

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON SEPTEMBER 14, 2011
FROM:	MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	2011 OPERATING BUDGET STATUS – SECOND QUARTER REPORT

RECOMMENDATION

1. That the 2011 Operating Budget Status – 2nd Quarter Report for the General (Property Tax Supported refer to **Appendix A**), Water and Wastewater Budgets **BE RECEIVED** for information, it being noted that Civic Administration is projecting:
 - a) A \$3.8 million in savings for the General (Property Tax Supported) budget, noting 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) A \$1.2 million deficit in the Water rate supported budget.
 - c) A break even position in the Wastewater rate supported budget is anticipated.

2. That Civic Administration **BE AUTHORIZED** to:
 - contribute \$3.8 million to the Facilities Reserve Fund to use as a potential funding source to fund future facility/building initiatives such as Ontario Works in the Community subject to the approval of a business case;
 - contribute any year end savings realized in the operating budget for AODA to the AODA Reserve which will be utilized in future years for corporate costs that will be required for the implementation of the Integrated Accessibility Standards; and
 - contribute to the Unfunded Liability Reserve at 2011 year end with operational savings from unspent personnel and contingency budgets;

3. 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;
4. 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;
5. That Civic Administration **BE AUTHORIZED** to contribute to/draw down from the Wastewater Rate Stabilization Reserve to balance year end operations of the Wastewater Budget should the budget be in a surplus/deficit position;
6. That Civic Administration **BE AUTHORIZED** to draw down from the Operating Budget Contingency Reserve \$9,602 to fund Tourism London's 2010 operating deficit that was identified through 2010 yearend financial statement finalization noting that the London & Middlesex Housing Corporation had an increase in their 2010 year end surplus by \$93,205 which, consistent with Council resolution was contributed to the Operating Budget Contingency Reserve; and
7. That Civic Administration's contribution of \$546,896 (\$493,727 – property tax supported; \$36,514 – wastewater; and \$16,655 – water) to the applicable Efficiency, Effectiveness, and Economy Reserve (formerly Vacancy Management Reserve) **BE RECEIVED** for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- **2010 Operating Budget Status – Fourth Quarter Report**
(April 13, 2011 meeting of Finance and Administration Committee, Agenda Item # 4)
<http://council.london.ca/meetings/FAC%20Agendas/2011-04-13%20Agenda/Item%204.pdf>
- **Integrated Accessibility Standard Under the Accessibility For Ontarian with Disabilities Act, 2005 (AODA)**
(August 17, 2011 meeting of Finance and Administration Committee, Agenda Item # 6)
<http://council.london.ca/meetings/FAC%20Agendas/2011-08-17%20Agenda/Item%206.pdf>

BACKGROUND

The 2011 Operating Budget Status -Second Quarter Report provides a review and analysis of the general operating budget for the January 1st to June 30th, 2011 time period. Appendix A compares actual costs incurred as of June 30th, 2011 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.

2011 GENERAL (PROPERTY TAX SUPPORTED) BUDGET

Outlined in the table below is a comparison of net costs incurred as of June 30th, 2011 in comparison to costs incurred as of June 30th, 2010 for the property tax supported budget.

	Net Budget (\$ millions)	As at June 30 (\$ millions)	% Spent
2011	\$462.7	\$220.0	47.6%
2010	\$456.4	\$204.7	44.9%

As of June 30, 2011, Civic Administration is projecting a savings in the in the property tax supported budget. Outlined below are some of the key items that are contributing to the projected year end position.

	\$ Millions
• Increase in Ontario Works funding model implemented in April 2011 resulting in additional funding to the City of London.	3.8
• Planned Savings – anticipated net savings in Social & Health Services (\$1.5 m), and Corporate, Council, & Support Services (\$0.6m), Development Approvals (\$0.2) and Legal Services (\$0.1) due to personnel gapping and cost containment initiatives.	2.4
• Anticipated surplus in supplementary taxes based on prior year experience and billings to date.	1.0
• Higher than anticipated revenue in Long Term Care Services, Parking Services, Finance, Realty and DABU service fees is expected if trend continues.	0.9
• Ontario Works caseload savings based on lower than anticipated number of cases to date and case cost.	0.5
• Net savings in Social Housing costs resulting from mortgage renewal interest savings and reconciliations or prior year subsidies partially offset by higher costs experienced at the London & Middlesex Housing Corporation. These reduced costs are partially offset by a reduction in county revenue.	0.4
• Lower than anticipated Building Permit revenue anticipated based on trends to date.	(0.5)
• Higher than anticipated winter maintenance costs experienced in the first part of the year than anticipated.	(1.3)
• Reduction in draw required from Operating Budget Contingency Reserve	(3.4)
Projected Year End Position	<u>\$3.8</u>

2nd Quarter Projected Year End Position by Service Program

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

SERVICE PROGRAM	\$ millions
CULTURE	0.02
0.02 Cultural Services, including Museum London, is anticipating minor savings in the Culture Office based on experience to date.	
0.00 Heritage and the London Public Library are anticipating a breakeven position at year end.	
ECONOMIC PROSPERITY	0.02
0.02 Economic Development Services anticipates a minor savings at the London Convention Centre as 2011 revenue to date is trending higher than anticipated.	
ENVIRONMENTAL SERVICES	0.06
(0.24) Higher than anticipated costs are being experienced in the Garbage, Collection, and Disposal Service related to higher equipment costs due to an increase in additional leachate and sludge expenses which have been partially offset by higher tipping fees.	
0.30 Recycling revenues are trending higher in the Recycling and Composting Service as result of higher commodity process which has offset lower than anticipated funding for household special waste.	
0.00 Environmental Stewardship and the Conservation Authorities all have reported an anticipated breakeven position for 2011.	
PARKS, RECREATION, & NEIGHBOURHOOD SERVICES	(0.13)
(0.15) Neighbourhood & Recreation Services is anticipating a deficit of \$150,000 attributable to: <ul style="list-style-type: none"> o A net loss of \$368,000 in Golf is anticipated resulting from the poor start to the 2011 season due to the wet and inclement weather resulting in 10,000 rounds less than the business plan target. o Personnel savings due to gapping and other administrative cost containment initiatives (\$101,000), minor savings anticipated in Childcare (\$68,000) and Leisure & Recreational Programs (\$49,000) resulting from cost containment measures implemented. Note however that there is an increased demand being experienced for recreation subsidies for Spectrum programs. 	
0.02 Parks & Urban Forestry anticipates \$22,000 in net savings as a result of savings in personnel due to gapping.	
PLANNING & DEVELOPMENT SERVICES	(0.26)
(0.49) Building Control Services is anticipating a deficit of \$494,000 resulting from lower than anticipated building permit revenue. NOTE: if required a draw from the Building Permit Reserve may be required to offset the anticipated shortfall in revenue.	
0.01 City Planning & Research anticipates minor savings of \$11,000 resulting from personnel gapping which offsets higher than anticipated office rental costs and lower than anticipated revenue from development applications.	
0.22 Development Approvals anticipates savings of \$220,000 resulting from personnel gapping and user fee revenue is trending higher than anticipated.	
PROTECTIVE SERVICES	(0.07)
(0.07) By-Law Enforcement Services is anticipating a deficit of \$67,000 by year end mainly due to revenue not materializing as a result of the residential rental licensing by-law being under appeal and revenue from untidy lots is trending lower than originally anticipated.	
0.00 Animal Services, Emergency & Security Management Services, Fire Services and London Police Services anticipate a breakeven position by year end.	

SERVICE PROGRAM	\$ millions
SOCIAL & HEALTH SERVICES	6.71
<p>0.36 Housing Services anticipates \$361,000 in net savings due to lower than anticipated subsidy costs resulting from prior year's recoveries and mortgage renewals at lower interest rates. These are partially offset by higher costs at the London & Middlesex Housing Corporation for pest control.</p> <p style="padding-left: 40px;">NOTE: London & Middlesex Housing Corporation (LMHC) had a 2010 surplus of \$139,272 which was returned to the City of London. LMHC does not expect their deficit, if any, to exceed this amount by year end.</p> <p>0.55 Long Term Care Services anticipates approximately \$550,000 in additional revenue related to an increase in funding from the Ministry of Health and Long Term Care.</p> <p>5.80 Social and Community Support Services anticipates \$5.8 million in savings by year end based on the following:</p> <ul style="list-style-type: none"> o \$3.8 million in increased subsidy for Ontario Works due to the new funding model implemented in April 2011. o \$1.5 million in personnel cost savings due to gapping and other administrative cost containment savings. o \$0.5 million in Ontario Works caseload savings attributable to case cost and lower than anticipated amount of cases per month than budgeted experienced to date. 	
TRANSPORTATION SERVICES	(1.06)
<p>0.22 Parking Services anticipates a net \$217,000 in additional revenues resulting from meter fees, parking lot revenue, and court fines partially offset by higher snow removal costs and maintenance.</p> <p>0.00 London Transit anticipates a breakeven position despite unfavourable fuel costs and insurance claims. These higher costs are anticipated to be offset by favourable ridership revenue if trend experienced in the 1st half of 2011 continue and savings in personnel attributable to vacancy management.</p> <p>(1.28) Roadway Services anticipates a net \$1.3 million deficit due to winter conditions experienced at the beginning of the year and higher than anticipated energy costs due to higher distribution costs.</p>	
CORPORATE, OPERATIONAL, & COUNCIL SERVICES	(1.50)
<p>0.62 Corporate Services anticipates a savings of \$622,000 attributable to personnel savings due to gapping, savings in facilities (lower facility maintenance costs and lower natural gas costs partially offset by higher electricity costs), and legal service cost savings being experienced.</p> <p>0.10 Corporate Planning and Administration Services anticipates \$105,000 in savings due to personnel gapping.</p> <p>0.04 Council Services anticipates \$45,000 in savings due to cost containment and personnel gapping.</p> <p>(2.37) Financial Management:</p> <ul style="list-style-type: none"> o Higher than anticipated supplementary tax revenue based on prior year experience and billings to date, \$1.0 million. o Reduction in strategic draw from the Operating Budget Contingency Reserve \$3.37 million as draw is not anticipated to be required to balance year end position. <p>0.10 Public Support Services:</p> <ul style="list-style-type: none"> o Revenue from fees in taxation is trending higher than budget. If trends experienced in the 1st of 2011 continue, additional revenue of \$100,000 may be realized. 	
TOTAL PROJECTED YEAR END POSITION	\$ 3.79

*Figures subject to rounding

Housekeeping Budget Transfers

As authorized by resolution of Council at the time of the adoption of the 2011 budget, Civic Administration will, throughout the year, approve transfers between accounts that are considered 'housekeeping' in nature.

"30. That the Civic Administration BE AUTHORIZED to accommodate 2011 budget transfers that are considered "housekeeping" in nature, and that do not impact the Corporate Net Operating Budget. (30/9/CW)"

'Housekeeping' adjustments primarily include items that are budgeted centrally at the time of adoption of estimates (budget) and during the year are distributed to various departments.

The following housekeeping budget adjustments were processed in 2011 up to the end of the second quarter:

- Adjustments to reflect the recent corporate re-alignment, revised structure in Chief Administrative Officer's Department, Community Services Department, Planning, Environmental and Engineering Services Department and the Finance Department.
- Allocation of budget dollars from Corporate Revenues & Expenditures to the appropriate Civic Departments and/or Boards and Commissions to allocate Position Management savings and the net increase in fringe benefit costs related the 2011 OMERS rate increase net of budget reduction in the 2011 group benefit plans.
- Transfer of Upper Thames River Conservation Authority 2011 budget for the funding of London's share of the costs of the new UTRCA administration building.
- Allocation of computer and telephone budgets from various departments to the Technology Services Division.

Emerging Issues

Several civic departments/boards and commissions have advised Civic Administration of program service delivery pressures that will likely impact 2011 expenditures/revenues and 2012 budget. These issues include:

- **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 following labour agreements expired on December 31, 2010; London Police Association, London Professional Fire Fighters' Association.
- **Ontario Municipal Employees Retirement System (OMERS)** – On September 8, 2010, the OMERS Sponsors Corporation approved a three-year contribution rate increase beginning in 2011. Contribution rates for the employer and employee will increase on average as a percentage of a member's earnings as follows; 1% in 2011, 1% in 2012, and 0.9% in 2013. This announcement puts pressure on future property tax supported budgets, water rate supported budgets, and wastewater & treatment rate supported budgets in 2011, 2012, and 2013.
- **PSAB (Public Sector Accounting Board)** - PSAB 3150 requires changes in standards for tangible capital asset accounting.
- **Ontario Works Caseload** - London's economic recovery is lagging other areas of the province. The City of London jobless rate reached 9.1% in July, which was the highest of any large urban centre in Canada. The Ministry of Community and Social Services is forecasting a 2.8% growth in London caseload in 2012 over 2011.
- **Building Permit Revenue** – Activity levels are lower than expected due to the economic downturn. A review of Building Permit fees is being conducted and will be reported to Council in late 2011.

Civic Administration is aware of these issues and is taking steps to mitigate and accommodate these costs within the approved 2011 budget and/ or in the development of the 2012 budget.

2011 WATER AND WASTEWATER & TREATMENT BUDGET

Water Budget

As of June 30, 2011, the Water rate supported budget anticipates a \$1.2 million deficit by year end. The continued decrease in water consumption is being experienced and once again this trend negatively impacts consumption based revenues with net billing expecting decrease in consumption of 1.2 million m³ from 45.5 million m³ to 44.3 million m³ by year end. It should be noted that the 2011 Water budget already included a consumption reduction of 0.8 million m³ (46.3 million m³ to 45.5 million m³).

Offsetting the projected revenue loss are savings from the purchase of water, and planned savings from personnel gapping and operating supply savings due to cost containment. Consistent with past practice, Civic Administration will look at further cost containment measures to balance the year end position, but may need to draw down from the Water Capital Reserve Fund to offset the deficit which would require a re-evaluation of the Water Capital plan.

Water Budget (\$ 000's)					
	2011 Revised Budget	Actual as at June 30, 2011	Actual % Spend/ Realized	2 nd Quarter Projected Year End Position	Projected Year End Savings/ (Deficit)
Expenditures	57,499	27,507	47.8%	56,955	544
Revenues	(57,499)	(21,678)	37.7%	(55,739)	(1,760)
Net	-	5,829	N/A	1,216	(1,216)

Wastewater and Treatment Budget

The Wastewater and Treatment budget anticipates a breakeven position at 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.

Offsetting the anticipated shortfall in sanitary sewer revenues is higher than anticipated direct operational revenues from High Strength Waste, Leachate Disposal revenue and Hauled Liquid Waste charges. On the expenditure side, savings in operating supplies, utility costs and personnel gapping are expected to offset the reduction in consumption based revenues.

Wastewater & Treatment Budget (\$ 000's)					
	2011 Revised Budget	Actual as at June 30, 2011	Actual % Spend/ Realized	2 nd Quarter Projected Year End Position	Projected Year End Savings/ (Deficit)
Expenditures	71,364	24,244	34.0%	71,006	358
Revenues	(71,364)	(28,212)	39.5%	71,722	(358)
Net	-	(3,968)	N/A	-	-

Emerging Issues - Water and Wastewater

- Ongoing issues with billed flow volumes will impact the revenue derived from these volumes (sanitary surcharge and water billings). The continued impacts of weather conditions, conservation efforts by end users and the economic downturn could result in reduced revenues over this year and possibly next year.
- Impact of lead mitigation activities to comply with anticipated corrosion control regulations (Ont. Reg.399/07 amending 170/03).
- Enhanced legislative requirements under the Safe Drinking Water Act and Clean Water Act.
- Final decisions in the electrical industry that will have impacts on the water meter reading and billing services currently contracted with London Hydro.

- It is anticipated that there will be a greater focus on inflow and infiltration and resulting bypasses and overflows for municipalities across Canada. This is likely to become a more significant and costly issue in years to come as a result of Canadian Council of Ministers of the Environment (CCME) guidelines.
- Impact of full cost accounting under the Sustainable Water and Sewage Systems Act, PSAB changes for tangible capital assets and Ontario Regulation 453/07 financial plans.
- If enacted, enhanced legislative requirements under the proposed Water Opportunities and Water Conservation Act, 2010.

2010 YEAR END UPDATES

2010 Year End Updates resulting from Year End Audits

After the tabling of the 2010 Operating Budget Status Report – Fourth Quarter Report to the Finance and Administration Committee on April 13, 2011, it was identified to Financial Planning & Policy that the yearend positions of the London & Middlesex Housing Corporation and Tourism London were amended. The London & Middlesex Housing Corporation reported a year end surplus of \$330,012 however this was later increased by \$93,205 to a 2010 year end surplus position of \$423,217 (\$139,272 (2010) + \$283,945 (2009)). Consistent with Council resolution, this additional \$93,205 was contributed to the Operating Budget Contingency Reserve.

The Fourth Quarter Report identified Tourism London with a breakeven position at year end, however it was identified that a \$9,602 deficit was actually incurred based on audit. To offset this deficit, Civic Administration is recommending that a draw down from the Operating Budget Contingency Reserve to offset Tourism's 2010 year end deficit be taken. It should be noted that in prior years when Tourism London had a surplus, this surplus was contributed to the yearend position of the Property Tax Supported Budget (i.e. years 2004, 2005, 2006, 2007, 2009)

Unfunded Liabilities

The City of London's Unfunded Liability (employee benefits payable; solid waste landfill closure and post closure liability) is \$98 million (\$96.3 million 2009) net of reserve balances. 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. In 2010, Civic Administration contributed \$1.9 million.

EFFICIENCY, EFFECTIVENESS, and ECONOMY RESERVE (formerly Vacancy Management)

All positions that become vacant within the year (with some exceptions) are subject to 90 days of savings (vacancy management). The 90 day savings from these positions are contributed to the Efficiency, Effectiveness, and Economy Reserves to be used as a one-time funding source supported by business case and recommended by the Senior Management Team to fund strategic investments that promote efficiency, effectiveness, and economy. Any savings due to vacancies longer than 90 days accrue to departments and are included in the planned savings identified above. To date, planned savings (vacancy management) have been used to fund \$2.6 million of capital works with emphasis on the City's portion of Infrastructure Stimulus Projects (ISF). The balance of this reserve at the time of this report was \$3.2 million.

The Corporation realized \$546,896 (\$493,727 – property tax supported; \$36,514 – wastewater; and \$16,655 – water) for the period of January 1, 2011 to June 30th, 2011. During the same period in 2010, the Corporation realized \$811,713 (\$704,021 – property tax supported; \$89,917 – wastewater; and \$17,775 – water)


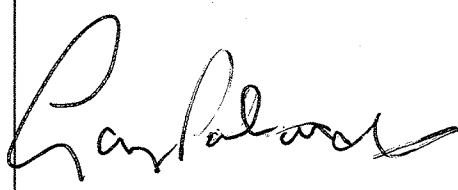

SUMMARY

Civic Administration anticipates a favourable \$3.8 million year end position in the 2011 Property Tax Supported budget if trends experienced to date continue. The major factors contributing to this projected year position are additional revenues from Ontario Works, Long Term Care, Supplementary Taxes, and Parking Services along with planned savings realized across the corporation mainly attributable to personnel gapping. These savings have been partially offset by projected deficits in winter maintenance, building permit revenue and a reduced strategic draw

from the Operating Budget Contingency Reserve that may not be required to balance the year end position. It is recommended at this time, the \$3.8 million anticipated year end savings be contributed to the Facilities Reserve Fund to be used as a source to fund building/facility initiatives that complement Council's Strategic Priorities.

Consistent with prior year experience and adjustment made to budgets each year, Water and Wastewater & Treatment budgets continue to experience shortfalls in revenue due to lower than expected water consumption. The Water budget anticipates a net year end deficit of \$1.2 million. A breakeven position is expected in the Wastewater & Treatment budgets as the forecasted deficit in consumption based revenue will be offset by other revenues and cost containment measures such as personnel gapping.

Civic Administration will continue to monitor and review corporate financial projections and trends for the remainder of 2011.

Prepared By:	Reviewed By:
	
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Recommended By:	
	
Martin Hayward City Treasurer, Chief Financial Officer	

2011 OPERATING BUDGET STATUS
2nd QUARTER REPORT - STATUS
(\$ 000) ⁽¹⁾

	2011				2 nd QUARTER REPORT	
	COUNCIL APPROVED NET BUDGET	REVISED NET BUDGET ⁽²⁾	ACTUALS AS AT June 30, 2011	ACTUAL % SPENT	PROJECTED YEAR END POSITIONS	PROJECTED YEAR END SURPLUS/ (DEFICIT)
Culture:						
Cultural Services	3,702	3,711	2,458	66.2%	3,696	15
Heritage	90	90	41	45.6%	90	0
Libraries	17,714	17,794	10,370	58.3%	17,794	0
Total Culture	21,506	21,595	12,869	59.6%	21,580	15
Economic Prosperity:						
Economic Development	6,627	6,532	2,932	44.9%	6,512	20
Total Economic Prosperity	6,627	6,532	2,932	44.9%	6,512	20
Environmental Services:						
Conservation Authorities ^{(3) (4)}	4,103	2,903	(710)	(24.5%)	2,903	0
Environmental Stewardship	760	682	349	51.2%	682	0
Garbage Recycling & Composting	13,190	12,968	6,449	49.7%	12,904	64
Total Environmental Services	18,053	16,553	6,088	36.8%	16,489	64
Parks, Recreation & Neighbourhood Services:						
Neighbourhood & Recreation Services	14,299	14,434	18,810	130.3%	14,584	(150)
Parks & Urban Forestry	9,841	9,799	4,216	43.0%	9,777	22
Total Parks, Recreation & Neighbourhood S	24,140	24,233	23,026	95.0%	24,361	(128)
Planning & Development Services:						
Building Controls	(1,437)	(1,463)	(733)	50.1%	(969)	(494)
City Planning & Research	2,226	2,247	1,097	48.8%	2,236	11
Development Approvals	3,595	3,417	1,558	45.6%	3,197	220
Total Planning & Development Services	4,384	4,201	1,922	45.8%	4,464	(263)
Protective Services:						
Animal Services	1,061	1,060	228	21.5%	1,060	0
By-Law Enforcement	720	713	286	40.1%	780	(67)
Emergency & Security Management	1,115	1,123	476	42.4%	1,123	0
Fire Services	51,060	51,402	23,317	45.4%	51,402	0
Police Services	81,987	82,725	43,478	52.6%	82,725	0
Total Protective Services	135,943	137,023	67,785	49.5%	137,090	(67)
Social & Health Services:						
Housing	19,775	19,805	10,954	55.3%	19,444	361
Long Term Care	4,149	4,184	3,670	87.7%	3,634	550
Primary Health Care Services	16,215	16,215	7,751	47.8%	16,215	0
Social & Community Support Services	36,190	35,564	17,788	50.0%	29,764	5,800
Total Social & Health Services	76,329	75,768	40,163	53.0%	69,057	6,711
Transportation Services:						
Parking	(2,119)	(2,144)	(1,438)	67.1%	(2,361)	217
Public Transit	22,905	22,905	11,931	52.1%	22,905	0
Roadways	32,000	31,795	17,222	54.2%	33,073	(1,278)
Total Transportation Services	52,786	52,556	27,715	52.7%	53,617	(1,061)
Corporate, Operational & Council Services:						
Corporate Services ⁽⁵⁾	46,023	45,557	11,695	25.7%	44,935	622
Corporate Planning & Administration	1,652	2,593	1,169	45.1%	2,488	105
Council Services	3,085	3,068	1,363	44.4%	3,023	45
Financial Management ⁽⁶⁾	71,346	72,451	23,159	32.0%	74,821	(2,370)
Public Support Services	851	595	167	28.1%	495	100
Total Corporate, Operational & Council Servi	122,957	124,264	37,553	30.2%	125,762	(1,498)
Total Property Tax Requirements	462,725	462,725	220,053	47.6%	458,932	3,793

1) Subject to rounding.

2) Includes housekeeping budget transfers. As authorized by Council's resolution at the time of the adoption of the 2011 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 departments.

3) Kettle Creek Conservation Authority and Lower Thames Valley Conservation Authority have already received their 2011 appropriation.

4) Upper Thames River Conservation Authority 2011 budget transfer of \$1.2 million to reflect the funding of London's share of the costs of the new UTRCA administration building.

5) Actual expenditures for the Corporate Services Budget are low as of June 30th primarily as a result of accrued legal expenses.

6) 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 late October/ early November.