



Report to: General Committee

Date Report Authored: July 28, 2014

SUBJECT: 2014 June YTD Review of Operations and Year End Projection
PREPARED BY: Andrea Tang, Manager of Financial Planning

RECOMMENDATION:

- 1) THAT the report entitled “2014 June YTD Review of Operations and Year End Projection” be received.

EXECUTIVE SUMMARY:

Council approved the 2014 annual operating budget of \$306.853M on February 11, 2014 which includes the City’s primary operating budget, Planning & Design operating budget, Engineering operating budget, Building Standards operating budget and Waterworks operating budget.

This report provides an overview of the year-to-date (YTD) actual operating budget results versus the calendarized 2014 operating budget as of June 30, 2014, and a forecast of the year-end results against the annual operating budget.

Primary Operating Budget (Appendix 1)

(Excluding Planning & Design, Engineering, Building Standards and Waterworks)

Total City operations for June year-to-date incurred net revenues of \$36.741M against a budget of \$38.052M, resulting in an unfavourable variance of (\$1.311M) including winter maintenance, excluding Planning & Design, Engineering, Building Standards and Waterworks. City operations excluding winter maintenance incurred a favourable variance of \$1.068M.

1. City’s surplus before winter maintenance	\$1.068M
2. Winter maintenance unfavourable variance	<u>(\$2.379M)</u>
Net Deficit	<u>(\$1.311M)</u>

1. City’s Surplus Before Winter Maintenance

City’s surplus before winter maintenance = \$1.068M
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The major revenue and expenditure variances are as follows:

Revenues	Fav./(Unfav.) in \$M	Expenditures	Fav./(Unfav.) in \$M
Theatre revenues (ticket sales, registration fees and rental)	0.221	Salary & benefit costs	0.528
Federal and Provincial grants	0.115	Professional services/training/travel/office supplies	0.531
Recreation revenue	(0.296)	Contract Service Agreements	0.312
Parking Fines	(0.094)	Waste Collection	0.105
		Theatre Professional Entertainment Fees	(0.186)
		Property Tax Adjustments	(0.171)
Other	(0.062)	Other	0.065
Total	(0.116)	Total	1.184

2. Winter Maintenance

Winter maintenance unfavourable variance = (\$2.379M)

The 2014 actual winter maintenance expenditures at the end of the second quarter total \$7.970M against a budget of \$5.591M, resulting in an unfavourable variance of (\$2.379M).

The City's winter maintenance budget includes personnel expenditures, salt and sand purchases as well as four service contracts:

- 1) Supply and operation of tandem/single combination plow to sand and plow the City's primary road network;
- 2) Supply and operation of loaders to assist in the snow removal in cul-de-sacs, wide corners and rear lanes;
- 3) Grader rentals to remove snow on the City's local road networks as well as for windrow snow clearing services and;
- 4) Sidewalk snow removal

The four winter maintenance contracts have a fixed cost component of 37% and variable cost component of 63%. The fixed costs (standby costs) are charged throughout the winter months whether or not services are rendered in order to cover the contractor's capital costs. The variable costs are based on service hours provided.

The winter maintenance expenditures were unfavourable by (\$2.379M), due to the following components:

- 353 actual service hours as compared to 231 budgeted service hours for sidewalk snow clearing per unit of equipment (\$0.579M);
- 230 actual service hours as compared to 104 budgeted service hours for loader snow removal operation per unit of equipment (\$0.495M);
- 17,800 actual tonnes of salt as compared to budgeted 12,000 tonnes of salt applied on the roads (\$0.446M); and;
- 318 actual service hours as compared to budgeted 270 service hours for tandem operation per unit of equipment (\$0.159M);

- 118 actual service hours as compared to budgeted 71 service hours of grader snow removal operation per unit of equipment (\$0.319M).
- Higher than budgeted Roads and Parks department part-time and over-time to accommodate increased winter maintenance requirements (\$0.261M)
- Other winter maintenance related variance of (\$0.120M)

Year-End Projection including year-end accounting adjustments:

Based on the June year-to-date results from operations Staff is projecting the year-end results from business operations including year-end accounting adjustment and excluding winter maintenance to be in the range of being unfavourable by (\$0.100M) to favourable by \$0.900M.

It is expected that the year-end revenue variance will range from (\$0.200) unfavourable to being on budget mainly due to lower Recreation revenues particularly in aquatics, offset by a favourable variance in Theatre professional entertainment ticket sales and supplemental taxes.

The year-end expenditure variance will range from \$0.100M favourable to \$0.900M favourable, mainly due to favourable variances in net personnel costs from vacancies, professional services, training, contract service agreements and operating material and supplies offset partially by unfavourable variances in fire overtime, theatre professional entertainment fees and property tax adjustments.

Historically the City does not budget for year-end accounting adjustments which include Firefighters sick leave, 27th pay accrual, severance and salary continuance, and post retirement benefits. The 2014 year-end accounting adjustments are estimated at \$2.400M. Staff identified opportunities to offset the year-end accounting adjustments in the amount of \$2.300M, leaving a net shortfall of (\$0.100M) which has been included in the above year-end projected variance.

Winter maintenance operations is projected to have a year-end variance of (\$3.236M) to (\$2.379M), based on winter maintenance being 40% worse than budget for the last six weeks of the year similar to what was experienced in the first quarter of 2014 or being on budget. Staff recommends the winter maintenance unfavourable variance be funded from the Corporate Rate Stabilization Reserve.

Based on the above, the projected year-end deficit is as follows:

	Projected Year-End Variance
	Fav./(Unfav.)
1. Primary operating budget including YE Accounting Adjustment	(\$0.100M) to \$0.900M
3. Winter maintenance unfavourable variance	<u>(\$3.236M) to (\$2.379M)</u>
Deficit	(\$3.336M) to (\$1.479M)

Planning & Design (Appendix 2)

Planning & Design net unfavourable variance = (\$0.686M)

At the end of the second quarter the actual operating results against budget netted an unfavourable variance of (\$0.686M) due to lower than budgeted Planning and Design fees in the amount of (\$0.853M) offset partially by favourable expenditure variance of \$0.167M as a result of 5 net average vacancies.

Year-End Projection:

Planning & Design is projecting a year-end deficit of (\$1.400M) compared to a budgeted deficit of (\$0.855M). This will result in an additional draw from reserve of (\$0.545M) to a total of (\$1.400M). The projected deficit is due to a forecasted reduction in the number of units registered through subdivision or site plan agreements than budget (2,075 vs. 2,639 units), partially offset by favourable personnel variances due to continuation of 5 net average vacancies into year-end.

Engineering (Appendix 3)

Engineering net unfavourable variance = (\$0.083M)

At the end of the second quarter the actual operating results against budget netted an unfavourable variance of (\$0.083M).

Year-End Projection:

Engineering is projecting a year-end deficit of (\$2.300M) compared to a budgeted deficit of (\$1.537M). This will result in an additional draw from reserve of (\$0.763M) to a total of (\$2.300M). The projected deficit is due to a forecasted reduction in the number of units registered through subdivision or site plan agreements and lower capital administration fee from deferral of several Engineering capital projects to 2015, including various 404 crossing projects, Centurian Drive reconstruction and Church Street reconstruction.

Based on the above year end projection in Planning, Design and Engineering, the reserve is anticipated to be in a deficit position of (\$7.701M) at year-end (see Appendix 4).

Building Standards (Appendix 5)

Building Standards net unfavourable variance = (\$0.023M)
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At the end of the second quarter the actual operating results against budget netted an unfavourable variance of (\$0.023M).

Year-End Projection:

Staff is projecting a year-end deficit of (\$2.100M) compared to a budgeted deficit of (\$1.539M). This will result in an additional draw from reserve of (\$0.561M) to a total of

(\$2.100M). The change is due to projected lower permit activities partially offset by 5 average net full-time vacancies.

Based on the above year end projection in Building Services, the balance of the reserve is anticipated to be \$11.825M at year-end (see Appendix 6).

Waterworks (Appendix 7)

Waterworks net unfavourable variance = (\$0.792M)
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At the end of the second quarter the actual operating results against budget netted an unfavourable variance of (\$0.792M), the main drivers of which are:

- Lower than budgeted water sales resulted in an unfavourable “net sales and purchases” variance of (\$0.731M);
- Unfavourable revenues in the amount of (\$0.275M) as a result of less revenues from subdivision agreements;
- Above is offset by a favourable variance of \$0.111M due to an average of six net vacancies;
- And a favourable variance of \$0.104M in non-personnel expenditures.

Year-End Projection:

Upon budget approval the projected surplus of \$13.815M was transferred to the Waterworks reserve. Based on the June year-to-date results, Waterworks is projected to be unfavourable by (\$1.000M) to being on budget at year end. This results in a net transfer to the reserve of \$12.815M to \$13.815M.

The year-end Waterworks reserve balance is projected to be between \$33.864M and \$34.864M (see Appendix 8).

PURPOSE:

To report on the year-to-date actual 2014 operating budget results versus the calendarized 2014 operating budget as at June 30, 2014 and forecast the year-end results to the annual plan.

BACKGROUND

Council approved the 2014 annual operating budget of \$306.853M on February 11, 2014 which includes the City’s primary operating budget, Planning & Design operating budget, Engineering operating budget, Building Standards operating budget and Waterworks operating budget. The primary operating budget is mainly tax funded to support the City’s day-to-day operations.

The Planning & Design, Engineering, Building Standards and Waterworks operating budgets are primarily user fee funded, such as planning and engineering fees, building

permit fees and water billings. Separate reserves have been established to support the department's day-to-day operations and capital programs.

The year to date operating budget is calendarized based on available current year information, historical spending patterns and trends and future projections. The intent and focus of this report is to monitor and communicate actual performance to the annual plan and highlight trends and variances.

All budgets are monitored on a monthly basis and departments provide details of material variances (actual to budget). The variances are reviewed, substantiated and summarized by the Financial Planning department.

DISCUSSION:

City's Surplus Before Winter Maintenance

At the end of the second quarter the actual operating results before winter maintenance against budget netted a favourable variance of \$1.068M and the breakdown is as follows:

Revenues	(\$0.116M)
Personnel Expenditures	\$0.528M
Non-Personnel Expenditures	<u>\$0.656M</u>
	<u>\$1.068M</u>

REVENUES

At the end of the second quarter, revenues were unfavourable by (\$0.116M), 0.1% lower than budget.

Revenues	Fav./(Unfav.)
General Revenues	(\$0.038M)
User Fees & Service Charges	(\$0.095M)
Grant & Subsidy Revenues	\$0.099M
Other Income	(\$0.082M)
Net Variance	(\$0.116M)

General Revenues

General revenues were unfavourable by (\$0.038M), the main driver is unfavourable parking fine revenues of (\$0.094M), out of which (\$0.050M) was due to bylaw enforcement officers being assigned to respond to the December severe ice storm instead of their normal parking ticketing duties and (\$0.044M) due to an increase in visits to the First Attendance Office. Recipients of parking infraction tickets have the option to pay the ticket or dispute it by visiting the First Attendance Officer. The First Attendance Officer upon understanding the situation may potentially negotiate for a fine reduction, but if a settlement can not be reached, the dispute will be forwarded to a future court hearing. Staff are exploring other mitigating strategies in addition to expanded private property enforcement and increased enforcement to address obstruction to accessibility and fire routes.

User Fees and Service Charges

User fees and service charges were unfavourable by (\$0.095M), the main drivers of which are:

Recreation

Recreation revenues were unfavourable by (\$0.296M) compared to budget and improved by \$0.187M compared to prior year June YTD revenues (excluding impact from 2014 revenue rate increases). The unfavourable variance to budget was mainly from aquatics. Staff will mitigate the unfavourable variance by offering more private and semi private classes and manage associated expenses. Furthermore, Recreation will be offering a renewed program mix and developing/implementing extra programming opportunities in 2014. The proposed mitigating strategies will take time to correct and may not offset the anticipated unfavourable variance in 2014.

Theatre

Theatre revenues were favourable by \$0.221M primarily due to higher ticket sales in the professional entertainment series. The favourable variance in revenue is partially offset by associated higher personnel and non-personnel costs, which resulted in a net unfavourable variance of (\$0.073M). Theatre experienced decline in ticket sales due to 3 cancelled shows and lower sales in the first quarter as a result of extreme winter conditions while fixed costs continued to be incurred.

Grants and Subsidy Revenues

The favourable variance of \$0.099M resulted from the receipt of one-time federal and provincial grants.

PERSONNEL EXPENDITURES

At the end of the second quarter, personnel expenditures were favourable by \$0.528M, 1.0% better than budget .

Salary & Benefits	Fav./(Unfav.)
Full time net of vacancy backfills and part time salaries	\$1.021M
Overtime and other personnel costs	(\$0.493M)
Net Variance	\$0.528M

As at June 30, there were 28 net vacancies and 15 temporary vacancies from approved leaves of absence and secondments which resulted in a favourable variance of \$1.833M. This is offset by full year budgeted salary gapping of (\$0.455M) and unfavourable variance of (\$0.357M) for part-time salaries. The main drivers for the unfavourable part-time salaries variance are:

- Legislative Services – Unfavourable variance of (\$0.175M) resulting from coverage for vacancies in Parking Control (\$0.134M) (offset by favourable full-time variance of \$0.182M), and (\$0.036M) in Contact Centre to manage high call volumes in January to March (mostly related to winter maintenance). Contact Centre anticipates this will be on budget by year-end.

- Museum – Unfavourable variance of (\$0.101M) driven by training for summer camps and additional part-time expenditures which are expected to be offset by program revenues.
- Theatre – Unfavourable variance of (\$0.036M) which was offset by increased professional entertainment series ticket sales.
- Other unfavourable part-time variance of (\$0.045M) from various departments.

Overtime was unfavourable by (\$0.512M) due to coverage for absences in the Fire Department due to illnesses, bereavement or parental leaves (the majority of which is offset by a favourable full-time variance of \$0.400M).

NON-PERSONNEL EXPENDITURES

At the end of the second quarter the actual operating results excluding winter maintenance were favourable by \$0.656M, 1.6% better than budget.

Major drivers for non-personnel variance	Fav./ (Unfav.) in \$M
Professional services/training/travel/office supplies	0.531
Contract Service Agreements	0.312
Waste Collection	0.105
Theatre Professional Entertainment Fees	(0.186)
Property Tax Adjustments	(0.171)
Other	0.065
Total	0.656

Highlights of Expenditure Variances

- \$0.531M favourable variance from professional services, training, travel and office supplies originating from various departments across the City.
- \$0.312M favourable variance in contract service agreements due to favourability from the Legislative Services canine control service by \$0.110M, pricing favourability from the Operations pavement marking contract by \$0.058M and variances from various other departments.
- \$0.105M favourable variance in waste collection mainly due to lower waste tonnage (1,426 tonnes or 15% of budget). The Waste Management department identified that the reduction in tonnage is due to banned electronics, lower newspaper disposal resulting from increased readership via the internet, less packaging from manufacturers to be more cost effective and environmentally friendly, and less glass recycling.
- (\$0.186M) unfavourable variance in Theatre professional entertainment fees which was offset by increased professional entertainment series ticket sales.
- (\$0.171M) unfavourable in property tax adjustments due to an acceleration in the processing of Assessment Review Board (ARB) cases in an effort to eliminate backlog.

The City's operating results against budget are provided in Appendix 1.

FINANCIAL RESULTS BY COMMISSION AND DEPARTMENT

The variances for the six months ended June 30, 2014 by each Commission and Department, summarized by personnel expenditures, non-personnel expenditures and revenues, are provided in Appendices 9 to 12. Explanations for variances greater than \$0.100M are provided below.

CAO's Office, HR, Legal and Sustainability (see Appendix 9)**Human Resources** (favourable variance of \$0.129M)

Favourable variance mainly due to two net average vacancies \$0.048M, service awards \$0.047M, management consulting \$0.031M and training \$0.032M.

Community and Fire Services (Appendix 10)**Roads** (favourable variance of \$0.265M)

Favourable variance mainly due to three net average vacancies \$0.102M, contracted services \$0.058M due to favourable pavement marking contract and traffic signs/supplies \$0.025M.

Fire Services (unfavourable variance of \$0.294M)

Unfavourable variance mainly due to overtime costs net of full-time personnel variance. Refer to page 8 for variance explanations.

Waste Management (favourable variance of \$0.135M)

Favourable variance due to two net average vacancies \$0.052M and lower than budgeted tonnage of waste collected \$0.105M.

Corporate Services (Appendix 11)**Financial Services** (favourable variance of \$0.307M)

Favourable variance mainly due to four net average vacancies.

ITS (favourable variance of \$0.118M)

Favourable variance mainly due to two net average vacancies \$0.098M, computer software service agreements \$0.054M and training \$0.025M offset partially by salary gapping (\$0.029M).

YEAR-END PROJECTION**Primary Operating Budget Including Year-End Accounting Adjustments**

Staff monitors the month and YTD results from operations closely to identify any risks to achieving a balanced budget, and opportunities for generating a surplus to offset the year-end accounting adjustments, which are not included in the 2014 budget.

Based on the June YTD results from operations, Staff is projecting the year-end results from business operations including year-end accounting adjustments and excluding winter maintenance to be in the range of (\$0.100M) to \$0.900M.

Historically the City does not budget for year-end accounting adjustments which include Firefighters sick leave, 27th pay accrual, severance and salary continuance, and post retirement benefits. The 2014 year-end accounting adjustments are estimated at \$2.400M. Staff identified opportunities to offset the year-end accounting adjustments in the amount of \$2.300M, leaving a net shortfall of (\$0.100M) which has been included in the primary operating budget year-end projection of (\$0.100M) to \$0.900M.

Winter Maintenance Operations

Winter maintenance operations is projected to have a year-end variance of (\$3.236M) to (\$2.379M). Staff recommends the winter maintenance operations be funded from the Corporate Rate Stabilization Reserve.

Based on the above, the projected net year-end deficit is as follows:

	Projected Year-End Variance Fav./(Unfav.)
1. Primary operating budget including YE Accounting Adjustment	(\$0.100M) to \$0.900M
3. Winter maintenance unfavourable variance	(\$3.236M) to (\$2.379M)
Deficit	(\$3.336M) to (\$1.479M)

Planning & Design

Planning & Design is projecting a year-end deficit of (\$1.400M) compared to a budgeted deficit of (\$0.855M). This will result in an additional draw from reserve of (\$0.545M) to a total of (\$1.400M). The projected deficit is due to a forecasted reduction in the number of units registered through subdivision or site plan agreements than budget (2,075 vs. 2,639 units), partially offset by favourable personnel variances due to continuation of 5 net average vacancies into year-end.

Engineering

Engineering is projecting a year-end deficit range of (\$2.300M) compared to a budgeted deficit of (\$1.537M). This will result in an additional draw from reserve of (\$0.763M) to a total of (\$2.300M). The projected deficit is due to a forecasted reduction in the number of units registered through subdivision or site plan agreements and lower capital administration fee from deferral of several Engineering capital projects to 2015, including various 404 crossing projects, Centurian Drive reconstruction and Church Street reconstruction.

Based on the above year end projection in Planning, Design and Engineering, the reserve is anticipated to be in a deficit position of (\$7.701M) at year-end (see Appendix 4).

Building Services

Staff is projecting a year-end deficit of (\$2.100M) compared to a budgeted deficit of (\$1.539M). This will result in an additional draw from reserve of (\$0.561M) to a total of

(\$2.100M). The change is due to projected lower permit activities partially offset by 5 average net full-time vacancies.

Based on the above year end projection in Building Services, the balance of the reserve is anticipated to be \$11.825M at year-end (see Appendix 6).

Waterworks

Upon budget approval the projected surplus of \$13.815M was transferred to the Waterworks reserve. Based on the June year-to-date results, Waterworks is projected to be unfavourable by (\$1.000M) to being on budget at year end. This results in a net transfer to the reserve of \$12.815M to \$13.815M.

The year-end Waterworks reserve balance is projected to be between \$33.864M and \$34.864M (see Appendix 8).

FINANCIAL CONSIDERATIONS:

Staff will continue to monitor the results of Operations each month and identify strategies, where necessary, to mitigate the unfavourable variance from winter maintenance.

Further, Staff will provide a year-end projection as part of the September 2014 year-to-date review of operations and it will be brought forward to the November 17th General Committee.

RECOMMENDED

03/09/2014



Mark Visser
Acting Treasurer

04/09/2014



Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:**Appendices 1 to 12:**

Appendix 1 – Primary Operating Budget - Financial Results for the Six Months Ended June 30, 2014

Appendix 2 – Planning & Design Operating Budget - Financial Results for the Six Months Ended June 30, 2014

Appendix 3 – Engineering Operating Budget - Financial Results for the Six Months Ended June 30, 2014

Appendix 4 – Planning & Engineering Development Fee Reserve Balance – Year-end Projection as at June 30, 2013

Appendix 5 – Building Standards Operating Budget - Financial Results for the Six Months Ended June 30, 2014

Appendix 6 – Building Fee Reserve Balance – Year-end Projection as at June 30, 2013

Appendix 7 – Waterworks Operating Budget - Financial Results for the Six Months Ended June 30, 2014

Appendix 8 – Waterworks Reserve Balance – Year-end Projection as at June 30, 2013

Appendix 9 – Variances by Commission and Department for the Six Months Ended June 30, 2014– CAO's Office, Human Resources, Legal and Sustainability

Appendix 10 – Variances by Commission and Department for the Six Months Ended June 30, 2014– Community and Fire Services

Appendix 11 – Variances by Commission and Department for the Six Months Ended June 30, 2014– Corporate Services

Appendix 12 – Variances by Commission and Department for the Six Months Ended June 30, 2014– Development Services

CITY OF MARKHAM
Operating Budget
(Excluding Planning & Design, Engineering, Waterworks and Building Standards)
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

	2014 Actual	2014 Budget	Variance fav./((unfav.))	Annual Budget	Variance as % of YTD Budget fav./((unfav.))	Year-end Variance Projection Range Fav./((Unfav)) From To	
Revenues							
Property Taxation Revenues	114.475	114.475	(0.000)	131.708			
General Revenues	11.315	11.353	(0.038)	26.724			
User Fees & Service Charges	10.418	10.513	(0.095)	23.158			
Grant & Subsidy Revenues	0.743	0.644	0.099	1.555			
Other Income	2.014	2.096	(0.082)	4.459			
Revenues Total	138.966	139.082	(0.116)	187.604	-0.1%	(0.200)	0.000
Expenditures							
Salaries & Benefits	54.471	54.999	0.528	111.469			
Material & Supplies	2.723	2.997	0.275	7.330			
Purchased Services	15.237	15.596	0.359	37.967			
Other Expenditures	21.824	21.847	0.023	30.831			
Expenditures Total	94.255	95.439	1.184	187.596	1.2%	0.200	1.000
Surplus before Winter Maintenance	44.710	43.642	1.068	0.008		0.000	1.000
Winter Maintenance Unfavourable Variance	7.970	5.591	(2.379)			(3.236)	(2.379)
Year-End Accounting Adjustments						(0.100)	(0.100)
(Deficit)	36.741	38.052	(1.311)	0.008		(3.336)	(1.479)

CITY OF MARKHAM
Planning & Design Operating Budget
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

	2014 Actual	2014 Budget	Variance fav./(unfav.)	Annual Budget	Variance as % of Budget fav./(unfav.)	Year-end Deficit Projection Range Fav./(Unfav) From To	
Revenues							
Planning & Design Fees	2.378	3.231	(0.853)	6.974			
Revenues Total	2.378	3.231	(0.853)	6.974	-26.4%		
Expenditures							
Salaries & Benefits	2.579	2.749	0.170	5.630			
Material & Supplies	0.019	0.018	(0.001)	0.050			
Purchased Services	1.127	1.125	(0.002)	2.149			
Expenditures Total	3.726	3.893	0.167	7.829	4.3%		
(Deficit) Before Transfer to Reserve	(1.348)	(0.662)	(0.686)	(0.855)		(1.400)	(1.400)
Draw from Reserve	0.000	0.000	0.000	(0.855)		(1.400)	(1.400)
(Deficit) After Transfer to Reserve	(1.348)	(0.662)	(0.686)	0.000		0.000	0.000

CITY OF MARKHAM
Engineering Operating Budget
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

	2014 Actual	2014 Budget	Variance fav./(unfav.)	Annual Budget	Variance as % of Budget fav./(unfav.)	Year-end Deficit Projection Range Fav./(Unfav) From To	
Revenues							
Engineering Fees	1.068	1.138	(0.070)	4.991			
Revenues Total	1.068	1.138	(0.070)	4.991	-6.1%		
Expenditures							
Salaries & Benefits	2.209	2.158	(0.052)	4.501			
Material & Supplies	0.016	0.021	0.005	0.042			
Purchased Services	0.949	0.983	0.033	1.984			
Expenditures Total	3.175	3.161	(0.014)	6.528	-0.4%		
(Deficit) Before Transfer to Reserve	(2.107)	(2.024)	(0.083)	(1.537)		(2.300)	(2.300)
Draw from Reserve	0.000	0.000	0.000	(1.537)		(2.300)	(2.300)
(Deficit) After Transfer to Reserve	(2.107)	(2.024)	(0.083)	0.000		0.000	0.000

CITY OF MARKHAM
Planning & Engineering Development Fee Reserve Balance
 As at June 30, 2014
 (in millions of dollars)

	2014 Budget	2014 Projection
Opening Balance at January 1, 2014	(3.959)	(3.959)
Transfer to Capital and Interest Income	(0.042)	(0.042)
Transfer to/(from) Reserves		
Planning & Design	(0.855)	(1.400)
Engineering	(1.537)	(2.300)
Planning & Engineering Reserve Ending Balance	(6.393)	(7.701)

CITY OF MARKHAM
Building Standards Operating Budget
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

	2014 Actual	2014 Budget	Variance fav./(unfav.)	Annual Budget	Variance as % of Budget fav./(unfav.)	Year-end Deficit Projection Range Fav./(Unfav)	
						From	To
Revenues							
Building Permits	3.045	3.100	(0.054)	6.817			
Other Revenues	0.030	0.015	0.015	0.030			
Revenues Total	3.076	3.115	(0.039)	6.847	-1.3%		
Expenditures							
Salaries & Benefits	2.652	2.647	(0.005)	5.702			
Material & Supplies	0.034	0.040	0.006	0.081			
Purchased Services	1.296	1.311	0.015	2.603			
Expenditures Total	3.982	3.998	0.016	8.386	0.4%		
(Deficit) Before Transfer to Reserve	(0.907)	(0.883)	(0.023)	(1.539)		(2.100)	(2.100)
Draw from Reserve	0.000	0.000	0.000	(1.539)		(2.100)	(2.100)
(Deficit) After Transfer to Reserve	(0.907)	(0.883)	(0.023)	0.000		0.000	0.000

CITY OF MARKHAM
Building Reserve Balance

As at June 30, 2014
(in millions of dollars)

	2014 Budget	2014 Projection
Opening Balance at January 1, 2014	13.846	13.846
Transfer to Capital and Interest Income	0.079	0.079
Transfer to/(from) Reserves	(1.539)	(2.100)
Building Reserve Ending Balance	12.386	11.825

CITY OF MARKHAM
Waterworks Operating Budget
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

	2014 Actual	2014 Budget	Variance fav./(unfav.)	Annual Budget	Variance as % of Budget fav./(unfav.)	Year-end Variance Projection Range Fav./(Unfav) From To	
Sales & Purchases of Water							
Water Revenue							
Water & Sewer Billing	42.110	42.833	(0.723)	95.207			
Water Expenditure							
Contracted Municipal Services	30.786	30.778	(0.008)	68.765			
Net Sales & Purchases of Water	11.324	12.055	(0.731)	26.442	-6.1%		
Other Revenues Total	0.364	0.639	(0.275)	1.299	-43.1%		
Other Expenditures							
Salaries & Benefits	3.314	3.425	0.111	6.973			
Non Personnel Expenditures	4.281	4.385	0.104	6.952			
Expenditures Total	7.595	7.810	0.215	13.925	2.8%		
Surplus Before Transfer to Reserve	4.093	4.884	(0.792)	13.815		0.000	(1.000)
Transfer to Reserve	0.000	0.000	0.000	13.815		0.000	(1.000)
Surplus After Transfer to Reserve	4.093	4.884	(0.792)	0.000		0.000	0.000

CITY OF MARKHAM
Waterworks Reserve Balance
 As at June 30, 2014
 (in millions of dollars)

	2014 Budget	2014 Projection	
		From	To
Opening Balance - January 1, 2014	32.835	32.835	32.835
Transfer to Reserves at time of budget approval	13.815	13.815	13.815
Transfer from Reserve for 2013 year end unfavourable variance	(1.515)	(1.515)	(1.515)
Transfer to 2014 Capital	(11.202)	(11.202)	(11.202)
Interest Income	0.183	0.183	0.183
Transfer from 2014 closed capital projects	0.000	0.748	0.748
Transfer from Reserve for 2014 year end unfavourable variance	0.000	(1.000)	0.000
Waterworks Reserve Ending Balance	34.116	33.864	34.864

CITY OF MARKHAM
Variances by Commission and Department
CAO'S Office, Human Resources, Legal Services and Sustainability Office
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

Department	Personnel	Non-Personnel	Revenue	Total
CAO'S OFFICE	0.003	(0.003)	0.000	0.001
HUMAN RESOURCES	0.087	0.042	0.000	0.129
LEGAL DEPT.	0.010	0.003	(0.053)	(0.039)
SUSTAINABILITY OFFICE	0.044	(0.034)	0.042	0.053
Total	0.144	0.009	(0.010)	0.143

CITY OF MARKHAM
Variances by Commission and Department
Community and Fire Services
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

Department	Personnel	Non-Personnel	Revenue	Total
ARTS CENTRES	(0.052)	0.058	(0.007)	(0.001)
MUSEUM	(0.096)	0.031	0.022	(0.042)
THEATRE	(0.043)	(0.251)	0.221	(0.073)
CULTURAL SERVICES	(0.000)	0.018	0.019	0.037
FLEET	(0.005)	(0.068)	-	(0.073)
PARKS (Excl. Winter Maintenance)	0.101	(0.008)	(0.056)	0.038
ROADS (Excl. Winter Maintenance)	0.106	0.159	0.001	0.265
TRAFFIC OPERATIONS	0.003	0.025	(0.000)	0.027
OPERATIONS ADMIN	(0.022)	0.021	0.020	0.020
ASSET MANAGEMENT	0.037	0.003	(0.001)	0.039
FIRE SERVICES	(0.314)	0.046	(0.027)	(0.294)
LIBRARY	0.044	0.074	(0.035)	0.083
RECREATION SERVICES	0.206	0.118	(0.296)	0.029
WASTE	0.052	0.068	0.015	0.135
COMMISSIONER'S OFFICE	0.054	0.022	-	0.076
Total Excl. Winter Maintenance	0.070	0.318	(0.124)	0.264
WINTER MAINTENANCE	(0.261)	(2.156)	0.037	(2.379)
Total	(0.191)	(1.838)	(0.087)	(2.116)

CITY OF MARKHAM
Variances by Commission and Department
Corporate Services
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

Department	Personnel	Non-Personnel	Revenue	Total
LEGISLATIVE SERVICES	0.031	0.016	(0.117)	(0.071)
FINANCIAL SERVICES	0.225	0.059	0.024	0.307
ITS DEPARTMENT	0.050	0.073	(0.005)	0.118
CORP. COMMUNICATIONS & COMMUNITY ENGAGEMENT	0.070	0.016	0.009	0.094
COMMISSIONER'S OFFICE	0.037	0.001	-	0.038
Total	0.411	0.164	(0.089)	0.487

CITY OF MARKHAM
Variances by Commission and Department
Development Services
Financial Results for the Six Months Ended June 30, 2014
(in millions of dollars)

Department	Personnel	Non-Personnel	Revenue	Total
ECONOMIC DEVELOPMENT	0.028	(0.010)	0.043	0.061
COMMISSIONER'S OFFICE	0.009	(0.002)	-	0.007
Total	0.037	(0.012)	0.043	0.068