

**September 2012 YTD Review of Operations and  
Year End Projection**

**General Committee**

**November 19, 2012**

# September YTD Results of Operations

(excluding Planning & Design, Engineering, Building Services and Waterworks)  
(\$ in millions)

## Markham's September YTD Results of Operations Favourable Variance of \$2.410M vs. Budget

### Revenues Favourable Variance of \$0.424M

	Fav./(Unfav.)	
Financial services and legal administrative fees	0.335	M
Theatre revenues (ticket sales, registration fees and rental)	0.182	M
Federal and Provincial Grants	0.135	M
Snowplow recoveries from unassumed subdivisions	0.100	M
Recreation revenue (fitness memberships -\$175k and gym/hall rentals -\$144k)	(0.352)	M
Other	0.024	M

### Personnel Favourable Variance of \$0.483M

Personnel	Fav./(Unfav.)	
Full time Salaries net of vacancy backfills & Part Time Salaries	0.677	M
Other	(0.194)	M

### Non-Personnel Favourable Variance of \$1.503M

Expenditures	Fav./(Unfav.)	
Winter maintenance	1.360	M
Training/travel/promotion/advertising/professional fees	0.662	M
Waste Collection	0.289	M
Non-personnel expenditure gapping (full year)	(0.341)	M
Streetlight maintenance	(0.282)	M
Theatre professional entertainment fees	(0.197)	M
Other	0.012	M

# Markham's Year End Projection

(excluding Planning & Design, Engineering, Building Services and Waterworks)

(\$ in millions)

**Markham's Year End Projection  
Being on budget to \$1.500M favourable**

## Revenues

**Favourable variance of \$0.500M to \$1.000M**

### Main drivers are:

*Favourable variance due to the following:*

- Supplemental tax revenue
- Financial services and legal administrative fees
- Snowplow recoveries from unassumed subdivisions
- One time federal and provincial grants

### Offset by:

- Recreation revenues (primarily fitness membership revenues and gym/hall rentals)

## Expenditures

**Unfav. var. of (\$0.500M) to fav. var. \$0.500M**

### Main drivers are:

*Favourable variance due to the following:*

- Personnel expenditures resulting from vacancies
- Lower winter maintenance costs
- Lower professional services and advertising & promotion costs
- Lower contracted services, operating materials and supplies

### Offset by:

- Unbudgeted year-end accounting accruals
- Higher streetlight maintenance costs

# Planning & Design Operating Budget

(\$ in millions)

## September YTD Results Favourable Variance of \$1.020M vs Budget

**Revenues**  
Fav. var. of \$0.913M

**Personnel**  
Fav. var. of \$0.133M

**Non-Personnel**  
Unfav. var. of (\$0.026M)

Favourable variance of \$1.020M compared to budget is due to higher development application activities resulting from the delay in servicing allocation from the Region in 2011 that led to higher development application activities in 2012.

### Year End Projection:

Budgeted deficit	(\$0.517M)
Projected surplus	<u>\$0.487M</u>
Favourable Variance	\$1.004M
<u>Reserve Impact</u>	
Transfer to Reserves	\$0.487M

# Engineering Operating Budget

(\$ in millions)

**September YTD Results**  
**Favourable Variance of \$1.535M vs Budget**

**Revenues**  
**Fav. var. of \$1.142M**

**Personnel**  
**Fav. var. of \$0.355M**

**Non-Personnel**  
**Fav. var. of \$0.038M**

Favourable variance of \$1.535M compared to budget due to higher development fee application activities resulting from the delay in servicing allocation in 2011 that led to higher development application activities in 2012 as well as an average of three net vacancies.

## Year End Projection:

<b>Budgeted deficit</b>	<b>(\$0.874M)</b>
<b>Projected surplus</b>	<b><u>\$0.227M</u></b>
<b>Favourable Variance</b>	<b>\$1.101M</b>
<b><u>Reserve Impact</u></b>	
<b>Transfer to Reserves</b>	<b>\$0.227M</b>

# Planning & Engineering Reserve Balance

(\$ in millions)

	2012 Budget	2012 Projection	Variance Fav./Unfav.)
Opening Balance at January 1, 2012	(2.455)	(2.455)	0.000
Transfer to Capital and Interest Income	(0.421)	(0.421)	0.000
Transfer to/(from) Reserves			
Planning & Design	(0.517)	0.487	1.004
Engineering	(0.874)	0.227	1.101
Planning & Engineering Reserve Ending Balance	(4.267)	(2.162)	2.105

# Building Standards Operating Budget

(\$ in millions)

## September YTD Results Favourable Variance of \$2.623M vs Budget

**Revenues**  
Fav. var. of \$2.426M

**Personnel**  
Fav. var. of \$0.169M

**Non-Personnel**  
Fav. var. of \$0.028M

Favourable variance of \$2.623M compared to budget due to higher number of permits received to date (YTD received 4,672 – Residential 3,881, ICI 445 & Other 346, vs. full year budget 4,260).

## Year End Projection:

Budgeted surplus	\$0.470M
Projected surplus	<u>\$3.343M</u>
Favourable variance	\$2.873M
<u>Reserve Impact</u>	
Transfer to Reserves	\$3.343M

# Building Reserve Balance

(\$ in millions)

	2012 Budget	2012 Projection	Variance Fav./(Unfav.)
Opening Balance at January 1, 2012	6.630	6.630	0.000
Transfer to Capital and Interest Income	0.035	0.035	0.000
Transfer to/(from) Reserves	0.470	3.343	2.873
Building Reserve Ending Balance	7.135	10.008	2.873



# Waterworks Operating Budget

(\$ in millions)

**September YTD Results**  
**Unfavourable Variance of (\$3.094M) vs. Budget**

**Sales & Purchases**  
**Unfav. var. of (\$4.133M)**

**Revenues**  
**Fav. var. of \$0.904M**

**Personnel**  
**Fav. var. of \$0.065M**

**Non-Personnel**  
**Fav. var. of \$0.070M**

Unfavourable variance of (\$3.094M) mainly due to higher non-revenue water and lower sales volume, partially offset by higher revenues from water meter installations and other related services resulting from higher development activities and lower Personnel and Non-Personnel costs.

## Year End Projection:

Budgeted Surplus	\$12.086M
Projected Surplus	<u>\$ 8.586M</u>
Unfavourable variance	(\$ 3.500M)

### Reserve Impact

\$12.086M was transferred to the reserve at the time of budget approval. Adjustments to the reserve will be made based on the actual results at year-end.

# Waterworks Reserve Balance

(\$ in millions)

	2012 Budget	2012 Projection	Variance Fav./((Unfav.))
Opening Balance - January 1, 2012	13.098	13.098	0.000
Transfer to/(from) Reserves at time of budget approval	12.086	12.086	0.000
Transfer to Capital	(9.498)	(9.498)	0.000
Transfer from Interest Income	0.089	0.089	0.000
Transfer from Closed Capital Projects	0.000	2.764	2.764
Transfer from Reserve for year-end deficit	0.000	(3.500)	(3.500)
Waterworks Reserve Ending Balance	15.775	15.039	(0.736)

## Next Steps

- 2012 year-end results of operations will be presented to General Committee in Q1 2013.