housing Secretariat	3,858	921	(2,938)	-76%	9,907	9,907	0	0%
Children's Services	248,643	228,806	(19,837)	-8%	570,638	546,638	(24,000)	-4%
Court Services	29,927	29,844	(84)	0%	58,803	60,055	1,253	2%
Economic Development & Culture	2,641	3,311	670	25%	12,770	12,775	5	0%
Toronto Paramedic Services	73,280	73,408	128	0%	147,821	147,104	(716)	0%
Seniors Services and Long-Term Care	104,485	106,584	2,099	2%	219,071	219,071	0	0%
Parks, Forestry & Recreation	53,567	49,334	(4,233)	-8%	151,590	134,657	(16,933)	-11%
Shelter, Support & Housing Administration	222,481	202,940	(19,541)	-9%	544,128	474,229	(69,900)	-13%
Social Development, Finance & Administration	11,129	8,567	(2,562)	-23%	25,907	17,292	(8,616)	-33%
Toronto Employment & Social Services	525,495	486,230	(39,265)	-7%	1,056,580	988,515	(68,065)	-6%
Sub-Total Community and Social Services	1,275,506	1,189,944	(85,562)	-7%	2,797,214	2,610,242	(186,972)	-7%
Infrastructure and Development Services								
City Planning	20,040	17,926	(2,114)	-11%	39,606	38,084	(1,523)	-4%
Fire Services	8,524	13,792	5,269	62%	18,521	21,212	2,691	15%
Municipal Licensing & Standards	18,615	24,984	6,369	34%	48,233	48,127	(106)	0%
Policy, Planning, Finance and Administration	7,518	6,197	(1,321)	-18%	16,714	14,951	(1,763)	-11%
Engineering and Construction Services	33,768	30,416	(3,352)	-10%	72,022	65,835	(6,187)	-9%
Toronto Building	31,035	44,143	13,108	42%	75,695	94,621	18,926	25%
Transportation Services	62,867	65,099	2,232	4%	170,869	168,263	(2,606)	-2%
Sub-Total Infrastructure and Development Services	182,367	202,557	20,190	11%	441,660	451,092	9,432	2%
Finance and Treasury Services								
Office of the Chief Financial Officer	4,318	3,181	(1,138)	-26%	9,501	7,760	(1,741)	-18%
Office of the Controller	23,300	21,396	(1,905)	-8%	52,228	50,465	(1,763)	-3%
Sub-Total Finance and Treasury Services	27,618	24,576	(3,042)	-11%	61,728	58,225	(3,504)	-6%
Corporate Services								
Facilities, Real Estate, Environment & Energy	46,082	47,735	1,653	4%	134,897	129,331	(5,566)	-4%
Fleet Services	28,646	29,361	714	2%	58,414	60,260	1,845	3%
Information & Technology	22,678	17,876	(4,802)	-21%	54,467	41,995	(12,472)	-23%
311 Toronto	4,496	3,983	(513)	-11%	9,181	8,303	(878)	-10%
Sub-Total Corporate Services	101,903	98,955	(2,948)	-3%	256,958	239,888	(17,070)	-7%
City Manager								
City Manager's Office	4,883	6,890	2,007	41%	8,695	11,932	3,237	37%
Sub-Total City Manager	4,883	6,890	2,007	41%	8,695	11,932	3,237	37%
Other City Programs								
City Clerk's Office	9,266	8,739	(528)	-6%	19,971	19,971	0	0%
Legal Services	20,017	12,914	(7,104)	-35%	46,067	41,909	(4,158)	-9%
Mayor's Office	0	0	0	n/a	0	0	0	n/a
City Council	45	0	(45)	-100%	585	585	0	0%
Sub-Total Other City Programs	29,329	21,653	(7,676)	-26%	66,623	62,465	(4,158)	-6%
Accountability Offices								
Auditor General's Office	0	0	0	n/a	0	0	0	n/a
Integrity Commissioner's Office	0	0	0	n/a	0	0	0	n/a
Lobbyist Registrar's Office	0	0	0	n/a	0	0	0	n/a
Ombudsman's Office	0	0	0	n/a	0	0	0	n/a
Sub-Total Accountability Offices	0	0	0	n/a	0	0	0	n/a
TOTAL - CITY OPERATIONS	1,621,605	1,544,574	(77,031)	-5%	3,632,879	3,433,845	(199,034)	-5%

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix C

CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE SIX MONTHS ENDED JUNE 30, 2019 (\$000s)

	June 30, 2019				December 31, 2019			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%	Budget	Projection	Favourable / (Unfavourable)	%
Agencies								
Toronto Public Health	87,588	86,271	(1,317)	-2%	190,780	188,305	(2,476)	-1%
Toronto Public Library	8,807	9,999	1,193	14%	19,221	21,729	2,508	13%
Association of Community Centres	158	191	33	21%	316	316	0	0%
Exhibition Place	25,098	28,001	2,903	12%	56,755	56,755	0	0%
Heritage Toronto	355	149	(206)	-58%	742	742	0	0%
TO Live	17,713	14,757	(2,955)	-17%	32,436	31,655	(781)	-2%
Toronto Zoo	14,542	14,410	(132)	-1%	40,631	39,747	(883)	-2%
Arena Boards of Management	4,777	5,123	346	7%	9,800	9,834	34	0%
Yonge Dundas Square	1,280	1,544	264	21%	3,443	3,299	(144)	-4%
CreateTO	6,346	5,806	(540)	-9%	12,841	12,841	0	0%
Toronto & Region Conservation Authority	17,231	16,853	(378)	-2%	41,570	41,570	0	0%
Toronto Transit Commission - Conventional	642,349	630,788	(11,561)	-2%	1,284,283	1,265,283	(19,000)	-1%
Toronto Transit Commission - Wheel Trans	4,123	4,554	431	10%	8,111	9,111	1,000	12%
Toronto Police Service	44,567	52,267	7,700	17%	145,977	161,377	15,400	11%
Toronto Police Services Board	0	0	0	n/a	2,300	2,300	0	0%
TOTAL - AGENCIES	874,933	870,714	(4,219)	0%	1,849,204	1,844,863	(4,341)	0%
Corporate Accounts								
Capital Financing - Capital from Current	0	0	0	n/a	0	0	0	n/a
Technology Sustainment	0	0	0	n/a	0	0	0	n/a
Debt Charges	32,273	30,502	(1,771)	-5%	66,657	66,657	0	0%
Capital & Corporate Financing	32,273	30,502	(1,771)	-5%	66,657	66,657	0	0%
Non-Program Expenditures								
Tax Deficiencies/Writeoffs	0	0	0	n/a	10,000	10,000	0	0%
Tax Increment Equivalent Grants (TIEG)	0	0	0	n/a	0	0	0	n/a
Assessment Function (MPAC)	0	0	0	n/a	0	0	0	n/a
Funding of Employee Related Liabilities	0	0	0	n/a	0	0	0	n/a
Other Corporate Expenditures*	3,089	16,419	13,330	431%	7,609	7,660	52	1%
Insurance Premiums & Claims	0	0	0	n/a	0	0	0	n/a
Parking Tag Enforcement & Oper.	0	0	0	n/a	0	0	0	n/a
Programs Funded from Reserve Funds	69,214	69,214	0	0%	149,791	149,791	0	0%
Distressed Retail Areas & Transit Fare Equity Phase 1**	0	0	0	n/a	0	0	0	n/a
Heritage Property Taxes Rebate	0	0	0	n/a	0	0	0	n/a
Tax Rebates for Registered Charities	4,616	4,620	4	0%	4,616	4,620	4	0%
Solid Waste Management Rebates	0	0	0	n/a	0	0	0	n/a
Tax Increment Funding (TIF)	0	0	0	n/a	0	0	0	n/a
Non-Program Expenditures	76,920	90,253	13,334	17%	172,015	172,071	55	0%
Non-Program Revenue								
Payments in Lieu of Taxes	75,213	75,771	558	1%	93,453	94,767	1,313	1%
Supplementary Taxes	13,090	18,593	5,503	42%	35,000	35,000	0	0%
Tax Penalty Revenue	14,239	15,284	1,044	7%	31,000	32,000	1,000	3%
Interest/Investment Earnings	40,130	124,519	84,389	210%	120,218	176,000	55,782	46%
Other Corporate Revenues	3,998	3,713	(285)	-7%	15,967	15,999	32	0%
Dividend Income	48,900	50,190	1,290	3%	97,800	100,380	2,580	3%
Provincial Revenue	45,800	45,800	0	0%	91,600	91,600	0	0%
Municipal Land Transfer Tax	323,081	335,470	12,389	4%	733,191	733,191	0	0%
Third Party Sign Tax	10,911	9,775	(1,136)	-10%	10,911	9,900	(1,011)	-9%
Parking Authority Revenues	19,002	19,002	0	0%	51,712	53,773	2,061	4%
Administrative Support Recoveries - Water	9,487	9,487	0	0%	18,973	18,973	0	0%
Administrative Support Recoveries - Health & EMS	8,163	8,163	0	0%	16,327	16,327	0	0%
Parking Tag Enforcement & Operations Rev	52,091	54,421	2,329	4%	113,072	113,072	0	0%
Other Tax Revenues	4,479	5,579	1,100	25%	10,431	11,532	1,100	11%
Municipal Accommodation Tax	25,700	27,234	1,534	6%	56,800	56,800	0	0%
Casino Woodbine	14,126	13,061	(1,065)	-8%	27,900	27,900	0	0%
Non-Program Revenues	708,411	816,062	107,651	15%	1,524,354	1,587,212	62,858	4%
TOTAL - CORPORATE ACCOUNTS	817,604	936,817	119,213	15%	1,763,027	1,825,940	62,913	4%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	3,314,142	3,352,105	37,963	1%	7,245,111	7,104,648	(140,463)	-2%
RATE SUPPORTED PROGRAMS								
Solid Waste Management Services	170,568	184,913	14,345	8%	411,620	409,471	(2,149)	-1%
Toronto Parking Authority	80,160	84,674	4,514	6%	167,138	168,001	863	1%
Toronto Water	626,410	631,950	5,540	1%	1,331,390	1,336,929	5,540	0%
TOTAL RATE SUPPORTED PROGRAMS	877,138	901,537	24,399	3%	1,910,147	1,914,401	4,254	0%

* Please see Confidential Attachment 1 for details

** In 2019, City Council approved reinvestment of funds from the discontinued Vacancy Rebate Programs budget into Transit Fare Equity Phase 1 and Distressed Retail Areas.

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix D

**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$ 000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Community and Social Services					
Economic Development & Culture					
To transfer the revenue budget from EDC to Non-Program where the Municipal Accommodation Tax (MAT) is budgeted. With the introduction of the MAT in 2018, Tourism Toronto no longer provides funding for the City's tourism-related initiatives resulting in a loss of annual revenues of \$700,000 for EDC.	0.0	(700.0)	700.0	0.0	0.0
To increase the 2019 Council Approved Operating Budget for EDC by \$200,000 gross and \$0 net, fully funded from the Construction Hoarding Sign Fee Reserve Fund (XR1219), to provide grants to 12 projects through the 2019 Toronto Arts Council's Animating Toronto Streets Program. These art projects will be executed in the public right of way for the 2019 edition of Nuit Blanche.	200.0	200.0	0.0	0.0	0.0
Total Economic Development & Culture	200.0	(500.0)	700.0	0.0	0.0
Shelter, Support & Housing Administration					
Adjustments to reduce SSHA's 2019 Operating Budget by \$14.733 million gross, \$0 net to realign federal, provincial and City grant funding for approved affordable housing projects is primarily a result of changes in construction and renovation schedules as well as revised cost estimates. The adjustments which include changes to prior funding approvals for new affordable rental homes at 30 Tippet Road, Block 17 Regent Park, 30 Merchants Wharf among others, are fully offset by a corresponding decrease in grant revenue to be recognized from federal, provincial and City programs. All housing projects were previously approved by Council through the annual Budget for Shelter Support and Housing Administration or separate standalone reports. This realignment does not represent the loss of federal and provincial funding as these grants will be recognized as part 2020 and future year budgets.	(14,733.7)	(14,733.7)	0.0	0.0	0.0

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**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
A budget adjustment to add 9 new full time temporary positions commencing from September 1, 2019 to March 31, 2024 at an annual cost of \$1.053 million gross and \$0 net, pursuant to the implementation of the new federal Reaching Home program as approved by City Council in its adoption of EC2.10 "Implementation of Reaching Home: Canada's Homelessness Strategy" at its meeting on March 27, 2019. Funding for these positions is already included in SSHA's 2019 Approved Operating Budget.	0.0	0.0	0.0	9.0	(0.0)
A technical adjustment to transfer \$1.738 million from S. 37 Reserve (XR3026) to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) as follows: \$150,364.35 from 186 & 188 Jarvis Street (Source Account #XR3026-3700715), \$156,905.62 from 355 Church Street (Source Account #XR3026-3700684), \$1,373,341 from 43,49,51 Gerrard St. W. & 695 Bay St. (Source Account #XR3026-3700691), and \$57,389.03 from 411 Church Street (Source Account #XR3026-3700831). This transfer will facilitate the redevelopment of 389 Church Street per EX30.22 "Modernization of 389 Church Street" adopted by City Council at its meeting on January 31, 2018.	0.0	0.0	0.0	0.0	0.0
Total Shelter, Support & Housing Administration	(14,733.7)	(14,733.7)	0.0	9.0	(0.0)
Toronto Paramedic Services					
Adjustment to increase the gross expenditure budget and revenues budget for the Central Ambulance Communications Centre (CACC) program within Toronto Paramedic Services to reflect the one-time CACC funding from MOHLTC of \$0.288M. The additional funding will be used towards expenditures within the CACC education and training unit as more Emergency Medical Dispatchers are hired in 2019.	288.0	288.0	0.0	0.0	0.0
Adjustment to increase the gross expenditure budget and revenues budget for the Centralized Ambulance Communications Centre (CACC) Program within Toronto Paramedic Services to reflect the receipt of \$0.814M in Provincial CACC funding in excess of the funding budgeted for in 2019. With the additional funding in place for 2019, the equivalent of 6 Permanent Call Takers - Paramedic Services and 1 Permanent Superintendent Communications will be added effective January 01, 2019.	813.6	813.6	0.0	7.0	0.0

Staff report for action on Operating Variance Report for the Six Months Ended June 30, 2019

Appendix D

**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$'000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Adjustment to increase the gross expenditure budget and revenues budget within Toronto Paramedic Services to reflect the receipt of \$3.432M of Provincial MOH funding in excess of the funding budgeted for in 2019. The additional grant funding will be used to fully fund the cost of the equivalent of 28 Permanent Part-Time Paramedics and 1 Permanent Superintendent Operations effective April 1, 2019.	3,432.4	3,432.4	0.0	29.0	0.0
Total Toronto Paramedic Services	4,534.0	4,534.0	0.0	36.0	0.0
Social Development, Finance & Administration					
Adjustment of \$0.855 million gross, \$0.720 million net and 6 FTEs resulting from the transfer of Toronto Office of Partnerships, including the United Way Campaign Office, to City Manager's Office.	(855.0)	(135.0)	(720.0)	(6.0)	(19.3)
Total Social Development, Finance & Administration	(855.0)	(135.0)	(720.0)	(6.0)	(19.3)
Total Community and Social Services	(10,854.7)	(10,834.7)	(20.0)	39.0	(19.3)
Infrastructure and Development Services					
City Planning					
To delete two temporary senior planners supporting the Rail Deck Park capital project as a result a review of the project's resource requirements.	(119.8)	(119.8)	0.0	(2.0)	(14.0)
Total City Planning	(119.8)	(119.8)	0.0	(2.0)	(14.0)
Engineering & Construction Services					
To transfer 9 positions and related non-salary expenditures / revenues from Major Capital Infrastructure Coordination (PPFA) to Engineering & Construction Services (ECS) to ensure the efficient / effective coordination of capital projects delivered by ECS.	1,437.9	1,437.9	(0.0)	9.0	0.0
Total Engineering & Construction Services	1,437.9	1,437.9	(0.0)	9.0	0.0
Policy, Planning, Finance & Administration					
To transfer one (1) Director Transformation Office from Non-Program to Office of the DCM (Infrastructure & Development Services).	220.0	0.0	220.0	1.0	(12.8)

Appendix D

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
To transfer 9 positions and related non-salary expenditures and revenues from Major Capital Infrastructure Coordination to Engineering and Construction Services Division to streamline the coordination of capital projects led by ECS.	(1,437.9)	(1,437.9)	0.0	(9.0)	0.0
To add 8 temporary positions to the Transit Expansion Office, composed of 4 Senior Project Managers funded by capital and 4 Project Coordinators funded by Metrolinx, all to support the coordination of the Regional Express Rail, SmartTrack and Light Rail Programs until December 31, 2021.	244.0	244.0	0.0	8.0	0.0
Total Policy, Planning, Finance & Administration	(974.0)	(1,194.0)	220.0	0.0	(12.8)
Toronto Building					
Delimiting 3 Senior Building Inspector positions - To establish a Quality Assurance Unit, in response to the Auditor General's report titled "Improving Quality of Building Inspections" which was completed in January 2014, and in support of implementing the recommendations adopted by City Council. The unit will be funded by Building permit fees.	(332.9)	(332.9)	0.0	0.0	0.0
Total Toronto Building	(332.9)	(332.9)	0.0	0.0	0.0
Total Infrastructure and Development Services	11.3	(208.7)	220.0	7.0	(26.8)
Corporate Services					
Facilities, Real Estate, Environment & Energy					
Transfer of the rental budget from Real Estate Services to Toronto Public Health for the properties located at 791 Queen Street East, 340 College Street, and 2398 Yonge St. This transfer is consistent with Real Estate Services' strategy to ensure that operating rental costs reside within the Program's Budget. FREEE's 2019 Council Approved Operating Budget will be reduced by \$0.136M with an equivalent increase in Toronto Public Health's 2019 Council Approved Operating Budget to reflect the transfer.	(136.2)	0.0	(136.2)	0.0	0.0

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**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
In an effort to streamline administrative processes, 3 temporary capital positions funded through FREEE's Capital Budget that currently support FREEE capital projects, are being transferred from the Information & Technology (I&T) Division to the FREEE Program.	377.0	377.0	0.0	3.0	0.0
Redistribution of 2 permanent positions from the City Manager's Office (Transformation Office) to the Office of the Deputy City Manager, Corporate Services, to support the City-Wide Customer Service Program.	323.7	0.0	323.7	2.0	6.0
Redistribution of 1 permanent position from the City Manager's Office (Strategic & Corporate Policy) to the Office of the Deputy City Manager, Corporate Services, to support the City-Wide Customer Service Program.	158.4	0.0	158.4	1.0	(1.5)
Redistribution of 2 permanent positions from I&T to the Office of the Deputy City Manager, Corporate Services, to support the City-Wide Customer Service Program.	210.1	0.0	210.1	2.0	62.3
Conversion of a temporary Research Analyst 3 position to a temporary Research Analyst 1 position, funded by the Eco-Roof Reserve, to support the level of research required due to increased participation in the Eco-Roof Incentive program.	14.7	14.7	0.0	0.0	(2.1)
Reduction of FREEE's recovery with Toronto Police for facility maintenance to reflect the expected reduced cost for utilities. This reduction in inter-divisional cost and recovery comes after further analysis of the \$0.5 million in utilities savings included in the Q1 Operating Variance Report, of which \$0.3 million of these savings were related to the Toronto Police building portfolio.	0.0	(300.0)	300.0	0.0	0.0
Total Facilities, Real Estate, Environment & Energy	947.6	91.7	855.9	8.0	64.7
Information & Technology					
I&T is transferring two (2) permanent operating positions to support Strategic Planning in the Deputy City Manager's Office.	(210.1)	0.0	(210.1)	(2.0)	5.9

Appendix D

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Transfer of 3 temporary capital positions to FREEE to streamline administrative processes and support FREEE capital projects.	(377.0)	(377.0)	(0.0)	(3.0)	0.0
Total Information & Technology	(587.1)	(377.0)	(210.1)	(5.0)	5.9
Total Corporate Services	360.5	(285.3)	645.8	3.0	70.6
Finance and Treasury Services					
Office of the Controller					
To transfer 1 permanent position from City Manager's Office to Pension, Payroll & Employee Benefits (PPEB) as a result of realignment of work regarding time and attendance administration.	86.3	0.0	86.3	1.0	(1.2)
Total Office of the Controller	86.3	0.0	86.3	1.0	(1.2)
Office of the Chief Financial Officer					
Transfer 1 Senior Corporate Management Consultant to Finance & Treasury Services for Budget Modernization.	158.4	0.0	158.4	1.0	9.6
Total Office of the Chief Financial Officer	158.4	0.0	158.4	1.0	9.6
Total Finance and Treasury Services	244.6	0.0	244.6	2.0	8.4
City Manager's Office					
Transfer 1 Senior Corporate Management Consultant to Finance & Treasury Services for Budget Modernization.	(158.4)	0.0	(158.4)	(1.0)	(9.6)
Transfer a Payroll Program Assistant from City Manager's Office to Pension, Payroll & Employee Benefits (PPEB) as a result of realignment of work regarding time and attendance administration.	(86.3)	0.0	(86.3)	(1.0)	(2.1)
Transfer 1 Senior Corporate Management Consultant to Corporate Services for Customer Service Modernization.	(158.4)	0.0	(158.4)	(1.0)	(9.6)
Transfer 1 Administrative Assistant from Executive Management to Human Resources.	0.0	0.0	0.0	0.0	(0.0)
Transfer an Administrative Assistant 2 and a Supervisor from Strategic & Corporate Policy to Human Resources.	0.0	0.0	0.0	0.0	0.0

Staff report for action on Operating Variance Report for the Six Months Ended June 30, 2019

Appendix D

**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$ 000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Delete a Director and a Manager position in Executive Management to create Chief of Staff position.	0.0	0.0	0.0	(1.0)	(72.9)
Transfer 5 Change Management Consultants from the Transformation Office in Non Program to Human Resources.	723.5	0.0	723.5	5.0	46.8
The transfer of 3 change management positions from Transformation Office in Non Program to Human Resources.	643.3	125.0	518.3	3.0	1.4
Adjustment of \$0.855 million gross, \$0.720 million net and 6 FTEs resulting from the transfer of Toronto Office of Partnerships, including the United Way Campaign Office, from Social Development, Finance & Administration.	855.0	135.0	720.0	6.0	19.3
Total City Manager's Office	1,818.9	260.0	1,558.9	10.0	(26.6)
Total City Programs	(8,419.5)	(11,068.8)	2,649.3	61.0	6.3
Agencies					
TO Live					
To increase the 2019 Council Approved Operating Budget for TO Live by \$1.900 million gross and revenue to account for the receipt of one-time sponsorship proceeds and an equivalent amount of contribution to the Facility Fee Reserve Fund (XR3030) to support the capital project delivery of replacement of signage included in the 2019 Council Approved Capital Budget for TO Live.	1,900.0	1,900.0	0.0	0.0	0.0
Total TO Live	1,900.0	1,900.0	0.0	0.0	0.0

Appendix D

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Toronto Police Service					
To reallocate the insurance policy budget of \$18,960 associated with Unmanned Aircraft (UAV/Drone) within the 2019 Council Approved Operating Budget for Toronto Police Service and contribute to the Insurance Reserve Fund (XR1010) as part of the City's Corporate Insurance Program adopted by City Council on May 14, 2019.	0.0	0.0	0.0	0.0	0.0
To reduce the utilities budget resulting from expected reduction in utilities costs by Facilities, Real Estate, Environment & Energy for the Toronto Police Service building portfolio based on current spending.	(300.0)	0.0	(300.0)	0.0	300.0
Total Toronto Police Service	(300.0)	0.0	(300.0)	0.0	300.0
Toronto Public Health					
To transfer the rental budget from Real Estate Services to TPH for the properties located at 791 Queen Street East, 340 College Street and 2398 Yonge Street. This transfer is consistent with Real Estate Services strategy to ensure that the operating rental costs reside within the Program's Budget. FREEE's 2019 Council Approved Operating Budget will be reduced by \$0.136M with an equivalent increase in Toronto Public Health's 2019 Council Approved Operating Budget to reflect the transfer.	136.2	0.0	136.2	0.0	0.0
Adjustment by \$0.038 million gross and \$0 net to decrease the 2019 Approved Staff Complement by one (1) temporary Coordinator position, 100% funded through an agreement with Nipissing University to 2021. The agreement was unexpectedly terminated in April 2019.	(38.8)	(38.8)	0.0	(1.0)	0.0
Total Toronto Public Health	97.4	(38.8)	136.2	(1.0)	0.0
Total Agencies	1,697.4	1,861.2	(163.8)	(1.0)	300.0

Appendix D

CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)

		Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
Insurance Budget Reallocation						
To reallocate 2019 Council Approved budget associated with insurnace charges, to the Insurance Reserve Fund for 2018 actual insurance costs for the following programs:		6.0	6.0	0.0	0.0	0.0
In Dollars						
Economic Development & Culture	\$8,000					
Parks, Forestry & Recreation	\$64,000					
Engineering & Construction Services	\$5,011					
Fire Services	\$11,000					
Transportation Services	\$13,500					
Facilities, Real Estate, Environment & Energy	\$52,500					
Fleet Services	\$6,500					
Exhibition Place	\$2,500					
Toronto Police Service	\$161,000					
Toronto Public Health	\$1,000					
Toronto Public Library	\$25,500					
Toronto Zoo	\$6,500					
Total Insurance Budget Reallocation		6.0	6.0	0.0	0.0	0.0

Corporate Accounts

Non-Program Expenditures

To transfer the revenue budget from EDC to Non-Program where the Municipal Accommodation Tax (MAT) is budgeted. With the introduction of the MAT in 2018, Tourism Toronto no longer provides funding for the City's tourism-related initiatives resulting in a loss of annual revenues of \$700,000 for EDC.	0.0	700.0	(700.0)	0.0	700.0
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Appendix D

**CITY OF TORONTO
PENDING BUDGET ADJUSTMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position	2020 Incremental Outlook (Net)
To fund the remaining cost for exits from position deletions arising from the 2017 Approved Operating Budget decisions. This is a one-time request with a funding source of a reserve withdrawal (Workforce Reduction Reserve Fund).	18.8	18.8	0.0	0.0	0.0
To transfer Chief Transformation Office budget and positions from Non Program Expenditure account of \$1.911 million gross and \$1.786 million net to City Manager's Office, Policy, Planning, Finance & Administration and Corporate Services.	(1,910.5)	(125.0)	(1,785.5)	(6.0)	(725.7)
Total Non-Program Expenditures	(1,891.8)	593.8	(2,485.5)	(6.0)	(25.7)
Total Corporate Accounts	(1,891.8)	593.8	(2,485.5)	(6.0)	(25.7)
Total Tax Supported Operations	(8,607.9)	(8,607.9)	0.0	54.0	280.6
Rate Supported Operations					
Toronto Water					
To reallocate 2019 Council Approved budget associated with insurance charges, to the Insurance Reserve Fund for 2018 actual insurance costs for Toronto Water.	0.0	0.0	0.0	0.0	0.0
Total Toronto Water	0.0	0.0	0.0	0.0	0.0
Total Rate Supported Operations	0.0	0.0	0.0	0.0	0.0
Total City Operations	(8,607.9)	(8,607.9)	0.0	54.0	280.6

Appendix E

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
			trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Housing Secretariat	4-Month	0.2	▲	(0.2)	▼	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	2.9	▲	(2.9)	▼	(0.0)	—	Ⓡ	0.0	—	0.0	—	0.0	—	Ⓞ
Children's Services	4-Month	20.3	▲	(20.3)	▼	0.0	—	Ⓞ	16.1	▲	(15.1)	▼	1.0	▲	Ⓞ
	6-Month	21.0	▲	(19.8)	▲	1.2	▲	Ⓞ	25.0	▲	(24.0)	▼	1.0	—	Ⓞ
Court Services	4-Month	1.6	▲	(0.3)	▼	1.2	▲	Ⓨ	2.0	▲	1.6	▲	3.6	▲	Ⓞ
	6-Month	2.8	▲	(0.1)	▲	2.7	▲	Ⓨ	2.5	▲	1.3	▼	3.8	▲	Ⓞ
Economic Development & Culture	4-Month	0.7	▲	0.1	▲	0.8	▲	Ⓞ	0.8	▲	(1.5)	▼	(0.7)	▼	Ⓡ
	6-Month	0.8	▲	0.7	▲	1.4	▲	Ⓞ	(0.7)	▼	0.0	▲	(0.7)	—	Ⓡ
Toronto Paramedic Services	4-Month	(0.4)	▼	(0.9)	▼	(1.3)	▼	Ⓡ	(4.2)	▼	(4.3)	▼	(8.5)	▼	Ⓡ
	6-Month	(1.9)	▼	0.1	▲	(1.8)	▼	Ⓞ	(0.2)	▲	(0.7)	▲	(0.9)	▲	Ⓡ
Seniors Services and Long-Term Care	4-Month	1.8	▲	(0.8)	▼	1.1	▲	Ⓞ	0.9	▲	0.0	—	0.9	▲	Ⓞ
	6-Month	(1.2)	▼	2.1	▲	0.9	▼	Ⓞ	0.0	▼	0.0	—	0.0	▼	Ⓞ
Parks, Forestry & Recreation	4-Month	5.8	▲	(3.3)	▼	2.5	▲	Ⓞ	12.7	▲	(12.7)	▼	0.0	—	Ⓞ
	6-Month	4.3	▼	(4.2)	▼	0.0	▼	Ⓞ	16.9	▲	(16.9)	▼	0.0	—	Ⓞ
Shelter, Support & Housing Administration	4-Month	43.6	▲	(49.0)	▼	(5.5)	▼	Ⓞ	1.9	▲	(1.9)	▼	(0.0)	—	Ⓡ
	6-Month	8.6	▼	(19.5)	▲	(10.9)	▼	Ⓞ	42.5	▲	(69.9)	▼	(27.4)	▼	Ⓡ

Appendix E

Figure 8: Community and Social Services Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
			trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Social Development, Finance & Administration	4-Month	2.3	▲	(0.8)	▼	1.6	▲	Ⓞ	3.1	▲	(3.3)	▼	(0.2)	▼	Ⓡ
	6-Month	3.9	▲	(2.6)	▼	1.3	▼	Ⓞ	8.5	▲	(8.5)	▼	0.0	▲	Ⓞ
Toronto Employment & Social Services	4-Month	33.5	▲	(33.5)	▼	0.0	—	Ⓞ	54.7	▲	(54.7)	▼	0.0	—	Ⓞ
	6-Month	39.2	▲	(39.3)	▼	(0.1)	▼	Ⓞ	68.1	▲	(68.1)	▼	0.0	—	Ⓞ
Total	4-Month	109.4	▲	(109.0)	▼	0.4	▲	Ⓞ	88.2	▲	(92.0)	▼	(3.8)	▼	Ⓡ
	6-Month	80.3	▼	(85.6)	▲	(5.2)	▼	Ⓞ	162.6	▲	(186.8)	▼	(24.2)	▼	Ⓡ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

Appendix E

Community and Social Services

Six Month Results	Year-End Projections
Housing Secretariat: - Favourable gross expenditure variance of \$2.9 million primarily due to timing differences in year-to-date budget versus actual on consulting fees for projects under the "Housing Now" initiative as well as underspending in salaries and benefits experienced while maintaining service levels. - Underachieved revenues of \$2.9 million resulting from timing differences in the transfer and recognition of budgeted reserve draws required to fund affordable housing development projects. - Favourable net variance of \$0.045 million due to underspending in labour costs, project development delays and underachieved revenues.	Consistent with historical trends, the Housing Secretariat is projecting a net zero variance at the end of 2019 with revenues matched to anticipated program expenditures. Underspending in labour costs will be offset by higher than plan pre-development expenses which is expected to accelerate in the second half of 2019.
Children's Services: Favourable gross expenditure variance of \$21.0 million is primarily attributable to the delay in implementing certain provincially and federally funded programs, (Wage Enhancement Grant and Fee Stabilization), and to the implementation of cost containment measures in anticipation of the release of the updated provincial funding allocation details that reflect the changes 2019 included in the provincial budget. As well, approximately \$1.0 million of the underspending is due to lower than planned labour costs.	- Favourable gross variance of \$25.0 million, primarily attributable to projected underspending in program areas where implementation delays have occurred in anticipation of the release of updated provincial funding guidelines. As well, underspending in labour costs of \$1.0 million. - Revenues are projected to be underachieved by \$24.0 million, corresponding to underspending in provincially and federally funded programs. - Projected favourable year-end net variance of \$1.0 million is consistent with year-to-date underspending in labour costs.

• Under achieved revenues of \$19.8 correspond to underspending in the delivery of provincially and federally funded programs. • Favourable net of \$1.2 million reflects lower than planned labour costs and the implementation cost control measures in anticipation of a reduction in funding through the 2019 provincial budget allocation.	
Court Services: • Favourable gross expenditure variance of \$2.8 million due to underspending in salaries and benefits while service levels have been maintained and lower than anticipated expenditures for honorarium, interpreter services costs and payments to the province. • Underachieved revenues of \$0.1 million resulting from lower than plan ticket issuance (Budget of 206,541 vs Actual 163,615 for a variance of 42,926 tickets) partially offset by a change in accounting method to recognize revenue. • Favourable net variance of \$2.7 million primarily due to under spending in labour costs and non-payroll costs partially offset by underachieved revenue from ticket issuance.	• Projected favourable gross expenditure variance of \$2.5 million due to lower labour costs and lower other non-payroll expenditures such as honorarium for tribunal members and interpreter costs. • Overachieved revenues of \$1.3 million. While the volume of ticket issuance continues to decline, Court Services is projecting revenues to exceed plan as a result of a change in the revenue recognition method from recognition of revenue at final conviction for a ticket/charge to recognition at the time a ticket is issued. This change will more than offset revenue losses from declining ticket issuance and bring the accounting treatment of actual revenues in line with the development of the revenue budget which is based on the estimated number of tickets issued and the average amount of revenue per ticket. • Projected favourable year-end net variance of \$3.8 million resulting from lower than budgeted labour costs and other non-salary expenses and higher than plan revenues.

Economic Development & Culture: - Favourable net expenditures of \$1.5 million or 3% below the 2019 Approved Operating Budget is driven by: - Favorable gross expenditure of \$0.8 million is driven by underspending in labour costs, along with underspending in other expenditures which offsets pressures arising from the sponsorship of the Collision Conference. - Favorable revenue of \$0.7 million is primarily due to sponsorship funding for City events and funding for Starter Company secured earlier than anticipated.	Economic Development and Culture (EDC) projects an unfavorable net expenditures of \$0.7 million by year-end primarily due to loss of funding from Tourism Toronto \$0.7 million as a result of the implementation of Municipal Accommodation Tax. A budget adjustment is requested in the Q2 Variance Report submission to transfer the revenue budget from EDC to Non-Program.
Toronto Paramedic Services: - Unfavourable gross expenditure variance of \$1.9 million attributable to increased overtime and WSIB costs as a result of increased workload pressures due to call volume growth partially offset by lower than anticipated expenditures in labour costs and also hydro and various other non-payroll items. - Favourable revenue variance of \$0.1 million primarily due to unanticipated CACC and Sick Kids Grant funding, partially offset by lower than expected Land Grant funding and various other revenues. - Unfavourable net variance of \$1.8 million due to service demand pressures from increased call volumes.	- Projected unfavourable gross expenditure variance of \$0.2 million due to increased overtime and WSIB costs resulting from anticipated increase in call volume. - Unfavourable revenue variance of \$0.7 million projected due to lower than anticipated provincial funding in combination with lower than planned Metrolinx, insurance loss recoveries and auction revenues. - Projected unfavourable year-end net expenditure variance of \$0.9 million due to call volume increases and lower provincial grants.
Seniors Services and Long-Term Care: Unfavourable gross expenditure variance of \$1.2 million mainly due to overspending in salaries resulting from one-time staff orientation required for the new Point Click Care system and increased facility maintenance costs for aging buildings	Projected gross expenditure variance is equal to plan and includes a reduction of gross expenditures of \$1.8 million contributed towards the City wide 2019 savings target reflecting anticipated savings in salaries and utilities.

• Overachieved revenues of \$2.1 million mainly from increased collection of basic accommodation revenue for 100% claims-based programs and catch-up in claims recovery for expenses incurred. • Favourable net variance of \$0.9 million reflecting timing of recovering 100% of costs in claims-based programs such as high intensity needs and Supportive Housing services.	• Revenues are projected to be on plan to reflect an anticipated reduction in the top-up from provincial funding as a result of increased claims-based revenue received for basic accommodation fees. • Projected net favourable variance equal to plan.
Parks, Forestry & Recreation: • A favourable year-to-date net variance of \$0.047 million, consisting of a favourable gross expenditure variance of \$4.3 million or 2% that is partially offset by an unfavourable revenue variance of \$4.2 million or 8% when compared to the 2019 Council Approved Operating Budget. • Underspensing in labour costs of \$4.3 million, energy and utilities of \$0.5 million or 7% is primarily due to lower volumes than planned. Other areas of underspensing include contract commitments not yet fulfilled. • Underachieved revenues are mainly due to less than anticipated capital recoveries due to delayed project implementation, temporary location closures, and weather impacts.	• No net variance is expected at year-end.
Shelter, Support & Housing Administration: • SSHA's year-to-date favourable gross expenditure variance is \$8.6 million. This is comprised of overspending of \$17.8 million in Hostel and Respite Services resulting from higher than planned demand for emergency shelter and respite beds and higher costs for motels, meals and support services for refugee claimants. In addition, there is underspensing of \$6.7	• SSHA is projecting a favourable gross expenditure variance of \$42.5 million for the year-end. This is comprised of underspending of \$73.3 million gross, 0 net, in capital projects for Social and Affordable Housing; Underspensing of \$11.3 million in Social Housing administration mainly due to savings related to lower mortgage payments and overspending of \$42.1 million in Hostel and Respite

million in Social Housing System Management primarily due to savings associated with lower mortgage payments for social housing providers. Capital projects in Social and Affordable Housing were also underspent by \$19.7 million gross, 0 net, at the end of Q2. • SSHA's overall revenue is underachieved by \$19.5 million, mainly due to the \$19.7 million gross expenditure underspending capital projects offset by \$0.2 million excess revenue from other services. • Unfavourable net expenditure variance of \$10.9 million is primarily due to overspending in Hostels and Respite Services.	Services resulting from higher than planned demand for emergency shelter and respite beds and higher costs for motels, meals and support services for refugees. • Year-end overall revenue is projected to be underachieved by \$69.9 million primarily due to corresponding gross underspending in capital projects. • SSHA projects a net unfavourable expenditure variance of \$27.4 million mainly due to overspending in Hostel and Respite services.
Social Development, Finance and Administration: • Favourable gross expenditure variance of \$3.9 million is primarily from \$1.1 million in delayed billings from TTC for the Transit Fair Equity program. The 2019 Gross Expenditure Budget also included federal National Crime Prevention expenditures totaling \$1.2 million and provincial TCHC Gun Violence Reduction Strategy expenditures totaling \$1.6 million. The Federal and Provincial governments did not approve the funding of these two programs. • Underachieved revenue of \$2.6 million corresponds mainly to unfunded National Crime Prevention and TCHC Gun Violence Reduction Strategy programming. • Favourable net variance of \$1.3 million is primarily from delayed billings from TTC for the Transit Fair Equity program and general underspending in other expenditure lines.	• Projected favourable year-end gross expenditure variance of \$8.5 million mainly from \$3.8 million in National Crime Prevention expenditures and \$5.0 million in TCHC Gun Violence Reduction Strategy expenditures which will not be incurred as the funding requests to the Federal and Provincial governments were not approved. These will be partially offset by \$0.2 million in unbudgeted additional costs to expand the Focus and Crisis Response gun violence prevention programs as directed by Council as part of the 2019 Approved Budget to accommodate within the base budget (EX2.5: 2019 Capital and Operating Budgets). • Underachieved revenues of \$8.5 million corresponds mainly to unfunded National Crime Prevention and TCHC Gun Violence Reduction Strategy programming as the funding requests to the Federal and Provincial governments were not approved.

	• With the accommodation of the \$0.2 million approval by Council for the FOCUS and Crisis Response gun violence program within the base, the division is projecting a zero year-end net variance.
Toronto Employment & Social Services: • Favourable gross expenditure variance of \$39.2 million primarily due to lower than planned caseload resulting in lower program administration costs and client financial benefits. • Unfavourable revenue variance of \$39.3 million attributed to lower than planned expenditure-based provincial subsidies and lower than anticipated reserve draws required. • Unfavourable net variance of \$0.059 million due to lower caseload driven Ontario Works (OW) benefits offset by lower expenditure-based provincial subsidies. The year-to-date average monthly caseload was 82,007; 3,993 cases or 4.6% lower than budget.	• Projected favourable year-end gross expenditures variance of \$68.1 million resulting from lower than planned caseload driven OW benefits and program delivery expenditures. • Unfavourable revenue variance of \$68.1 million projected as a result of lower expenditure-based provincial subsidies and draws on reserves required. • Projected zero year-end net variance as lower gross expenditures will be offset by lower expenditure-based provincial subsidies and draws from reserves.

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Planning	4-Month	0.8	▲	(0.5)	▼	0.3	▲	Ⓢ	1.2	▲	(0.7)	▼	0.5	▲	Ⓢ
	6-Month	1.5	▲	(2.1)	▼	(0.6)	▼	Ⓡ	2.1	▲	(1.5)	▼	0.6	▲	Ⓢ
Fire Services	4-Month	0.9	▲	4.6	▲	5.5	▲	Ⓢ	(2.2)	▼	2.1	▲	(0.1)	▼	Ⓡ
	6-Month	0.6	▼	5.3	▲	5.9	▲	Ⓢ	(1.6)	▲	2.7	▲	1.1	▲	Ⓢ
Municipal Licensing & Standards	4-Month	1.6	▲	3.4	▲	5.1	▲	Ⓢ	2.6	▲	3.9	▲	6.5	▲	Ⓢ
	6-Month	2.4	▲	6.4	▲	8.8	▲	Ⓢ	5.1	▲	(0.1)	▼	5.0	▼	Ⓢ
Policy, Planning, Finance and Administration	4-Month	1.5	▲	(1.0)	▼	0.4	▲	Ⓢ	1.9	▲	(1.5)	▼	0.4	▲	Ⓢ
	6-Month	1.9	▲	(1.3)	▼	0.6	▲	Ⓢ	2.0	▲	(1.8)	▼	0.2	▼	Ⓢ
Engineering and Construction Services	4-Month	2.8	▲	(2.0)	▼	0.7	▲	Ⓢ	7.6	▲	(6.1)	▼	1.5	▲	Ⓢ
	6-Month	4.4	▲	(3.4)	▼	1.1	▲	Ⓢ	7.7	▲	(6.2)	▼	1.5	—	Ⓢ
Toronto Building	4-Month	1.7	▲	2.1	▲	3.8	▲	Ⓢ	4.6	▲	7.3	▲	11.9	▲	Ⓢ
	6-Month	4.5	▲	13.1	▲	17.6	▲	Ⓢ	5.8	▲	18.9	▲	24.7	▲	Ⓢ

Appendix E

Figure 10: Infrastructure and Development Services Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Transportation Services	4-Month	(2.9)	▼	2.6	▲	(0.4)	▼	Ⓞ	7.0	▲	(3.9)	▼	3.1	▲	Ⓞ
	6-Month	(8.6)	▼	2.2	▼	(6.4)	▼	Ⓡ	6.1	▼	(2.6)	▲	3.5	▲	Ⓞ
Total	4-Month	6.4	▲	9.1	▲	15.5	▲	Ⓞ	22.8	▲	1.1	▲	23.9	▲	Ⓞ
	6-Month	6.8	▲	20.2	▲	27.0	▲	Ⓞ	27.2	▲	9.4	▲	36.6	▲	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End		Ⓞ	<=100%	Ⓡ	>100%		

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Infrastructure and Development Services

Six Month Results	Year-End Projections
City Planning: - Favourable gross expenditure variance of \$1.5 million due to lower than planned labour costs experienced while continuing to maintain service levels. - Unfavourable revenue variance of \$2.1 million due to lower capital recoveries as well as timing of transfers for the Bentway programming and the timing of invoices to be recovered through capital and reserve recoveries. - City Planning has an unfavourable net expenditure variance of \$0.6 million as a result of lower labour costs and the timing of invoice and position recoveries.	- Favourable gross expenditure variance of \$2.1 million is projected as a result of lower than budgeted labour costs. In addition, lower consulting costs and office lease costs are anticipated due to reduced demand and lower monthly rates, respectively. - Unfavourable revenue variance of \$1.5 million is projected primarily due to lower recoveries. Offsetting the unfavourable variance is a projection of higher development application review fees of approximately \$0.5 million. - City Planning is projecting a favourable net expenditure variance of \$0.6 million primarily due to reduced spending in leased spaces and consultants as well as higher development application review revenue projections.
Fire Services: - Favourable gross expenditure variance of \$0.6 million is mainly due to underspending in labour costs of \$1.2 million, which offsets the year to date overspending for the WSIB costs of \$0.5 million, and overspending in other operational expenses of \$0.1 million. - Over achieved revenues of \$5.3 million reflect higher than planned false alarm fees of \$4.0 million, the receipt of HUSAR funding of \$1.1 million greater than budget, and other revenues of \$0.2 million that exceed the budget.	- Overspending of \$1.6 million gross is comprised of projected overspending of \$2.3 million in WSIB claims payments, lower than budgeted labour costs of \$0.9 million and overspending in non-salary operational expenses of \$0.1 million. - Revenues are projected to be over achieved by \$2.7 million, primarily due to false alarm charges that exceed budget. \$1.1 million favourable net, with gross overspending fully offset by overachieved revenues.

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Favourable net of \$5.9 million, reflecting the gross underspending and the over achieved revenues.	
Municipal Licensing & Standards: - Under-expenditures totaling \$3.4 million arise from lower than planned labour costs (\$3.0 million), and lower than anticipated expenditures (\$0.3 million) for materials, supplies and other expenses. This includes delayed spending on fleet maintenance, software, footwear and printing. - These under-expenditures were partially offset by over-expenditures of \$1.0 million mainly due to higher than planned expenditures for sourcing new uniforms and new crests (\$0.1 million), for furnishings & computer hardware; for architectural and construction services for office renovations (\$0.4 million), overspending on professional medical & supplies, miscellaneous professional consultants and external training (\$0.3 million). - The resulting gross expenditures reflect a total favourable variance of \$2.4 million. - Higher than planned revenue of \$8.6 million was primarily comprised of \$5.5 million in higher than expected volumes of PTC (Private Transportation Company) applications, trip fees and higher than planned revenue of \$2.8 million from licenses & permits as well as other fees and service charges primarily including Apartment Building Standards registration fees. - Lower revenue of \$2.2 million offset these higher than planned revenues and was mainly the result of lower than planned revenue in business licensing as well as other licenses & permits (\$1.1 million); delayed apartment building inspection & audit fees (\$0.4	- Projecting to be under budget at year-end with a favourable net expenditure variance (surplus) of \$5.0 million. - Expenditures of \$62.3 million are projected to be under budget by \$5.1 million or 7.6% at year-end primarily due to lower than budgeted labour costs: - Revenue of \$48.1 million is projected to be under-achieved by \$0.1 million or 0.2% at year-end. The Program is anticipating: - Lower than planned revenues from Apartment Building Standards registration & inspection fees. (\$0.7 million); - Deferral of reserve funding for the Toronto Wildlife Centre (\$0.8 million); - Lower than planned revenues from business licenses, & other licenses & permits (\$1.1 million); - Offset by higher than planned revenues from the volume of PTC applications and trip fees (\$2.4 million);

million); and waived animal licensing and adoption fees for low-income individuals (\$0.4 million). • The resulting net expenditures reflect a total favourable variance (surplus) of \$8.8 million as of the 6 month period ended June 30, 2019.	
Policy, Planning, Finance & Administration: • Favourable gross expenditure variance of \$1.9 million due to lower than planned labour costs, lower professional services fees due to a slower than anticipated project pace for the Regional Express Rail, as well as lower costs relating to supplies, equipment, and utilities due to lower usage. • Unfavourable revenue variance of \$1.3 million due to lower capital recoveries of positions and interdivisional recoveries. • PPF&A has a favourable net expenditure variance of \$0.6 million as a result of lower demand for supplies, utilities, furniture, and equipment.	• Favourable gross expenditure variance of \$2.0 million is projected due to lower than budgeted labour costs, low usage of supplies, utilities and equipment, as well as lower professional services fees as a result of the RER project pace. • Unfavourable revenue variance of \$1.8 million is projected due to lower capital recoveries as well as lower interdivisional recoveries.
Engineering and Construction Services: • Lower than planned labour costs and related non-salary expenses as a result of the highly competitive market for engineering professionals. • Lower recoveries from client capital projects, and lower user fees/recoveries mostly due to TTC project delays. • The under-spending and lower recoveries from client capital projects are partially offset by higher development application review fees and full stream application fees due to higher volume of applications from utility companies, and higher recoveries from Metrolinx due to higher volume of transit-related work.	• Lower than budget labour costs. • Lower recoveries from client capital projects, and lower user fees mostly due to TTC project delays will also continue. • The under-spending and lower recoveries from client capital projects will continue to be partially offset by higher development application review fees and full stream application fees due to projection of higher volume of applications from utility companies, and higher recoveries from Metrolinx due to higher volume of transit-related work.

Toronto Building: Toronto Building has a \$25.5M gross expenditure and net of (\$18.7) million year to date. Gross Expenditures are under budget by \$4.5M mainly due to: Lower than planned labour costs (\$3.8 million) experienced while maintaining service levels; Underspending in professional services due to less than expected training expenses (\$0.1 million), and contracted services contingency for remedial action costs (\$0.2 million); and Inter-divisional charges mostly related to delayed hiring for Information Technology positions funded by Toronto Building (\$0.1 million). Revenues: Revenues were higher than budgeted by \$13.1 million driven by high volume of building permit applications than planned year-to-date volumes and sustained higher volume.	• The projected gross expenditures of \$53.0 will be under budget by \$5.8 million mainly from lower than budgeted labour costs and delayed Toronto Building Program Review. • The projected positive revenue of \$94.6 with a variance of \$18.9 million is driven by greater volumes of building permit applications than planned. • Toronto Building continues to actively monitor its spending against the Council Approved 2019 Operating Budget. Any year end surplus or deficit will be contributed to or from the Building Code Act Service Improvement Reserve Fund. The fund is to create and maintain systems and processes enabling service delivery timelines and reporting requirements of the Province's Bill 124, Building Code Statute Law Amendment Act, and 2002 Legislation to be met.
Transportation Services: • Higher costs for the winter maintenance program in the first half of 2019 due to the cost of snow removal activities and higher than planned number of plowing and salting events, and increased utility cut repair costs due to accelerated work to address backlog. • Partially offset by lower street lighting costs due to lower than expected hydro rates, lower labour costs, and lower contract costs for graffiti management as portions of the program have transitioned to community groups.	• Under-spending in traffic signal and street lighting maintenance due to lower work volumes, lower street lighting costs due to lower than expected hydro rates, lower than budgeted labour costs, and lower contract costs for graffiti management as portions of the program have transitioned to community groups. • Partially offset by higher costs for the winter maintenance program in the first half of 2019 due to the cost of snow removal activities and higher

• Higher right-of-way permit fees due to higher than expected construction activity, and higher permit revenues received sooner than expected for short-stream inspection fees. • Partially offset by lower capital recoveries, lower Public Realm Reserve Fund recoveries as net costs incurred were lower than planned, and lower boulevard parking permit fees due to lower application volumes.	than planned number of plowing and salting events. • Lower recoveries from capital projects, lower Public Realm Reserve Fund recoveries as net costs incurred are expected to be lower than planned, and under-achieved boulevard parking permit fees due to lower application volumes. • Partially offset by higher short-stream revenues due to continued increased efforts to recover fees from utilities.
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Appendix E

Figure 11: Finance and Treasury Services Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer	4-Month	0.7	▲	(0.4)	▼	0.3	▲	Ⓢ	2.1	▲	(1.7)	▼	0.5	▲	Ⓢ
	6-Month	1.4	▲	(1.1)	▼	0.3	—	Ⓢ	2.1	—	(1.7)	—	0.4	▼	Ⓢ
Office of the Controller	4-Month	1.9	▲	(1.2)	▼	0.6	▲	Ⓢ	2.3	▲	(1.7)	▼	0.5	▲	Ⓢ
	6-Month	3.1	▲	(1.9)	▼	1.2	▲	Ⓢ	2.3	—	(1.8)	▼	0.5	—	Ⓢ
Total	4-Month	2.6	▲	(1.7)	▼	0.9	▲	Ⓢ	4.4	▲	(3.4)	▼	1.0	▲	Ⓢ
	6-Month	4.5	▲	(3.0)	▼	1.5	▲	Ⓢ	4.4	—	(3.5)	▼	0.9	▼	Ⓢ
Year-to-Date Net Variance Ⓢ 85% to 105% Ⓢ 0% to 85% Ⓢ >105% Year-End Ⓢ <=100% Ⓢ >100%															

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Finance and Treasury Services

Six Month Results	Year-End Projections
Office of the Chief Financial Officer & Treasurer: Favourable gross expenditure variance of \$1.4 million, while service levels have been maintained expenditures in salaries and benefits are lower than plan that are offset by \$1.1 million in lower recoveries from Reserves Fund and capital projects.	Projected year-end net favourable variance of \$0.4 million due to lower than budgeted labour costs.
Office of the Controller: Favourable variance in gross expenditures of \$3.1 million is primarily attributable to underspent salaries and benefits while continuing to maintain service levels, partially offset by \$1.9 million lower recoveries from Divisions and Reserve Funds.	- Projected overall favourable gross expenditures of \$2.3 million mainly from lower than budgeted labour costs, which will be partially offset by the renovation costs of \$0.5 million for the Employee Service Centre initiative and dedicated HR support. - Revenues are projected to be \$1.8 million under-achieved at year-end mainly due to lower transfers from recoveries from divisions and reserve/reserve funds.

Appendix E

Figure 12: Corporate Services Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Facilities, Real Estate, Environment & Energy	4-Month	5.7	▲	(0.1)	▼	5.6	▲	Ⓨ	4.5	▲	(4.0)	▼	0.5	▲	Ⓢ
	6-Month	1.3	▼	1.7	▲	3.0	▼	Ⓢ	5.7	▲	(5.6)	▼	0.1	▼	Ⓢ
Fleet Services	4-Month	(0.1)	▼	(0.3)	▼	(0.4)	▼	Ⓡ	(1.3)	▼	1.3	▲	0.0	—	Ⓢ
	6-Month	(0.4)	▼	0.7	▲	0.3	▲	Ⓢ	(1.8)	▼	1.8	▲	0.1	▲	Ⓢ
Information & Technology	4-Month	3.9	▲	(2.7)	▼	1.3	▲	Ⓢ	11.8	▲	(11.8)	▼	0.0	—	Ⓢ
	6-Month	5.6	▲	(4.8)	▼	0.8	▼	Ⓢ	12.7	▲	(12.5)	▼	0.0	—	Ⓢ
311 Toronto	4-Month	0.1	▲	(0.1)	▼	0.0	—	Ⓢ	1.1	▲	(1.1)	▼	0.0	—	Ⓢ
	6-Month	0.5	▲	(0.5)	▼	0.0	—	Ⓢ	0.9	▼	(0.9)	▲	0.0	—	Ⓢ
Total	4-Month	9.7	▲	(3.2)	▼	6.5	▲	Ⓢ	16.1	▲	(15.6)	▼	0.6	▲	Ⓢ
	6-Month	7.1	▼	(2.9)	▲	4.1	▼	Ⓢ	17.5	▲	(17.1)	▼	0.4	▼	Ⓢ
Year-to-Date Net Variance Ⓢ 85% to 105% Ⓨ 0% to 85% Ⓡ >105% Year-End Ⓢ <=100% Ⓡ >100%															

Appendix E

Corporate Services

Six Month Results	Year-End Projections
Facilities, Real Estate, Environment & Energy: - Favourable net variance of \$3.0 million is primarily attributable to under spending in salaries and benefits while continuing to maintain service levels, coupled with under spending in utilities due to lower consumption and hydro rates resulting from global adjustments. - Favourable net variance is further supplemented by the higher interdivisional recoveries for demand service requests combined with higher revenues collected from Toronto Hydro related to the Solar FIT program.	Net favourable variance of \$0.1 million is expected to be driven by underspend in utilities and lower than budgeted labour costs offset by anticipated over spending in contracted services related to demand maintenance requests and under-collection from reserves.
Fleet Services: - Unfavourable gross expenditure variance of \$0.4 million is mainly due to higher maintenance costs for fleet beyond their optimal life partially offset by underspending on labour costs. - Unfavourable gross expenditures are more than offset by higher recoveries from client divisions and agencies of \$0.7 million due to higher occurrence of short-term rentals and higher fuel volumes which results in net expenditure favourability of \$0.3 million.	Projected year-end is anticipated to be on budget. Higher maintenance costs for vehicles and equipment that have passed their optimum life will be offset by lower than budgeted labour costs and higher recoveries on higher fuel volume and short-term rentals.
Information & Technology: Of the favourable gross expenditures of \$5.6 million, \$4.8 million of which is attributable to capital and client-funded labour costs that are offset in recoveries, resulting in a favourable net expenditure variance of \$0.8 million due to operating vacancies and lower materials and services costs.	Projected year-end net favourable variance is anticipated to be \$0.2 after absorbing unbudgeted divisional expenses for student/co-op recruitments, cybersecurity related costs, the IT HR recruitment team and dedicated senior corporate buyer.

Staff report for action on Operating Variance Report for the Six Months
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311 Toronto: • Favourable net expenditure of \$0.014 million is primarily attributable to lower than planned labour costs. Under spending in the Project Management Office (\$0.5 million) underlie the gross expenditure favourability which is offset by lower recoveries from capital. • Achieved 79% of calls answered within 75 seconds, compared to the 80% Council approved service level.	• Net favourable variance expected at year-end of \$0.018 million reflects lower than budgeted labour costs.
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Appendix E

City Manager's Office

Figure 13: City Manager's Office Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Manager's Office	4-Month	(1.8)	▼	1.4	▲	(0.4)	▼	Ⓞ	(1.3)	▼	1.3	▲	0.0	—	Ⓞ
	6-Month	(2.1)	▼	2.0	▲	(0.1)	▲	Ⓞ	(3.2)	▼	3.2	▲	0.0	—	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End		Ⓞ	<=100%	Ⓡ	>100%		

Six Month Results

City Manager's Office:

- Unfavourable gross expenditure variance of \$2.1 million is primarily driven by overspent salaries and benefits which are offset by interdivisional recoveries with a net overspent of \$0.1 primarily attributable to early spend on software licences. The computer software maintenance expense will be on budget by year end.

Year-End Projections

- Projected year-end is expected to be on budget.

Appendix E

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
City Clerk's Office	4-Month	0.8	▲	(0.3)	▼	0.5	▲	Ⓞ	0.1	▲	0.0	—	0.1	▲	Ⓞ
	6-Month	1.0	▲	(0.5)	▼	0.4	▼	Ⓞ	0.1	—	0.0	—	0.1	—	Ⓞ
Legal Services	4-Month	1.9	▲	(0.6)	▼	1.3	▲	Ⓞ	4.6	▲	(4.2)	▼	0.4	▲	Ⓞ
	6-Month	4.6	▲	(7.1)	▼	(2.5)	▼	Ⓡ	5.6	▲	(4.2)	—	1.5	▲	Ⓞ
Mayor's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
City Council	4-Month	1.5	▲	0.0	—	1.5	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	2.0	▲	(0.0)	—	2.0	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	4-Month	4.2	▲	(0.9)	▼	3.3	▲	Ⓞ	4.7	▲	(4.2)	▼	0.5	▲	Ⓞ
	6-Month	7.6	▲	(7.7)	▼	(0.1)	▼	Ⓞ	5.7	▲	(4.2)	—	1.6	▲	Ⓞ
Year-to-Date Net Variance	Ⓞ	85% to 105%	Ⓨ	0% to 85%	Ⓡ	>105%	Year-End		Ⓞ	<=100%	Ⓡ	>100%			

Appendix E

Other City Programs

Six Month Results	Year-End Projections
City Clerk's Office: Favourable variance of \$0.4 million in net expenditures due to lower than planned labour costs, contracted services, advertising costs and paper suppliers.	Projected year-end net favourable variance is lower than budgeted labour costs.
Legal Services: Unfavourable net expenditure of \$2.5 million is mainly due to timing of interdivisional recoveries, which partially offset by lower than planned labour costs.	Projected year-end net favourable variance of \$1.5 million is mainly due to lower than budgeted labour costs.
Mayor's Office: Favourable net variance of \$0.030 million due to lower than planned labour costs for the period.	The projection is to be on budget at year-end.
City Council: Favourable net variance of \$2.0 million due to lower than planned labour costs, underspending in Councillor's Constituency Services and Office budgets, and Council's general budget from constituency office leases for this period.	Projected year-end net favourable variance is dependent on future spending patterns.

Appendix E

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Auditor General's Office	4-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.5	▲	0.0	—	0.5	▲	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓞ
Integrity Commissioner's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓢ	0.1	▲	0.0	—	0.1	▲	Ⓞ
Lobbyist Registrar's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Ombudsman's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Total	4-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.6	▲	0.0	—	0.6	▲	Ⓞ	0.1	▲	0.0	—	0.1	▲	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

Appendix E

Accountability Offices

Six Month Results

Year-End Projections

Auditor General's Office: Favourable net variance of \$0.5 million due to lower than planned labour costs.	The projection is to be on budget at year-end.
Integrity Commissioner's Office: Favourable variance of \$0.1 million due to lower than planned labour costs.	Projected year-end net favourable variance of \$0.1 is due to lower than budgeted labour costs.
Lobbyist Registrar's Office: Favourable variance of \$0.028 million due to underspend in services and rents and partially offset by higher salary and benefit cost for the period.	The projection is to be on budget at year-end.
Ombudsman's Office: Unfavourable variance of \$0.003 million due to overspending in salaries and benefits.	The projection is to be on budget at year-end.

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Figure 16: Agencies Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Toronto Public Health	4-Month	0.7	▲	(0.7)	▼	0.0	—	Ⓞ	3.5	▲	(3.3)	▼	0.2	▲	Ⓞ
	6-Month	1.4	▲	(1.3)	▼	0.1	▲	Ⓞ	2.5	▼	(2.5)	▲	0.0	▼	Ⓞ
Toronto Public Library	4-Month	(1.5)	▼	1.0	▲	(0.5)	▼	Ⓞ	(2.2)	▼	2.2	▲	0.0	—	Ⓞ
	6-Month	(1.6)	▼	1.2	▲	(0.4)	▲	Ⓞ	(2.5)	▼	2.5	▲	0.0	—	Ⓞ
Association of Community Centres	4-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.3	▲	0.0	—	0.3	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Exhibition Place	4-Month	0.1	▲	0.1	▲	0.3	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(1.5)	▼	2.9	▲	1.4	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
Heritage Toronto	4-Month	(0.0)	—	0.0	—	0.0	—	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.0)	—	(0.2)	▼	(0.2)	▼	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
TO Live	4-Month	1.5	▲	(0.8)	▼	0.7	▲	Ⓨ	0.8	▲	(0.8)	▼	0.0	—	Ⓞ
	6-Month	3.2	▲	(3.0)	▼	0.3	▼	Ⓞ	0.8	—	(0.8)	—	0.0	—	Ⓞ
Toronto Zoo	4-Month	2.6	▲	(0.9)	▼	1.7	▲	Ⓨ	0.9	▲	(0.9)	▼	0.0	—	Ⓞ
	6-Month	3.2	▲	(0.1)	▲	3.1	▲	Ⓨ	1.0	▲	(0.9)	—	0.1	▲	Ⓞ
Arena Boards of Management	4-Month	0.1	▲	0.4	▲	0.5	▲	Ⓨ	(0.0)	—	0.1	▲	0.0	—	Ⓞ
	6-Month	0.2	▲	0.3	▼	0.6	▲	Ⓨ	(0.0)	—	0.0	▼	0.0	—	Ⓞ

Appendix E

Figure 17: Agencies Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Yonge Dundas Square	4-Month	0.0	—	0.1	▲	0.1	▲	Ⓨ	(0.1)	▼	0.1	▲	0.0	—	Ⓢ
	6-Month	(0.1)	▼	0.3	▲	0.2	▲	Ⓨ	0.1	▲	(0.1)	▼	(0.0)	—	Ⓡ
CreateTO	4-Month	0.7	▲	(0.7)	▼	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.5	▼	(0.5)	▲	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
Toronto & Region Conservation Authority	4-Month	(0.0)	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.4	▲	(0.4)	▼	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
Toronto Transit Commission - Conventional	4-Month	11.0	▲	(12.1)	▼	(1.1)	▼	Ⓢ	15.5	▲	(20.0)	▼	(4.5)	▼	Ⓡ
	6-Month	14.8	▲	(11.6)	▲	3.2	▲	Ⓢ	16.0	▲	(19.0)	▲	(3.0)	▲	Ⓡ
Toronto Transit Commission - Wheel Trans	4-Month	1.9	▲	0.3	▲	2.2	▲	Ⓢ	0.8	▲	0.8	▲	1.5	▲	Ⓢ
	6-Month	1.2	▼	0.4	▲	1.6	▼	Ⓢ	(0.0)	▼	1.0	▲	1.0	▼	Ⓢ
Toronto Police Service	4-Month	(3.1)	▼	3.1	▲	0.0	—	Ⓢ	(9.2)	▼	9.2	▲	0.0	—	Ⓢ
	6-Month	(7.7)	▼	7.7	▲	0.0	—	Ⓢ	(15.4)	▼	15.4	▲	0.0	—	Ⓢ
Toronto Police Services Board	4-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
Total	4-Month	14.2	▲	(10.1)	▼	4.1	▲	Ⓢ	9.9	▲	(12.6)	▼	(2.7)	▼	Ⓡ
	6-Month	14.3	▲	(4.2)	▲	10.1	▲	Ⓢ	2.5	▼	(4.3)	▲	(1.9)	▲	Ⓡ
Year-to-Date Net Variance Ⓢ 85% to 105% Ⓨ 0% to 85% Ⓡ >105% Year-End Ⓢ <=100% Ⓡ >100%															

Staff report for action on Operating Variance Report for the Six Months
 Ended June 30, 2019

Appendix E

City Agencies

Six Month Results	Year-End Projections
Toronto Public Health: - Favourable gross expenditure variance of \$1.4 million mainly attributed to \$0.3 million of under spending in salaries and benefits while continuing to maintain service levels, coupled with lower than planned non-payroll expenditures of \$1.1 million. - Underachieved revenues of \$1.3 million are mainly due to lower provincial revenue recovered as a result of lower expenditures. - Favourable net variance of \$0.1 million attributed to underspending in programs funded by the Province partially offset by overspending in City funded programs.	- Projected favourable gross expenditure variance of \$2.5 mainly in labour costs mostly in 100% Provincial and other funded programs. - Projected underachieved revenues of \$2.5 million are mainly due to lower provincial revenues recovered as a result of lower expenditures. - Projected net favourable year-end net variance of \$0.010 million reflects containment measures (underspending with corresponding underachieved revenues) implemented in response to the uncertainty of provincial funding and the corresponding underachieved revenues are due to this underspending.
Toronto Public Library: - Toronto Public Library (TPL) reported an unfavorable net variance of \$0.4 million, consisting of an unfavorable gross expenditure variance of \$1.6 million and a favourable revenue variance of \$1.2 million. - Expenditures were higher than budget mainly attributed to increased spending of \$1.4 million for specific initiatives funded by the TPL Foundation and additional spending on branch security and facility maintenance. - Revenues were higher than budget due to supplementary grant revenues from the TPL Foundation, as noted above, to fund the specific library initiatives, slightly offset by lower than budgeted fine revenues due to continued	Toronto Public Library expects no year-end variance at this time. The budget will be monitored to ensure the net expenditures are on budget at year-end.

growth in the usage of e-materials, and introduction of pending fine notices prior to due date.	
Association of Community Centres: - Favourable gross variance of \$0.3 million due to under spending in salaries and benefits while continuing to maintain service levels, and timing of various office administration costs. - Overachieved revenues of \$0.033 million due to seasonality of revenue flows. - Favourable net variance of \$0.3 million mainly driven by lower than planned labour costs and various administration costs to be expensed by year end.	- Projected favourable gross variance of \$0.014 million primarily due to lower than budgeted labour costs, partially offset by higher than planned office administration costs. - Fully achieved revenues. - Projected favourable net variance of \$0.014 million due to underspending in salaries and benefits while continuing to maintain service levels.
Exhibition Place: - Exhibition Place reported a favourable net variance of \$1.4 million below the 2019 Approved Operating Budget. - Exhibition Place incurred higher than budgeted event costs of \$1.5 million, which was offset by \$2.9 million in additional revenues from large events (Collision Conference, Great Canadian Greek Fest, Shopify Unite Conference and TD Service Management Group Meeting) and cost recovery revenues.	No variance is expected at year-end.
Heritage Toronto: - Heritage Toronto reported net unfavourable variance of \$0.2 million above the 2019 Approved Operating Budget - An unfavourable revenue variance of \$0.2 million from the timing of Heritage Awards sponsorships, and plaque projects which are set to take place later in the year.	No variance is expected at year-end.
TO Live: TO Live reported favourable net expenditure of \$0.3 million or 12.8% compared to the 2019 Approved	TO Live projects to achieve budget by year-end.

Operating Budget, consisting of a favourable gross expenditure variance of \$3.2 million offset by an unfavourable revenue variance of \$3.0 million. - Expenditures and revenues were lower than budget mainly attributed to less than anticipated programming activities as well as underspending (\$1.5 million) in minor repairs and maintenance funded from the Facility Fee Reserve Fund. - Volume of activity was lower than anticipated, TO Live still achieved an overall surplus due to timing differences in expenditures.	
Toronto Zoo: - Favorable net expenditure of \$3.1 million or 31.7% below the 2019 Approved Operating Budget is driven by: - Timing of expenditures, gross expenditures are under budget by \$3.2 million. - Weather conditions continue to impact operations and guest attendance which resulted in \$0.1 million shortfall in revenue. - The Zoo attracted 496,948 visitors as of Q2, representing 4% decrease from attendance target of 519,270.	- Toronto Zoo is projecting to achieve favorable net expenditure of \$0.1 million or 1.1% below the 2019 Approved Operating Budget by the end of year. - This will be achieved mainly by underspending in salaries and benefits while continuing to maintain service levels.
Arena Boards of Management: - The Arena Boards of Management reported net favourable variance of \$0.6 million below the 2019 Approved Operating Budget - Bill Bolton reported favourable revenue variances of \$0.3 million due to prepaid revenues for programs starting in the fall. - Ted Reeve reported a favourable expenditure variance of \$0.3 million as budgeted maintenance will be done in the summer offseason.	- The Arena Boards of Management are projecting a favourable net variance of \$0.013 million below the 2019 Approved Operating Budget. - Ted Reeve projects a favourable expenditure variance of \$0.041 million due to budgeted maintenance work in 2019 being postponed to 2020. - George Bell projects an unfavourable expenditure variance of \$0.062 million due to unexpected replacement of a boiler which is

	partially offset by a favourable revenue variance of \$0.034 million from higher than projected revenues in Q2.
Yonge Dundas Square (YDS): - Yonge-Dundas Square reported net favourable variance of \$0.2 million below the 2019 Approved Operating Budget - An unfavourable expenditure variance of \$0.1 million from the timing of planned events on the square which are offset by a \$0.3 million favourable revenue variance from these planned events.	Yonge-Dundas Square projects an unfavourable net expenditure variance of \$0.023 million caused by a projected downturn in events on the Square leading to a decrease in revenue of \$0.1 million and an offsetting decrease in expense of \$0.1 million.
CreateTO - As of June 30, 2019, favourable gross expenditure of \$0.5 million is solely attributable to timing of labour costs. - Funding recovery from Build Toronto and TPLC aligns with expenditures, resulting in a net zero variance over approved budget.	CreateTO are projecting to be on budget by year-end, with gross expenditures and revenues of \$12.8 million, resulting in a net zero variance.
Toronto & Region Conversation Authority: As planned for this period.	Each year, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. In 2019, TRCA will receive the full funding amount as approved by Council, resulting in no year-end variance.
Toronto Transit Commission – Conventional: Ridership to July 6, 2019 was 4.1 million rides or 1.5% below budget. Passenger Revenues: \$11.8 million below budget, primarily due to significant inclement weather events experienced in January and February and weekend and holiday ridership that has been 5.6% below budget.	Ridership projection of 522.3 million rides or 4.0% below budget. A \$3.0 million or 0.5% year-end deficit is projected Passenger Revenues: \$18 million decrease. It is expected that revenue rides will be 4 million below budget by year-end, contributing to \$18

Expenditures: • Materials & Supplies Expenses: \$5.6 million decrease, primarily due to lower than budgeted vehicle maintenance expenses as a result of improved bus and subway car vehicle reliability and ongoing retirements of the legacy streetcar fleet. • Corporate Costs: \$2.6 million lower than budget, due to a variety of timing variances such as accident claim payments as well as lower leasing expenses and PRESTO commissions. • Employee Benefits: \$3.5 million decrease primarily due to lower pension fund contributions. The level of recent new hires has contributed to the pension fund variance as new employees are not eligible for matching TTC Pension contributions for the first 6 months of their employment. • Diesel: \$2.4 million decrease, primarily due to lower than budgeted market prices in the first quarter of the year and lower fuel consumption rates of the newer bus fleet. • Utilities: \$0.8 million decrease, primarily due to lower price and consumption for natural gas.	million in under-achieved passenger revenue compared to the 2019 approved operating budget. 2019 revenue and revenue rides have been impacted by: • Significant inclement weather events experienced in January and February; and • These weather events accounted for most of the revenue variance experienced to date. • Weekend and holiday ridership that has been 5.6% below budget and 8.1% below the 2018 comparable as of July 6, 2019. • City Construction Recovery: \$2.5 million decrease • Due to a change in planned projects, a lower than budgeted recovery for City Construction projects is anticipated. Expenditures: Employee Benefits: \$4 million decrease • Employee benefits are expected to be below budget due to a one-time recovery and lower pension fund contributions. The level of recent new hires has contributed to the pension fund variance as new employees are not eligible for
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	matching TTC Pension contributions for the first 6 months of their employment. Diesel: \$4 million decrease - It is anticipated that diesel expenses will be below budget due to lower consumption rates of the newer bus fleet and a favourable hedge price. Departmental Non-Labour: \$5 million decrease - Lower than budgeted vehicle maintenance expenses are expected to occur primarily as a result of improved bus and subway car vehicle reliability and ongoing retirements of the legacy streetcar fleet. Other savings are expected due to delays in implementing certain aspects of the PRESTO faregate maintenance contract PRESTO Commissions: \$2.5 million decrease PRESTO fees are expected to be below budget primarily due to the continued sales of legacy fare media in 2019. Leasing Expenditures: \$3 million decrease - Reduced leasing expenses are expected as a result of a delay in the occupation date for the new consolidated warehouse.
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	All other changes net to a \$1.0 million favourable variance
Toronto Transit Commission – Wheel-Trans: Revenue: • Passenger revenue is \$0.4 million above budget, mainly due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional. Expenditures: • Labour & Employee Benefits: \$2.3 million decrease primarily due to vacancies in Wheel-Trans operator, bus maintenance as well as timing of workforce hiring experienced to date. Recruitment is ongoing to fill these roles. • Employee Benefits: \$1.0 million decrease primarily due to the level of new hires and lower healthcare expenses. • Customer Service Costs: \$0.7 million decrease primarily due to timing of Wheel-Trans transformation expenses and lower costs for eligibility appeals. • Contracted Taxi Services: \$3.8 million increase attributable to a higher average distance travelled per passenger and higher modal share. • Materials & Supplies Expenses: \$1.0 million decrease, primarily due to lower than budgeted vehicle maintenance	Currently, a \$1.0 million (or 0.7%) year-end subsidy surplus is projected Passenger Revenue \$1.0 million favourable: • The favourable revenue projection is due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional. Expenditures: Contracted Taxi Services: \$7.4 million increase • The increase in cost is attributable to a higher average distance travelled per passenger and higher modal share, based on year-to-date experience. Labour Expenses: \$4.3 million decrease. • Timing of workforce hiring experienced to date primarily account for this variance. Recruiting is ongoing to fill related vacancies. Employee Benefits: \$1.5 million decrease. • Lower healthcare expenses primarily account for this under-expenditure.

expenses as a result of decommissioning of problematic fleet and replacing them with newly procured fleet and lower than expected WTIS maintenance and enhancement costs.	Customer Service: \$1.0 million decrease. - The decrease is primarily due to lower costs for eligibility appeals and lower Transformation project costs. Materials and Supplies: \$0.6 million decrease. - Lower than budgeted vehicle maintenance expenses primarily as a result of decommissioning of problematic fleet and replacing them with newly procured fleet.
Toronto Police Service: - Toronto Police Service (TPS) reported an unfavourable variance of \$7.7 million in gross expenditures offset by an equivalent amount of favourable variance in revenues. - Gross expenditures exceeded budget mainly due to premium pay to work beyond their working hours for court attendance and increased overtime and call-backs to address critical workload and major unplanned events. All these were primarily attributed to lower than expected average number of deployed uniform officers, causing an ongoing need to supplement resources through premium pay to meet policing demands on the frontline and investigative activities. - Favourable revenue variance was attributed to increased cost recoveries, higher user fee revenues to reflect volume for reference checks, paid duty administrative fees, and in-year provincial funding for Guns and Gangs and the Community Safety and Policing grants.	- As these trends continue, projections to year-end indicate that there will be an unfavourable gross expenditure variance of \$15.4 million fully offset by an equivalent amount of favourable revenue variance. - While TPS is projecting zero net variance, the Service is having to manage significant premium pay spending pressures due to reduced staffing levels, unanticipated special events (e.g. Raptors) and cannabis legislation impacts. - TPS continuously review the timing and pace of hiring, scrutinizing premium pay spending to keep expenditures to an absolute minimum, and reassessing non-salary expenditures as part of the mitigation strategies to stay within the budget.

• The negotiations between the Board and the Senior Officers Organization (SOO) are still in progress. Once the new collective agreement for the SOO is reached and ratified, an in-year budget adjustment will be requested.	
Toronto Police Services Board: • Toronto Police Services Board (TPSB)'s spending was on budget. • Included in the 2019 budget is \$1.8 million gross and \$0 net to continue the second year of the Missing Persons Investigations Review which is fully funded from the Tax Rate Stabilization Reserve.	• TPSB expects no year-end variance at this time.

Appendix E

Capital & Corporate Financing

The Capital and Corporate Financing accounts reported favourable variance of \$26.3 million for the six months ended June 30, 2018. Consistent with year-to-date results, year-end favourable projection is anticipated to be \$25.6 million.

Figure 18: Capital & Corporate Financing Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Capital Financing - Capital from Current	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Technology Sustainment	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Debt Charges	4-Month	1.1	▲	(1.3)	▼	(0.2)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	28.0	▲	(1.8)	▼	26.3	▲	Ⓞ	25.6	▲	0.0	—	25.6	▲	Ⓞ
Total	4-Month	1.1	▲	(1.3)	▼	(0.2)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	28.0	▲	(1.8)	▼	26.3	▲	Ⓞ	25.6	▲	0.0	—	25.6	▲	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End		Ⓞ	<=100%	Ⓡ	>100%		

Appendix E

Capital & Corporate Financing

Six Month Results	Year-End Projections
Capital & Corporate Financing: On budget	On budget
Technology Sustainment: On budget	On budget
Debt Charges: Lower than planned gross debt charges of \$26.3 million net due to under spending on internal loans to address future capital requirements.	Consistent with year-to-date results, gross under expenditure of \$25.6 million net is anticipated for internal loans to address future capital requirements.

Appendix E

Non-Program Expenditures

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Tax Deficiencies/Writeoffs	4-Month	(0.1)	▼	0.0	—	(0.1)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.4	▲	0.0	—	0.4	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Tax Increment Equivalent Grants (TIEG)	4-Month	(0.2)	▼	0.0	—	(0.2)	▼	Ⓞ	(0.5)	▼	0.0	—	(0.5)	▼	Ⓡ
	6-Month	(0.0)	▲	0.0	—	(0.0)	▲	Ⓞ	1.6	▲	0.0	—	1.6	▲	Ⓞ
Assessment Function (MPAC)	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Funding of Employee Related Liabilities	4-Month	0.0	—	0.0	—	0.0	—	Ⓜ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Other Corporate Expenditures	4-Month	0.9	▲	0.4	▲	1.3	▲	Ⓞ	(0.0)	—	0.0	—	(0.0)	—	Ⓡ
	6-Month	(74.9)	▼	77.1	▲	2.2	▲	Ⓞ	(59.4)	▼	63.8	▲	4.4	▲	Ⓞ
Insurance Premiums & Claims	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Oper.	4-Month	1.9	▲	0.0	—	1.9	▲	Ⓞ	0.6	▲	0.0	—	0.6	▲	Ⓞ
	6-Month	4.9	▲	0.0	—	4.9	▲	Ⓞ	0.6	—	0.0	—	0.6	—	Ⓞ
Programs Funded from Reserve Funds	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ

Appendix E

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Distressed Retail Areas & Transit Fare Equity Phase 1*	4-Month	1.0	▲	0.0	—	1.0	▲	Ⓚ	1.3	▲	0.0	—	1.3	▲	Ⓚ
	6-Month	1.4	▲	0.0	—	1.4	▲	Ⓚ	1.3	—	0.0	—	1.3	—	Ⓚ
Heritage Property Taxes Rebate	4-Month	0.0	—	0.0	—	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Tax Rebates for Registered Charities	4-Month	(0.5)	▼	0.5	▲	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	(0.0)	▲	0.0	▼	0.0	—	Ⓚ	(0.0)	—	0.0	—	0.0	—	Ⓚ
Solid Waste Management Rebates	4-Month	4.8	▲	0.0	—	4.8	▲	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	6.0	▲	0.0	—	6.0	▲	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Tax Increment Funding (TIF)	4-Month	0.0	—	0.0	—	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓚ	0.0	—	0.0	—	0.0	—	Ⓚ
Total	4-Month	7.8	▲	0.9	▲	8.7	▲	Ⓚ	1.4	▲	0.0	—	1.4	▲	Ⓚ
	6-Month	7.9	▲	0.9	—	8.8	▲	Ⓚ	1.4	—	0.0	—	1.4	—	Ⓚ
Year-to-Date Net Variance	Ⓚ	85% to 105%	Ⓚ	0% to 85%	Ⓚ	>105%	Year-End	Ⓚ	<=100%	Ⓚ	>100%				

Appendix E

Non-Program Expenditures

Six Month Results	Year-End Projections
Tax Deficiencies/Write-Offs: On budget	On budget
Tax Increment Equivalent Grants (TIEG) On budget	Lower than budgeted issuance of Tax Increment Equivalent Grants (TIEG) of \$1.6 million net as a result of up-to-date data on eligible properties (current and prior years).
Assessment Function (MPAC): On budget	On budget
Funding Employee Related Liabilities: On budget	On budget
Other Corporate Expenditures: Under-spending is largely attributed to the actual historical billings being lower the plan.	Lower than budgeted gross expenditures of \$4.4 million primarily on corporate studies and reviews.
Insurance Premiums & Claims: On budget	On budget
Parking Tag Enforcement & Operations: Favourable gross expenditures of \$4.9 million due to lower than planned labour costs, lower expenditure for Revenue Services' operating costs, tribunal member honoraria, MTO Search Fees for MTO vehicle owner information searches, and timing of chargebacks from Legal Services.	Gross expenditures are expected to be lower than budget due to lower than budget labour costs and lower tribunal member honoraria.
Programs Funded from Reserve Funds: On budget	Projected to be on budget at year-end.

Distressed Retail Areas & Transit Fare Equity Phase 1*: Under spending as a result of pending allocation of this budget towards new initiatives	Consistent with year-to-date results
Heritage Property Tax Rebates: On budget	On budget
Tax Rebates for Registered Charities: On budget	On budget
Solid Waste Management Rebates: As at 30th June 2019, the expenditures are \$6.0 million lower than plan. This variance is mainly attributable to the actual historical billings being lower the plan.	On budget
Tax Increment Funding (TIF): On budget	On budget

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	4-Month	0.0	—	0.8	▲	0.8	▲	Ⓢ	0.0	—	0.8	▲	0.8	▲	Ⓢ
	6-Month	0.0	—	0.6	▼	0.6	▼	Ⓢ	0.0	—	1.3	▲	1.3	▲	Ⓢ
Supplementary Taxes	4-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.0	—	5.5	▲	5.5	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓢ
Tax Penalty Revenue	4-Month	0.0	—	0.1	▲	0.1	▲	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.0	—	1.0	▲	1.0	▲	Ⓢ	0.0	—	1.0	▲	1.0	▲	Ⓢ
Interest/Investment Earnings	4-Month	0.4	▲	12.2	▲	12.6	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	1.9	▲	84.4	▲	86.3	▲	Ⓨ	2.9	▲	55.8	▲	58.7	▲	Ⓢ
Other Corporate Revenues	4-Month	0.5	▲	(0.3)	▼	0.2	▲	Ⓨ	(0.0)	—	(0.1)	▼	(0.1)	▼	Ⓡ
	6-Month	0.6	▲	(0.3)	—	0.3	▲	Ⓨ	(0.0)	—	0.0	▲	(0.0)	▲	Ⓡ
Dividend Income	4-Month	0.0	—	0.6	▲	0.6	▲	Ⓢ	0.0	—	2.6	▲	2.6	▲	Ⓢ
	6-Month	0.0	—	1.3	▲	1.3	▲	Ⓢ	0.0	—	2.6	—	2.6	—	Ⓢ
Provincial Revenue	4-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
Municipal Land Transfer Tax	4-Month	(0.2)	▼	15.6	▲	15.4	▲	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
	6-Month	(0.5)	▼	12.4	▼	11.9	▼	Ⓢ	0.0	—	0.0	—	0.0	—	Ⓢ
Third Party Sign Tax	4-Month	0.0	—	(1.1)	▼	(1.1)	▼	Ⓢ	0.0	—	(1.0)	▼	(1.0)	▼	Ⓡ
	6-Month	0.0	—	(1.1)	—	(1.1)	—	Ⓢ	0.0	—	(1.0)	—	(1.0)	—	Ⓡ

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Appendix E

Figure 22: Non-Program Revenues Year-to-Date Variance and Year-End Variance Projection Summary

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Parking Authority Revenues	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	(1.3)	▼	(1.3)	▼	Ⓡ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	2.1	▲	2.1	▲	Ⓞ
Administrative Support Recoveries - Water	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Administrative Support Recoveries - Health & EMS	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Operations Rev	4-Month	0.0	—	0.6	▲	0.6	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	2.3	▲	2.3	▲	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
Other Tax Revenues	4-Month	(0.2)	▼	0.2	▲	0.0	—	Ⓞ	0.0	—	0.5	▲	0.5	▲	Ⓞ
	6-Month	(0.7)	▼	1.1	▲	0.4	▲	Ⓞ	(0.7)	▼	1.1	▲	0.4	▼	Ⓞ
Municipal Accomodation Tax	4-Month	0.0	—	0.8	▲	0.8	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.3	▲	1.5	▲	1.8	▲	Ⓨ	0.0	—	0.0	—	0.0	—	Ⓞ
Casino Woodbine	4-Month	0.1	▲	(0.4)	▼	(0.3)	▼	Ⓞ	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	▼	(1.1)	▼	(1.0)	▼	Ⓞ	0.1	▲	0.0	—	0.1	▲	Ⓞ
Total	4-Month	0.5	▲	29.1	▲	29.6	▲	Ⓞ	(0.0)	—	1.4	▲	1.4	▲	Ⓞ
	6-Month	1.7	▲	107.7	▲	109.3	▲	Ⓨ	2.3	▲	62.9	▲	65.1	▲	Ⓞ
Year-to-Date Net Variance		Ⓞ	85% to 105%	Ⓨ	0% to 85%	Ⓡ	>105%	Year-End	Ⓞ	<=100%	Ⓡ	>100%			

Appendix E

Non-Program Revenues

Six Month Results	Year-End Projections
Payments In Lieu of Taxes (PILs): - As of June 2019, a \$0.5 million favourable variance was realized, primarily due to: \$0.7 million favourable arising from assessment based levies being greater than budget - offset by \$0.2 million unfavourable because appeals posted and provision were greater than budget.	- At year-end, a \$1.3 million favourable variance is projected, arising from: \$0.7 million favourable due to assessment based levies being greater than budget and \$1.0 million favourable as a result of Heads and Beds levies projected to be greater than budget offset by \$0.4 million unfavourable resulting from appeals posted and provision projected to be greater than budget.
Supplementary Taxes: As of June 2019, the supplementary/omit roll received from MPAC was higher than plan. Based on the actual to date and estimates provided by MPAC, the year-end forecast is expected to meet budget.	On budget
Tax Penalties: The \$1.0 million variance for the first two quarters is due to more tax interest/penalties earned than expected. However, this trend will not continue as new bailiffs' collection effort is expected to ramp up in the next two quarters.	Consistent with year-to-date, \$1.0 million favourable variance is anticipated.
Interest & Investment Earnings: - Gross expenditures favourable variance \$1.9 million - External legal costs happened mostly in first half of the year for manager's agreements.	Gross expenditures favourable variance \$2.9 million Investment manager's fees were lower than budgeted as there was a delay with the agreement negotiation for the Fixed Income and Equities managers and a delay in the Board's

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

• Audit costs have not been incurred as it will occur in Q2 as forecasted, rather later on in 2019. • Other Expenditures: Fewer Investment Board meetings were held than forecasted, and fewer than expected members attended meetings. • Investment manager's fees were lower than budgeted as there was a delay with the agreement negotiation for the Fixed Income and Equities managers and a delay in the Board's decision for Real Assets allocation. Therefore, the actual fees for these Investment managers are lower than expected. Revenue favourable variance \$84.4 million • Revenues were higher than budgeted as a result of one-time non-recurring realized capital gains for May and June. This is due to the fixed income investment managers transitioning the portfolios (selling existing securities transferred to them to build a new portfolio).	decision for Real Assets allocation. Real asset managers fees are no longer expected to occur this year, and Equity managers are not expected to start until mid-August, so their fees will be lower than previously budgeted. Revenue favourable variance \$55.8 million • \$36M generated by the investment managers due to one-time non-recurring realized capital gains. Investment managers were selling the securities transferred to them from the City to compose a new portfolio. These types of trading activities were expected although the volume was higher than expected. Also, market prices of these securities were significantly higher than expected, comparing to the budget preparation time in 2018. In contrary to what the market census forecasted (75 bps increase in 2019), interest rates dropped by about 90 bps since the fall of 2018. • \$20M generated in the short term fund was due to a higher than expected balance (\$1bln) carryover from 2018 year-end and was partially offset by the lower interest income due to lower than forecasted interest rates. The higher cash balance was mainly due to early payments of development charges (lower 2nd half of 2019 receipts expected), PTIF catch-up payment, Federal Gas Tax.
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Other Corporate Revenues: On budget	On budget
Dividend Income: Higher than planned hydro dividend revenue of \$1.3 million as a result of higher Toronto Hydro earnings in 2018.	Favourable year-end variance of \$2.6 million due to higher Toronto Hydro earnings in 2018.
Provincial Revenue: On budget	On budget
Municipal Land Transfer Tax (MLTT): Higher than planned revenue of \$11.9 million net due to higher than expected sales revenue during this fiscal period.	On budget
Third Party Sign Tax: Revenue is \$1.1 million under budget resulting from an above average reduction in the number of taxable static signs attributed to a shift in the industry from static copy signs to digital signs.	Third Party Sign Tax revenue is expected to be below budget by \$1.0 million due to the larger than expected reduction in the taxable sign inventory attributed to the sign industry shifting away from static copy signs to digital signs.
Parking Authority Revenues: On budget	Favourable revenue projection of \$2.1 million net due to one-time sale of parking property.
Administrative Support Recoveries – Toronto Water: On budget	On budget
Administrative Support Recoveries – Health & EMS: On budget	On budget
Parking Tag and Enforcement Operations: - Revenue is favourable by \$2.3 million mainly due to higher late fees and penalty charges for late payments, and higher fine value for ticket issuance. 1,055,284 parking tickets issued to June 30, 2019.	Revenue is expected to be on budget at year-end.

Other Tax Revenues: As of June 2019, \$0.040 million favourable variance was realized, primarily because the 2019 Interim Billing for hydro properties was slightly higher than plan.	At year-end, a \$0.5 million favourable variance is projected, primarily because the hydro property levies and the related return of the roll assessment was higher than budgeted.
Municipal Accommodation Tax: Favourable variance of \$1.8 million is due to higher than expected MAT revenues to date. As MAT is a new program which commenced on June 1, 2018 and given it is still early in the year, the year-end revenue is expected to meet current budget projections.	On budget
Casino Woodbine: Revenue shortfall of \$1.0 million due to extreme weather conditions in Q1 negatively affecting guest visits, and also decreasing market share resulting from the opening of other expanded casinos outside of Toronto.	On budget

Appendix E

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

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Net Variance		Alert	Gross Expenditures		Revenue		Net Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	4-Month	6.0	▲	8.1	▲	14.1	▲	Ⓢ	0.9	▲	(1.9)	▼	(1.0)	▼	Ⓡ
	6-Month	2.5	▼	14.3	▲	16.8	▲	Ⓢ	3.3	▲	(2.1)	▼	1.1	▲	Ⓢ
Toronto Parking Authority	4-Month	2.2	▲	(1.4)	▼	0.8	▲	Ⓢ	0.8	▲	(2.4)	▼	(1.6)	▼	Ⓡ
	6-Month	3.6	▲	4.5	▲	8.1	▲	Ⓢ	1.6	▲	0.9	▲	2.4	▲	Ⓢ
Toronto Water	4-Month	8.8	▲	(1.2)	▼	7.6	▲	Ⓢ	20.9	▲	2.3	▲	23.2	▲	Ⓢ
	6-Month	16.8	▲	5.5	▲	22.4	▲	Ⓢ	23.5	▲	5.5	▲	29.0	▲	Ⓢ
Total	4-Month	17.0	▲	5.5	▲	22.5	▲	Ⓢ	22.6	▲	(2.0)	▼	20.6	▲	Ⓢ
	6-Month	22.9	▲	24.4	▲	47.3	▲	Ⓢ	28.3	▲	4.3	▲	32.6	▲	Ⓢ
Year-to-Date Net Variance		Ⓢ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%	Year-End		Ⓢ	<=100%	Ⓡ	>100%		

Appendix E

Rate Supported Programs

Six Month Results	Year-End Projections
Solid Waste Management Services (SWMS): - Under-expenditures totaling \$5.614 million mainly arise from lower than planned labour costs of \$3.191 million. - There was also year-to-date under spending of \$0.813 million mainly including lower than planned fuel consumption (natural gas vehicles) and bin maintenance (\$0.481 million) and lower than anticipated spending on hydro & water (\$0.139 million). There was also lower than planned spending on footwear (\$0.101 million). - Processing costs of organics and haulage costs were lower than planned by \$1.610 million due to volumes. Delayed commissioning of the Dufferin OPF meant that processing costs were still being capitalized. - The above under spending were partially offset by higher than planned expenditures of \$3.138 million primarily including contracted services for collection of organics and waste due to higher volumes; higher volumes of waste driving increased contributions to both the Green Lane Reserve Fund and the associated Perpetual Care Reserve Fund and earlier than planned payments in lieu of taxes. - Higher than planned revenue of \$15.576 million is mainly attributable to collection revenues for oversized bin fees and commercial bags and tags being earlier than planned, as well as volume driven higher tipping fees at	- Projecting a net capital contribution increase (surplus) of \$1.117 million or 0.27% at year end. - Expenditures are estimated to be \$3.266 million under-spent primarily related to: - Lower than budgeted labour costs (\$4.041 million); - Lower projected organic processing and haulage cost due to volumes (\$2.696 million) and leaf & yard waste processing (\$0.82 million); - Lower processing & haulage cost of glass (\$0.084 million) due to quality of input; Lower volumes of mattresses (\$0.282 million); - These under-expenditures are partially offset by over-spending of \$3.266 million mainly due to higher recyclables processing cost as a result of the expected contamination rate being 31% as compared to the planned rate of 27%; - Delay of the Dufferin OPF means additional haulage will be paid to the external processors (\$0.653 million) - Revenue is anticipated to be under-achieved by \$2.149 million at year-end mainly due to: - Lower than planned capital recoveries for staff working on capital projects (\$1.147 million) - Lower demand and prices for recyclable material (\$0.941 million);

Staff report for action on Operating Variance Report for the Six Months
Ended June 30, 2019

Transfer Stations and first quarter increased sales of recyclable materials. • Lower than planned revenue of \$1.231 million is primarily due to: • Lower than planned capital recoveries for staff working on capital projects (\$0.980 million) due to capital project delays. • Lower tonnage for drop and load fees at Transfer Stations and lower than planned sales of scrap material (\$0.251 million). • Combined, this results in a net surplus of \$12.797 million or 418% as of the 6 Month Period Ended June 30, 2019.	• Lower fees for less disposal of residual waste from contracted processing (\$0.248 million). • These lower projected revenues will be partially offset by higher anticipated revenues of \$0.187 million for the sale of scrap material. • The total net deficit at year-end will increase the amount to be contributed to the Waste Management Reserve Fund used to support the SWMS Capital program by \$1.117 million from a planned \$20 million to \$21.117 million.
Toronto Parking Authority: • Favourable gross expenditure variance of \$3.6 million primarily due to timing of maintenance expenses, lower than planned labour costs, and favourable administrative expenses due to timing of spending on advertising and additional financial audit work, including PCI and SAP implementation. • Increased adoption of the GreenP mobile payment app has seen increased payment transaction fees, which have been offset by lower ticketing expenses and pay and display machine expenses due to machine rationalization. • TPA has experienced a favourable total revenue variance of \$5.0 million, however this is attributable to \$6.8 million received from a one-time gain on sale of property (CP221 - 121 St. Patrick) which was not anticipated during 2019. This one-time gain has offset the unfavourable revenue variance of \$2.3 million experienced during year-to-date primarily within the Off-Street Parking service. • Additional rate increases approved during the 2019 Budget process were implemented in eight core	• Projected favourable gross expenditure variance of \$1.6 million by year-end. An ongoing operational review of maintenance work programs and procurement planning has seen favourable maintenance expenditures during year-to-date. Timing of RFPs are expected to result in higher spending during Q3 and Q4. • Projected unfavourable revenue variance of \$6.0 million primarily due to transaction volume trends experienced in the Off-Street Parking service. • This will be offset by the \$6.8 million from the one-time gain on the sale of Carpark 221, resulting in an overall favourable revenue variance of \$0.9 million, or 0.5% over budget. • Overall, a favourable net variance is anticipated of \$2.4 million, or 3.6%.

downtown garages. These carparks have experienced reduced transaction volume of 3.7% over the prior year. Additional carpark restrictions including construction (i.e. Eglinton Crosstown LRT), use of carparks for temporary shelters (i.e. Lamport Stadium) and delays in opening Carpark 262 has resulted in an unfavourable revenue variance. • Rate increases implemented within the On-Street Parking service has helped to offset the unfavourable revenue experienced year-to-date. • Bike Share Toronto has increased ridership and membership over the prior year, however heavy rain in Q1 and early Q2 has seen an unfavourable revenue variance from user fees. A long-term sponsor has not yet been identified for the Bike Share Program. • Favourable expenditure and revenue variances have resulted in an overall favourable net variance of \$8.079 million, or 25.4% as of June 30, 2019.	
Toronto Water: • Favourable gross expenditure variance of \$16.8 million. Lower than planned labour costs experienced while maintain service levels (\$4.4 million), lower than planned hydro rates and consumption of water due to continued efficiency initiatives (\$5.0 million), underspending in equipment, materials and supplies due delayed deliveries and lower than anticipated demand in chemicals and unused contingencies (\$2.5 million), underspending in contracted services due to mild winter temperatures, unused contingencies and delayed spending resulting from transitioning to new contracts (\$4.3 million), and lower than anticipated payments in-lieu of taxes due to lower MPAC assessments (1.0 million) totalling \$17.1	• Projected under expenditure of \$23.5 million at year end, mainly because of projected underspending in labour costs, lower than anticipated utilities as a result of continued efficiencies in hydro and water usage, underspending in chemicals as a result of change in dosage requirements and unused contingencies, lower than anticipated spending in contracted services due to project and contract delays, efficiencies in processes and mild winter resulting in unused contingencies, and lower than anticipated payments in-lieu of taxes as a result of MPAC reassessments.

million, were partially offset by over expenditure from higher interdivisional charges mostly related to the restoration of permanent utility cuts. • Favourable revenue variance of \$9.2 million primarily due to higher than anticipated water consumption (\$5.9 million), an overall increase in volume of watermain connections (\$1.2 million), higher private water agreement (\$1.4 million) and other revenues (\$0.7 million), partially offset by lower than anticipated revenues from the industrial waste agreements and recoveries for the work on the Metrolinx projects (\$3.1 million) and sundry revenues (\$0.5 million). • The resulting net favourable variance is \$22.4 million.	• Revenues are projected to be higher than budgeted by \$12.2 mostly due to an increase in new water and service connections, private water agreements, capital recoveries from unplanned work and sundry revenues (\$6.0 million), as well as higher revenues from the Region of York based on a new agreement (\$1.7 million) and higher than anticipated revenues from the sale of water (4.5 million), to be partially offset by lower revenues from industrial waste agreements, recoveries from Metrolinx due to project delays, and lower electrical use from Enwave totalling 6.7 million. • Toronto Water will continue to monitor water consumption throughout the peak period (July to September) and address changes in water consumption as appropriate in subsequent variance reports. • Projected favourable year-end net variance is \$29.0 million.
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