



OFFICE OF THE GENERAL MANAGER
FINANCIAL SERVICES GROUP

MEMORANDUM

December 4, 2012

TO: Mayor and Council

FROM: Patrice Impey, General Manager Financial Services Group/CFO

CC: Corporate Management Team

Penny Ballem, City Manager

Sadhu Johnston, Deputy City Manager

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Mike Magee, Chief of Staff, Mayor's Office

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SUBJECT: 2012 Operating and Capital Budget - 3rd Quarter Review

The purpose of this memo is to provide Council with:

1. A review of the Q3 results and variances from the Q3 Operating Budget, as well as forecasts to 2012 year-end for revenues and expenditures, with identification of any significant variances from the 2012 Operating Budget.
2. A review of the Q3 2012 Capital expenditures by service category, as well as a review of the 2012 forecasted Capital expenditures by service category in comparison with the 2012 Capital Budget.

As the quarter financial report is for information only, it is provided quarterly to Council as a memo and is placed on the City of Vancouver external website at
<http://vancouver.ca/fs/budgetServices/index.htm>.

COUNCIL POLICY

Council's standing instructions require that the Director of Finance report on the status of the Operating Budget as at September 30 each year. Since 2010, the Director of Finance has committed to report quarterly on the Operating Budget status, and beginning in 2011, to also report quarterly on the Capital Budget status. Council Policy regarding the Operating Budget, as per Vancouver Charter, is to ensure a balanced operating budget.

A) Q3 2012 OPERATING BUDGET RESULTS AND FULL YEAR 2012 FORECAST:

This 3rd Quarter Review provides Q3 actual results compared to the Q3 budget, as well as the forecasted 2012 year-end revenues and expenditures compared to the annual budget. The year-end forecasts are based on actual results for the first nine months of the year and best estimates of revenues and expenditures over the remaining three months.

Since mid-2010, quarterly reporting frameworks, systems and processes have been developed and have been used to inform and support the year-end forecasts.

It should be noted that there are still some variances to budget on a quarterly basis due to seasonality issues within the budget and some accounting processes that take place on an annual rather than quarterly basis, but the significant work to date is being reflected in increasingly refined quarterly numbers. These variances are adjusted for in the year-end forecasts contained in this report, and continue to be addressed in our budget and reporting process to better align the accuracy of quarterly budget profiling.

A further initiative implemented beginning 2012 is the reporting and review of results on a **Gross Basis** (meaning revenues and recoveries are reported as revenues with corresponding expenses reported as expenses). In the past, the expenditures would be shown net of revenues/recoveries). Best practices identified in the November 2011 CD Howe Institute report on public sector reporting supports the Gross Basis view of governmental finances to bring more transparency of the City's financial position, and to better align with other entities. The City of Vancouver has adopted these principles and applied this approach going forward.

This memo gives an indication of the financial status of City Departments and Boards looking forward to the end of 2012. In summary, as of Q3, the City is tracking towards a surplus of \$6.3 million, with some favorable trending in areas such as development related revenues, while expenditures are forecast to be slightly higher than budget primarily in recoverable cost that have no net budget impact. Balancing the budget will continue to require careful oversight by the Corporate Management Team across all Departments and Boards.

Summary of Operating Budget Variances

1) Q3 Results and variances to Budget

Table 1 summarizes Q3 results vs. budget. Appendix A provides details by department of Q3 actual results and variance to budget.

Table 1 - 2012 Q3 Operating Budget Review City Summary

<u>\$ millions</u>	<u>Q3 Actuals</u>	<u>Q3 Budget</u>	<u>Q3</u>	<u>Variance</u>
			<u>\$</u>	<u>%</u>
TOTAL REVENUES	271.1	260.4	10.7	4.1%
TOTAL EXPENDITURES	278.2	284.6	6.4	2.2%
NET BUDGET POSITION	(7.2)	(24.2)	17.1	

A positive Net Budget Position for the City of Vancouver in the third quarter reflects the timing and seasonality differences between revenues and expenditures, most of which will be adjusted by year-end.

Highlights of the main revenues and expenditure variances to budget in the quarter are provided below.

Revenues are higher than budgeted by 4.1% or \$10.7 million due to:

- Stronger license, development and trade permit fee income; timing of budget vs. actuals for these licenses and fees
- Seasonality and timing associated with Property Taxation revenue
- Police - higher Traffic Authority recoveries, higher grants and donations, more provincial recoveries relating to unbudgeted IRIT recoveries, and higher overtime recoveries
- Engineering Public Works - higher Parking decal fees and temporary hooding parking meters to allow for special events
- Utility revenue- greater sale of collected recyclables than expected
- Offset by small unfavorable variance in Parks revenue due to timing of budget vs actuals

Expenditures are below budget by 2.2% or \$6.4 million in the quarter due to:

- Seasonality and timing impacts in the quarter for Utilities and Engineering Public Works which are forecasted to be back on budget by year-end.
- City Manager's office, Parks and Support Services are below budget due to strategic filling of vacancies and cost savings/efficiency initiatives
- Offset by higher Police costs which are recoverable as noted above with no net impact by year-end

At the end of Quarter 3, there is \$.3 million spent in early 2012 related to snow removal expenditures against the approved 2012 contingency budget of \$4 million. The contingency is for unanticipated events and the Forecast assumes that this will be fully expended by year-end.

2) 2012 Full Year Forecast and variances to Budget

Table 2 - 2012 Operating Budget Review Summary (Full Year Forecast)

\$ millions	Forecasted			
	Year-End	Annual Plan	Variance \$	Variance %
TOTAL REVENUES	1,137.9	1,128.4	9.5	0.8%
TOTAL EXPENDITURES	1,131.6	1,128.4	(3.2)	(0.3%)
NET BUDGET POSITION	6.3	0.0	6.3	

Appendix B provides additional details by department.

For the full year 2012, the City is forecasting a surplus due in part to favorable trends in development related revenue. Higher forecast expenditures are primarily offset by greater cost recoveries. The forecast includes an estimate of year end transfers to reserves primarily in the area of debt, insurance and deferred payroll costs to provide for the City's unfunded liability.

Highlights of the main revenues and expenditure variances to budget in the Full Year Forecast are provided below.

Revenues are higher than budgeted by 0.8% or \$9.5 million for the year due to:

- Stronger license, development and trade permit fee
- Higher short term interest income
- Utility revenue- greater sale of collected recyclables, garbage and demolition material fees at the landfill than expected
- Engineering Public Works - higher Parking decal fees and temporary hooding parking meters to allow for special events
- Increase costs recoveries primarily in Provincial supported programs offset by higher expenditures
- Increased demand in Community Centre facilities
- Offset by lower than budgeted golf revenues

Expenditures are above budget by 0.3% or \$3.2 million for the year due to:

- Higher costs for Provincial supported programs offset by higher recoveries resulting in no net budget impact
- Higher fire hall and heavy equipment maintenance for Vancouver Fire and Rescue Services
- Lower Golf expenses and Park equipment maintenance

Risk and Opportunities

Development Revenues show a favourable trend against budget and the forecast reflects this higher activity and anticipated continued trend through Q4. While other risks exist, such as the impact of weather on revenue and expenses, at this time it is anticipated that the City will adjust to those situations and complete the year on budget.

It is the responsibility of departments to remain within budget by adjusting expenditures as necessary with the exception of expenses that are beyond their control. Departments have an ongoing responsibility to monitor expenditures and adjust spending to remain on budget for the year.

Q3 2012 ANNUAL CAPITAL BUDGET RESULTS AND FULL YEAR 2012 FORECAST:

Background:

While the Operating Budget is built to reflect operating costs for one year only, the annual Capital budget reflects one year of what can be multi-year Capital projects. Therefore, Capital projects are viewed on both an annual budget basis (annual expenditure vs. annual budget), and a total project basis (multi-year project expenditures vs. budget).

On February 14, 2012 Council approved a 2012 Annual Capital Budget in the amount of \$255 million. Since that time and through the quarterly Capital adjustment process, \$30 million has been added to the Capital Budget. This report reflects performance against an approved total 2012 Annual Capital Budget of \$285 million.

The capital status for 2012 shows considerable improvement from previous years, however more can be done to tighten the scheduling of work before it is included in annual capital budgets. For example, budgeting of planning work around complex projects can be separated from the actual construction budgets thus making timing of construction spending more certain. These options are being explored as part of ongoing process improvement.

In addition, a separate report to Council which includes Q3 Capital Budget adjustment requests was approved on November 27, 2012 (RTS 9836).

2012 Q3 Capital Expenditures and Year End Forecast vs. 2012 Capital Budget:

2012 Capital Budget expenditures to the end of Q3 were \$120 million (Q2 \$77 million), representing 42% of the total 2012 Annual Capital Budget of \$285 million. Forecasted total capital expenditures for 2012 are currently projected to be \$200 million, or \$84 million (30%) less than budget.

Table 3 provides a summary of the Quarter 3 Capital expenditures as well as forecasted annual expenditures by service category compared to the 2012 Annual Capital Budget.

Table 3 - Q3 2012 Annual Capital Budget by Service Category (000's)

Service Category 1	Service Category 2	2012 Expenditure Budget (ACB)	2012 Actuals	Forecast costs	Variance (2012 Budget less Forecast Year End Results)
			Jan - Sept 30	(Jan - Dec 2012)	
01. Community Facilities	A. Childcare	7,740	1,450	1,680	6,070
	B. Social Facilities	6,860	1,390	3,060	3,800
	C. Cultural Facilities	7,110	1,390	2,320	4,790
	D. Entertainment and Exhibition	4,980	120	700	4,280
	E. Libraries and Archives	6,200	1,730	2,240	3,960
	F. Recreation Facilities	5,890	2,250	3,300	2,590
01. Community Facilities Total		38,770	8,330	13,290	25,480
02. Parks and Open Spaces	A. Parks and Open Spaces	12,010	4,080	6,300	5,710
	B. Seawall and Recreation Trails	450	380	450	50
	C. Street Trees	1,170	520	1,100	70
	D. Public Art	1,140	790	970	160
02. Parks and Open Spaces Total		14,770	5,780	8,820	5,990
03. Housing	A. Non-Market Rental Housing	8,150	3,000	4,080	4,080
	B. Market Rental Housing	240	-	-	240
03. Housing Total		8,390	3,000	4,080	4,310
04. Public Safety	A. Police	6,920	2,620	4,960	1,970
	B. Fire	5,740	2,240	3,600	2,140
	C. Animal Control	380	-	10	370
04. Public Safety Total		13,050	4,860	8,560	4,480
05. Transportation	A. Walking and Cycling	15,870	7,150	12,150	3,430
	B. Transit	250	260	320	(70)
	C. Major Roads	28,250	11,870	23,780	4,370
	D. Local Roads	5,190	3,460	4,150	1,030
	E. Parking	4,200	830	2,640	1,560
05. Transportation Total		53,750	23,570	43,050	10,320
06. Utilities and Public Works	A. Waterworks	14,760	14,190	17,270	(2,510)
	B. Sewers	47,760	38,070	49,240	(1,480)
	C. Solid Waste	24,230	4,620	15,100	9,130
	D. Neighbourhood Energy	1,470	250	750	720
06. Utilities and Public Works Total		88,220	57,140	82,350	5,860
07. Civic Infrastructure	A. Administrative Facilities	14,850	3,320	7,730	7,110
	B. Service Yards	140	360	460	(320)
	C. Vehicles and Equipment	20,340	4,320	15,340	5,000
	D. Information Technology	29,360	8,210	14,640	14,720
07. Civic Infrastructure Total		64,680	16,200	38,170	26,510
08. City-Wide	D. City-wide Overhead	3,000	770	2,000	1,000
08. City-Wide Total		3,000	770	2,000	1,000
Grand Total		284,630	119,650	200,330	83,970

Explanations for projected variances by service category are provided in the following:

1. Community Facilities

Overall, Community Facilities is projecting a positive variance of approximately \$25.5 million.

The majority of this variance can be explained by the following:

Childcare - The Tenant Improvement work for the Woodward's Childcare is substantially

completed. The City is currently engaging a childcare operator that will be procuring the remaining startup equipment and supplies for operations which account for a positive variance on this project.

Reviews and investigations are continuing in an effort to find and acquire the most appropriate site for the Marpole Community Center and Childcare Facility. The capital budget for land has therefore not been spent, but staff are analyzing an option at this time.

The programming and design for the Citygate II Childcare is now complete. Due to the extensive development permit review process and the Community Care Facility Licensing requirements, the building permit was only issued in November 2012. The project is now in the tendering phase for the tenant improvement work. We expect the capital attributed to this project to be spent by fall 2013.

Social - Delays in delivery of Downtown Eastside Revitalization programs due to requirement for additional community planning input as part of the Downtown Eastside Local Area Plan.

Culture - The final stage of phased Queen Elizabeth Theatre redevelopment was completed under budget. Disbursement of Cultural Grant payments pushed out to 2013 when agencies will have met the conditions of grant disbursement.

Entertainment and Exhibition - The project schedule for the Hastings Park Livestock Building Roof Replacement was revised to capitalize on the economies of scale by combining two proposed phases of work into one - this has delayed the spend on this project but will diminish project budget risks for this heritage renewal project.

2. Parks and Open Spaces

Overall, Parks and Open spaces are projecting a positive variance of \$6.0 million.

The majority of this variance can be explained by the following:

Parks and Open Spaces - Capital maintenance of existing park infrastructure and park buildings have been reprioritized and rescheduled to align development and implementation with the Vancouver Services Review Consolidated Facilities Services strategy. Money set aside for potential conversions of streets to mini-parks has not been spent pending completion of community consultation and neighborhood engagement processes.

Hastings Park New Brighton Connection and Internal Trail & Park Connections and Hastings Park Greening project required more time for planning and design and consultation than originally estimated. The project has just been approved by Council and will proceed immediately.

3. Housing

Overall, Housing is projecting a positive variance of \$4.3 million.

The majority of this variance can be explained by the following:

Non-Market Rental Housing - Disbursement of housing capital grants pushed out to 2013, and Taylor Manor redevelopment being delayed to accommodate the rezoning process which required multiple consultations with Council and the Public.

4. Public Safety

Overall, Public Safety is projecting a positive variance of \$4.5 million.

The majority of this variance can be explained by the following:

Police - Completion of jail and Interview CCTV project delayed but expected to complete in early 2013.

Fire - Fire Hall #15 has been substantially completed and deficiency reviews are underway. The project has come in under budget.

5. Transportation

Overall, Transportation is projecting a positive variance of \$10.3 million.

The majority of this variance can be explained by the following:

Walking & Cycling - Construction of the Comox-Helmcken greenway project was deferred to 2013 in order to complete public consultation and do value engineering on the design. The project is coming to Council at the December 11, 2012 meeting.

Work on the reconstruction of one of the False Creek docks was delayed to do more extensive study on resolving accessibility issues.

Funding remaining from the Carrall street greenway construction has been carried forward for a number of years pending completion of trolley wire work by Translink. This work by Translink is now expected to be accomplished in 2013.

Major Roads - Design work on the Granville Bridge bearing replacement project was completed in 2013 but consultation with the Granville Island Trust led to deferral of actual construction until early 2013 to avoid disruptions to Granville Island during peak summer and Christmas business periods.

The Burrard Bridge construction was delayed to 2013 to sequence it with the Granville bridge work. This bearing replacement and other work on the bridges is complex and expensive and these deferrals to 2013 represent a large component of the overall positive variance.

Local Roads - More reconstruction work than planned was needed on some utility projects in 2012 which pushed completion of some local road projects to later in the year. Most of these are now anticipated to be completed in fourth quarter of 2012, with some work delayed to 2013.

Parking - New street meters were expected to be required to accommodate the introduction of new coin weights by the Canadian Mint; however, an alternate, less costly solution was implemented.

6. Utilities and Public Works

Overall, Utilities is projecting a positive variance of \$5.8 million.

The majority of this variance can be explained by the following:

Solid Waste - Solid Waste has an overall projected positive variance. This is as a result of favourable contract prices for work completed in 2012 on the Landfill Closure and Gas collection project.

The design of the South Fraser perimeter road has led to a discussion with Delta about potential relocation of the Landfill entrance. Therefore the planned work on reducing queuing at the entrance has been delayed until this is resolved.

Waterworks/Sewer - The negative variance in this area relates to expenditures for Combined Sewer and Water Connections which are 100% fee recovered. In 2013, the full revenues and expenditures will be incorporated in the budget. Until the 2012 Capital Budget, annual budgets were not set for this connection work.

7. Civic Infrastructure

Overall, Civic Infrastructure is projecting a positive variance of \$26.5 million. The majority of this variance can be explained by the following:

Administrative Facilities - The overall projected positive variance in Administrative Facilities is \$7.1 million. This is primarily due to the following projects and reasons:

- delay in commencement and changes to the schedule of the City Hall re-piping project to accommodate substantial remediation of hazardous materials;
- Contract value for water pipe replacement at 312 Main facility came in under budget; City Hall accommodation planning and construction was delayed in order to complete a review of leased premises and a reassessment of the seismic issues at City Hall precinct facilities; Schedule for re-roofing of the archives and records facility was delayed due to adverse weather conditions;
- The Facility Condition Audit project was re-sscoped to align with the Corporate Asset Management Strategy and to include consideration of additional elements including seismic, environmental, and green program elements - the delay in scoping moved back the schedule for procurement but this project is now proceeding.

Vehicles & Equipment - Overall positive variance of \$5 million is the result of a number of vehicle and equipment replacements that were procured in 2012 not being delivered until early 2013.

Information Technology - Overall positive variance of \$14.7 million is due to: Permits & Licensing project software acquisition delayed to enable project re-scoping and scheduling; Client Hardware Refresh schedule adjusted to achieve savings ; Business Intelligence program scope reduced thus reducing costs; and a number of projects delayed pending business case development and approval.

Multi-year Capital Projected Expenditures vs. Budget:

The review of the multi-year capital program/projects identifies specific projects and indicates which projects are projected to complete on, over, or under budget.

As of September 30, 2012, open Capital programs/projects have budgets totaling \$1.05 billion, with overall projected forecast costs of \$1.06 billion and an overall projected variance of negative \$10 million (1%), relating primarily to projects that in error did not receive a 2012 expenditure budget. 2012 was the first year all projects were budgeted in the Capital budget - in the past some projects received funding outside of the capital budget, and were not captured fully in this budget process. The majority of this relates to Combined Sewer and Water Connection programs and the Vehicle and Equipment Replacement program.

Federal and Provincial Infrastructure Projects:

In 2010, 31 capital projects with an overall budget of \$160 million received funding for "eligible" expenses through the Infrastructure Stimulus Funding ("ISF") Programs, including up to \$53.5 million in Federal Infrastructure Stimulus and Recreational Infrastructure Canada ("RinC") funding and up to \$10 million in infrastructure funding through the Province. This maximum funding contribution of \$63.5 million from the senior government ISF Programs was included in the 2010 Capital Budget.

Due to the expansion in project scope of some projects and to maximize the federal funding (e.g. VanDusen Garden Visitor Centre, Neighbourhood Energy Utility and Sewer Replacement), additional City funding was required and the total budget for all ISF Program projects was increased to \$164.5 million.

All 31 City of Vancouver projects under the ISF Programs were substantially complete and met the deadline set by the Federal Government. A few projects have minor works ongoing and will be finished by end of the year.

At the end of third quarter 2012, the City has spent approximately \$160 million on these 31 projects, with a total recovery under the ISF Programs of \$59.6 million. Also, external funding of \$1.35 million is expected to be received for the VanDusen Garden project.

The overall actual expenditure for the 31 projects is within the total project budget. However, some of the project costs were not "eligible" under the Federal funding, additional funding by the City of approximately \$0.65 million will be required to cover these "ineligible" project costs (i.e. furniture, internal staff costs). There is available funding in the existing capital program for re-allocation to cover the shortfall in specific ISF projects and they will be covered by the departments in the closeout process.

Several Engineering ISF projects are being closed out in the third quarter 2012 with surplus City funding of \$0.5 million to be transferred to "Unallocated Funding from Closeouts". All remaining ISF Program projects are anticipated to be closed out by the end of 2012 when the total expenditures have been finalized.

CONCLUSION

OPERATING BUDGET:

Results for Q3 show a \$17.1 million favourable variance to budget. The variance is primarily a reflection of timing and seasonality differences between budgeted revenues and expenditures and actuals incurred to date.

The Full Year Forecast shows a small surplus of \$6.3 million, including estimated year-end adjustments to reserves, primarily in the area of debt, insurance and deferred payroll costs to provide for the City's unfunded liability.

The forecasted year-end position will change given that the estimates are based only on nine months of actual performance and that unanticipated items between now and year-end will impact the City's final financial position. For this reason, Departments and Boards will continue to monitor their budgets carefully and to adjust expenditures accordingly to ensure a balanced year-end position.

CAPITAL BUDGET:

The City of Vancouver incurred \$120 million in capital expenditures for the first 3 quarters of 2012 (42% of the 2012 Capital Budget) and is projecting to spend a total of \$200 million by the end of 2012, representing a positive variance of \$85 million against a budget of \$285 million.

The variance between the 2012 Capital Budget and forecasted 2012 expenditures is due to a combination of projects coming in under budget, shifts in expenditure timing for a number of reasons (weather, consultation, scope changes, design complexities and delay in overall budget approval until the end of Q1 this year vs. December due to the election. Quarterly reporting of capital expenditures is providing critical information to the Corporate Management Team as they oversee our many diverse capital projects. Over the coming year, we will be working hard to appropriately schedule projects and align schedules with spending profile.

If you have any questions in regards to the above please don't hesitate to contact me.

Best Regards,



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**City of Vancouver
2012 Operating Budget
3rd Quarter Review**

Appendix A

2012 Operating Budget Q3 Plan to Actual Review Summary

\$ millions	Q3 Actuals	Q3 Plan	Q3 Variance \$	Q3 Variance %
REVENUES				
Taxation Revenue	168.6	162.7	5.9	3.6%
General Revenue	35.0	32.9	2.2	6.6%
Utilities *	31.8	31.9	(0.1)	(0.2%)
Police	5.5	3.0	2.5	86.0%
Parks	17.0	17.4	(0.4)	(2.4%)
Fire	1.7	1.6	0.1	4.1%
Engineering (PW)	2.2	2.4	(0.2)	(7.1%)
CSG	3.5	2.6	0.9	33.9%
Library	2.2	2.2	0.0	0.5%
Grants	(0.0)	0.0	(0.0)	-
Civic Theatres	1.6	1.4	0.2	11.4%
Mayor	0.0	0.0	0.0	-
Council	0.0	0.0	0.0	-
Britannia	0.2	0.3	(0.1)	(24.2%)
Support Services	0.4	0.4	0.0	2.5%
Contingency & General Govt	1.4	1.7	(0.3)	(18.9%)
Debt & Capital	0.0	0.0	0.0	-
TOTAL REVENUES	271.1	260.4	10.7	4.1%
EXPENDITURES				
Taxation Revenue	0.0	0.0	0.0	-
General Revenue	0.0	0.0	0.0	-
Utilities *	89.5	91.6	2.0	2.2%
Police	55.6	56.5	0.9	1.6%
Parks	28.1	29.3	1.2	4.2%
Fire	23.6	23.7	0.0	0.2%
Engineering (PW)	16.1	19.2	3.1	16.1%
CSG	14.1	14.2	0.0	0.3%
Library	10.6	10.9	0.4	3.4%
Grants	1.5	1.6	0.2	10.8%
Civic Theatres	1.4	1.3	(0.1)	(11.9%)
Mayor	0.2	0.2	0.0	0.6%
Council	0.3	0.3	0.0	11.7%
Britannia	1.0	1.0	0.1	4.9%
Support Services	24.5	25.2	0.7	2.6%
Contingency & General Govt	11.5	9.4	(2.1)	(22.7%)
Debt & Capital	0.2	0.2	0.0	0.0%
TOTAL EXPENDITURES	278.2	284.6	6.4	2.2%
Transfer to/from Utilities Reserve*	0.0	0.0	0.0	-
REVISED ESTIMATED EXPENDITURES	278.2	284.6	< 6.4 >	2.2%
NET BUDGET POSITION	(7.2)	(24.2)	< 17.1 >	

**City of Vancouver
2012 Operating Budget
3rd Quarter Review**

Appendix B

2012 Operating Budget - Full Year Forecast

\$ millions	Forecasted Year-end	Annual Plan	Variance \$	Variance %
REVENUES				
Taxation Revenue	644.3	642.9	1.3	0.2%
General Revenue	157.8	154.9	2.8	1.8%
Utilities *	214.1	214.9	(0.8)	(0.4%)
Police	18.5	13.5	5.0	36.7%
Parks	47.5	48.3	(0.7)	(1.5%)
Fire	8.0	7.3	0.6	8.3%
Engineering (PW)	10.4	9.9	0.6	5.8%
CSG	12.3	10.4	2.0	19.0%
Library	4.5	4.5	0.0	0.7%
Grants	0.0	0.0	0.0	-
Civic Theatres	7.7	8.2	(0.5)	(6.1%)
Mayor	0.0	0.0	0.0	-
Council	0.0	0.0	0.0	-
Britannia	1.0	1.0	(0.0)	(2.2%)
Support Services	1.5	1.6	(0.1)	(3.6%)
Contingency & General Govt	10.3	11.1	(0.8)	(6.9%)
Debt & Capital	0.0	0.0	0.0	-
TOTAL REVENUES	1,137.9	1,128.4	9.4	0.8%
EXPENDITURES				
Taxation Revenue	0.0	0.0	0.0	-
General Revenue	0.0	0.0	0.0	-
Utilities *	237.8	242.1	4.3	1.8%
Police	231.4	226.5	(4.8)	(2.1%)
Parks	103.5	104.2	0.7	0.7%
Fire	97.8	97.1	(0.7)	(0.7%)
Engineering (PW)	74.6	75.1	0.5	0.6%
CSG	60.2	58.1	(2.1)	(3.7%)
Library	42.7	43.0	0.3	0.7%
Grants	16.5	16.5	0.0	0.0%
Civic Theatres	6.0	5.9	(0.1)	(1.8%)
Mayor	1.0	1.0	0.0	0.0%
Council	1.1	1.3	0.1	10.8%
Britannia	4.4	4.4	0.0	0.2%
Support Services	102.2	102.7	0.4	0.4%
Contingency & General Govt	55.0	56.7	1.7	2.9%
Debt & Capital	90.7	90.7	0.0	0.0%
TOTAL EXPENDITURES	1,124.8	1,125.1	0.3	0.0%
Transfer to/from Utilities Reserve*	6.8	3.3	(3.5)	(105.5%)
REVISED ESTIMATED EXPENDITURES	1,131.6	1,128.4	(3.2)	(0.3%)
NET BUDGET POSITION	6.3	0.0	6.3	

* Other than Sewer expenditures covered by increased revenues, year-end surplus or deficit in the utilities are transferred to reserve.

It should be noted that there are still a number of variances to budget on a quarterly basis due to seasonality issues within the budget and some accounting processes that take place on an annual rather than quarterly basis. Significant work on moving from annual to quarterly reporting processes is being reflected in increasingly refined quarterly numbers. These variances are adjusted for in the year-end forecasts contained in this report, and continue to be addressed in our budget process to better align the quarterly budgets to expected quarterly results.

