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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 9, 2013 |
| FROM: | MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER |
| SUBJECT: | 2012 OPERATING BUDGET STATUS – FOURTH QUARTER REPORT |

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| RECOMMENDATION |
|-----------------------|

1. That the 2012 Operating Budget Status – Fourth Quarter Report for the General Budget (Property Tax Supported refer to **Appendix A**), Water Budget and Wastewater and Treatment Budget **BE RECEIVED** for information. An overview of the net corporate savings is outlined below:
 - a) \$5.2 million in net savings for the General (Property Tax Supported) Budget as identified by Civic Departments, Boards and Commissions. It being noted that the year end savings is \$2.7 million higher than projected in the 2012 Operating Budget Status – 3th Quarter Report. The \$5.2 million operating surplus was contributed to the Operating Budget Contingency Reserve, consistent with Council direction;
 - b) \$0.3 million in net savings for the Water rate supported budget was realized. This year end surplus is \$0.6 million greater than the \$0.3 million deficit reported in the 2012 Operating Budget Status – 3rd Quarter Report. The \$0.3 million in savings has been contributed to the Water Capital Reserve Fund and will assist in funding future capital expenditures, consistent with Council direction; and
 - c) \$1.4 million in net savings for the Wastewater rate supported budget was realized. The \$1.4 million surplus is an approximate \$1.4 million change from the projected breakeven position in the 2012 Operating Budget Status – 3rd Quarter Report. Of the \$1.4 million savings, \$1.2 million has been contributed to the Sewage Works Reserve Fund and \$0.2 million has been contributed to the Wastewater Rate Stabilization Reserve, consistent with Council direction.
2. That Civic Administration **BE AUTHORIZED** to draw down \$0.7 million from the Operating Budget Contingency Reserve and contribute the funding 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.

It should be noted that the \$4.5 million balance pertaining to the 2012 savings of \$5.2 million has already been allocated by Municipal Council for the following:

- i. \$2.0 million will be allocated from the Operating Budget Contingency Reserve to the City Facilities Reserve Fund in order to provide a source of funding for facility related initiatives such as Ontario Works Decentralization, consistent with direction received in the 2012 Operating Budget Status – 3rd Quarter Report;
- ii. \$1.1 million be allocated as revenue to the Corporate Financing service recognizing that during 2013 budget deliberations, Council directed Civic Administration to utilize 2012 surplus funding to reduce the 2013 tax levy from rates;
- iii. \$0.5 million be allocated back to the London & Middlesex Housing Corporation (LMHC) recognizing that during 2013 budget deliberations, Council directed Civic Administration to use 2012 surplus to reduce its 2013 budget increase;
- iv. \$0.9 million be allocated as revenue to the Corporate Financing service, it being noted that this is consistent with Municipal Council direction with regards to corporate surplus policy; and

- v. The London Advisory Committee on Heritage (LACH) 2012 surplus of \$4,498 be allocated to the LACH 2013 budget to be used for the purchase of interpretive signage for the Tempo VII Hydroplane and the replacement of a bronze heritage plaque commemorating the former Supertest station located on Carfrae Crescent, it being noted that this action is consistent with Municipal Council direction received on January 15, 2013.
3. That Civic Administrations contribution of \$3.3 million (\$2.9 million – property tax supported; \$0.2 million – wastewater; and \$0.2 million – water) to the Efficiency, Effectiveness and Economy reserves in 2012 **BE RECEIVED** for information.

Note: Subject to year end financial statement audit and adjustments related to the accounting for tangible capital assets (PSAB 3150).

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- 5th Report of the Strategic Priorities and Policy Committee (meetings held on January 24 and 25, 2013, February 7, 8, and 11, 2013)
- Ontario Works Decentralization (February 4, 2013 meeting of the Community and Protective Services Committee, Agenda Item 6)
- Welcoming The World To London Campaign (January 8, 2013 meeting of the Corporate Services Committee, Agenda Item 11)
- 2012 Operating Budget Status – Third Quarter Report (November 26, 2012 meeting of Finance and Administrative Services Committee, Agenda Item 4)
- 2012 Operating Budget Status – Second Quarter Report (September 4, 2012 meeting of Finance and Administrative Services Committee, Agenda Item 6)

BACKGROUND

Appendix A provides a corporate overview of the Property Tax Supported budget position for the year ended December 31, 2012.

2012 GENERAL (PROPERTY TAX SUPPORTED) BUDGET

As of December 31, 2012, Civic Administration realized savings in the property tax supported budget totalling \$5.2 million. Outlined below are some of the key items that contributed to the year end position.

| | 4 th Quarter (\$ millions) | 3rd Quarter Forecast (\$ millions) |
|---|--|--|
| Revenue from supplementary taxes from greater billings partially offset by a higher allowance for tax write off expenses. | 2.4 | 2.3 |
| Net savings in Housing resulting from reconciliations of prior year subsidies and net savings in London & Middlesex Housing Corporation resulting from better than anticipated rent revenues due to lower overall vacancy rates than 2011 and significant savings in electricity and natural gas and snow removal costs were partially offset by greater than expected computer hardware costs. | 1.7 | 0.6 |
| Lower than anticipated winter maintenance costs due to lower than average snowfall experienced. | 1.5 | 0 |
| Increased contribution to the City's Unfunded Liability Reserve to address corporate liabilities along with a draw from the Operating Budget Contingency Reserve that was not required which have been partially offset by higher than anticipated revenues and savings in other operations. | (0.4) | (0.4) |
| Year End Position – Before Contributions to the Operating Budget Contingency Reserve | <u>\$5.2</u> | <u>\$2.5</u> |

4th Quarter 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 | 0.0 |
| <ul style="list-style-type: none"> Culture Program Services, including Museum London, Heritage and the London Public Library have reported a breakeven year end position. | |
| ECONOMIC PROSPERITY | (0.1) |
| <ul style="list-style-type: none"> Economic Development Services incurred a \$0.1 million deficit resulting from the Council approved London Economic Development Corporation contract increase. It should be noted that Tourism London reported a year end deficit position of \$4,300. The deficit position is primarily driven by the costs associated with preparing for the World Figure Skating Championships in 2013 and can be absorbed by a drawdown from the Operating Budget Contingency Reserve. Historically, surpluses generated by Tourism London have been returned to the City while deficits have been covered by the City. | |
| ENVIRONMENTAL SERVICES | 0.8 |
| <ul style="list-style-type: none"> Garbage Recycling and Composting realized a \$0.8 million surplus attributable to higher than anticipated recycling revenues and tipping fees from W12A. These revenues were partially offset by cost increases in purchased services for contractual obligations including additional processing fees and payments for recyclable materials from partner municipalities and external rental costs due to extra leachate haulage. It should be noted that increased contributions were made through the Financial Management service to the Sanitary Landfill Reserve Fund and Waste Diversion Reserve Fund as per Council resolution. Environmental Stewardship realized a minor surplus and the Conservation Authorities have reported a breakeven position. | |
| PARKS, RECREATION, & NEIGHBOURHOOD SERVICES | 0.9 |
| <ul style="list-style-type: none"> Neighbourhood & Recreation Services realized a \$1.1 million surplus at year end primarily attributable to Arenas, Community Centers and Community Development. <ul style="list-style-type: none"> It should be noted that Golf realized a \$0.2 million surplus position at year end resulting from a historically warm spring season and an increase in revenue from the London Golf Club agreement, and revenue from the summer months exceeding the business plan performance targets. To balance year end operations, an increased contribution was made to the Golf Course Reserve Fund. Parks & Urban Forestry \$0.2 million deficit at year end was due to additional costs incurred for boulevard stumping and site restoration costs and the Emerald Ash Borer stumping program. | |
| PLANNING & DEVELOPMENT SERVICES | 0.2 |
| <ul style="list-style-type: none"> Building Control Services incurred a deficit of \$0.2 million primarily resulting from lower than anticipated building permit revenue of \$0.9 million partially offset by a draw from the Building Permit Stabilization Reserve of \$0.7 million. Land Use Planning Services savings of \$0.05 million resulted from personnel related to restructuring partially offset by increased demand for purchased services. Development Services savings of \$0.4 million resulted from personnel from a number of vacancies, savings in purchased services and user fee revenue higher than budget. | |

| SERVICE PROGRAM | \$ millions |
|---|--------------------|
| PROTECTIVE SERVICES | (0.1) |
| <ul style="list-style-type: none"> • Fire Services realized a break even position at year end. Note that the employee agreement between the London Professional Firefighters Association and the City expired December 31, 2010 and is currently at arbitration. • London Police Services reported a \$0.7 million surplus position at year end primarily resulting from personnel savings arising from attrition in relation to positions higher than anticipated combined with a delay in hiring for new positions. To balance year end operations, London Police Services contributed to their Unfunded Liability Reserve (\$0.3) and the Sick Leave Reserve Fund (\$0.4). • Animal Services realized a \$0.2 million deficit that is partially offset by a \$0.1 million surplus in By-Law Enforcement Services and Emergency and Security Management Services. | |
| SOCIAL & HEALTH SERVICES | 4.7 |
| <ul style="list-style-type: none"> • Housing Services \$1.2 million in net savings due to lower than anticipated Housing Provider Subsidy costs resulting from settlements and reconciliations from previous years as well as mortgage renewals at lower rates. • London & Middlesex Housing Corporation (LMHC) realized a \$0.5 million net surplus in 2012. Better than anticipated rent revenues due to lower overall vacancy rates than 2011 and significant savings in electricity and natural gas and snow removal costs were partially offset by greater than expected computer hardware costs. This is the third year that LMHC has realized a year end net surplus position. During 2013 budget deliberations, Council directed Civic Administration to use the LMHC 2012 surplus to reduce its 2013 budget increase. • Long Term Care Services realized \$0.2 million surplus from increased funding from the Ministry of Health and Long Term Care for higher than expected Case Mix Index, RPN funding and one time funding. Operational costs in management, maintenance, supplies and equipment partially offset these additional funding sources. • Social and Community Support Services realized \$2.6 million in savings based on the following: <ul style="list-style-type: none"> ○ \$0.5 million in net personnel savings along with \$0.4 million in other net administrative and program cost savings. ○ \$0.3 million in increased corporate overhead support subsidy for Ontario Works from the new funding model implemented in 2011. ○ \$0.3 million in Ontario Works net caseload savings. ○ \$0.2 million in one-time Provincial subsidy for Energy Emergency Fund. ○ \$0.9 million in net savings from lower than anticipated discretionary benefits related to non-social assistance recipients' costs, OW Child Care net costs, and other lower than anticipated costs experienced at emergency and DOM Shelters, and in Employment services. • Middlesex-London Health Unit realized \$0.2 million surplus. • Land Ambulance realized a break even position. | |

| SERVICE PROGRAM | \$ millions |
|---|--------------------|
| TRANSPORTATION SERVICES | 1.8 |
| <ul style="list-style-type: none"> • Parking Services net deficit of \$0.07 million from operations. • London Transit realized a \$1.9 million surplus position at year end primarily resulting from increased transportation revenue and lower than anticipated fuel costs offset by higher than anticipated facility costs. To balance year end operations, London Transit increased its contribution to reserves and reserve funds consistent with administrative policy and guidelines including restoration of public liability reserve fund. • Roadway Services realized a net \$1.84 million surplus at year end mainly due to snow control savings due to favourable winter conditions and traffic control and lighting program cost savings. | |
| CORPORATE, OPERATIONAL, & COUNCIL SERVICES | (3.0) |
| <ul style="list-style-type: none"> • Corporate Services realized net savings of \$3.1 million predominantly attributable to savings in the following areas; Fleet, Human Resources, Facilities, Realty, Information Technology, Purchasing and Legal. • Corporate Planning and Administration Services realized net savings of \$0.3 million resulting from savings in AODA partially offset by other operational cost overruns. • Council Services \$0.3 million surplus attributable to residual savings from the elimination of Board of Control and savings in Advisory Committees, Audit, Secretariat, and the Mayor's Office. • Public Support Services \$0.8 million in savings by year end primarily resulting from Taxation, Communications, and Administration of Justice revenues higher than anticipated and net program cost savings. • Financial Management net deficit of \$7.5 million by year end resulting from: <ul style="list-style-type: none"> ○ Higher than anticipated supplementary tax revenue, \$4.4 million offset by an increase in allowance for tax write offs of \$2.0 million. ○ Strategic funding increase of \$3.7 million to the Unfunded Liability Reserve, consistent with Council direction to mitigate the growth in the City's unfunded liability. ○ Draw from the Operating Budget Contingency Reserve of \$4.7 million was not required to balance the 2012 year end position. ○ \$1.5 million net increase in corporate expenditures due to increased contributions to the Sanitary Landfill Reserve Fund and Waste Diversion Reserve Fund, higher corporate financing and corporate contingency costs partially offset by additional revenue. | |
| TOTAL YEAR END POSITION | \$ 5.2 |

*subject to rounding

Housekeeping Budget Transfers

As authorized by resolution of Council at the time of the adoption of the 2012 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 2012 budget transfers that are considered "housekeeping" in nature, and do not impact the Corporate Net Operating Budget. (4v/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 2012:

- Adjustments to reflect the recent corporate re-alignment, and refinement to Service structure (e.g. Transfer of Recreation Administration from Corporate Services to Recreation & Neighbourhood Services and Adjustments to Public Support Services, Customer Relations & Compliance and the Planning and Development Services Program).
- Adjustments to services to reflect the net change in fringe benefit costs (OMERS rate increase), along with the allocation of the 2012 position management budget amount.
- "A list" budget reductions to Capital Costs and Contingencies from the appropriate Civic Areas.
- Formation of the Corporate Investments & Partnership Service area.
- Allocation of computer and telephone budgets from various areas to the Information Technology Division.

Emerging Issues

Several Civic Departments/Boards and Commissions have advised Civic Administration of program service delivery pressures that may impact future operations and budgets.

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 London Professional Fire Fighters' Association agreement expired on December 31, 2010.
- **2013 Federal and Ontario Budgets** – The 2013 Federal and Ontario budgets are anticipated to be delivered this spring. It should be noted that although the Ontario budget has more of a direct impact on the municipality, initiatives brought forward in the Federal budget have also had an impact on municipal finances, i.e. Build Canada, Canada's Economic Action Plan, and Federal Gas Tax to name a few.
- **Community Homelessness Prevention Initiative (CHPI)** – In July 2012, the Ministry of Municipal Affairs and Housing (MMAH) announced CHPI. This housing and homelessness program consolidation was one of the outcomes from the Provincial-Municipal Fiscal and Service Delivery Review. Consolidating housing and homelessness related programs is a key part of Ontario's Long Term Affordable Housing Strategy and is aimed at transforming the housing system through a Housing and People First Approach. Under this strategy, the Province committed to consolidate the following housing and homelessness related programs:
 - Consolidated Homelessness Prevention Program;
 - Emergency Energy Fund;
 - Emergency Hostel Services;
 - Domiciliary Hostel Program; and,
 - Provincial Rent Bank.
- **Ontario Works Decentralization** – On February 4, 2013 the Community and Protective Services Committee approved in principle an Ontario Works Decentralization plan and directed Civic Administration to report back with a detailed implementation plan. Although

actions have been taken to begin to identify funding sources, the full impact of the costs associated with this initiative will not be known until the detailed implementation plan has been completed.

- **Community Start-up and Maintenance Benefit and Home Repair Benefits** – This was removed from Ontario Works effective January 1, 2013. This is the first phase of consolidation under the Long-Term Affordable Housing Strategy. Half of the provincial funding is intended to be included in a new consolidated program administered by municipalities to provide housing and homelessness services.
- **Dearness Home** – Recommendations are pending from the outside party review of Dearness Home operations.
- **County of Middlesex** – A change in the historic cost apportionment arrangements for social housing and land ambulance is being advanced by Middlesex County. The potential financial impact is unknown at this time.

4th Quarter Year End Allocation Recommendations

Civic Administration is recommending following allocation for the 2012 property tax supported budget surplus:

1) Funding For Economic Development Initiatives

Through the Investment and Economic Prosperity Committee the City of London received 49 ideas from members of our community related to investment in economic development initiatives. As part of the due diligence review, the proposals were short listed down to five with a cost of \$60 million that would best accelerate London's economy and foster private sector investment in the City. In 2013, Civic Administration, through the Investment and Economic Prosperity Committee, will continue to refine the business cases supporting the short listed projects and how to fund the initiatives. Civic Administration is recommending that \$0.7 million be transferred from the Operating Budget Contingency Reserve to the Economic Development Reserve Fund as a one-time funding source.

In addition to the recommendation noted above, it should be noted that prior Council direction has been received by Civic Administration with regards to the following:

i. Reduction Of The 2013 Budget Tax Levy From Rates

During the 2013 budget deliberations, Municipal Council directed Civic Administration to utilize \$1.1 million from the 2012 surplus to reduce the 2013 tax levy from rates. Civic Administration is recommending, consistent with what was approved during the 2013 budget deliberations, that \$1.1 million be allocated from the Operating Budget Contingency Reserve and be contributed to the Corporate Financing service in the 2013 budget. It should be noted that Municipal Council has directed Civic Administration to identify permanent savings in 2013 related to the above noted funding source.

ii. London & Middlesex Housing Corporation 2013 Budget – City of London Allocation

On February 28, 2013, Municipal Council approved \$0.5 million of the London & Middlesex Housing Corporation 2012 funding surplus to reduce its 2013 operating budget. Consistent with past practice at the end of each year, London & Middlesex Housing Corporation returns to the City its unspent City funding. In 2012, the London & Middlesex Housing Corporation realized a \$0.5 million net savings. Given that London & Middlesex Housing Corporation's unspent funding has been returned and recognized by the City, Civic Administration is recommending, consistent with what was approved during the 2013 budget deliberations, that \$0.5 million be allocated from the Operating Budget Contingency Reserve and provided back to the London & Middlesex Housing Corporation.

iii. 2013 Budget Pressure Mitigation

In accordance with the Surplus/Deficit Policy adopted by Municipal Council on December 3, 2007, "...a minimum of \$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)." Consistent with Municipal Council direction, Civic Administration is recommending that \$850,000 be allocated from the Operating Budget Contingency

Reserve and be contributed to the Corporate Financing service in the 2013 budget to help mitigate budget pressures.

iv. The London Advisory Committee on Heritage

The London Advisory Committee on Heritage (LACH) 2012 surplus of \$4,498 be allocated to the LACH 2013 budget to be used for the purchase of interpretive signage for the Tempo VII Hydroplane and the replacement of a bronze heritage plaque commemorating the former Supertest station located on Carfrae Crescent, it being noted that this action is consistent with Municipal Council direction received on January 15, 2013.

2012 WATER AND WASTEWATER & TREATMENT BUDGET

Water Budget

The Water rate supported budget realized a \$0.3 million surplus at year end. Consistent with past status reports, the Water budget continues to experience a decrease in water consumption. This decrease in consumption impacted volumes billed by \$1.7 million or 3% of what was budgeted. Offsetting the consumption based revenue loss is greater than anticipated non-consumption driven revenues, a delay of the commissioning of the Southeast reservoir, and the renegotiation of the London Hydro service level agreement.

To balance year end operations, Civic Administration contributed \$0.3 million to the Capital Water Reserve Fund. This increased contribution leaves a 2012 year end uncommitted balance of \$8.8 million to be utilized in future year capital budgets as a source of funding to reduce the infrastructure deficit and the reliance on debenture financing.

| Water Budget (\$ 000's) | | | |
|--------------------------------|----------------------------|--------------------------|------------------------------------|
| | 2012 Revised Budget | Year End Position | Year End Savings/ (Deficit) |
| Expenditures | 59,677 | 58,112 | 1,565 |
| Revenues | (59,677) | (58,418) | (1,259) |
| Net | - | 306 | 306 |

Wastewater & Treatment Budget

The Wastewater & Treatment Budget realized a \$1.4 million surplus at year end. The main factors contributing to this position were operational savings in Wastewater and Treatment Operations, Sewer Operations, and Wastewater and Drainage Engineering. Changes to construction practices resulting in less reliance on external equipment, personnel savings due to vacancies, and cumulative savings in water, natural gas and electricity were realized due to a dryer year leading to lower flows pumped through the system. These operational savings were partially offset by a net reduction in revenues. Increased revenues in high strength waste, hauled liquid waste, and storm drainage charges helped to mitigate the losses in consumption based revenues.

To balance year end operations, Civic Administration contributed \$0.2 million to the Wastewater Rate Stabilization Reserve and \$1.2 to the Sewage Works Reserve Fund. This increased contribution leaves a 2012 year end uncommitted balance of \$1.9 million in the Wastewater Rate Stabilization Reserve and \$6.4 in the Sewage Works Reserve Fund to be utilized in future year capital budgets as a source of funding to reduce the infrastructure deficit and the reliance on debenture financing.

| Wastewater & Treatment Budget (\$ 000's) | | | |
|---|----------------------------|--------------------------|------------------------------------|
| | 2012 Revised Budget | Year End Position | Year End Savings/ (Deficit) |
| Expenditures | 75,501 | 73,709 | 1,792 |
| Revenues | (75,501) | (75,071) | (430) |
| Net | - | 1,362 | 1,362 |

Emerging Issues

- Ongoing issues with billed flow volumes will impact the revenue derived from these volumes (sanitary surcharge and water billings).
- Effective January 1, 2013, annual London Hydro customer service fees will increase to a total of \$3.9 million per year for water and wastewater. This has been accommodated in the 2013 budget.
- On December 11, 2012, Council approved a new funding model by-law for the Water and Wastewater and Treatment utilities to become effective March 1, 2013. The new funding model will improve revenue stability and help achieve long-term financial sustainability.

POSITION MANAGEMENT AND VACANCY MANAGEMENT

All positions, 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 year end positions identified earlier in the report.

The Corporation realized \$3,305,403 (\$2,933,403 – property tax supported; \$168,499 – wastewater; and \$204,073 – water) in 2012. During 2011, the Corporation realized \$1,406,803 (\$1,272,784 – property tax supported; \$117,364 – wastewater; and \$16,655 – water).

The 2012 year end uncommitted balances in the Efficiency, Effectiveness, and Economy Reserves are:

- Property Tax Supported \$4.6 million
- Water Rate Supported \$0.4 million
- Wastewater & Treatment Rate Supported \$0.9 million
\$5.9 million

SUMMARY

Civic Administration realized a favourable \$5.2 million year end position in the 2012 Property Tax Supported budget. The major factors contributing to this position are additional supplementary tax revenue partially offset by a higher allowance for tax write off expenses, net savings in Housing and the London & Middlesex Housing Corporation, lower than anticipated winter maintenance cost due to lower than average snowfall experienced, and higher than anticipated revenues. These savings have been partially offset by a reduction in the draw from the Operating Budget Contingency Reserve along with an increased contribution to the City's Unfunded Liability Reserve to address corporate liabilities.

The 2012 Water budget realized a \$0.3 million surplus resulting from a delay of the commissioning of the Southeast reservoir, increased non-consumption based revenues, and operational efficiencies. Offsetting these cost savings was lower than anticipated consumption based revenue. The \$0.3 million in savings was contributed to the Capital Water Reserve Fund.

The 2012 Wastewater and Treatment budget realized a \$1.4 million surplus resulting from operating efficiencies and increased revenue from non consumption based fees and charges, partially offset by lower than anticipated consumption based revenue. To balance year end operations, \$0.2 million was contributed to the Wastewater Rate Stabilization Reserve and \$1.2 to the Sewage Works Reserve Fund, consistent with Council resolution.

This report was prepared with the assistance of Cathy Cucksey, Current Budget and Process Officer.

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| Prepared By: | Reviewed By: |
| | |
| Jason Senese Manager of Financial Planning & Policy | Larry Palarchio Director of Financial Planning & Policy |
| Recommended By: | |
| | |
| Martin Hayward Managing Director, Corporate Services and City Treasurer, Chief Financial Officer | |

APPENDIX 'A'

2012 OPERATING BUDGET STATUS
4th QUARTER REPORT - STATUS
(\$ 000) ⁽¹⁾

| | 2011 Actual | 4th QUARTER REPORT | | |
|---|----------------|-----------------------------------|--------------------|----------------------------|
| | | Revised Net Budget ⁽²⁾ | Year End Positions | Year End Surplus (Deficit) |
| Culture: | | | | |
| Cultural Services | 3,720 | 3,777 | 3,792 | (15) |
| Heritage | 85 | 88 | 88 | 0 |
| Libraries | 17,794 | 18,045 | 18,045 | 0 |
| Total Culture | 21,599 | 21,910 | 21,925 | (15) |
| Economic Prosperity: | | | | |
| Economic Development | 6,320 | 8,397 | 8,457 | (60) |
| Total Economic Prosperity | 6,320 | 8,397 | 8,457 | (60) |
| Environmental Services: | | | | |
| Conservation Authorities | 2,903 | 2,986 | 2,986 | 0 |
| Environmental Stewardship | 725 | 688 | 661 | 27 |
| Garbage Recycling & Composting | 12,585 | 12,719 | 11,946 | 773 |
| Total Environmental Services | 16,213 | 16,393 | 15,593 | 800 |
| Parks, Recreation & Neighbourhood Services: | | | | |
| Neighbourhood & Recreation Services | 16,982 | 18,024 | 16,942 | 1,082 |
| Parks & Urban Forestry | 9,649 | 10,158 | 10,337 | (179) |
| Total Parks, Recreation & Neighbourhood Services | 26,631 | 28,182 | 27,279 | 903 |
| Planning & Development Services: | | | | |
| Building Controls | (1,288) | (1,432) | (1,267) | (165) |
| City Planning & Research | 2,392 | 2,792 | 2,744 | 48 |
| Development Approvals | 2,906 | 3,416 | 3,047 | 369 |
| Total Planning & Development Services | 4,010 | 4,776 | 4,524 | 252 |
| Protective Services: | | | | |
| Animal Services | 1,324 | 1,060 | 1,326 | (266) |
| By-Law Enforcement | 809 | 1,299 | 1,176 | 123 |
| Emergency & Security Management | 1,097 | 1,158 | 1,120 | 38 |
| Fire Services | 52,006 | 54,003 | 54,033 | (31) |
| Police Services | 84,910 | 88,042 | 88,042 | 0 |
| Total Protective Services | 140,146 | 145,562 | 145,697 | (136) |
| Social & Health Services: | | | | |
| Housing | 18,635 | 20,547 | 18,809 | 1,738 |
| Long Term Care | 3,660 | 4,258 | 4,094 | 164 |
| Primary Health Care Services | 16,046 | 16,626 | 16,476 | 150 |
| Social & Community Support Services | 28,170 | 29,889 | 27,237 | 2,652 |
| Total Social & Health Services | 66,511 | 71,321 | 66,616 | 4,704 |
| Transportation Services: | | | | |
| Parking | (2,423) | (2,759) | (2,684) | (75) |
| Public Transit | 22,905 | 24,306 | 24,306 | 0 |
| Roadways | 31,487 | 32,037 | 30,194 | 1,843 |
| Total Transportation Services | 51,969 | 53,584 | 51,816 | 1,768 |
| Corporate, Operational & Council Services: | | | | |
| Corporate Services | 37,339 | 40,230 | 37,152 | 3,078 |
| Corporate Planning & Administration | 3,499 | 2,131 | 1,814 | 317 |
| Council Services | 2,748 | 3,159 | 2,867 | 292 |
| Financial Management | 85,805 | 71,638 | 79,147 | (7,509) |
| Public Support Services | (65) | 69 | (700) | 769 |
| Total Corporate, Operational & Council Services | 129,326 | 117,227 | 120,280 | (3,053) |
| Total Property Tax Requirements | 462,725 | 467,352 | 462,187 | 5,165 |

1) Subject to rounding.

2) Includes housekeeping budget transfers. As authorized by Council's resolution at the time of the adoption of the 2012 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.