

September 2018 Year-to-Date Review of Operations

**General Committee
November 12, 2018**

2018 September Year-to-Date Review of Operations - Primary Operating Budget (excluding Planning & Design, Engineering, Building & Waterworks) (\$ in millions)

Council approved the 2018 annual operating budget of \$378.45M on December 12, 2017 which includes:

| Budget | \$ |
|--------------------------|---------------|
| Primary Operating Budget | 204.66 |
| Library | 13.82 |
| Planning & Design | 10.29 |
| Engineering | 8.09 |
| Building | 9.96 |
| Waterworks | 131.63 |
| Total | 378.45 |

Details of the YTD operating results (January 1 to September 30) are outlined in this presentation

2018 September Year-to-Date Review of Operations - Primary Operating Budget (excluding Planning & Design, Engineering, Building & Waterworks) (\$ in millions)

| | Actual | Budget | Variance Fav./(Unfav.) | % of YTD Budget |
|--|-----------------|-----------------|---------------------------|--------------------|
| Revenues (A) | \$205.96M | \$201.90M | \$4.06M | 102.0% |
| Personnel (B) | \$96.09M | \$97.50M | \$1.41M | 97.1% |
| Non-Personnel (C) | <u>\$58.90M</u> | <u>\$62.17M</u> | <u>\$3.27M</u> | |
| Subtotal excluding winter maintenance (D) = A-(B+C) | \$50.97M | \$42.23M | \$8.74M | |
| Winter Maintenance (E) | <u>\$6.86M</u> | <u>\$7.28M</u> | <u>\$0.42M</u> | |
| Total including winter maintenance (F) = D-E | \$44.11M | \$34.95M | \$9.16M | |

YTD September favourable variance of 5.5% to budget



2018 Year-end Projection – Primary Operating Budget (excluding Planning & Design, Engineering, Building & Waterworks) (\$ in millions)

| | Year-end Projection Favourable/ (Unfavourable) |
|--|--|
| Primary operating budget (day-to-day operations) | \$9.83M |
| Year-end accounting accruals and other adjustments | <u>(\$1.14M)</u> |
| Total | \$8.69M |
| Winter maintenance unfavourable variance | <u>(\$0.97M)</u> |
| Surplus | \$7.72M |

Projecting a year-end favourable variance of 3.5% to budget

2018 September Year-to-Date Review of Operations – Planning & Urban Design

(\$ in millions)

| | Actual | Budget | Variance Fav./(Unfav.) | % of YTD Budget | Annual Budget | Year End Projection |
|------------------------------|----------------|----------------|---------------------------|--------------------|------------------|------------------------|
| Revenues (A) | \$10.65M | \$7.85M | \$2.80M | 135.7% | \$10.32M | \$11.75M |
| Personnel (B) | \$4.06M | \$5.11M | \$1.05M | 84.8% | \$6.88M | \$5.70M |
| Non-Personnel (C) | <u>\$1.90M</u> | <u>\$1.92M</u> | <u>\$0.02M</u> | | <u>\$2.54M</u> | <u>\$2.55M</u> |
| Surplus (D) = A-(B+C) | \$4.69M | \$0.82M | \$3.87M | | \$0.90M | \$3.50M |

Favourable variance of \$2.60M

Revenues at 135.7% of YTD budget mainly due to higher than budgeted Planning and Design fees.
Expenses at 84.8% of YTD budget mainly due to year-to-date average of six temporary net vacancies.

2018 September Year-to-Date Review of Operations – Engineering

(\$ in millions)

| | Actual | Budget | Variance Fav./(Unfav.) | % of YTD Budget | Annual Budget | Year End Projection |
|--|----------------|----------------|------------------------|-----------------|----------------|---------------------|
| Revenues (A) | \$9.61M | \$6.53M | \$3.08M | 147.2% | \$8.09M | \$11.11M |
| Personnel (B) | \$4.03M | \$4.03M | \$0.00M | 99.3% | \$5.31M | \$5.45M |
| Non-Personnel (C) | <u>\$1.94M</u> | <u>\$1.99M</u> | <u>\$0.05M</u> | | <u>\$2.65M</u> | <u>\$2.65M</u> |
| Surplus/(Deficit) (D) = A-(B+C) | \$3.64M | \$0.51M | \$3.13M | | \$0.13M | \$3.01M |

Favourable variance of \$2.88M

Revenues at 147.2% of YTD budget mainly due to higher than budgeted Engineering fees.
Expenses are on budget.

2018 September Year-to-Date Review of Operations – Building

(\$ in millions)

| | Actual | Budget | Variance Fav./ (Unfav.) | % of YTD Budget | Annual Budget | Year End Projection |
|--|----------------|----------------|----------------------------|--------------------|------------------|------------------------|
| Revenues (A) | \$9.77M | \$8.33M | \$1.44M | 117.3% | \$10.04M | \$11.50M |
| Personnel (B) | \$4.27M | \$4.67M | \$0.40M | 94.0% | \$6.16M | \$5.91M |
| Non-Personnel (C) | <u>\$2.20M</u> | <u>\$2.21M</u> | <u>\$0.01M</u> | | <u>\$2.94M</u> | <u>\$2.94M</u> |
| (Deficit)/Surplus (D) = A-(B+C) | \$3.30M | \$1.45M | \$1.85M | | \$0.94M | \$2.65M |

Favourable variance of \$1.71M

Revenues at 117.3% of YTD budget mainly due to a higher number of issued building permits.

Expenses at 94.0% of YTD budget mainly due to year-to-date average of four temporary net vacancies.

2018 September Year-to-Date Review of Operations – Waterworks

(\$ in millions)

| | Actual | Budget | Variance Fav./(Unfav.) | % of YTD Budget | Annual Budget | Year End Projection |
|---|-----------------|-----------------|------------------------|-----------------|------------------|---------------------|
| Water & Sewer Billing (A) | \$92.67M | \$99.45M | (\$6.78M) | | \$130.24M | \$122.04M |
| Contracted Municipal Services (B) | <u>\$70.72M</u> | <u>\$77.48M</u> | <u>\$6.76M</u> | | <u>\$100.99M</u> | <u>\$93.19M</u> |
| Net Sales & Purchases of Water (C) = A-B | \$21.95M | \$21.97M | (\$0.02M) | 99.9% | \$29.25M | \$28.85M |
| Other Revenues (D) | \$0.99M | \$0.92M | \$0.07M | 107.6% | \$1.41M | \$1.31M |
| Personnel (E) | \$5.67M | \$5.94M | \$0.27M | 92.9% | \$7.74M | \$7.44M |
| Non-Personnel (F) | <u>\$5.42M</u> | <u>\$6.00M</u> | <u>\$0.58M</u> | | <u>\$7.64M</u> | <u>\$7.04M</u> |
| Surplus (G) = C+D -(E+F) | \$11.85M | \$10.95M | \$0.90M | | \$15.28M | \$15.58M |

Favourable variance of \$0.30M

Net sales & purchases of water at 99.9% of YTD budget.

Expenses at 92.9% of YTD budget mainly due to lower operating and construction materials, supplies costs and year-to-date average of four temporary net vacancies



Next Steps

- Staff will continue to monitor the results of Operations for the balance of the year and will report back in the first quarter of 2019 with the year end results