

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON AUGUST 26, 2014
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2014 OPERATING BUDGET STATUS – SECOND QUARTER REPORT

RECOMMENDATION

1. That the 2014 Operating Budget Status – Second Quarter Report for the General (Property Tax Supported refer to **Appendix A**), Water and Wastewater and Treatment Budgets **BE RECEIVED** for information, it being noted that Civic Administration is projecting:
 - a. \$1.3 million in net savings for the General (Property Tax Supported) Budget as identified by Civic Service Areas and Boards and Commissions. It being noted that the year end position could fluctuate significantly based on factors beyond the control of Civic Administration such as Ontario Works caseload and winter maintenance.
 - b. \$0.6 million deficit in the Water rate supported budget.
 - c. \$0.6 million savings in the Wastewater and Treatment rate supported budget.
2. That Civic Administration **BE AUTHORIZED** to contribute to/draw down from the Operating Budget Contingency Reserve to balance year end operations of the Property Tax Supported Budget should the budget be in a surplus/deficit position.
3. That Civic Administration **BE AUTHORIZED** to contribute to the Unfunded Liability Reserve any operational savings realized from personnel and contingency budgets at 2014 year end, it being noted that the net unfunded liability balance as reported in the 2013 Financial Statement is at \$77.4 million.
4. That Civic Administration **BE AUTHORIZED** to contribute to the Economic Development Reserve Fund to be used to support initiatives brought forward by the Investment and Economic Prosperity Committee that best accelerate London's economy and foster private sector investment in the City should the Property Tax Supported Budget be in a surplus position.
5. That with respect to the Information Technology Services operational savings, if any, Civic Administration **BE AUTHORIZED** to contribute to the Technology Services Reserve Fund to be used to support investments in corporate systems.
6. That Civic Administration **BE AUTHORIZED** to draw down from the Severe Weather Reserve, should the overall Property Tax Supported Budget be in a deficit position, to mitigate expenditures associated with above average snowfall.
7. That Civic Administration **BE AUTHORIZED** to contribute to/draw down from the Water Capital Reserve Fund to balance year end operations of the Water Budget should the budget be in a surplus/deficit position.
8. That Civic Administration **BE AUTHORIZED** to contribute to/draw down from the Wastewater Rate Stabilization Reserve and Sewage Works Reserve Fund to balance year end operations of the Wastewater & Treatment Budget should the budget be in a surplus/deficit position.
9. That Civic Administrations contribution of \$1,093,580 (\$932,472 – property tax supported; \$123,880 – wastewater; and \$37,228 – water) to the Efficiency, Effectiveness and Economy reserves in 2014 **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- 2013 Operating Budget Status - Fourth Quarter Report (April 8, 2014 meeting of Corporate Services Committee, Agenda Item 3)

BACKGROUND

The 2014 Operating Budget Status - Second Quarter Report provides a review and analysis of the general operating budget for the January 1st to June 30th, 2014 time period. **Appendix A** compares actual costs incurred as of June 30th, 2014 for the Property Tax Supported Budget. The comparison of actual costs incurred by Service Grouping to the annual budget can assist administration and Council in projecting the year end surplus/(deficit) positions and highlight any potential pressure points in future budgets.

A surplus arises in the operating budget when there is an excess of revenues over expenditures. Year end surpluses generally arise from two circumstances — higher than budgeted revenues (including one-time only revenues), and/or lower than budgeted expenditures. A deficit arises in the operating budget when there is an excess of expenditures over revenues. Year end deficits generally arise from two circumstances — lower than budgeted revenues, and/or higher than budgeted expenditures (including one-time only expenditures).

In December 2007, Council approved the Surplus/Deficit Policy. The allocation of year end surplus/deficit positions according to the policy is as follows:

- 1) Surpluses, if any, should be fully contributed to the Operating Budget Contingency Reserve at year end and, in the subsequent year, allocated as follows:
 - a) The first \$850,000 of the previous year end surplus should be contributed as revenue in that year and reduce the tax levy (noting that this amount is already built into the tax levy);
 - b) 50% of the balance of year end surplus be applied to debt reduction/elimination and/or avoidance;
 - c) The balance of year end surplus be applied by Council to:
 - i. Fund capital projects that cannot be fit within the capital funding envelope;
 - ii. Contribute to the Operating Budget Contingency Reserve to provide for a reasonable cushion against deficits or unexpected expenditure/revenue losses;
 - iii. Contribute to the Unfunded Liability Reserve in order to help fund liabilities reported on the financial statements which have not been funded;
 - iv. Meet one-time community needs, provide for new initiatives/investments that produce a benefit to the community/taxpayer.
- 2) Deficits, if any, should be funded through a draw from the Operating Budget Contingency Reserve at year end.

2014 GENERAL (PROPERTY TAX SUPPORTED) BUDGET

Outlined in the table below is a comparison of net costs incurred as of June 30th, 2014 in comparison to costs incurred as of June 30th, 2013 for the property tax supported budget.

	Net Budget (\$ millions)	As at June 30 (\$ millions)	% Spent
2014	\$498.7	\$250.9	50.3%
2013	\$479.6	\$226.1	47.1%

As of June 30, 2014, Civic Administration is projecting a savings in the property tax supported budget. Outlined below are some of the key items that are contributing to the projected year end position.

Contributing Factor	\$ Millions Surplus/(Deficit)
<ul style="list-style-type: none"> Higher than anticipated winter maintenance costs due to higher than average snowfall experienced in the first half of 2014. 	(2.0)
<ul style="list-style-type: none"> Fire interest arbitration award of 1.9% effective January 1, 2014 to the London Professional Firefighters Association, it being noted that funding to support an interim 2014 interest arbitration award was not included in the Fire Service 2014 Council approved budget. 	(0.9)
<ul style="list-style-type: none"> Civic Service Areas continue to manage personnel vacancies across the organization including Fire Services, Information Technology Services, Human Resources and Parks, Recreation and Neighbourhood Services. 	3.9
<ul style="list-style-type: none"> Higher than anticipated revenue from short term investments and interest and penalty on taxes partially offset by other corporate cost overruns. 	0.3
Projected Year End Surplus/(Deficit) Position	<u>\$1.3</u>

A year end surplus position of \$1.3 million represents approximately 0.3% of the net property tax supported budget.

2nd Quarter Projected Year End Position by Service Program

Outlined in the table below is a breakdown of the contributing factors provided by Service Program identifying projected savings and/or deficits.

SERVICE PROGRAM	\$ millions
CULTURE	0.0
<ul style="list-style-type: none"> Heritage is anticipating a \$0.04 million surplus primarily due to personnel savings generated from the delayed hiring of a Planner position. Centennial Hall, Arts, Culture and Heritage Advisory & Funding, Museum London, Eldon House and the London Public Library are anticipating a breakeven position at year end. 	
ECONOMIC PROSPERITY	0.0
<ul style="list-style-type: none"> Economic Development Services is anticipating a breakeven position at year end. 	
ENVIRONMENTAL SERVICES	0.0
<ul style="list-style-type: none"> Kettle Creek Conservation Authority and the Lower Thames Valley Conservation Authority are anticipating a \$0.01 million deficit to reflect additional costs resulting from updated current value assessment allocations. Upper Thames River Conservation Authority, Environmental Stewardship and Garbage, Recycling & Composting are anticipating a breakeven position at year end. 	
PARKS, RECREATION, & NEIGHBOURHOOD SERVICES	(0.2)
<ul style="list-style-type: none"> Neighbourhood & Recreation Services is anticipating a deficit of \$0.2 million primarily due to net revenue lost during the closure of the Canada Games Aquatics Centre for capital life cycle renewal repairs. Parks and Urban Forestry is anticipating a \$0.02 million surplus due to personnel savings partially offset by additional work on the Emerald Ash Borer program and other net operational cost overruns. 	
PLANNING & DEVELOPMENT SERVICES	(0.2)
<ul style="list-style-type: none"> Building Controls is anticipating a \$0.04 million surplus resulting from savings in personnel and higher than anticipated revenues for fee based services. Land Use Planning is anticipating a \$0.02 million deficit primarily related to personnel costs overruns. Development Services is anticipating a \$0.2 million deficit by year end primarily due to lower than anticipated fee based revenue. 	
PROTECTIVE SERVICES	0.0
<ul style="list-style-type: none"> Animal Services is anticipating a \$0.1 million surplus due to net savings from new contracts. By-Law Enforcement is anticipating a \$0.1 million deficit resulting from lower fee based revenues (taxi-limousine, residential licences, untidy lots), partially offset by savings in personnel. Fire Services is anticipating a breakeven position resulting from the following: <ul style="list-style-type: none"> \$0.9 M deficit due to an interim award of \$1.9% effective January 1, 2014 to the London Professional Firefighters Association. \$0.9 M surplus primarily due to the delayed hiring of personnel vacancies as well as operational cost containment initiatives by spending only on mission critical items. <p>The employee agreement between the London Professional Firefighters Association and the City expired December 31, 2010 and is currently at interest arbitration.</p> London Police Services and Emergency & Security Management Services are anticipating a break even position at year end. 	
SOCIAL & HEALTH SERVICES	0.7
<ul style="list-style-type: none"> Housing Services is anticipating a \$0.3 million surplus due to lower than anticipated Housing Provider subsidy costs resulting from settlements and 	

SERVICE PROGRAM	\$ millions
reconciliations from prior years and savings in the Rent Supplement program partially offset by reduced County billings. <ul style="list-style-type: none"> • London & Middlesex Housing Corporation is anticipating a \$0.02 million surplus primarily due to higher rent revenues resulting from lower overall vacancy rates and personnel savings partially offset by cost overruns in general repairs and maintenance. • Long Term Care is anticipating a \$0.6 million surplus at year end due to increased government funding and personnel savings partially offset by lower fee based revenues in the Adult Day Program. • Social and Community Support Services is anticipating a \$0.2 million deficit by year end based on the following: <ul style="list-style-type: none"> ○ \$0.2 million deficit in Ontario Works net caseload costs consisting of deficit of 159 cases per month and a case cost deficit of \$5 per case. ○ \$0.1 million deficit in net personnel costs. ○ \$0.1 million surplus related to an additional subsidy forecasted for Employment Programs and savings for discretionary benefits non-social assistance recipients. • Primary Health Care Services is anticipating a breakeven position at year end. 	
TRANSPORTATION SERVICES	(2.1)
<ul style="list-style-type: none"> • Parking Services is anticipating a \$0.01 million deficit due to operational costs overruns partially offset by increased parking lot revenue. • London Transit Commission is anticipating a breakeven position. Unfavourable ridership revenue, lower than expected Provincial Gas Tax Funding and higher than anticipated maintenance costs are offset by lower than expected fuel costs and personnel savings. • Roadway Services is anticipating a \$2.1 million deficit primarily due to higher than expected snow control program costs of \$2.0 million and other net program operational cost overruns of \$0.1 million. 	
CORPORATE, OPERATIONAL, & COUNCIL SERVICES	3.1
<ul style="list-style-type: none"> • Corporate Services is anticipating a \$0.9 million surplus predominantly attributable to savings in Information Technology Services and Human Resources. • Corporate Planning and Administration Services is anticipating a breakeven position at year end. • Council Services is anticipating a \$0.2 million surplus due to personnel and other operational savings. • Financial management is anticipating a \$1.9 million surplus due to higher than anticipated revenue from short term investments, interest and penalty on taxes and other operational savings. • Public Support Services anticipates a \$0.1 million surplus by year end primarily due to savings in Taxation and Administration of Justice. 	
TOTAL PROJECTED YEAR END POSITION	\$ 1.3

*subject to rounding

Housekeeping Budget Transfers

As authorized by resolution of Council at the time of the adoption of the 2014 budget, Civic Administration will, throughout the year, approve transfers between accounts that are considered 'housekeeping' in nature.

"That the Civic Administration **BE AUTHORIZED** to accommodate the 2014 Budget transfers that are considered "housekeeping" in nature, and do not impact the Corporate Net Operating Budget." (3p/5/SPPC)

'Housekeeping' adjustments primarily include items that are budgeted centrally at the time of adoption of estimates (budget) and are re-allocated to Services throughout the year.

The following housekeeping budget adjustments were processed in 2014 up to the end of the second quarter:

- Adjustments to services to reflect the allocation of the 2014 position management budget savings adopted by Council on February 27, 2014.
- Adjustments to services to reflect the allocation of the approved 2014 assessment growth funding.
- Adjustments to reflect Information Technology and Parking service re-organization.
- Allocation of computer and telephone budgets from various areas to the Information Technology Division.

Emerging Issues

Several service areas have advised Civic Administration of program service delivery pressures that will likely impact 2014 expenditures/revenues and 2015 budget. These issues include:

- **Natural Gas** – Due to the cold winter, the City exceeded the natural gas contract for usage and were required to buy over 15,000 gigajoules of gas for a three day period at the end of February. The pricing was extremely high resulting in a cost over \$680,000. Usage/costs for the balance of the year will be monitored.
- **Ontario Works** – The 2014 provincial budget includes Ontario Works rate adjustments including a \$30 per month rate increase for singles. The 2014 provincial budget also includes changes related to employment related benefits. This includes the consolidation of seven existing benefits into one with a funding cap. Details are currently unclear but the Province is expecting to implement these changes by April 2015.
- **Homeless Prevention** – The Province introduced the Community Homelessness Prevention Initiative (CHPI) and eliminated the OW/ODSP benefit Community Start Up and Maintenance Benefit (CSUMB). The Housing Stability Fund now serves all low income Londoners including OW/ODSP households and the total expenditure has exceeded forecasts. A potential shortfall could exist if the costs of the program continue to exceed the total funding allocated. In the meantime, a number of remedial efforts are in place to help manage the costs including a monthly expenditure review.
- **Personnel/Collective Agreements** – Outstanding arbitrations with the corporation's unions may have significant cost implications depending on the outcome of the grievance/arbitration process. It should also be noted that the London Professional Fire Fighters' Association agreement expired on December 31, 2010.
- **Fire Services** – The Fire Service area is currently going through an operational review conducted by an independent external consultant. The recommendations from the consultant and impact to the Fire Service area are unknown at this time.
- **Waste Diversion**
 - Negotiations between municipalities and the stewards for Blue Box Funding payments for 2014 stalled and resulted in the two sides going to arbitration (May to July). The decision of the arbitrator is expected sometime in the fall. This may result in a significant drop in Blue Box funding.
 - It is Administrations understanding that the government is likely to resurrect a revised version of Bill 91 which may shift from existing Industry Funding Programs for tires, electronics, household special waste and the Blue Box program to individual producer programs. This would likely result in increased funding for the Blue Box program and household special waste program.
- **Landfill Tipping Fees** – Landfill Tipping fees are recovering at a slower rate than anticipated in 2014. Tipping fee revenue will be carefully examined for the remainder of 2014. Discussions are under way with the Ministry of Environment and Climate Change (MOECC) to allow minor revisions to W12A Environmental Compliance Approval to possibly allow new revenue sources for the landfill. City staff are making the necessary adjustments and revising plans.
- **Information Technology** – Information Technology Services is responsible for managing corporate wide systems. An increased investment in information technology infrastructure

such as Storage Area Network (SAN), Client Management System (CMS), Human Resource Information System (HRIS), and Corporate Asset Management (CAM) may be required in order to support corporate initiatives.

- **Insurance** – The City of London self-insures itself against certain liabilities. The Self Insurance Reserve Fund is being reviewed to determine if there are adequate funds available to meet current and future liabilities. The impacts of this analysis are currently not know and may have an impact on the 2015 budget and beyond.

2014 WATER AND WASTEWATER & TREATMENT BUDGET

Water Budget

As of June 30, 2014, the Water rate supported budget anticipates a \$0.6 million deficit by year end. Water consumption is continuing to decrease which will have a negative impact on net billing volumes. However the loss in consumption based revenues has been partly mitigated by anticipated surpluses in Water Infrastructure Connection, Fire Protection, Water Service Application and Bulk Water Sales.

Operational costs are projected to be a deficit by year end primarily resulting from the cold winter experienced. Water main breakage was above average leading to water leakage and higher purchase of water costs along with unusually high number of breaks and thawing of frozen services resulting in emergency repair cost deficit. Utility cost savings are forecasted as a result of the delay of commissioning the Southeast Reservoir and Pumping Station. Consistent with past practice, Civic Administration continues to review further cost containment measures to balance the year end position.

Water Budget (\$ 000's)					
	2014 Revised Budget	Actual as at June 30, 2014	Actual % Spend/ Realized	Projected Year End Position	Projected Year End Savings/ (Deficit)
Revenues	(69,705)	(27,534)	39.5%	(69,485)	(220)
Expenditures	69,705	34,778	49.9%	70,085	(380)
Net	-	(7,244)	N/A	(600)	(600)

Wastewater & Treatment Budget

The Wastewater & Treatment budget anticipates a \$0.6 million surplus by year end. A deficit is projected from reduced sanitary sewer system revenues based on decreased sanitary sewer billing volumes. Consistent with the Water Budget (as noted above), water consumption (used to assess the sanitary portion of sewer charges) is expected to be lower than what the budgeted revenues were based on. Additionally, a revenue shortfall is anticipated for the new Sanitary Infrastructure Connection and Sanitary Drainage charges, included in the new Water and Wastewater rate structure implemented in 2013.

Operational savings are projected to be realized from lower than expected expenditures in personnel, operating supplies, utilities and external equipment rentals as a result of cost containment and efficiencies.

Wastewater & Treatment Budget (\$ 000's)					
	2014 Revised Budget	Actual as at June 30, 2014	Actual % Spend/ Realized	Projected Year End Position	Projected Year End Savings/ (Deficit)
Revenues	(84,529)	(32,537)	38.5%	(83,232)	(1,297)
Expenditures	84,529	31,629	37.4%	82,663	1,866
Net	-	(908)	N/A	569	569

Emerging Issues

- Ongoing revenue pressures from lower than anticipated water consumption as a result of weather conditions and conservation efforts by users of the water and sewer system. Even a small reduction in consumption can result in revenue shortfalls of hundreds of thousands of dollars. Weather conditions in July and August will play a key role in determining whether Water and Wastewater experiences a budget surplus or deficit in 2014.
- Costs Associated with Future Corporate Initiatives – Council recently endorsed the Industrial Land Development Strategy to support economic development in the City of London. It is also anticipated that the Downtown Master Plan will be presented to Council in 2014. Similarly, Wastewater energy efficiency enhancements, the Wastewater Optimization Strategy and the Pollution Prevention and Control Plan are specific initiatives that are expected in the near future. The costs of these initiatives are not currently included in the approved 2014 budget and forecast. It is critical to maintain financial flexibility to accommodate these emerging initiatives.
- 2014 Development Charges and Growth Management Implementation Strategy (GMIS) Updates – Staff are currently undertaking these initiatives which will have significant future implications. Preliminary capital submissions indicate that the 20 Year Plan will be significantly higher which will require future funding.
- Full Cost Accounting for the Utilities – The Water and Wastewater utilities have been progressing toward full-cost accounting for a number of years. This process involves charging the utilities the full cost of services they receive, including those provided by other corporate service areas. A review conducted in 2014 indicates that the charges to Water and Wastewater should be adjusted in the future to reflect the actual services provided. A plan to implement the new charges is currently being developed.
- Future Energy Costs – While further energy efficiency projects are planned for the near future, energy prices may have a detrimental impact on future rates if they continue to increase at recent levels without a more concerted energy reduction effort.

UNFUNDED LIABILITIES

The City of London's unfunded liabilities consist of future employee benefits payable and landfill closure and post closure costs. The total liability is \$158.5 million (\$155.2 million in 2012). The liability is offset by reserve and reserve funds of \$81.1 million (2012 restated to \$77.0 million) for a net unfunded liability balance of \$77.4 million (2012 restated to \$78.2 million). Over the years, Council has authorized Civic Administration to allocate personnel savings and unspent contingency budgets to the Unfunded Liability Reserve in order to reduce the growth in this liability.

VACANCY MANAGEMENT

All positions that become vacant, with some exceptions, are subject to 90 days savings corporately. The savings from these positions are contributed to Efficiency, Effectiveness and

Economy Reserves to be used as a one-time funding source for initiatives recommended by the Senior Leadership Team. Any savings due to vacancies longer than 90 days accrue to services and are included in the above projections identified earlier in the report.

The Corporation realized \$1,093,580 (\$932,472 – property tax supported; \$123,880 – wastewater; and \$37,228 – water) for the period of January 1, 2014 to June 30, 2014. During the same period in 2013, the Corporation realized \$697,995 (\$629,086 – property tax supported; \$20,794 – wastewater; and \$48,115 – water).

SUMMARY

Civic Administration anticipates a favourable \$1.3 million year end position in the 2014 Property Tax Supported budget if trends experienced to date continue. The major factors contributing to this projected position are higher than anticipated winter maintenance costs due to higher than average snowfall experienced in the first half of 2014 and a Fire interest arbitration award of 1.9% effective January 1, 2014 to the London Professional Firefighters Association. Corporate savings are anticipated to be realized as a result of Civic Service Areas continued effort to manage personnel vacancies across the organization including Fire Services, Information Technology Services, Human Resources and Parks, Recreation and Neighbourhood Services and higher than anticipated revenue from short term investments and interest and penalty on taxes.

The Water budget anticipates a \$0.6 million deficit and the Wastewater & Treatment budget anticipates a \$0.6 million surplus. These two budgets continue to experience shortfalls in consumption based revenue due to lower than expected water consumption patterns.

Civic Administration will continue to monitor and review corporate financial projections and trends for the remainder of 2014.

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Recommended By:	
Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer	

APPENDIX 'A'

2014 OPERATING BUDGET STATUS
2nd QUARTER REPORT
(\$ 000) ⁽¹⁾

	2014				2nd QUARTER REPORT	
	COUNCIL APPROVED NET BUDGET	REVISED NET BUDGET (2)	ACTUALS AS AT JUNE 30, 2014	ACTUAL % SPENT	PROJECTED YEAR END POSITIONS	PROJECTED YEAR END SURPLUS/ (DEFICIT)
Culture:						
Centennial Hall	101	101	10	10.1%	101	0
Arts, Culture & Heritage Advisory & Funding	2,171	2,180	1,276	58.5%	2,180	0
Museum London	1,550	1,550	1,159	74.8%	1,550	0
Eldon House	232	232	129	55.8%	232	0
Heritage	97	157	43	27.6%	119	38
Libraries	18,713	18,713	10,916	58.3%	18,713	0
Total Culture	22,864	22,933	13,533	59.0%	22,895	38
Economic Prosperity:						
Economic Development ⁽³⁾	13,628	14,195	2,231	15.7%	14,195	0
Total Economic Prosperity	13,628	14,195	2,231	15.7%	14,195	0
Environmental Services:						
Conservation Authorities ⁽⁴⁾	3,193	3,212	2,029	63.2%	3,201	11
Environmental Stewardship	712	734	337	45.9%	729	5
Garbage Recycling & Composting	12,736	13,283	7,278	54.8%	13,289	(6)
Total Environmental Services	16,641	17,229	9,644	56.0%	17,219	10
Parks, Recreation & Neighbourhood Services:						
Neighbourhood & Recreation Services ⁽⁵⁾	18,017	18,538	19,685	106.2%	18,755	(217)
Parks & Urban Forestry	10,934	11,182	4,732	42.3%	11,163	19
Services	28,950	29,721	24,417	82.2%	29,919	(198)
Planning & Development Services:						
Building Controls ⁽⁶⁾	(1,253)	(1,178)	(1,331)	113.0%	(1,217)	39
City Planning & Research	3,092	3,175	1,433	45.1%	3,192	(17)
Development Services	3,523	3,680	1,994	54.2%	3,849	(169)
Total Planning & Development Services	5,362	5,678	2,095	36.9%	5,825	(147)
Protective Services:						
Animal Services	1,436	1,435	302	21.0%	1,308	127
By-Law Enforcement ⁽⁷⁾	1,139	1,108	(3)	(0.3%)	1,230	(122)
Emergency & Security Management	1,184	1,323	536	40.5%	1,323	0
Fire Services	55,635	55,390	23,759	42.9%	55,390	0
Police Services	91,589	92,477	46,758	50.6%	92,477	0
Total Protective Services	150,983	151,732	71,352	47.0%	151,727	5
Social & Health Services:						
Housing	20,331	20,868	12,121	58.1%	20,567	301
Long Term Care	4,722	4,677	1,175	25.1%	4,117	560
Primary Health Care Services	17,807	17,808	7,408	41.6%	17,808	0
Social & Community Support Services	23,416	23,265	20,770	89.3%	23,459	(194)
Total Social & Health Services	66,276	66,619	41,474	62.3%	65,952	667
Transportation Services:						
Parking	(3,093)	(3,244)	(1,962)	60.5%	(3,230)	(14)
Public Transit	26,096	26,096	15,658	60.0%	26,096	0
Roadways	34,218	35,224	20,443	58.0%	37,343	(2,119)
Total Transportation Services	57,221	58,076	34,138	58.8%	60,209	(2,133)
Corporate, Operational & Council Services:						
Corporate Services	41,849	41,485	19,788	47.7%	40,549	936
Corporate Planning & Administration	2,011	2,494	903	36.2%	2,494	0
Council Services	3,240	3,243	1,540	47.5%	3,073	170
Financial Management ⁽⁸⁾	89,650	85,150	29,627	34.8%	83,250	1,900
Public Support Services ⁽⁹⁾	54	176	176	100.1%	76	100
Total Corporate, Operational & Council Services	136,805	132,548	52,034	39.3%	129,442	3,106
Total Property Tax Requirements	498,730	498,730	250,920	50.3%	497,382	1,348

1) Subject to rounding.

2) Includes housekeeping budget transfers. As authorized by Council's resolution at the time of the adoption of the 2014 budget, Civic Administration can approve transfers between accounts that are considered 'housekeeping' in nature. These adjustments primarily include items that are budgeted centrally, and during the year are distributed to various services.

3) Actual expenditure for the Economic Development Budget appears low since contribution to reserve funds are not incurred until later in the year.

4) Kettle Creek Conservation Authority and Lower Thames Valley Conservation Authority have already received their 2014 appropriation.

5) Neighbourhood & Recreation Services actual expenditures appears high as the Children's Services Provincial Subsidy is recognized later in the year.

6) Building Controls actual revenue appears high due to early payment of building permit application fees due to upcoming rate increases.

7) By-law Enforcement actual revenue appears high due to timing of annual licence payments received by June 30 including taxi-limousine and animal control.

8) Actual expenditure for the Financial Management Budget appears low as of June 30th since capital financing costs and contribution to reserves and reserve funds are not incurred until later in the year.

9) Public Support Services actual expenditures appears high as draw from reserve fund is not realized until later in the year.