

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of the City Treasurer - Finance**



**MISSION STATEMENT:**

*"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"*

<b>LiveLink REPORT #: 16481</b>	<b>Report Date: March 21, 2013</b>
<b>Author's Name: Arundhati Mohile</b>	<b>Date to Council: April 8, 2013</b>
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**To: Mayor and Members of City Council**

**Subject: 2012 Year-End Operating Budget Variance Report**

**City Wide: X Ward(s): \_\_\_\_\_**

**1. RECOMMENDATION:**

1. THAT Council **RECEIVE FOR INFORMATION** the 2012 Year-end Operating Budget Variance Report, dated March 21, 2013;
2. THAT the 2012 Operating Budget Surplus of \$1,708,605 **BE ALLOCATED** as follows:
  - a. \$1,500,000 **BE TRANSFERRED** to the Property Tax Appeals Reserve Fund in order to help finance the potential future costs relating to the significant property tax appeals that are currently in process, and
  - b. the remaining operating surplus of \$208,605 **BE TRANSFERRED** to the Budget Stabilization Reserve Fund;
3. THAT in order to avoid the need to re-budget for various items, Council **APPROVE** \$2,444,370 in budget carryovers as detailed in Appendix C: 2012 Budget Carry-Forwards;
4. THAT Council **APPROVE** the balancing of and transfers from Capital Projects, as detailed in Appendix D: 2012 Capital Closeouts;
5. THAT, as per the directions provided by Council as part of the 2013 Budget deliberations, Council **APPROVE**
  - a. the establishment of a Driver Simulation Reserve Account (#1788), and
  - b. the transfer of the annual approved budget related to this matter to this reserve account, and

- c. the delegation of authority to the CAO to spend funds from this reserve account for Driver Simulation Training needs;
- 6. THAT, as per the request of the Police Services Board, Council **APPROVE**
  - a. the establishment of a Police Equipment Replacement Reserve Fund, and
  - b. the surplus funds from the Windsor Police Services budget for 2012 in the amount of \$89,971 be transferred over from the City's Budget Stabilization Reserve Fund to the newly created Police Equipment Replacement Reserve fund in 2013;
- 7. THAT, in order to maintain compliance with the PSAB accounting guidelines, Council **APPROVE**
  - a. the establishment of a Best Start Surplus Reserve Fund in 2013 that will serve to enhance existing or add new programs that benefit at least in part, children and youth in the community, and
  - a. the transfer of funds in the amount of \$2,988,203 from the City's Deferred Revenues relating to Best Start Surplus into this newly established Reserve Fund;
- 8. THAT Council **APPROVE**
  - a. the establishment of a Firefighter Recruitment Reserve Account (#1787), and
  - b. transfer the 2012 surplus of \$6,554 from the operating fund (Human Resources Recruitment Dept. ID #0131451) to this reserve account, and
  - c. the delegation of authority to the CAO to spend funds from this reserve account for Firefighter Recruitment;
- 9. THAT Council **APPROVE** the following transfers, of a housekeeping nature, to/from various reserves:
  - a. \$11,657 from the 400 City Hall Square Reserve (Fund#186) to the Disaster Recovery Project (Project ID#7074016) to fund the base building improvements resulting from the Data Centre project related to the computer room move;
  - b. \$123,408 from the Capital Expenditure Reserve (Fund#160) to the City owned Vacant Lands (Dept ID#0122623) to fund the lawn maintenance and grounds upkeep of vacant land owned by the City of Windsor.

### **EXECUTIVE SUMMARY:**

The Corporation ended the 2012 fiscal year with an operating surplus of \$1,708,605 of which \$1,500,000 is proposed to be transferred to the Tax Appeals Reserve Fund, resulting in an adjusted year end surplus of \$208,605. These results are still subject to the annual external audit.

Table A provides a summary of the budgets and year-end variances for City Departments, Corporate Accounts, and Agencies & Boards for 2012. The 2012 year-end variances have been sorted from largest deficit to largest surplus. Please refer to Appendix A for detailed variance explanations for each department / division.

**TABLE A: 2012 YEAR END OPERATING BUDGET VARIANCE SUMMARY  
BY DEPARTMENT / DIVISION**

Departments / Divisions	Annual Net Budget	Year End Surplus / (Deficit)	Variance as a % of Gross Budget
Corporate Financial Accounts	(278,523,323)	(2,497,114)	-1.4%
Legal	7,165,836	(479,405)	-4.6%
Planning	2,464,788	(259,315)	-8.1%
Recreation & Culture	8,782,731	(160,597)	-0.9%
Huron Lodge	7,365,162	(121,759)	-0.6%
Parks & Facility Operations	17,425,825	(34,284)	-0.1%
Comm. Development & Health Office	89,358	(8,870)	-1.7%
Mayor's Office	464,481	0	0.0%
Engineering	7,902,104	6,654	0.1%
Council Administrative Services	798,453	10,423	1.3%
Environmental	12,617,291	22,690	0.1%
Information Technology	5,128,337	77,607	1.2%
Fire & Rescue Services	33,813,373	114,938	0.3%
Human Resources	3,565,918	129,391	3.3%
Building	2,041,106	199,506	3.4%
CAO's Office	1,577,999	222,610	14.1%
Corporate Human Resource Accounts	1,778,012	233,384	0.6%
Finance	5,659,287	376,256	4.6%
PW Operations	10,797,703	419,513	1.6%
Council Services	3,188,106	424,874	3.3%
Housing & Children's Services	21,201,530	467,549	0.5%
Employment & Social Services	17,964,834	1,170,187	1.0%
<b>Total City Departments</b>	<b>(106,731,089)</b>	<b>314,238</b>	<b>-0.05%</b>
Transit Windsor	12,409,811	(413,938)	-1.4%
Agency Grants	16,053,391	(133,209)	-0.8%
Windsor Public Library*	7,939,359	0	0.0%
Committees of Council	87,170	30,776	35.3%
Windsor Police Services	68,168,086	89,971	0.1%
Auditor General's Office	573,272	320,767	56.0%
<b>Total Agencies, Boards &amp; Commissions</b>	<b>105,231,089</b>	<b>(105,633)</b>	<b>-0.1%</b>
<b>Total Corporation*</b>	<b>(1,500,000)</b>	<b>208,605</b>	<b>-0.03%</b>
<b>Budget Stabilization Contingency Acct.</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>100%</b>
<b>2012 YE Net Operating Budget Surplus</b>	<b>0</b>	<b>1,708,605</b>	<b>0.2%</b>
Transfer to Tax Appeals Reserve Fund		1,500,000	
<b>2012 Adjusted YE Net Operating Budget Surplus</b>		<b>208,605</b>	

\*Reported here is the variance as it relates to the Annual Grant provided by the City. It does not refer to the Library's Operating Budget Variance.

## **2. BACKGROUND:**

Appendix B includes a list of relevant operational and economic statistics (extracted from various sources) that have been presented in previous variance reports to Council. The data is provided as background information and is depicted graphically by quarter, by year, for ease of reference and comparison purposes.

Appendix C includes a list of the approved carry-forwards that relate to 2012. These are budgeted items that, due to timing, were committed but not expended in 2012 and as a result the related budgets for those items have been carried forward in 2013. These expenditure line items are expected to be paid in 2013.

The table below provides a five year historical picture of the City's year end operating variances for the corporation, as well as the percentage variance to the annual gross budget. These reported year end variances all include the budget stabilization contingency account.

<b>Operating Variance by Year</b>		
<b>Year</b>	<b>Variance Surplus / (Deficit)</b>	<b>Variance as a % of Gross Budget</b>
2008	\$418,624	0.05%
2009	\$2,740,013	0.36%
2010	\$2,307,758	0.30%
2011	\$4,048,621	0.53%
2012	\$1,708,605	0.22%

## **3. DISCUSSION:**

### **Tax Supported Variances**

As noted in the Executive Summary, the Corporation ended the 2012 fiscal year with an operating surplus of \$1,708,605. This figure includes budget carryovers in the amount of \$2,444,370. Consistent with City Council's decisions in prior years, the net surplus will be transferred to the Budget Stabilization Reserve (BSR) Fund.

As Council will recall, a \$1,500,000 contingency is included in the budget to mitigate the impact of changes to estimates and judgements made, in many cases with incomplete information, during the budget development process. Because the corporation ended the year in a surplus position, this contingency was not required to offset any deficit. However, there still remain very significant property tax appeals, whose disposition cannot be quantified with certainty at this time. Therefore a transfer of \$1,500,000 to the Tax Appeals Reserve Fund is recommended.

Thus, after adjusting for the budget carryovers and the transfer to the Tax Appeals Reserve, the City has an adjusted year end surplus of \$208,605.

Table B below provides another view of the 2012 year-end financial results by major account categories. A brief analysis of the items included in each of the significant dollar categories augment this table.



**TABLE B: 2012 YEAR END OPERATING VARIANCE BY CATEGORY**

<b>CATEGORIES (NET)</b>	<b>Favourable/ (Unfavourable)</b>
<b>REVENUE:</b>	
Investment Income & Dividends	\$983,302
Recovery of Expenditures	\$670,172
Other Miscellaneous Revenue	\$542,430
Taxes - Education	\$0
Transfers from Other Funds	\$0
User Fees, Permits & Charges	(\$409,357)
Grants & Subsidies	(\$666,723)
Taxes - Municipal	(\$861,918)
<b>SUBTOTAL – REVENUES</b>	<b>\$257,906</b>
<b>EXPENSE:</b>	
Transfers to Reserves & Capital Funds	\$1,913,648
Transfers for Social Services	\$610,196
Other Miscellaneous Expenditures	\$462,163
Minor Capital	\$99,572
Purchased Services	\$90,637
Financial Expenses	\$0
Transfers to Education Entities	\$0
Utilities, Insurance & Taxes	(\$98,381)
Transfers to External Agencies	(\$133,209)
Salaries & Benefits	(\$378,661)
Operating & Maintenance Supplies	(\$1,115,266)
<b>SUBTOTAL – EXPENSES</b>	<b>\$1,450,609</b>
<b>NET YEAR END SURPLUS</b>	<b>\$1,708,605</b>

Revenue Analysis:

- *Investment Income & Dividends*

As seen in Table B, the bulk of the revenue surplus is comprised of *Investment Income & Dividends* which is primarily due to capital interest income surplus relating to the timing of project funding and expenditures as well as better than expected interest on investments.

- *Recovery of Expenditures*

Recovery of Expenditures also contributed to the overall surplus, mainly due to higher Tree Trim Revenue and recovery of retroactive salary costs from the County of Essex for shared programs.

- *Other Miscellaneous Revenue*

The surplus in this category is largely due to HST Rebate and Raceway Slots revenue.

- *User Fees, Permits and Charges*

E-bingo and business licence fees, GIS Surcharge and various permit fees show a surplus which is offset by the shortfall in fee revenue from Street and Alley closings, Committee of Adjustment as well as from Willistead Manor and South Windsor Arena.

- *Grants & Subsidies*

Grants & Subsidies were impacted mainly by the deficit in Ontario Municipal Partnership Fund (OMPF) revenue due to the province not reconciling the 2011 operating year and the reduction to the Housing Administration Federal Block Funding.

- *Taxes – Municipal*

As a result of positive results from enhanced collection efforts targeted at accounts falling into arrears, penalties added to taxes are tracking 5% lower than penalties added in 2011. Further, the net result of additional revenue from new development and tax revenue loss from assessment appeals and tax relief applications shows a deficit due to the settlement of several assessment appeals in 2012.

### Expense Analysis:

- *Transfers to Reserves and Capital Funds*

This category includes the \$1,500,000 Budget Contingency proposed to be transferred to the Tax Appeals Reserve Fund.

- *Transfers for Social Services*

The surplus in this category is largely due to the lower than budgeted Ontario Works caseloads.

- *Other Miscellaneous Expenditures*

This surplus is due to the lower than budgeted expenses across departments.

- *Operating and Maintenance Supplies*

The largest deficit in this category is the shortfall in the Building, Equipment and Infrastructure repairs and materials in the Parks Department and a deficit in the Transit Windsor's Vehicle Maintenance Account due to the aging fleet. Both departments have attempted to mitigate their deficit by reducing or deferring building maintenance expenses.

### Other Comments / Notes

#### **Establishment of a Driver Simulation Training Reserve Account**

Council approved during budget deliberations March 4, 2013 the transfer of an annual budget of \$17,100 to a dedicated reserve account for Driver Simulation Training (Budget Issue 2013-0064). Therefore, the Driver Simulation Training Reserve account needs to be established and approval be given to delegate authority to the CAO to spend funds from this reserve account.

In the compliance plan on driver training provided to the Ministry of Labour, the Corporation detailed a mandatory retraining requirement of five-year intervals. Driver Simulator Training is part of our Corporate Driver Management Program.

This retraining initiative on a driving simulator will allow the Corporation to provide initial training to corporate drivers in the target group hired into the corporate workforce after the initial round of simulator training was completed to receive the same level of driver training as their colleagues, as well as a refresher for those who had previously received the training.

## **Establishment of a Windsor Police Equipment Replacement Reserve Fund**

At its meeting of February 7, 2013, the Windsor Police Services Board approved the following resolution relating to the establishment of an Equipment Reserve Fund:

*RESOLVED THAT the Windsor Police Services Board authorizes and directs the establishment of a Police Equipment Replacement Reserve Fund; AND FURTHER THAT the surplus funds from the 2012 Budget in the amount of \$200,000 be transferred to the Police Equipment Replacement Reserve Fund; AND FURTHER RESOLVED THAT an annual budget provision be established by the board starting with the 2013 Budget, to replenish and build the Police Equipment Replacement Reserve Fund on a go forward basis.*

At the time this resolution was approved by the board, the projected surplus for 2012 for the Windsor Police Service was estimated at \$200,000. When the City's books were officially closed the actual surplus was \$89,971.

As the establishment of Reserve Funds requires the express approval of City Council, administration has not set up the requested reserve fund pending formal City Council approval. An amount of \$89,971 has been included in the City's overall 2012 surplus which has been transferred to the Budget Stabilization Reserve (BSR). If Council approves the request of the Police Services Board, the amount of \$89,971 would be transferred from the BSR to this new reserve.

## **Establishment of a Best Start Surplus Reserve Fund**

The City received funding of \$7,952,000 from the province back in 2006 relative to the Best Start Program. The Best Start vision included creating a comprehensive system of services that support children. Given a number of eligible expenditures that have been undertaken under this program to date, an amount of \$3,008,203 currently remains unexpended. These remaining funds have been held over the past several years within a Deferred Revenue account on the City's balance sheet.

In order to better ensure appropriate accounting treatment in accordance with PSAB guidelines relative to these funds, administration is now requesting the establishment of a designated Best Start Surplus Reserve Fund in 2013 and to transfer the remaining uncommitted amount of \$2,988,203 from the deferred revenue account directly into this newly established reserve fund.

This reserve fund may be used at Council's discretion to enhance existing or add new programs that benefit at least in part, children and youth in the community. Future use of the funds in this reserve will be subject to Council approval.

## **Establishment of a Firefighter Recruitment Reserve Account**

The purpose of this reserve is to have funds available for future Firefighter Recruitment to:

- 1) Offset any costs associated with payment to the Written and Physical test service providers, administrative fees, and facility rentals for the test sites, in relation to monies collected through applicant registrations fees AND
- 2) To promote the profession of "Firefighter" within our ethnic communities through career information sessions and other appropriate methods.

Dept. ID #0131451 Recruitment (in the Human Resources department) ended the year with a \$6,554 surplus. The recommendation is to transfer this amount into this newly established reserve account (#1787).

### ***Miscellaneous Housekeeping Transfers To/From Reserves***

Throughout the course of the year, costs related to certain initiatives are captured in operating accounts and are then transferred at year-end to reserves. The following miscellaneous housekeeping transfers to/from reserves have occurred and further descriptions are provided:

#### **A) Transfer from 400 City Hall Square Reserve Fund to the Disaster Recovery Project**

In 2011, the Corporation substantially completed the work to build and move to a new data centre located in 400 CHS. The new data centre improves the reliability and availability of the Corporation computer systems. The new data centre includes a diesel generator to provide power to the computer equipment in the event that municipal power is not available. This is in addition to the diesel generator already located at 400 CHS that provides base building power in the event of a power outage.

The design and tender for the new data centre was created in late 2009. Work on the data centre was not completed until mid 2011. During that time, the Technical Standards and Safety Authority (TSSA) issued new regulations around diesel generators and their fuel systems. The changes impacted the new and existing diesel generator systems. Without making the required changes, diesel fuel would not be delivered, leaving the building without back-up power in the event of an outage.

The new and existing diesel generator systems are now in compliance with the new regulations at a one-time cost of \$11,657.

#### **B) Transfer from the Capital Expenditure Reserve to Vacant Land Dept ID #0122623**

The responsibility for maintaining the city owned vacant lots and right-of-ways are the responsibility of the Parks and Facilities Department. Parks and Facilities are tasked with providing all lawn care and site clean-up services as necessary to maintain the properties in accordance with all Federal/Provincial regulations and City of Windsor bylaws. It has always been the past practice to offset all costs incurred throughout the year to service vacant property from the capital expenditure reserve (Fund 160) at year-end, as the department would otherwise incur an operating deficit. It should be noted that the reserve Fund 160 gets credited with revenues generated by City owned facilities and the sale of land or properties.

### ***TEMPORARY BORROWING OF MONEY***

Council approves the authorization of temporary borrowing of money for current expenditures for the year, if and when required, as provided for under the provisions of Section 407 of the Municipal Act. In addition, administration is to provide Council with a quarterly update on the use of borrowed funds. Therefore, as of December 31, 2012, the City of Windsor has not used the Scotiabank line of credit usage and the current balance owing is zero.

## Non-Tax Supported Variances

### ***Building Permit Operations***

<b><i>Budgeted Draw on Permit Reserve</i></b>	<b><i>Actual Draw on Permit Reserve</i></b>	<b><i>Year End Surplus / (Deficit)</i></b>
\$850,438	\$427,829	\$422,609

Construction statistics as of December 31, 2012 (2,730 permits) are 85% of 2011 (3,214 permits) for the same period.

Traditionally, the institutional / commercial / industrial (ICI) categories represent a large portion of the permit based revenue for the Corporation. However, the 2012 permit counts are largely concentrated in property renovations and new housing starts along with a few of the larger institutional projects including the University and College properties, resulting in higher revenues in spite of lower number of permits.

Building Permit revenues for 2012 totalled \$2.6 million.

Mitigating efforts are continuously being implemented by the Building Department to help reduce and control any draw against the Building Permit Fee Reserve each year. Those efforts include gapping and elimination of positions where possible, frugal management of all controllable operating costs, increased efficiencies and implementing new fees and cost recovery of services rendered. This has resulted in savings which contribute to lower required draws against the Reserve. It is worth noting that draws on the Reserve in prior years have been as high as \$2.1 million.

The current balance in the Building Permit Fee Reserve is approximately a deficit of (\$8.5 million). Council has previously approved the use of \$7.2 million of the reserve enhancement funds to be put into a placeholder reserve towards this deficit.

Implementation of the City Council approved Building Permit Fee Reserve Deficit Reduction Action Plan (September 19, 2011) is still on schedule as planned to help reduce annual draws on the Reserve even further.

### ***On/Off Street Parking Operations***

<b><i>Budgeted Transfer to Reserve</i></b>	<b><i>Actual Transfer to Reserve</i></b>	<b><i>Year End Surplus / (Deficit)</i></b>
\$688,329	\$461,321	(\$227,008)

On/Off Street Parking has finished the year with a reduced transfer to reserve of (\$227,008) due to a daily revenue deficit of (\$322,660), a property tax deficit of (\$206,528), an overall facility repair and maintenance surplus of \$217,537, other pay surplus of \$70,775, a leasing revenue surplus of \$43,231, and other line by line variances of (\$29,363) netting to an overall deficit of (\$227,008).

The main factors impacting the daily parking revenues for 2012 include lost on-street and lot parking spaces due to construction projects and the economic environment in general. The property tax deficit relates to the parking garages and is related to MPAC assessment changes. In

an effort to mitigate unrealized daily revenue and facility repair and maintenance deficits as was experienced in 2011, a reprioritization of the repair and maintenance program for parking facilities was undertaken and a number of repair items have been deferred to 2013 resulting in an overall year-end surplus in the repair and maintenance accounts. The other pay surplus is a result of a transfer of administrative expense from Traffic Operations (cost sharing) not completed for 2012 due to the already reduced transfer amount. The leasing revenue surplus is a result of additional lessees in various parking garage units.

The approval of the 2013 operating budget will mitigate several of the variances identified above as budget requests were submitted related to daily, monthly, and leasing revenues, as well as property taxes. The repair and maintenance surplus position of 2012 is not expected to continue in future years.

The 2012 year-end balance in the On/Off Street Parking Reserve Fund is a deficit of (\$1,652,140).

### ***Sewer Surcharge***

#### Overall

The Sewer Surcharge operating fund ended the year with an overall surplus of \$2.2 million or 3.7% of the \$56.4 million gross expenditures. This surplus, as per normal practice, was transferred to the Sewer Surcharge Reserve Fund at year-end. As of December 31st, the Sewer Surcharge Reserve Fund balance is \$4.3 million (excluding encumbrances, if any).

#### Revenues

The actual sewer surcharge revenue of \$57.2 million resulted in a surplus of \$0.8 million or 1.3% of the revenue budget. This was the result of slightly better than projected water revenues for the year.

#### Expenditures

Total sewer surcharge expenditures for 2012 were below budget, resulting in a year-end surplus of \$1.4 million.

With regards to the Sewer Surcharge funded operations in Environmental Services, the area is in a surplus position of \$681,694.

The primary reason for this surplus is with respect to operations at the Lou Romano Water Reclamation Plant. The surplus of \$727,258 at the plant is primarily due to lower than anticipated chemical usage during 2012, due in large part to the below average amount of rainfall in the area during the year. In addition, there was a surplus in wages at the Lou Romano Plant due to vacant positions not being filled until the latter portion of 2012.

Besides the Lou Romano Plant, there was a surplus in the Street Sanitation area of \$179,503 due to the negotiated amalgamation of several classifications into the Facility Operator Classification, which enabled for better coverage for both residential and commercial street sweeping. Furthermore, there were several smaller surpluses within the Industrial Waste Control/Lab division of \$49,496, Electrical division of \$42,670 and Pump Stations of \$9,710.

The surpluses were partially offset by higher than anticipated expenditures at the Little River Pollution Control Plant (deficit of \$169,705) and Landfill Sites (deficit of \$157,247). The deficit at the Little River Pollution Control Plant can be attributed to a slight deficit in revenues earned

in 2012 for sewage treatment and higher than budgeted expenditures related to sludge removal. During the budget process, the budget for sludge removal at the Little River Plant was revised based on actual usage from the previous 3 years. This should help eliminate the significant deficit variance incurred in this expenditure account going forward. The deficit for Landfill Sites (\$157,247) was identified during the 3<sup>rd</sup> quarter variance report due to unexpected emergency repairs necessary at the Malden Landfill site. Report #16036 communicated to City Council the issues at the landfill requiring the emergency work.

The balance of the surplus in the Environmental Services area totalling \$898,612 is in the utility accounts. This is largely the outcome of lower utility consumption at the LRWRP as a result of the implementation of more efficient processes that use less water and hydro.

The surplus in the Environmental Service area is partially offset by deficits in the Other Expenditures accounts totalling \$206,734. This is largely the result of greater than expected appeals & refunds during the year.

#### **4. RISK ANALYSIS:**

Departments/Divisions monitor their operating budgets on an ongoing basis to ensure that their expenditures and revenue are in line with budget. It should be stressed that significant use of estimates, historical knowledge and judgement is used in projecting budget versus actual variances to year-end and as a result actual year end variances may be different from the approved budget. One way to mitigate this risk and help to offset any unexpected or one-time variances is by way of the annual \$1.5 million Budget Stabilization Contingency Account. Due to the favourable year end surplus balance, this contingency line item was not needed in 2012.

In addition, there a number of other potential risks that can have a significant impact on the yearend financial results. These risks and other considerations have been identified below:

1. Seasonal variability with respect to revenues (i.e. Recreation fees) and expenses (i.e. winter control)
2. Current macro and micro economic conditions such as changes to unemployment and GDP rates as well as supply and demand for products and services
3. Volatility in commodity prices and interest rates (i.e. oil, gas, steel, Bank of Canada Rate, CPI, etc)
4. Potential increase in costs related to salaries due to several uncontrollable factors such as sick call replacement, WSIB, health benefit usage (Green Shield), and mandatory training personnel on modified duties etc.
5. Potential increase in other expenditures such as material costs, energy costs, tipping fees, legal litigation expenses, Streetlight Maintenance, etc.
6. The Net Tax Additions/Reductions account is extremely difficult to project with certainty and variances can run into the millions of dollars. There are still some significant appeals in progress as previously reported to Council. Any variances in this account will vary dramatically based on the outcomes and timing of these settlements. Until an MPAC or

Assessment Review Board (ARB) decision is rendered, the cost cannot be quantified with a high degree of certainty.

Many of the potential risks and variances associated with them (as noted above) have been addressed as part of the 2013 operating budget.

## **5. FINANCIAL MATTERS:**

Financial matters were discussed throughout the report. Please refer to Appendix A for detailed descriptions to explain each department's year end variance.

## **6. CONSULTATIONS:**

All City Departments provided comments to augment the analysis performed by the Finance Department.

## **7. CONCLUSION:**

The comparison table below summarizes the projected quarterly variances throughout 2012 along with the actual year-end results.

2012	Projected Year End		
	At Quarter 2	At Quarter 3	Actuals at Year End
2012 (Deficit)/Surplus (including Budget Stabilization Contingency Account)	\$2,984,000	\$2,288,000	\$1,708,605

One of the main reasons for the decline in the projections and the actual surplus is the announcement by the Ministry of Finance to not reconcile the Ontario Municipal Partnership Fund (OMPF) for 2011. This cost the City \$1,577,661.

Overall, the City ended the 2012 fiscal year with an operating surplus of \$1,708,605 of which the budget contingency fund \$1,500,000 is proposed to be transferred to the Tax Appeals Reserve Fund, resulting in an adjusted year end surplus of \$208,605.

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**Arundhati Mohile**  
**Financial Planning Administrator,**  
**Employment and Social Services**

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**Onorio Colucci**  
**Chief Financial Officer/City Treasurer and**  
**Corporate Leader Finance and Technology**

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**Helga Reidel**  
**Chief Administrative Officer**



**APPENDICES:****Appendix A – Components of the 2012 Year End Operating Budget Variance Report****Appendix B – 2012 Operational & Economic Statistics****Appendix C – 2012 Budget Carry-Forwards****Appendix D – 2012 Capital Closeouts****DEPARTMENTS/OTHERS CONSULTED:****Name:****Phone #: 519                      ext.****NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX

## Components of the 2012 Year End Operating Budget Variance Report

## 2012 YEAR END OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION

Page #	Departments/Divisions	2011			2012			Q4 Year End Surplus/ (Deficit)	YE % Var. of Gross Bgt.
		Annual Gross Budget	Annual Net Budget	Year End Surplus/ (Deficit)	% Var. of Gross Bgt.	Annual Gross Budget	Annual Net Budget	Q3 (Aug 31) Projected Surplus/ (Deficit)	
1	Representation	511,396	511,396	0	0.0%	464,481	464,481	0	0.0%
2	Mayor's Office	530,594	530,594	(24,807)	-4.7%	798,453	798,453	0	1.3%
	Council Administrative Services	1,041,990	1,041,990	(24,807)	-2.4%	1,262,934	1,262,934	0	0.8%
	Total Representation								
3	Office of the Chief Administrative Officer	1,515,666	1,515,666	219,889	14.5%	1,577,999	1,577,999	139,000	14.1%
	CAGS Office	1,515,666	1,515,666	219,889	14.5%	1,577,999	1,577,999	139,000	14.1%
	Total Office of the Chief Admin. Officer								
4,5	Office of the Chief Financial Officer	7,948,050	5,419,390	(434,159)	-5.5%	8,172,313	5,659,287	(445,000)	4.6%
6	Finance	6,286,323	5,146,744	180,384	2.9%	5,128,337	71,000	68,000	1.2%
7,8	Information Technology	216,144,702	(270,688,289)	3,252,508	1.5%	184,614,476	(278,523,333)	1,342,000	-1.4%
	Corporate Financial Accounts	230,379,075	(259,902,155)	2,998,693	1.3%	199,254,173	(247,735,699)	724,000	-1.0%
	Total Office of the Chief Financial Officer								
9	Office of the City Clerk	12,273,535	3,330,478	1,000,509	8.2%	12,763,917	3,188,106	613,000	3.3%
10	Council Services	3,770,466	3,646,208	127,611	3.4%	3,942,138	3,565,918	43,000	3.3%
11	Human Resources	(1,051,741)	(1,051,741)	(615,600)	-58.5%	37,306,800	1,778,012	(300,000)	0.6%
	Corporate Human Resource Accounts	14,999,240	5,924,945	512,520	3.4%	54,012,855	8,532,036	356,000	1.5%
	Total Office of the City Clerk								
12	Office of the City Solicitor	7,866,553	4,748,105	(445,958)	-5.7%	10,460,211	7,165,856	(619,000)	-4.6%
13	Legal	34,449,469	33,681,149	(177,851)	-0.5%	34,465,658	33,813,373	10,000	0.3%
14	Fire & Rescue Services	5,941,918	1,635,959	(2,712)	0.0%	5,874,107	2,041,106	142,000	3.4%
15	Building	3,254,233	2,401,159	(62,566)	-1.9%	3,206,862	2,464,788	(152,000)	-8.1%
	Planning	51,512,173	42,466,372	(89,087)	-1.3%	54,006,838	45,485,103	(497,000)	-8.8%
	Total Office of the City Solicitor								
16,17	Office of the City Engineer	9,863,055	7,085,544	(309,464)	-3.0%	10,662,829	7,302,104	(210,000)	0.1%
18	Engineering	33,423,055	11,988,948	(854,424)	-2.6%	35,317,209	12,617,291	(100,000)	0.1%
19,20	Environmental	30,138,814	10,770,634	(679,173)	-2.3%	26,973,162	10,797,703	63,000	0.1%
21,22	Parks & Facility Operations	25,508,717	16,200,386	(1,374,876)	-5.4%	26,191,801	17,425,825	(81,000)	1.6%
	Total Office of the City Engineer	98,933,641	45,545,512	(3,208,937)	-3.2%	99,145,061	48,745,923	(229,000)	0.4%
23	Community Development & Health	493,103	95,453	(6,922)	-1.4%	522,603	89,358	0	-1.7%
24	Comm. Development & Health Office	118,414,549	18,928,063	803,957	0.7%	119,581,320	17,964,834	898,000	1.0%
25,26	Employment & Social Services	79,302,563	21,385,512	379,407	0.5%	90,747,778	21,201,530	251,000	0.5%
27,28	Housing & Children's Services	21,119,693	8,244,298	7,267	0.0%	20,720,557	7,365,162	0	-0.6%
29,30	Huron Lodge	17,706,633	8,802,986	(2,836)	0.0%	17,550,521	8,782,731	(230,000)	-0.9%
	Recreation & Culture	237,036,541	57,456,312	1,180,873	0.5%	249,122,779	55,403,615	732,000	0.5%
	Total Community Development & Health								
	Total City Departments	635,411,346	(105,551,358)	989,144	0.2%	653,382,579	(106,731,089)	1,011,000	0.05%
31	Agencies, Boards & Commissions	586,885	586,885	(20,139)	-3.4%	573,272	573,272	300,000	56.0%
32	Auditor General's Office	75,382,021	67,776,443	497,312	0.7%	76,704,906	68,148,086	0	0.1%
33,34	Windsor Police Services	28,617,525	11,272,079	(500,551)	-1.7%	29,855,258	12,409,811	(444,000)	-1.4%
35	Transit Windsor	7,919,359	7,919,359	0	0.0%	7,919,359	7,919,359	0	0.0%
36	Windsor Public Library	14,915,034	14,915,034	5,230	0.0%	16,053,391	16,053,391	0	-0.8%
37	Agency Grants	61,558	61,558	77,625	126.1%	81,170	81,170	27,000	35.3%
38	Committees of Council	127,590,382	102,551,258	59,477	0.0%	131,213,256	105,251,089	(171,000)	-0.1%
	Total Agencies, Boards & Commissions								
	Total Corporation (excludes Handi Transit)	762,913,728	(3,000,000)	1,948,621	0.1%	789,595,535	(1,500,000)	840,000	0.0%
	Budget Stabilization Contingency Acct.	3,000,000	3,000,000	100%	100%	1,500,000	1,500,000	1,500,000	100%
	2012 Net Operating Budget Surplus (excludes Handi Transit)	765,913,728	0	\$ 4,948,621	0.5%	791,095,535	0	2,340,000	0.3%

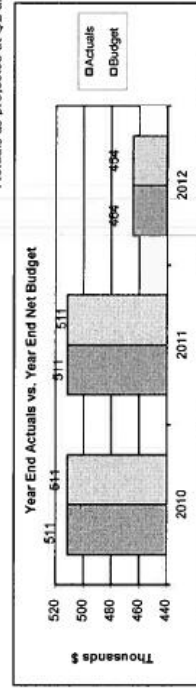
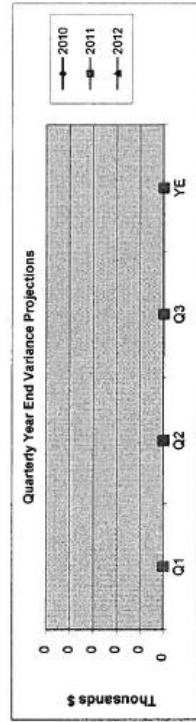
Note: While we have included the Handi Transit Variance on page 36 of Appendix A, the amount is not included in the City's overall variance, since Handi Transit uses a separate accounting system.

Components of the 2012 Year End Operating Budget Variance Report

**MAYOR'S OFFICE**  
**Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Actuals * / Year End
Annual Gross Budget				511,377				464,481	
Annual Net Budget				511,377				464,481	
Annual Net Expenditures				511,377				464,481	
Year End Variance	0	0	0	0	0	0	0	0	0
Variance as % of Gross Budget									

\* Actuals as projected at Q2 and Q3



**Description**

Prior to the budget carry forward of \$761,622, the Mayor's Office budget for 2012 reflected a surplus generally relating to the accumulated surplus carried forward from previous years based on Council approval. The budget carry forward balance is expected to decrease annually as office expenses are incurred. A request to carry forward the 2012 surplus is included within this report. Council previously approved the use of the surplus carry forwards to fund the Mayor's office expenditures.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. On Budget

Category

Amount  
\$ -

Net Year End Surplus

\$ -

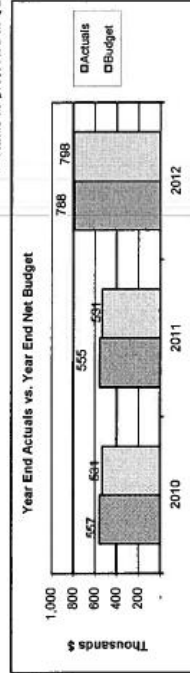
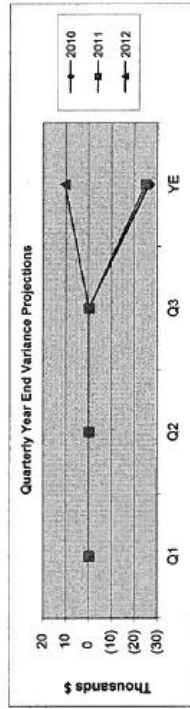
Mitigating Steps

N/A

**COUNCIL ADMINISTRATIVE SERVICES****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Actuals +/- Year End
Annual Gross Budget				530,594				530,594	798,453
Annual Net Budget				530,594				530,594	798,453
Annual Net Expenditures				556,944				555,401	788,030
Year End Variance				(26,350)				(24,807)	10,423
Variance as % of Gross Budget				-5.0%				-4.7%	1.3%

\* Actuals as projected at Q2 and Q3

**Description**

City Council ended the year with a surplus of \$10,423. Lower travel expenses based on conference selections approved by Council in 2012 resulted in a surplus of \$9,231. Other miscellaneous accounts ended the year with a net surplus of \$1,192.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Travel Expenses
2. Other Miscellaneous Accounts

Category	Amount
Other Miscellaneous Expenditures	\$ 9,231
Other Miscellaneous Expenditures	1,192

**Net Year End Surplus**

**\$ 10,423**

**Mitigating Steps**

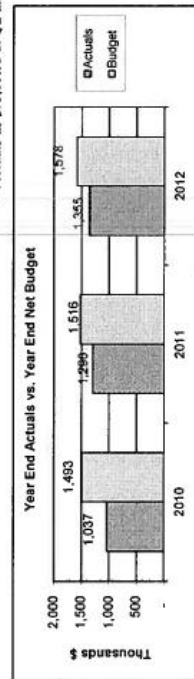
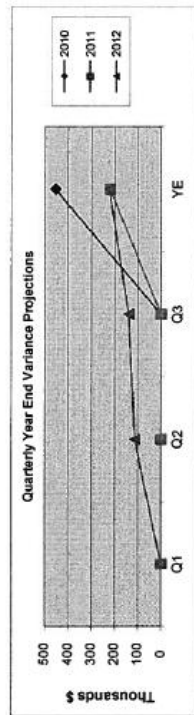
N/A

## OFFICE OF THE CAO

### Financial Summary

	2010				2011				2012				Actuals * / Year End
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3		
Annual Gross Budget				1,493,194				1,515,666				1,577,999	
Annual Net Budget				1,493,194				1,515,666				1,577,999	
Annual Net Expenditures				1,037,120				1,295,777				1,355,389	
Year End Variance	0	0	0	456,074	0	0	0	219,889	0	113,000	139,000	222,610	
Variance as % of Gross Budget				30.5%				14.5%		7.2%	8.8%	14.1%	

\* Actuals as projected at Q2 and Q3.

**Description**

The CAO's office budget contains provisional/contingency budgets for Corporate consulting and other matters. It is difficult to anticipate until very close to year end, how much of these budgets may be used, therefore by the end of 2012, a surplus is reported after taking into account certain budget carry forwards to cover the payments, primarily for the 100 mile Peninsula project as well as other smaller anticipated 2013 projects.

### Summary of Description

**Summary of description**

In summary, the year end variance is comprised of the following:

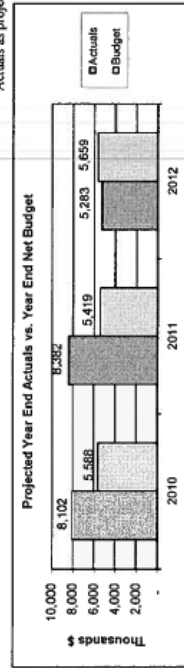
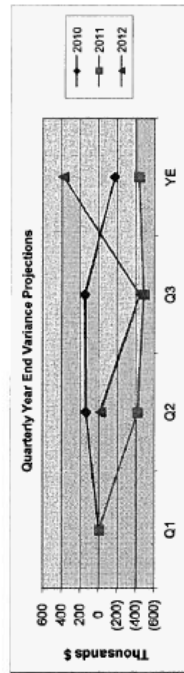
- ## 2. Minor Variances in Multiple Account

Category	Amount
Purchased Services	\$ 204,000
Other Miscellaneous Expenditures	18,610
	<u>\$ 222,610</u>

**FINANCE****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3
Annual Gross Budget			7,928,226			7,948,050			8,172,313
Annual Net Budget			5,588,457			5,419,390			5,659,287
Annual Net Expenditures			8,102,114			8,382,249			5,283,031
Projected Year End Variance	0	140,000	151,000	0	(416,500)	(485,000)	0	(15,000)	(445,000)
Variance as % of Gross Budget		1.8%	1.9%		-5.2%	-6.1%		-0.7%	-5.4%
			-2.2%			-5.5%			4.6%
			(173,888)			(434,199)			376,256

\* Actuals as projected at Q2 and Q3

**Description**

The variances in recent years are largely due to the inclusion of utilities in the portfolio. As budgets are set prior to knowing pricing, utility costs are very difficult to predict. The overall 2012 variance in the Finance Department is a surplus of \$376,256.

**Salaries = \$136,044**

Salaries ended the year with a surplus of \$136,044 due primarily to the vacancies of the Senior Manager of Asset Planning and Asset Planning Administrator positions. The \$174,000 surplus from these vacancies is partially offset by the temporary additions to financial support for Facilities Operations and the Facilities 360 project, as well as other miscellaneous net salary costs.

**Tax Sale Revenue = \$44,301**

Upon the tax sale of properties, any funds remaining after the back taxes are settled are paid into court and made available to any lien or mortgage holders of the property. If these funds are unclaimed after a period of one year, the funds may be claimed by the City. In 2012, the City received \$32,700 of unclaimed payments into court relating to the August 2010 tax sale. In addition, a tender deposit of \$11,600 from the August 2012 tax sale was forfeited to the City in the fall of 2012.

**Ownership Changes = \$37,850**

This account captures fees charged when there is a change in ownership or new property created. This account ended in a surplus at the end of 2012 as a result of higher than anticipated activity. This and other tax-related revenues are dependent upon external sales activity that cannot be easily projected.

**Collection Fees - Other Departments = \$22,930**

This account is used to capture the administrative fee added to the taxpayer's account when amounts owing for fees and services provided by other City departments are added to their tax bill. As a result of increased activity by by-law enforcement officers in the area of property clean-ups and secured openings, this account exceeded budget estimates in 2012.

**Dial-Up Revenues = (\$24,840)**

This account is used to capture fees charged for the use of on-line property tax information as an alternative to the request for a tax certificate. This budget was decreased by \$100,000 in the 2012 budget process and continues to experience a decreasing trend. This and other tax-related revenues are dependent upon external sales activity that cannot be easily projected.

**FINANCE**

**Municipal Tax Equity (MTE) Consulting Costs = (\$78,930)**

MTE provides assistance to the Corporation in ensuring that it remains compliant with Ontario's complex property tax regime, and provides guidance in identifying and meeting tax policy goals. Due to the settlement of significant property tax appeals and the required recalculation of property taxes, this account was overspent in 2012.

**Tax Lien Registration Fees = (\$52,800)**

Due to staff turnover and the extensive training required for staff responsible for registering liens, this account ended the year in a deficit of (\$52,800).

**General Revenues = \$200,000**

The surplus in this account is related to the HST Commodity Tax Review which resulted in an unexpected rebate accrual.

**Corporate Utilities = \$88,581**

Corporate Utilities experienced a surplus of \$88,581 in the Hydro, Gas, and Water accounts. Consumption of both Hydro and Water decreased in 2012. While Natural Gas consumption also experienced a slight reduction, a cost decrease of 18% was a contributing factor to the positive year-end budget variance.

Other miscellaneous accounts ended the year with a net surplus of \$3,120.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Salaries
2. Tax Sale Revenue
3. Ownership Changes
4. Collection Fees - Other Departments
5. Dial-Up Revenue
6. MTE Costs
7. Tax Lien Registration Fees
8. HST Rebate
9. Corporate Utilities
10. Other Miscellaneous Accounts

**Net Year End Surplus**

Category	Amount
Salaries & Benefits	\$ 136,044
User Fees, Permits & Charges	44,301
Other Miscellaneous Revenue	37,850
Utilities, Insurance & Taxes	22,930
Other Miscellaneous Revenue	(24,840)
Purchased Services	(78,930)
Other Miscellaneous Revenue	(52,800)
Other Miscellaneous Revenue	200,000
Utilities, Insurance & Taxes	88,581
Other Miscellaneous Expenditures	3,120
	<b>\$ 376,256</b>

**Mitigating Steps**

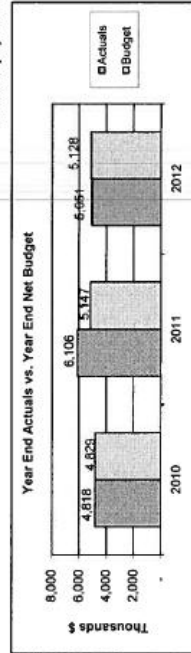
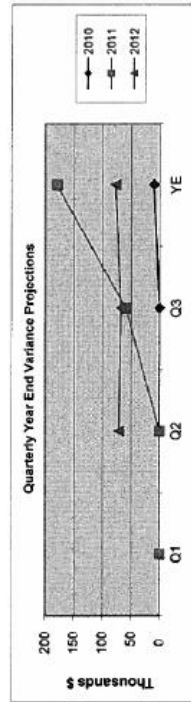
N/A

## INFORMATION TECHNOLOGY

### Financial Summary

	2010			2011			2012			Actuals * / Year End
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	
Annual Gross Budget										6,467,384
Annual Net Budget										5,128,337
Annual Net Expenditures										5,050,730
Year End Variance	0	0	0	0	0	60,000		71,000	68,000	77,607
Variance as % of Gross Budget			0.2%			1.0%		1.1%	1.1%	1.2%

\* Actuals as projected at Q2 and Q3



## Description

Due to delays in the recruitment process, significant salary gapping resulted. In order to catch up on critical "keeping-the-lights-on" work that had not been completed as a result of significant budgeted position (salary) gapping, additional one-time, temporary consulting dollars were required to get the work back on track.

### Summary of Description

**Summary.** In summary, the year end variance is comprised of the following:

1. Salary Gapping due to prolonged recruitment processes including hiring controls
2. Consulting costs required to mitigate gapping and staffing levels
3. Minor Variances in multiple Accounts

Category	Amount
Salaries & Benefits	\$ 276,500
Purchased Services	(212,000)
Other Miscellaneous Expenditures	13,107

Net Year End Surplus

### Mitigating Steps

N/A

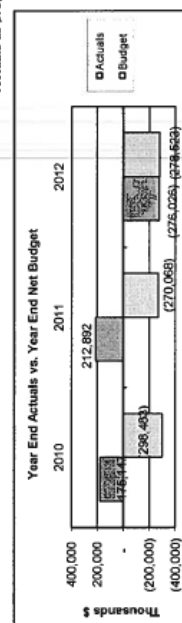
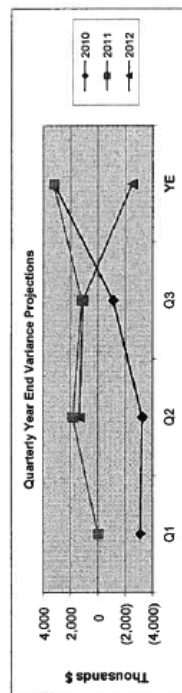


## CORPORATE FINANCIAL ACCOUNTS

### Financial Summary

	2010			2011			2012			Actuals * / Year End
	Projection As at Q1	Projection As at Q2	Actuals Year End	Projection As at Q1	Projection As at Q2	Actuals Year End	Projection As at Q1	Projection As at Q2	Actuals Year End	
Annual Gross Budget			178,368,186			216,144,702				184,614,476
Annual Net Budget			(298,483,363)			(298,483,363)				(278,523,323)
Annual Net Expenditures			175,147,080			212,892,194				(276,026,209)
Year End Variance	(3,096,100)	(3,246,100)	3,221,106	0	1,834,000	3,252,508		1,342,000	1,101,000	(2,497,114)
Variance as % of Gross Budget	-1.7%	-1.8%	-0.6%	0	0.8%	0.5%		0.7%	0.6%	-1.4%

\* Actuals as projected at Q2 and Q3.

**Description**

The year-end variance in the corporate accounts are described below:

Ontario Municipal Partnership Fund = (\$1,577,661)

As previously reported in the risk section of variance reports, the province did not reconcile the 2011 operating year which resulted in a deficit of \$(1,577,661);

Corporate Provisions = (\$1,476,580)

As previously reported, ongoing JJE reviews and outstanding pay equity retro payments have led to necessary year-end accruals for prior years, resulting in a deficit in this account;

Penalty and Interest on Taxes and Receivables = (\$485,156)

As a result of positive results from enhanced collection efforts targeted at accounts falling into arrears, penalties added to taxes are tracking 5% lower than penalties added in 2011;

Net Tax Additions/Reductions = (\$480,505)

This account captures the net result of additional revenue from new development and tax revenue loss from assessment appeals and tax relief applications. Due to the settlement of several large and small assessment appeals in 2012, this account is overspent;

Interest Paid to Reserves (\$58,909)

A deficit occurred in this account due to higher than projected reserve fund balances, and is partially offset by a decrease in the projected year end interest rate; amounts 1 and 10 agree for 2006/2007.

Encroachments = (\$48,434)

Actual revenue from encroachments was lower than projected in 2012;

Raceway Slots = \$144,421

This account is used to record the municipality's portion of raceway slots revenue. To assist with transition costs due to the termination of this transfer on April 30, 2012, the Province has committed to the municipality four quarterly payments of \$385,000 beginning April 1, 2012 with the final payment in 2013. Added to the first quarter slots revenue received, this commitment has resulted in a \$144,421 surplus in 2012:

**CORPORATE FINANCIAL ACCOUNTS****Children's Allocation Fund = (\$14,442)**

This account is used to transfer 10% of slots revenue from the Province to the Children's Allocation Reserve Fund. As a surplus resulted in the raceway slots account, a proportionate deficit has occurred in this account as the transfer to the reserve fund was higher than estimated;

**General Revenue = \$51,760**

This account experienced a surplus of \$51,760 primarily due to a HST rebate received in 2012;

**Bank Charges - \$56,952**

A surplus occurred in this account due to a favourable new banking services contract which came into effect on September 1, 2012;

**Allowance for Doubtful Accounts = \$152,177**

Timely collections efforts of Corporate Accounts Receivable resulted in a lower than anticipated allowance for doubtful accounts;

**Payroll Fringe Benefits = \$244,178**

Due to lower than projected full time complement in 2012 (i.e. gapping and other absences) this account ended the year with a surplus of \$244,178;

**Interest on Investments = \$384,016**

The surplus in this account is due primarily to higher yields on term deposits achieved through a proactive investment strategy. Additionally, a higher interest yield was paid on funds remaining within the operating accounts due to the new banking services contract that came into effect September 1, 2012;

**Capital Interest Income = \$601,243**

The surplus in this account relates to income earned as a result of internally financing capital projects;

Other Miscellaneous accounts ended the year with a net surplus of \$9,826.

**Summary of Description**

In summary, the year end variance is comprised of the following:

Category	Amount
1. Ontario Municipal Partnership Fund	(1,577,661)
2. Corporate Provisions	(1,476,580)
3. Penalty and Interest on Taxes and Receivables	(485,156)
4. Net Tax Additions/Reductions	(480,505)
5. Interest Paid to Reserves	(58,909)
6. Encroachments	(48,434)
7. Raceway Slots	144,421
8. Children's Allocation Fund	(14,442)
9. General Revenue	51,760
10. Bank Charges	56,952
11. Allowance for Doubtful Accounts	152,177
12. Payroll Fringe Benefits	244,178
13. Interest on Investments	384,016
14. Capital Interest Income	601,243
15. Other Miscellaneous Accounts	9,826

**Net Year End Deficit**

**\$ (2,497,114)**

**Mitigating Steps**

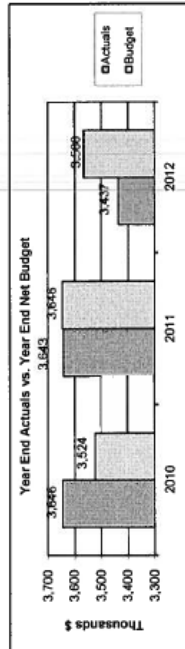
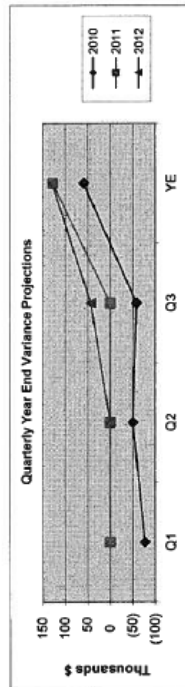
N/A



## Financial Summary

	2010			2011			2012			Actuals * / Year End		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1		Projection As at Q2	Projection As at Q3
Annual Gross Budget				3,705,575				3,770,466				3,942,138
Annual Net Budget				3,521,917				3,646,208				3,565,918
Annual Net Expenditures				3,646,352				3,642,855				3,436,527
Year End Variance	(77,000) -2.1%	(50,000) -1.3%	(58,000) -1.6%	59,223 1.6%	0	0	0	127,611 3.4%	0	0	43,000 1.1%	129,391 3.3%
Variance as % of Gross Budget												

\* Actuals as projected at Q2 and Q3



The Human Resources Department ended the year in a surplus of \$129,391. The operational savings realized by the department can be categorized through various accounts as noted below such as Purchased Services, various savings realized through Miscellaneous Expenditures, Recovery of Expenditures from External Sources and our Minor Capital accounts.

Given a number of positive discussions for lower pricing for various goods and services, time constraints as a result of negotiations of 2 CUPE groups and a review of the Non Union Job Evaluation process, less advertising costs given our lower turnover rate as well as internal projects which allowed for less external consulting services, the department was able to accumulate an overall savings of \$81,752 in the category of Purchased Services. The accounts in the Purchased Services category include a savings of \$27,920 in consulting services, \$15,844 in travel to out of town training workshops/seminars for staff, \$12,112 in advertising of vacancies and a savings of \$24,876 in various purchasing accounts such as medical services and facility rental. Less emphasis and opportunities were available in 2012 for Training and Membership fees for Human Resources Staff given the noted time constraints, which in turn provided another \$23,080 savings in these noted miscellaneous expenditures.

As a result of staff resources to the Social Services Department, the Ontario Works program recovery in 2012 was \$14,958 higher than budgetary levels. Finally, our minor capital expenses in the areas of Office Furniture and Equipment in multiple accounts realized a savings in the amount of \$9,601.

In summary, the year end variance is comprised of the following:

1. Travel, Training for Human Resources staff and Advertising for job postings
2. Conferences and Membership for Human Resources staff
3. Recovery from Ontario Works program
4. Minor variances in multiple accounts

Category	Amount \$
Purchased Services	81,752
Other Miscellaneous Expenditures	23,080
Recovery of Expenditures	14,958
Minor Capital	9,601
<b>Net Year End Surplus</b>	<b>\$ 129,391</b>

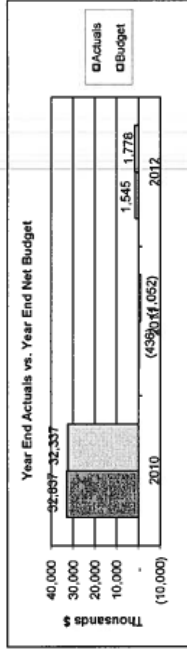
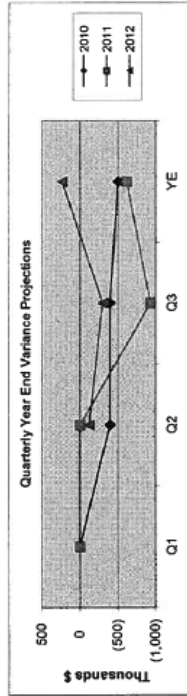
## N/A

# CORPORATE HUMAN RESOURCE ACCOUNTS

## Financial Summary

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End	
Annual Gross Budget				32,337,384				37,306,800	
Annual Net Budget				32,337,384				1,778,012	
Annual Net Expenditures				32,836,717				1,544,628	
Year End Variance	0	(395,000)	(396,000)	(499,333)	0	0	(929,000)	233,384	
Variance as % of Gross Budget		-1.2%	-1.2%	-1.5%			88.3%	0.6%	

NOTE: 2010 budget and actual information is not comparable due to the changes to the budget costs centres arising out of corporate realignment.



## Description

The \$265,796 surplus in Fringe Benefits Recovery account is offset by the Fringe Benefit expense accounts in the corporate wide Operating Departments. Green Shield ended the year in a surplus of \$209,728. A 2012 surplus of \$920,288 was realized during the year based on the number of claims filed with Green Shield, this surplus was offset by a post closing entry due to incorrect coding of HST resulting in a net savings to the City of \$343,236 that was transferred to the Fringe Rate Stabilization Reserve Fund. The Fringe Rate Stabilization Reserve Fund balance at December 31, 2012 is \$3,427,260.27.

The OMERS account has ended the year in a surplus of \$180,852. The 2012 OMERS budget was developed based on the number of employees enrolled in OMERS and their 2012 estimated contributions assuming all employee collective agreements have been settled. The surplus can be attributed to the outstanding employee collective agreements with Windsor Police Services, Windsor Fire and Rescue and Ontario Nurse's Association that was accrued to the Corporate Finance salary and wage account for 2012.

The Group Life Insurance program ended the year in a deficit of (\$72,539) primarily due to the 2011 surplus of \$168,082.92 that remained with Great West Life in order for the Corporation of the City of Windsor to negotiate 2013 rates with no budgetary increases. A post closing entry of \$31,474 due to incorrect coding of HST was applied to the Fringe Rate Stabilization Reserve Fund. The Long Term Disability deficit of (\$350,453) is consistent with the 3rd quarter deficit projection (\$300,000) and historical trend of increased claims paid, as reported in the 2011 year end report with a deficit of (\$341,018). A \$300,000 budget increase to the Long Term Disability budget was approved by Council during the 2013 budget process.

## Summary of Description

In summary, the year end variance is comprised of the following:

1. Fringe Benefits Recovery
2. Green Shield
3. OMERS
4. Group Life Insurance
5. Long Term Disability

## Net Year End Surplus

Category	Amount
Salaries & Benefits	\$ 265,796
Salaries & Benefits	209,728
Salaries & Benefits	180,852
Salaries & Benefits	(72,539)
Salaries & Benefits	(350,453)
<b>Net Year End Surplus</b>	<b>\$ 233,384</b>

## Mitigating Steps

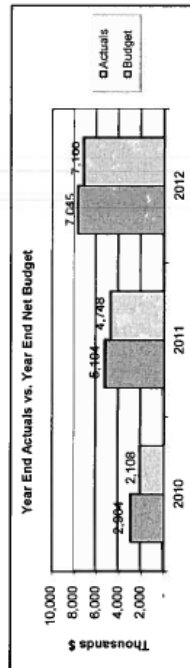
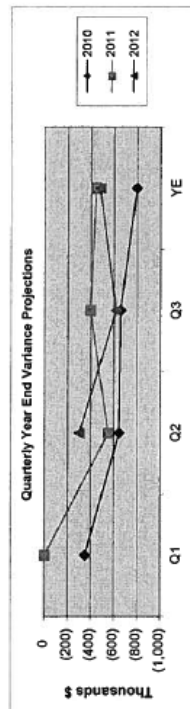
N/A

### Financial Summary

	2011			
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End
	0	(550,000)	(395,000)	7,866,553
				4,748,105
				5,194,063
				(445,958)
				-3,98%
				-5,30%
				-5,76%

2012			
Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End
			10,460,211
			7,165,836
			7,645,241
	(306,000)	(619,000)	(479,405)
	-2.0%	-5.0%	-4.6%

\* Actuals as projected at Q2 and Q3



The Legal and Property department realized a net year end deficit of (\$479,405) in 2012. Deficits in the labour arbitration and legal services accounts (\$506,695) as well as in user fee revenue (\$167,279) have again been realized and have been addressed in the 2013 budget process. The bylaw fines revenue account is also in a deficit position (\$39,358) this year. These deficits are partially offset by a surplus of \$151,027 in facility rental costs within the Property Division due in part to lower than expected Common Area Maintenance (CAM) Fees at 1 Riverside Drive, and an unbudgeted recovery from the Province of \$70,000. Miscellaneous expenditures account for the remaining surplus of \$12,900.

**In summary, the year end variance is comprised of the following:**

1. Labour Arbitration and Legal Services
2. User Fees
3. ByLaw Fines
4. Facility Rental
5. Recovery of Internal Staff
6. Miscellaneous

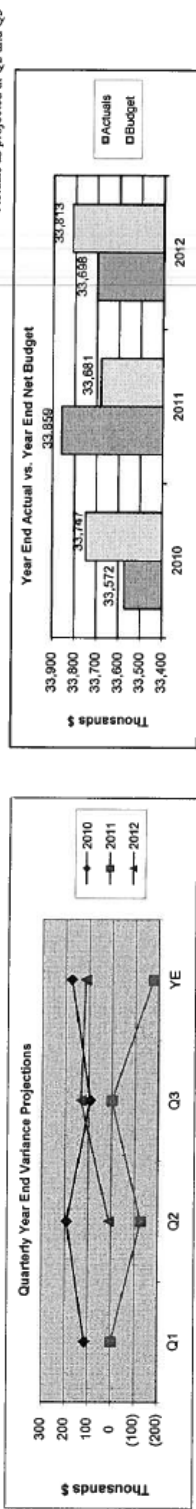
Category	Amount
Purchased Services	(506,695)
User Fees, Permits & Charges	(167,279)
User Fees, Permits & Charges	(39,358)
Operating & Maintenance Supplies	151,027
Recovery of Expenditures	70,000
Other Miscellaneous Expenditures	12,900
	<u>\$ (479,405)</u>

## N/A

# **FIRE & RESCUE SERVICES**

## **Financial Summary**

	2010		2011		2012	
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q2	Projection As at Q3	Actuals * / Year End
Annual Gross Budget	115,000	192,500	34,510,102	34,449,469	34,465,658	34,465,658
Annual Net Budget			33,746,782	33,681,149	33,813,373	33,813,373
Annual Net Expenditures			33,572,096	33,859,000	33,698,435	33,698,435
Year End Variance			174,686	(177,851)	114,938	114,938
Variance as % of Gross Budget	0.3%	0.6%	0.3%	-0.5%	0.4%	0.3%



## **Description**

A positive year end variance of \$114,938 in Windsor Fire & Rescue Services (WFRS) has been realized due to a number of factors, most of which revolve around staffing issues:

A surplus of \$511,112 exists in the permanent salary accounts and is attributable to vacant positions and gapping within the Fire Rescue, Training and Fire Prevention divisions throughout the year. However, these vacancies necessitated greater overtime to cover the workload and train new staff as vacancies were filled, resulting in a deficit of (\$254,767) in the overtime accounts. Due to the shortage of available staff to cover absences, opportunities for travel and training were limited in 2012, resulting in a year end surplus of \$59,524 in the travel and training accounts.

The WSIB accounts net to a deficit of (\$200,882) in 2012, owing both to new and existing claims. This budget shortfall was addressed in the 2013 budget process.

The remaining accounts net to a deficit of \$49 at year end.

## **Summary of Description**

In summary, the year end variance is comprised of the following:

1. Salary Gapping
2. Travel & Training
3. WSIB
4. Overtime
5. Other Miscellaneous Accounts

## **Net Year End Surplus**

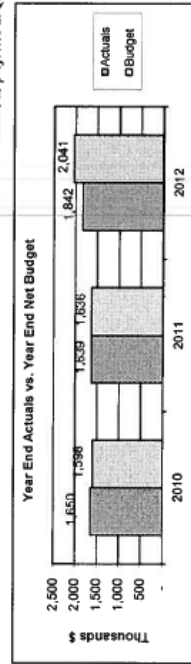
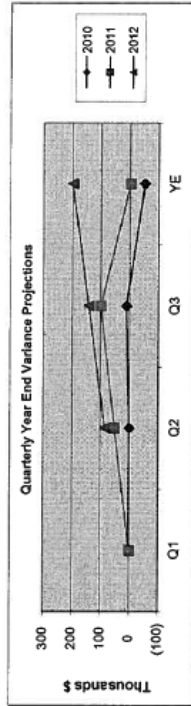
Category	Amount
Salaries & Benefits	\$ 511,112
Purchased Services	59,524
Salaries & Benefits	(200,882)
Salaries & Benefits	(254,767)
Other Miscellaneous Expenditures	(49)
<b>Net Year End Surplus</b>	<b>\$ 114,938</b>

## **Mitigating Steps**

N/A

**BUILDING**  
**Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3
Annual Gross Budget									
Annual Net Budget									
Annual Net Expenditures									
Year End Variance	0	0	11,000	0	51,500	100,000		85,000	142,000
Variance as % of Gross Budget			0.2%		0.9%	1.7%		1.4%	2.4%
Actuals	5,931,346	5,941,918	5,941,918	5,941,918	5,941,918	5,941,918			
Year End	1,597,536	1,635,959	1,635,959	1,635,959	1,635,959	1,635,959			
Year End	1,649,982	(2,712)	(2,712)	1,638,671					
Year End	(52,446)								
Year End	-0.9%			0.0%					



**Description**

Tax Levy Funded Budget: \$199,506 surplus for 2012

The surplus is largely attributed to staff gapping, improved operating revenues and better than budgeted recoveries in areas such as dirty yards enforcement and the basement flooding mitigation program.

**Legislated Permits Budget:**

The Department realized a draw on Reserve of only \$427,829 in 2012 in comparison to the budgeted draw of \$850,438. This is the lowest draw on Reserve since 2006 when annual draws began to range between \$1 million to \$2 million per year. Major construction project starts in the institutional/commercial/industrial categories were largely responsible for a surge in revenues (permit fees). The Department's continued implementation of it's approved Deficit Reduction Action Plan also contributed to the lower required draw on Reserve. The current deficit balance in the Building Permit Fee Reserve is approximately (\$8.5 million).

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Improved Revenues related to Building Code Enforcement
2. Additional Revenues from dirty yards, property standards enforcement and basement flooding program inspections
3. Staff gapping
4. Miscellaneous variances from various line amounts

Category	Amount
User Fees, Permits & Charges	\$ 124,093
Other Miscellaneous Revenue	62,801
Salaries & Benefits	42,557
Other Miscellaneous Expenditures	(29,945)

**Net Year End Surplus**

**\$ 199,506**

**Mitigating Steps**

The Building Department team strives to mitigate operating expenditures each year and explore revenue enhancement where possible. The Deficit Reduction Action Plan remains on schedule for full implementation by the end of 2014 which is hoped to reduce the annual Reserve draw significantly further.



## PLANNING

### Financial Summary

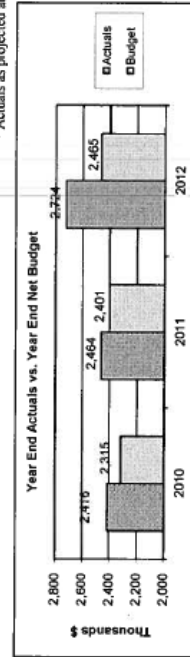
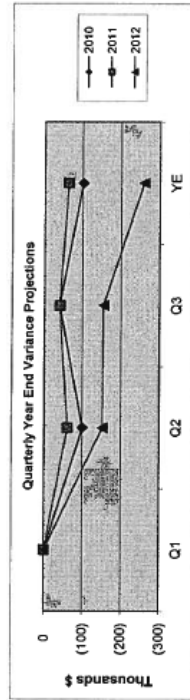
Annual Gross Budget
Annual Net Budget
Annual Net Expenditures
<b>Year End Variance</b>
Variance as % of Gross Budget

2010			Actuals
Projection As at Q1	Projection As at Q2	Projection As at Q3	Year End
			3,011,968
			2,314,894
			2,415,930
0	(100,000)	(40,000)	(101,036)
	-3.3%	-1.3%	-3.4%

	2011			
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End
				3,254,233
				2,401,159
				2,463,725
				(62,566)
	0	(61,000)	(40,000)	
		-1.9%	-1.2%	-1.9%

	2012				Actuals * / Year End
	Projection As at Q1	Projection As at Q2	Projection As at Q3		
					3,206,862
					2,464,788
					2,724,103
	0	(152,000)	(154,000)		(259,315)
		-4.7%	-4.8%		-8.1%

\* Actuals as projected at Q2 and Q3



## Description

Planning Department revenues fell short of budget targets in 2012 within the following Divisions: Street and Alley Closings, Committee of Adjustment and Development Applications. These revenues, for the most part, are tied directly to the level of local economic activity which still remains below that of just a few years ago. Expenses overall for 2012 were mostly kept in check and helped offset revenue shortfalls to minimize the year end (\$259,315) Departmental variance. One employee of the Department is in receipt of Worker Compensation Insurance Benefits which totalled \$44,476 for 2012.

### Summary of Description

**In summary, the year end variance is comprised of the following:**

1. Shortfall in the revenues from Street & Alley closings, Committee of Adjustment and Development Applications
2. Workers Compensation Insurance Benefits paid out
3. Other professional services (legal costs of surveys for street and alley closures)
4. Staff gapping
5. Suspended expenditure on travel and training
6. Mitigation of expenditures on equipment, publications, office supplies and materials
7. Savings on advertising and honorariums

In summary, the year end variance is comprised of the following:		
1. Shortfall in fee revenues from Street & Alley closings, Committee of Adjustment and Development Applications		
2. Workers Compensation Insurance Benefits paid out		
3. Other professional services (legal costs of surveys for street and alley closures)		
4. Staff gapping		
5. Suspended expenditure on travel and training		
6. Mitigation of expenditures on equipment, publications, office supplies and materials		
7. Savings on advertising and honorariums		
<b>Net Year End Deficit</b>		

### Mitigating Steps

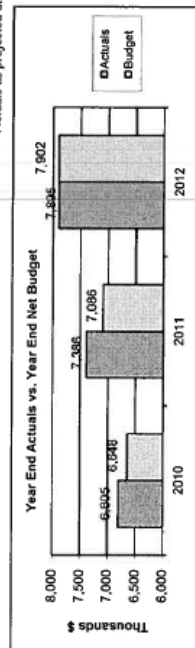
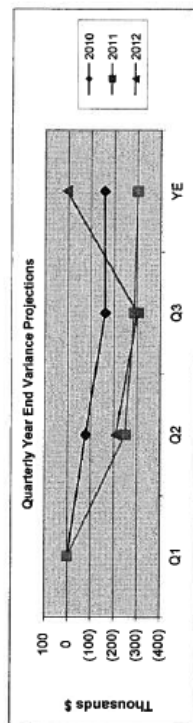
The Planning Department continues to adopt measures of mitigating all expenditures that are within its discretion and control as well as extracting efficiency enhancements from existing resources. Options for cost recovery are continually being examined.

## ENGINEERING

### Financial Summary

	2010				2011				2012			
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End
Annual Gross Budget				9,352,013				9,863,055				10,662,829
Annual Net Budget				6,648,368				7,085,544				7,902,104
Annual Net Expenditures				6,805,149				7,386,008				7,895,450
Year End Variance	0	(78,000)	(160,500)	(156,781)	0	(249,000)	(286,750)	(300,464)	(210,000)	(210,000)	(301,000)	6,654
Variance as % of Gross Budget		-0.8%	-1.7%	-1.7%		-2.3%	-2.9%	-3.0%		-2.0%	-2.8%	0.1%

\* Actuals as projected at Q2 and Q3



**Description**

The net year-end surplus in the Engineering Department of \$6,654 can be attributed to savings on account of salary gapping, increase in overall revenue and overall reduction in operating expenses. Offsetting this surplus is an overall increase in street light maintenance costs and shortfall in recoveries related to salaries.

Due to the existing aging Streetlight infrastructure, greater than normal maintenance was required resulting in an overall deficit in the street light maintenance account of (\$209,892). It should be noted that group relamping has been delayed for 1 ½ years now as Administration has investigated LED technology, potential partnerships, and pilot project; however, the delay has resulted in increased operating costs as streetlights are burning out at a faster rate. Group relamping will be done in 2013 with available capital funds.

There was a shortfall in recoveries of salaries from Capital projects of (\$22,019) for 2012 primarily due to short term gapping as well as under recovery due to employee vacations, training and sick time costs. These costs are non-recoverable from capital projects, hence resulting in the shortfall in recoveries. In addition, there are staff members in the Projects and Engineering Division who are working on various projects which are not recoverable from municipal infrastructure projects and have resulted in a shortfall in recoveries.

Offsetting the above-noted deficit are net short term salary gapping savings of \$106,960, mainly in the Transportation Planning Division, where several positions have been vacant during the year and to a lesser degree in the Projects Division. Some additional savings were realized in the School Crossing Guard Program. It should be noted that net salary gapping savings of \$106,960 is net of increase in salary costs related to sick time / modified arrangement that requires staff to be backfilled and retro payments as a result of JJE evaluations.

The department is also reporting an overall savings in Operational costs of \$16,908.

To fund the E.I.S. system, there is a 5% surcharge on the Right Of Way Permits, Building Permits and Geomatic products. The number of building permits for higher value work / big projects issued in 2012 increased and this has had a direct impact on GIS surcharge revenue in the Geomatics Division and other revenues in the Development & Geomatics Division. The department has a overall net surplus in revenues from issue of right-of-way, encroachment and oversized move permits in the Development Division. Major projects (i.e. South west detention centre and the parkway project) led to an increase in various permits issued to date in the area of Oversize loads (girders, beams and various components) for the projects noted above. This offset the reduction of revenues in Geomatics Division related to the sale of maps and other products which continue to reduce as more of these products become available at no cost with the introduction of Open Data.

There is also a drop in revenue in the Development Division related to Secondary Inspection Fees. In 2010, the Development Division had introduced a new fee - Secondary Inspection however, very few inspections could be performed in 2012. This could be partly attributed to the residents being more diligent in ordering an inspection and partly to the enforcement process. As a result, the net revenue surplus of all the above mentioned factors is \$114,697.

**ENGINEERING**

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Street Lighting -Maintenance Expenses-Enwin
2. Shortfall in recoveries related to salaries
3. Net Salary Gapping Savings
4. Savings in Other Operating Costs
5. Revenue surplus

**Net Year End Surplus**

Category	Amount
Utilities, Insurance & Taxes	(209,892)
Salaries & Benefits	(22,019)
Salaries & Benefits	106,960
Other Miscellaneous Expenditures	16,908
User Fees, Permits & Charges	114,697
	<u>\$ 6,654</u>

**Mitigating Steps**

In 2013, the department will strive to take various measures to mitigate potential deficits. One of the measures taken will be to continue to monitor the budget and take steps to reduce operating expenses and maximize revenues where possible. The other measure undertaken by the department is that the recoveries in the Engineering Division and Projects from Capital Projects have been adjusted in 2013 Operating Budget to reflect the current situation, which will help reduce the recovery variance.

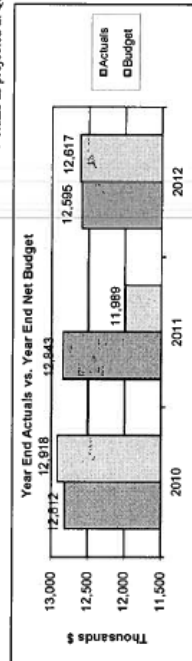
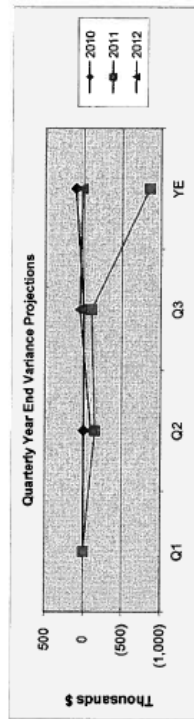
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## ENVIRONMENTAL

## Financial Summary

	2010			2011			2012			Actuals * / Year End		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1		Projection As at Q2	Projection As at Q3
Annual Gross Budget				33,588,902				33,423,055				35,317,209
Annual Net Budget				12,917,971				11,988,948				12,617,291
Annual Net Expenditures				12,812,286				12,843,372				12,594,601
Year End Variance	0	0	0	105,685	0	(150,000)	(100,000)	(854,424)	0	(100,000)	50,000	22,690
Variance as % of Gross Budget				0.3%		-0.4%	-0.3%	-2.6%		-0.3%	0.1%	

\* Actuals as projected at Q2 and Q3



## Description

The Environmental Services area has a year-end surplus of \$22,690 in 2012. This departmental surplus can be attributed to several factors: Lower than anticipated yard waste tonnage collected in 2012 resulted in a \$14,692 surplus in landfill tipping fees paid for organics and contractor costs for the collection of yard waste in the Waste Diversion division. However, this was offset by a deficit of (\$120,791) in the Waste Disposal division due to higher than budgeted tonnages relating to refuse resulting in higher landfill tipping fees paid. In addition to the landfill tipping fees paid, leachate treatment costs relating to Landfill No. 3 were slightly higher than anticipated due to excessive rainfall received in the latter portion of 2011, which impacts leachate treatment costs in 2012.

Furthermore, there was a deficit of (\$81,707) in the Building & Security division for additional temporary security requirements at the Solid Waste Control Centre, along with a deficit of (\$25,896) in lost time due to extra employee training required during the first half of 2012 to accommodate the creation of the new facility operator Local 82 position. However, these deficits were offset by several small surpluses. The Waste Collection division had a surplus of \$33,874 due to lower than expected costs for the waste collection contractor and wages for industrial/commercial collection. The Environmental Master Plan division had a surplus of \$30,870 due to several program initiatives that were delayed. The Street Sanitation area had a surplus of \$26,455 due to lower than anticipated wages required in 2012 for litter & debris pick-up. Lastly, the Pest Control division had a surplus of \$45,193 due to funding for skunk removal in 2012 not being utilized pending development of a strategy.

### Summary of Description

In summary, the year end variance is comprised of the following:

1. Waste Diversion - Yard Waste
2. Waste Disposal - Landfill Tipping Fees, Leachate Treatment
3. Building & Security
4. Environmental Lost Time
5. Waste Collection
6. Environmental Master Plan
7. Street Sanitation
8. Pest Control

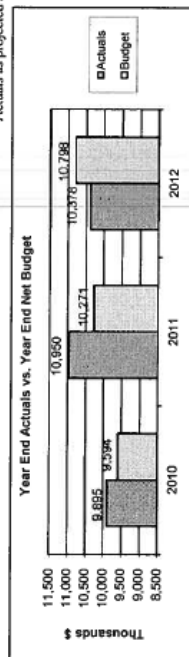
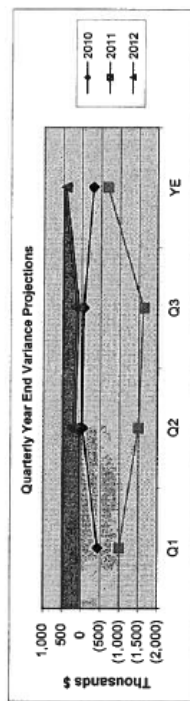
Category	Amount
Operating & Maintenance Supplies	114,692
Operating & Maintenance Supplies	(120,791)
Operating & Maintenance Supplies	(81,707)
Salaries & Benefits	(25,896)
Salaries & Benefits	33,874
Operating & Maintenance Supplies	30,870
Salaries & Benefits	26,455
Operating & Maintenance Supplies	45,193
	<b>\$ 22,690</b>

### Mitigating Steps

N/A

**NEW OPERATIONS**  
**Financial Summary**

	2010			2011			2012		
	Projection	Projection	Actuals	Projection	Projection	Actuals	Projection	Projection	Actuals
	As at Q1	As at Q2	Year End	As at Q1	As at Q2	Year End	As at Q1	As at Q2	Year End
Annual Gross Budget									
Annual Net Budget			32,252,605			30,138,814			26,973,162
Annual Net Expenditures			9,594,498			10,270,634			10,797,703
Year End Variance			9,894,984			10,949,807			10,376,190
Variance as % of Gross Budget			(300,486)			(679,173)			419,513
	(435,000)	(35,000)	(300,486)	(1,000,000)	(1,500,000)	(1,625,685)		162,000	63,000
	-1.3%	-0.1%	-1.1%	-3.3%	-5.0%	-5.4%		0.6%	0.2%

**Description**

The Public Works Operations Department finished 2012 with an overall surplus of \$419,513. A summary of each variance is provided below.

The Fleet Division finished the year with several variances netting to a surplus of \$622,260. The net surplus includes a depreciation surplus of \$428,090, a fuel surplus of \$154,830, a salary gapping surplus of \$81,000, a rental rate revenue surplus of \$80,931, and an actual cost revenue deficit of (\$122,627). As a result of budget development changes implemented for Fleet in 2012, Fleet has variances related to depreciation and revenues. The changes include keeping the Fleet depreciation budget unchanged from year to year, setting the rental rates effective April 1st each year after Council approves the budget, and the refinement of the actual cost revenue recovery projections. Fleet also has a surplus of \$154,830 related to fuel. This is a result of decreased overall consumption, and the increased use of the less expensive coloured diesel over regular diesel. The Fleet Division also ended the year with a salary gapping surplus due to long term absences in the department.

The Parking Enforcement Division finished the year with a year-end deficit of (\$184,847) related to increased WSIB costs and lower parking ticket revenue. There are several drivers of the parking ticket revenue deficit of (\$98,000) including a delay in implementing an increase in the fine amount related to parking meter infractions caused by a detailed process as outlined by the Ministry of the Attorney General, an increase in the number of tickets void in the year including approximately \$10,000 in parking tickets issued on January 2, 2012 and subsequently cancelled by way of Motion M11-2012, and increased recoveries of fine revenue through the courts. The deficit of (\$86,847) related to WSIB costs is due to one-time payments and increased monthly pension amounts.

The Winter Control Division finished the year with a year-end deficit of (\$40,915). We have experienced below average winter conditions for 2012 overall with one major snow event occurring at the end of the year.

The remaining surplus of \$23,051 is the net result of all other immaterial line by line variances across all the Divisions of PW Operations.

### Summary of Description

In summary, the year end variance is comprised of the following:

- | Category                              | Amount     |
|---------------------------------------|------------|
| Transfers to Reserves & Capital Funds | \$ 428,090 |
| Operating & Maintenance Supplies      | 154,830    |
| Salaries & Benefits                   | 81,000     |
| User Fees, Permits & Charges          | 80,931     |
| Recovery of Expenditures              | (122,627)  |
| Salaries & Benefits                   | (86,847)   |
| User Fees, Permits & Charges          | (98,000)   |
| Purchased Services                    | (40,915)   |
| Other Miscellaneous Expenditures      | 23,051     |

Net Year End Surplus

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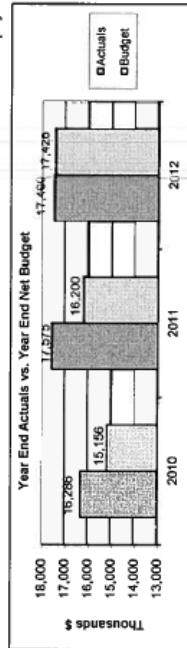
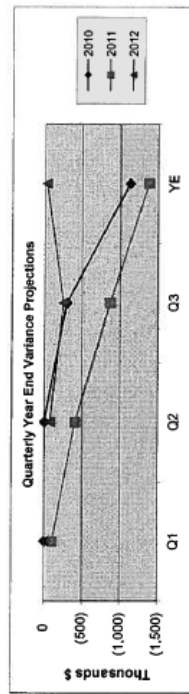
**PW OPERATIONS**

**Mitigating Steps**

The approval of the 2013 budget is expected to mitigate several of the above year-end variances identified above with the exception of depreciation, salary gapping, and winter control. Budget issues have been approved with respect to Parking Enforcement WSIB, Fleet Revenue, and Fleet fuel. Beginning in 2012, the annual budget for depreciation transfers is no longer adjusted in Fleet resulting in an annual reportable depreciation variance. It is unknown at this time whether a salary gapping situation will continue in Fleet, and the Parking Enforcement revenue is expected to come in on budget in 2013.

**PARKS & FACILITY OPERATIONS****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q2	Projection As at Q3
Annual Gross Budget				24,697,116			25,508,717		
Annual Net Budget				15,156,185			16,200,386		
Annual Net Expenditures				16,286,061			17,575,262		
Year End Variance	0	0	(300,000)	(1,129,876)	(410,000)	(870,000)	(1,374,876)	(81,000)	(255,000)
Variance as % of Gross Budget			-1.2%	-4.6%	-0.4%	-3.3%	-5.2%	-0.3%	-1.0%
* Actuals as projected at Q2 and Q3									

**Description**

Overall, Parks & Facility Operations is reporting a (\$34,284) deficit.

**Parks**

The Parks Department is reporting a year-end surplus of \$221,451 for 2012.

Parks' revenue exceeded the budget with a surplus of \$462,595. This is attributed to increased revenue/recoveries in tree trimming, the annual plant sale, recoverable work and revenues from vacant lot seasonal work such as grass cutting and snow removal.

The wage accounts collectively represent a surplus of \$403,531. Parks' surplus is partially due to wage gapping with retirements and several open positions with employees off work due to long term disability. Parks also reduced costs by ensuring students had a one week unpaid vacation during the summer. This implementation had little affect on the level of service with the assistance of the transitioned staff. Parks Operations also limited overtime during the spring months to help offset some of their other department costs.

In an effort to mitigate costs, the department changed some workload processes that resulted in a surplus in external contract work of \$176,848. This surplus helped to offset the (\$155,053) deficit in Operating Supplies (i.e. Fuel and Lubricants, First Aid, and Program Supplies) as well as the (\$666,470) deficit in Infrastructure Maintenance Materials, Building Repairs and Equipment Repairs. This deficit is somewhat offset by the Revenue surplus (discussed above), as much of these costs are related to recoverable work. Despite these line items being over budget, it should be noted that the current projected deficit in repair and material costs is a significant drop in trend with the past five years. With aging infrastructure and equipment, the department struggles to keep costs within the limits of their budget while providing facilities, playgrounds and parks areas that are safe, clean, and operating at a service-level that the citizens and stakeholders are accustomed and have come to expect.

Traditionally, Parks' practice has been to perform reactive maintenance of our equipment and facilities. While aging equipment and amenities will continue to cause Parks to experience expenditures to maintain our infrastructure, buildings and equipment, Parks is moving to a preventative maintenance model initiative which will help us in the future to get a better control of our costs and extend the useful life of our infrastructure.

**Facilities**

The Facility Operations division is reporting a year-end deficit position of (\$255,735) for 2012. As identified in the 2nd and 3rd quarter variance reports a large portion of this deficit relates to security costs at the 400 building. Facilities has developed a protocol by using the 400 CHS front desk as a central dispatch area to receive and deploy resources for municipally owned property related issues that occur after hours thus reducing the amount of call ins and corporately reducing overtime. Although the department does not receive a recovery for this service it is an efficient and effective way of utilizing staff resources while providing savings across the organization. As per our lease agreement with Service Ontario and Service Canada, we as the landlord are required to ensure 24 hour coverage at the front desk. For 2012 there was a total cost of \$110,421 for approximately 6552 hours of security service. The budget for this service is \$24,221. A budget issue was approved in 2013 for an additional \$100,000 to fund security.

**PARKS & FACILITY OPERATIONS**

In addition, the division incurred unbudgeted costs of (\$18,832) representing 3 quarters of maintenance fees for the work order application Facility 360 that manages all facility maintenance related work orders. A budget request has been approved in the 2013 operating budget for \$30,000 to fund the application maintenance fees.

The deficit is also made up of unanticipated facility maintenance costs in the amount of (\$126,482) for required repairs to our existing facilities. The Fire Halls in particular are aging facilities that require a great deal of maintenance to keep them operational such as boiler replacements, foundation repairs and HVAC units that are not support by the current budget level. A deficit of (\$74,197) was incurred related to Fire Hall maintenance. Overall recoveries are not possible for all required maintenance and repairs as departments do not have sufficient budget dollars to cover unexpected building maintenance costs. To mitigate the cost of and impact of unexpected building repairs the Facilities division has expanded its use of the Facility 360 application to schedule preventative maintenance to expand the useful life-cycle of our current facilities and provide a more proactive approach to building maintenance that should help mitigate the impact of unanticipated repairs.

**Summary of Description**

In summary, the year end variance is comprised of the following:

	Category	Amount
<b>Parks</b>		
Tree Trim revenue,	Recovery of Expenditures	\$ 462,595
Salary gapping, vacancies, WSIB	Salaries & Benefits	403,531
Maintenance Contracts, Security and other External Services	Purchased Services	176,848
Fuel, First Aid, Program Supplies	Operating & Maintenance Supplies	(155,053)
Building, Equipment & Infrastructure Repairs and Materials	Operating & Maintenance Supplies	(666,470)
Sub-Total Parks		221,451
<b>Facilities</b>		
Security services	Purchased Services	\$ (110,421)
Facility 360 Annual Maintenance Fee	Operating & Maintenance Supplies	(18,832)
Building Maintenance and Repairs	Operating & Maintenance Supplies	(126,482)
Sub-Total Facilities		(255,735)
<b>Net Year End Deficit</b>		<b>\$ (34,284)</b>

**Mitigating Steps**

As part of the 2013 operating budget process, \$100,000 has been approved to align the operating budget with the required service level for security. A budget increase for \$30,000 has also been approved to fund the annual maintenance fees for Facility 360. This amount represents the fees for the entire year and includes the expanded use of the application to include projects and additional properties from the 2012 level. The Facility 360 application will also be used to monitor work orders and provide preventative maintenance to help reduce the impact of unanticipated repair costs.

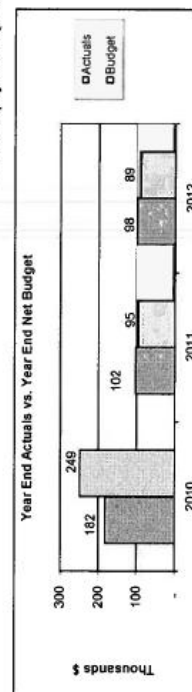
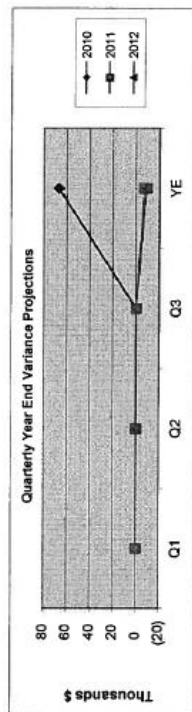


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	2010			2011			2012			Actuals * / Year End		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1		Projection As at Q2	Projection As at Q3
Annual Gross Budget				636,991				493,103				522,603
Annual Net Budget				249,153				95,453				89,358
Annual Net Expenditures				182,064				102,375				98,278
Year End Variance	0	0	0	67,089	0	0	0	(6,922)	0	0	0	(8,870)
Variance as % of Gross Budget				10.5%				-1.4%				-1.7%

\* Actuals as projected at Q2 and Q3



Description
-------------

A small deficit of (\$8,870) occurred for the CD&H Office due to the unrecoverable portion of salary and recruitment costs associated with the succession/transition of the Commissioner position.

Summary of Description
------------------------

**Category**

**Amount**

- | Category                      | Amount                       |
|-------------------------------|------------------------------|
| 1. Salaries and Benefits      | (2,154)                      |
| 2. Other Administrative Items | Other Miscellaneous Expenses |
|                               | (6,716)                      |

In summary, the year end variance is comprised of the following:
1. Salaries and Benefits
Category               Amount
Salaries & Benefits     (2,154)
Other Miscellaneous Expenditures     (6,716)
Net Year End Deficit
Mitigating Steps
N/A
\$ (8,870)

10

1

Transaction of Q3	Actual Year
	119.
	17.
	16.
	1.
	0.6%



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increase in employment benefits account

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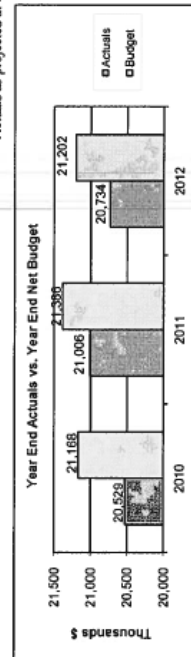
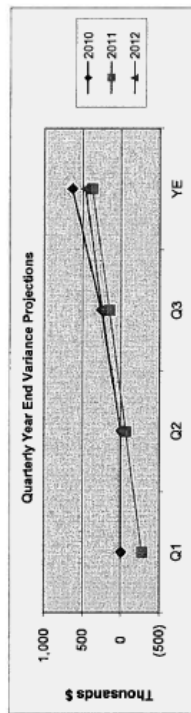
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**HOUSING & CHILDREN'S SERVICES****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Actuals * / Year End
Annual Gross Budget				78,859,452				90,747,778	
Annual Net Budget				21,167,925				21,201,530	
Annual Net Expenditures				20,528,612				20,733,981	
Year End Variance	0	0	258,000	639,313	(275,000)	(62,000)	151,000	467,549	
Variance as % of Gross Budget			0.3%	0.8%	-0.3%	-0.1%	0.2%	0.5%	0.5%

\* Actuals as projected at Q2 and Q3

**Description**

Overall, Housing and Children Services has realized a year end surplus variance of \$467,549 for 2012, broken down by program, as follows:

**Housing** has realized a net surplus of \$167,483. Of this surplus, \$546,587 was a result of lower than budgeted subsidy payments as several providers had mortgage renewals at lower interest rates. This surplus is offset by a reduction in Federal block funding due to the expiration of a Federal operating agreement attached to Public Housing units with the City share of the deficit being (\$283,802). On downloading of Social Housing to the municipality, the Federal government committed to maintain the funding levels downloaded until the end of the 35-50 year operating agreements. The bulk of these agreements will start to mature in 2014 and will continue until 2031 when all federal social housing funding is scheduled to end. The Federal government provided a five year Federal block funding forecast in April 2012. A report will be completed for Council later this year on the issue of Federal Block Funding. The surplus was also offset by an administration deficit of (\$95,302) which was the result of unbudgeted workers compensation expense and unbudgeted staffing costs (displaced staff and other job overlap caused by bumping).

**Residential Support** has realized a year end surplus of \$99,183. Of this surplus, approximately \$85,991 was due to lower than budgeted demand for services within the lodging homes and emergency shelter programs. In addition, MCSS approved a one time request for 100% MCSS funding in the amount of \$57,000 to offset the City's cost of stabilizing the Welcome Shelter. These surpluses were offset by a deficit of (\$43,808) due to unbudgeted salary costs in Residential Rehabilitation Assistance Program (RRAP), which was eliminated in 2012 budget deliberations.

**Children's Services** has realized a surplus of \$157,293, primarily due fee subsidy. When a potential fee subsidy deficit was projected early in the year, a wait list was implemented and stricter guidelines for the provision of fee subsidy were initiated. Once the wait list was lifted, not all families on the wait list still required care thus reducing the demand for care. Due to 25% more children being eligible for full day kindergarten, more families of four and five year olds required only before and afterschool care as opposed to full day care which resulted in a reduced demand on the fee subsidy budget.

**Pathway to Potential** has realized a surplus of \$43,590 related to a successful business case to the Province for one 100% funding to offset 100% Municipal Costs of \$190,000 (Gross) or \$114,000 (Net City) related to Keep the Heat and H.E.A.R.T. programs. From that surplus, additional funding was reallocated to Recreation day camps. The successful business case allowed the department to not draw upon the 2012 allocation from the Community Children's Fund reserve (funded through raceway slots revenue).

# **HOUSING & CHILDREN'S SERVICES**

## **Summary of Description**

In summary, the year end variance is comprised of the following:

1. Housing Administration Federal Block Funding Reduction
2. Housing Subsidy Surplus
3. Housing Administration Deficit
4. Residential Support
5. RRAP
6. Children Services
7. Pathway to Potential

**Net Year End Surplus**

**Category**  
Grants & Subsidies  
Grants & Subsidies  
Salaries & Benefits  
Grants & Subsidies  
Recovery of Expenditures  
Purchased Services  
Purchased Services

**Amount**  
(283,802)  
546,587  
(95,302)  
142,991  
(43,808)  
157,293  
43,590

**\$ 467,549**

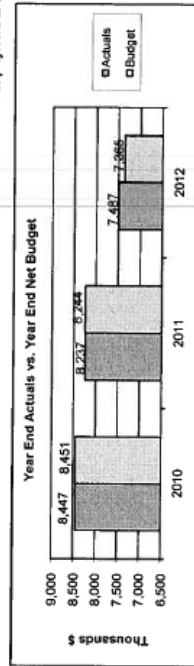
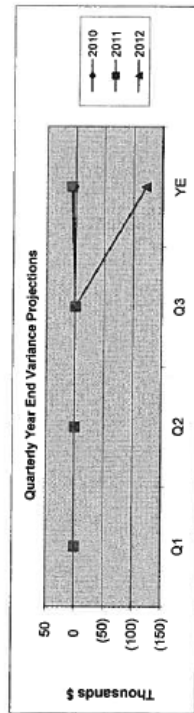
## **Mitigating Steps**

N/A

# **HURON LODGE** **Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Actuals Year End	Projection As at Q1	Projection As at Q2	Actuals Year End	Projection As at Q1	Projection As at Q2	Actuals * / Year End
Annual Gross Budget			20,856,795			21,119,693			20,720,557
Annual Net Budget			8,451,400			8,244,298			7,365,162
Annual Net Expenditures			8,446,724			8,237,031			7,486,921
Year End Variance		0	4,676	0	0	7,267		0	(121,759)
Variance as % of Gross Budget			0.0%			0.0%			-0.6%

\* Actuals as projected at Q2 and Q3



## **Description**

Huron Lodge ended the year with a deficit of (\$121,760) largely due to an unexpected one-time \$112,000 WSIB payout in Q4.

As previously communicated, the department continues to have obligations to pay WSIB expenses, which ended the year in a budget shortfall of (\$331,133). It was estimated at Q3 2012 that the shortfall would be (\$235,000). However, as explained above there was a unexpected payout in Q4 2012 which contributed to the total WSIB expenses to be much greater than projected.

Salaries ended the year with a deficit of (\$118,663). The majority of this deficit is related to replacement of staff in training sessions. At Q3 2012 salaries were projected to have a unfavourable variance of (\$105,000).

Maintenance and repairs for the building and equipment reached a deficit of (\$108,631). In the past years and projected at Q3 2012, the cost of maintenance and repairs for both the building and equipment is higher than budgeted. Historically, the department has experienced unfavourable variances in these accounts and is able to offset them against announced funding increases.

Subsidy Revenue ended the year with a surplus of \$505,162. As communicated at Q3 2012, it was projected that revenues would see a favourable variance of \$480,000 for the 2012 year. During 2012, per diem funding increases due to an increase in resident care needs amounted to \$167,269 and will be annualized for the 2013 budget. One-time adjustments from MOHLTC assessments contributed to \$337,893 of which \$252,780 was from the 2009 assessment. The combination of these items results in a total amount of \$505,162.

Linens and Incontinence, Housekeeping Supplies and Other Miscellaneous Accounts ended the year with unfavourable variances of (\$36,641), (\$25,528) and (\$6,325) respectively. In the last quarter Linens and Incontinence and Housekeeping Supplies were monitored and costs were higher due to increased infection control and illness within the home.

While the goal of the department is to reduce variances on a regular basis, historically Huron Lodge has been able to offset unexpected costs with announced funding increases. However, due to the large unexpected one-time WSIB payout in Q4, Huron Lodge ended the year with budget shortfall.

**HURON LODGE**

Summary of Description

In summary, the year end variance is comprised of the following:

1. Increased Revenue
2. WSIB
3. Salary Accounts
4. Maintenance and Repairs of Building and Equipment
5. Linens and Incontinence Supplies
6. Housekeeping Supplies
7. Other Miscellaneous Accounts

**Net Year End Deficit**

Mitigating Steps

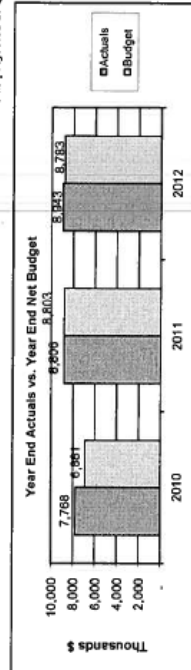
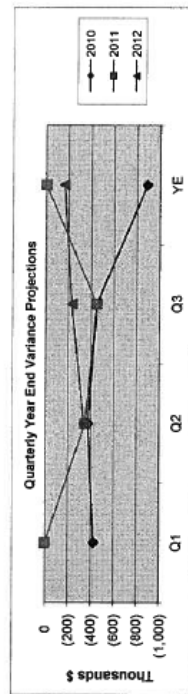
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Category	Amount
Grants & Subsidies	505,162
Salaries & Benefits	\$ (331,133)
Salaries & Benefits	(118,663)
Operating & Maintenance Supplies	(108,631)
Operating & Maintenance Supplies	(36,641)
Operating & Maintenance Supplies	(25,528)
Other Miscellaneous Expenditures	(6,325)
	<u>\$ (121,759)</u>

**RECREATION & CULTURE****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End	
Annual Gross Budget				16,959,512				17,550,521	
Annual Net Budget				6,880,611				8,782,731	
Annual Net Expenditures				7,767,534				8,943,328	
Year End Variance	(425,000)	(375,000)	(450,000)	(886,923)	0	(351,000)	(340,000)	(160,597)	
Variance as % of Gross Budget	-2.5%	-2.2%	-2.7%	-5.2%	-2.0%	-2.0%	-1.9%	-0.9%	

\* Actuals as projected at Q2 and Q3

**Description**

The Recreation and Culture division ended 2012 with a deficit of (\$160,599). Although there are some variances within the various Recreation and Culture operating divisions, the Department worked diligently to stay within the approved budget for 2012. Although some operating divisions did not meet revenue targets in 2012, helping offset revenue variances were savings related to reduced spending on non emergency repairs/expenses. Even though Recreation was able to reduce the spending in 2012 the budget dollars are still required in 2013 for building and plant repairs/expenses required within the operating facilities. In summary, the 2012 year end deficit position of the department was attributed to the following:

- 1) As previously reported, with no allocated budget for the Capitol Theatre operations for the most part of the year, pending approval of WSO transfer, a deficit of (\$30,228) net of utility and fringe benefits was realized. (Total variance including utilities and fringe benefits was a deficit of (\$101,274)).
- 2) Recreation and Culture realized a revenue shortfall within South Windsor Arena (\$129,066) and Willistead Manor (\$73,376) for a net 2012 deficit of (\$202,442). These two facilities have received a budget increase as part of the 2013 operating budget (change request #2013-0046) to account for the trending revenue shortfalls at these facilities.
- 3) Recreation and Culture realized an additional net revenue shortfall of (\$198,337) within a variety of Recreation facilities. The revenue shortfalls are offset by expenditure savings within community centre programming due to the areas ability to react quickly to decreased registrations. The class is cancelled, there are no instructor wages required, and recovery can occur in the next session (8-10 weeks). Due to revenue reductions there were savings within wages and reduced programming costs to offset the revenue shortfall. The revenue shortfalls at arenas were partially due to the loss of games and practices from the Public School Board regarding the labour dispute. The arena budgets cannot be managed as easily as community centre programming. Seemingly minor service demand reductions have significant revenue implications. For example, one lost hour of rental in one arena, translates in some \$4,200 dollars lost over a rental season (28 weeks). On the expense side however, overhead for operating the facilities remain relatively the same and are much more difficult to manage in the short term.
- 4) Recreation and Culture realized a surplus in salaries and wages of \$59,994. There savings in salaries and wages were related gapping and the surplus of funds in Local 82 staffing due to the use of some transitional employees (surplus of \$49,162) that offset the additional costs due to sick leave coverage, WSIB payments and bumping within Local 543.
- 5) Recreation and Culture realized a net mitigating expenditure surplus of \$72,708. The department decreased expenditures wherever possible in the 2012 operating year such as plant equipment repairs, travel expenses, recreation equipment and other operating expenses. Although Recreation and Culture were able to realize a surplus of \$138,243 in mitigating initiatives there were emergency repairs required at Charles Clark Square of the repair of perimeter piping and compressors in the amount of \$65,535. Although Recreation was able to reduce spending, the budget dollars are still required in 2013 to perform repairs that were deferred in 2012.

**RECREATION & CULTURE**

6) Global Spectrum ended the year with a lower deficit of (\$52,292) which was better than the original budget of (\$190,000). This resulted in a City of Windsor operating budget surplus for Global Spectrum of \$137,708.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Operation of Capitol Theatre
  2. Revenue Shortfalls - South Windsor Arena and Willistead Manor (2013 change request #2013-0046)
  3. Revenue Shortfalls - Other
  4. Salary Issues (WSIB, sick leave coverage, local 543 bumping, gapping and Local 82)
  5. Mitigating Expenditure Initiatives
  6. Global Spectrum
- Net Year End Deficit**

Category	Amount
Other Miscellaneous Expenditures	\$ (30,228)
User Fees, Permits & Charges	(202,442)
User Fees, Permits & Charges	(198,337)
Salaries & Benefits	59,994
Other Miscellaneous Expenditures	72,708
Other Miscellaneous Expenditures	137,708
	<u>\$ (160,597)</u>

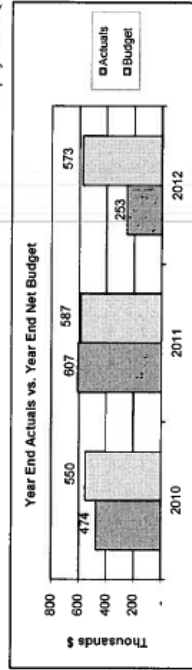
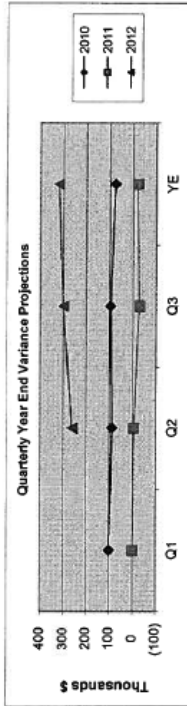
**Mitigating Steps**

Recreation in 2013 is closely monitoring the monthly financial statements and will bring forward concerns or anticipated variances as part of the quarterly variance to Council. Additionally, Recreation and Culture received a budget increase in 2013 to reflect the revenue shortfall at South Windsor Arena and Willistead Manor (2013 change request 2013-0046) which will assist in mitigating future variances. Recreation and Culture was approved in the 2013 budget for a small increase to the user fee schedule which will assist in offsetting some of the inflationary costs associated with the day-to-day operations. Recreation has and will continue to implement the short-term mitigating steps and will be continuing to review them going forward. Some of the short-term solutions includes adjusting hours of operations, staffing and controlling expenditures to high priority issues such as mechanical and structural repairs. With the economy starting to recover it is felt that these controls are manageable however a long-term solution includes consolidating facilities.



**AUDITOR GENERAL'S OFFICE****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End	
Annual Gross Budget				550,000				573,272	
Annual Net Budget				550,000				573,272	
Annual Net Expenditures				474,023				552,505	
Year End Variance	101,000	88,000	96,000	75,977	0	(5,000)	261,000	320,767	
Variance as % of Gross Budget	18.4%	16.0%	17.5%	13.8%		-0.9%	45.5%	56.0%	



\* Actuals as projected at Q2 and Q3

**Description**

Due to the council decision on July 9, 2012 to outsource Internal Audit, a surplus resulted.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Salary Gapping due to unfilled positions
2. Minor Variances in Multiple Accounts

Category  
Salaries & Benefits  
Other Miscellaneous Expenditures

Amount  
\$250,839  
69,928

**Net Year End Surplus****\$ 320,767****Mitigating Steps**

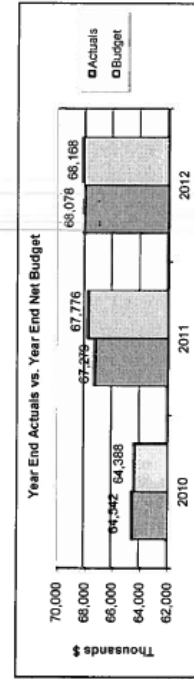
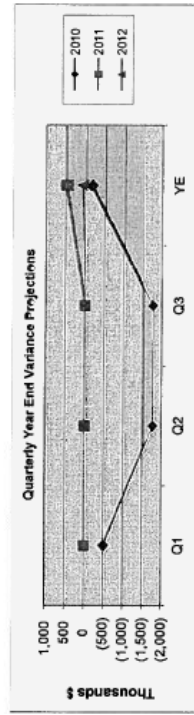
N/A

## Components of the 2012 Year End Operating Budget Variance Report

**POLICE SERVICES****Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals * / Year End	Actuals * / Year End
Annual Gross Budget				71,993,858				76,704,906	
Annual Net Budget				64,388,280				68,168,086	
Annual Net Expenditures				64,541,978				68,078,115	
Year End Variance	(500,000)	(1,750,000)	(1,750,000)	(153,698)	0	0	0	89,971	0.1%
Variance as % of Gross Budget	-0.7%	-2.4%	-2.4%	-0.2%					

\* Actuals as projected at Q2 and Q3

**Description**

Note: These comments were provided by the Windsor Police Service (WPS) administration, as the Finance department does not provide financial support to the WPS.

As projected in our quarterly variance reports throughout the year, the Windsor Police Service has come in exactly on budget for fiscal 2012. The surplus amount noted below are strictly for corporate accounts reflected in our budget and with those excluded, the year end operating variance is zero. It should be noted that \$89,971 has been set aside by city administration to be transferred to a new WPS Equipment Replacement Reserve Fund as approved by the Windsor Police Services Board on February 7, 2013.

**Summary of Description**

In summary, the year end variance is comprised of the following:

1. Requested to be transferred to a newly established WPS Equipment Replacement Reserve

Category	Amount
Minor Capital	\$ 89,971

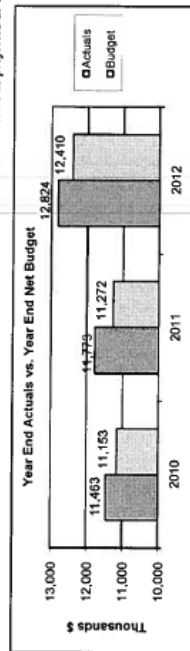
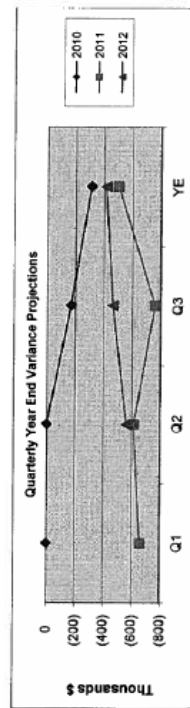
**Net Year End Surplus**

\$ 89,971
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**Mitigating Steps**

N/A

## TRANSIT WINDSOR

[illegible]**Description**

Transit Windsor Administration monitors the operating budget on an on-going basis.

Total Salary, Wage and Overtime accounts were over budget (\$322,479), primarily as a result of increased overtime in the maintenance division to repair the aging fleet, perform MTO increased level of safety inspections, and as a result of not having sufficient temporary drivers at the beginning of the year to provide the required service. Every effort was made to ensure the proper numbers of drivers are trained and 2013 overtime is under control.

Vehicle Maintenance Materials were over budget (\$341,138), which is largely attributable to the on-going maintenance required for the aging fleet (there are currently 46 buses that are over 12 years old; of those, 26 are over the age of 20 years) and due to the increased costs of replacement parts related to bus technology such as air conditioning ramps, etc. MTO audits conducted in 2012 also resulted in increased maintenance requirements to fleet and having a negative impact on the variance.

The Program Supplies account exceeded budget estimates by (\$112,500) due to the rising cost of materials and still using magnetic passes when the plan was to be using smart cards. A pilot project has started in 2013, and Transit Windsor Administration is projecting some relief in these expenses in 2013.

Fuel prices in 2012 resulted in a deficit in the Fuel & Lubricants account of (\$89,769). This is an area that is difficult to predict as it is subject to the volatility in the market.

The Building Maintenance account realized a surplus of \$160,895 by deferring building maintenance. In addition, a surplus of \$113,500 was realized in Depreciation and Interest accounts as a result of retiring the casino vehicles.

Overall benefits costs realized a surplus of \$85,328 as a result of favourable WSIB costs as well as using the Letter of Credit to fund the pension going concern deficit. Transit Windsor Administration has previously advised that based on the results to date the line of credit will be fully utilized in 2014 and will result in significant pension costs if the trend continues. Administration is currently finalizing the RFP seeking proposal to de-risk the plan and will be bringing the matter back to the Transit Windsor Board of Directors for consideration.

**TRANSIT WINDSOR****Summary of Description**

In summary, the year end variance is comprised of the following:

1. Deficit in Salary, Wages and Overtime accounts
2. Deficit in the Vehicle Maintenance account due to the aging fleet
3. Deficit in Program Supplies account
4. Deficit in the Fuel & Lubricants account
5. Surplus in Building Maintenance account
6. Surplus in Depreciation and Interest accounts
7. Surplus in Benefits including the Pension Special Payment account
8. Various accounts - net

**Net Year End Deficit**

Category	Amount
Salaries & Benefits	\$ (322,479)
Operating & Maintenance Supplies	(341,138)
Operating & Maintenance Supplies	(112,500)
Operating & Maintenance Supplies	(89,769)
Operating & Maintenance Supplies	160,895
Recovery of Expenditures	113,500
Salaries & Benefits	85,328
Operating & Maintenance Supplies	92,225
	<u>\$ (413,938)</u>

**Mitigating Steps**

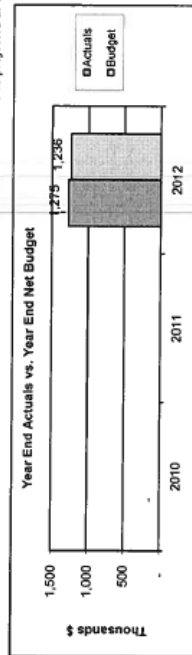
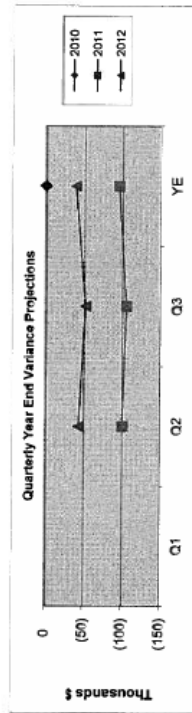
N/A

## TRANSIT WINDSOR - HANDI TRANSIT

## Financial Summary

	2010			2011			2012			Actuals * / Year End
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	Projection As at Q1	Projection As at Q2	Projection As at Q3	
Annual Gross Budget										1,236,257
Annual Net Budget										1,236,257
Annual Net Expenditures										1,274,873
Year End Variance			0							(38,616)
Variance as % of Gross Budget										-3.1%
										-4.2%
										(43,000)
										(52,000)
										(95,000)
										(100,000)
										(105,000)

\* Actuals as projected at Q2 and Q3



## Description

The Handi Transit Administration has provided the following detail regarding the deficit for the year:

*The funding shortfall of (\$38,616) is mainly due to the following:*

*Handi Transit's budget for Occupancy Costs was reduced from \$30,000 to \$1,000 (\$29,000 unfunded expense) following discussions with the City that Handi Transit would move into a City owned property with lower occupancy costs but this has not yet happened.*

*lower occupancy costs but this has not yet happened.*

*Ridership is up 3% (57,191 rides vs. 55,510 rides) leading to higher revenues but also resulted in Driver Wages and Repairs and Maintenance costs being higher than budgeted.*

Overall, if the occupancy costs were excluded, Handi Transit has realized a deficit of (\$9,616).

### Summary of Description

In summary, the year end variance is comprised of the following:

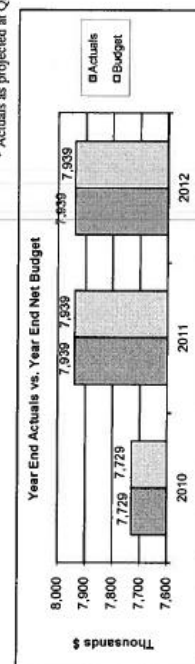
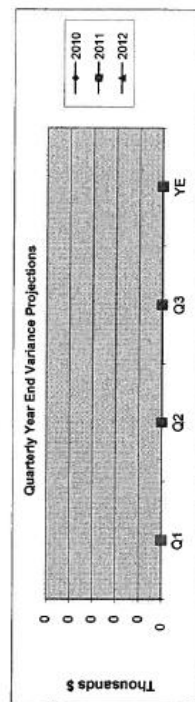
1. Occupancy Costs
2. Increased Passenger Fees & Other Revenues
3. Gain on sale of asset
4. Increased Wages & Maintenance
5. Savings on Other Expenses

Net Year End Deficit

Category	Amount
Purchased Services	\$ (29,000)
Other Miscellaneous Revenue	24,100
Minor Capital	17,992
Operating & Maintenance Supplies	(67,908)
Operating & Maintenance Supplies	16,200
	<u>\$ (38,616)</u>

### Mitigating Steps

N/A

WINDSOR PUBLIC LIBRARY  
Financial Summary[illegible]

## Description

This budget line item refers to the City's annual grant to the Windsor Public Library. As per consistent practice, based on the Council approved annual grant amount (\$7.9m), four equal quarterly payments are made to the WPL. Therefore, there are no variances within this line item. Should there be a variance within the WPL's operating budget, it will be reported through the Board and addressed as such.

### Summary of Description

In summary, the year end variance is comprised of the following:

- ### 1. Annual Grant Funding

Net Year End Surplus

### Mitigating Steps

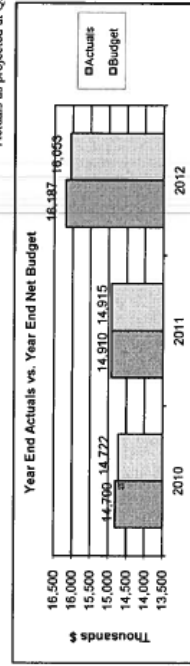
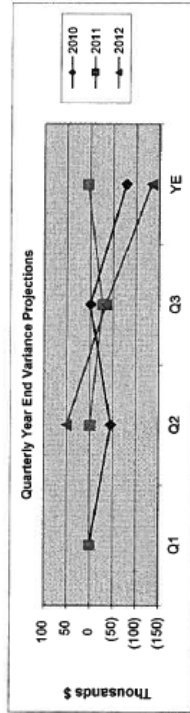
N/A

Summary of Description	Category	Amount
		\$ -
In summary, the year end variance is comprised of the following:		
1. Annual Grant Funding		
Net Year End Surplus		\$ -

# **AGENCY GRANTS**

## **Financial Summary**

	2010			2011			2012		
	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Projection As at Q1	Projection As at Q2	Projection As at Q3	Actuals Year End	Actuals * / Year End
Annual Gross Budget				14,721,734				16,053,391	
Annual Net Budget				14,721,734				16,053,391	
Annual Net Expenditures				14,799,496				16,186,600	
Year End Variance	0	(45,500)	0	(77,762)	0	(26,940)	(34,000)	(133,209)	
Variance as % of Gross Budget		-0.3%		-0.5%		-0.2%	-0.2%	-0.8%	



## **Description**

Land Ambulance = (\$133,209)

The County of Essex Administration provided the following information related to the 2012 Variance:

"The significant factors contributing to the 2012 EMS deficit were:

- Provincial funding shortfall - actual Provincial funding was \$146,000 less than budgeted due to their amended funding formula, which provides funding based on the previous year's budget plus an arbitrary increase of approximately 1.5%;
- Hospital off load delays increased again in 2012 resulting in more overtime hours and increased staffing costs to compensate for vehicles waiting at the hospital emergency departments;
- Modified work assignments (for WSIB / injury / pregnancy) also increased in 2012."

## **Summary of Description**

In summary, the year end variance is comprised of the following:

1. Land Ambulance

Category	Amount
Transfers to External Agencies	\$ (133,209)

Net Year End Deficit

\$ (133,209)

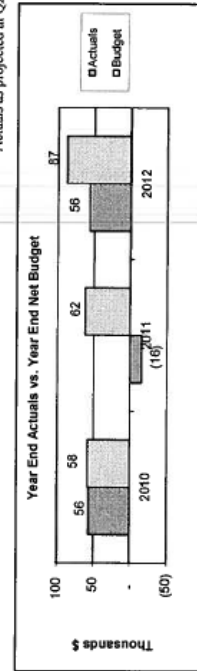
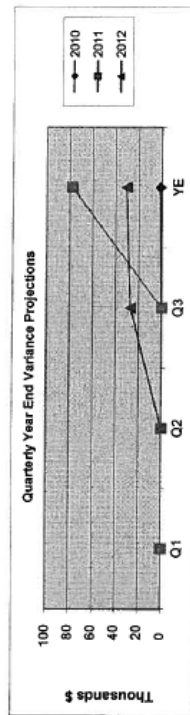
## **Mitigating Steps**

N/A

## COMMITTEES OF COUNCIL

### Financial Summary

	2010			2011			2012		
	Projection	Projection	Actuals	Projection	Projection	Actuals	Projection	Projection	Actuals
	As at Q1	As at Q2	Year End	As at Q1	As at Q2	Year End	As at Q1	As at Q2	Year End
Annual Gross Budget			57,808			61,558			87,170
Annual Net Budget			57,808			61,558			87,170
Annual Net Expenditures			56,305			(16,067)			56,394
Year End Variance	0	0	1,503	0	0	77,625	0	27,000	30,776
Variance as % of Gross Budget			2.6%			126.1%			35.3%

**Description**

All the Committees of Council ended the year in a surplus position with a total overall surplus of \$30,776. Windsor City Council at its meeting held June 7, 2011 adopted By-law Number 98-2011 being "A By-law to provide rules governing the proceedings of Windsor City Council meetings and its Committees and the conduct of its members". Section 21.6 of the Procedure By-law states the following:

“Advisory Committees shall prepare annual business plans and budget submissions should they require funding or additional resources for their activities. In the event that the funds are not fully utilized at year end they would be zeroed and any new funding would be determined on the strength of the annual budget submission.”

### Summary of Description

In summary, the year end variance is comprised of the following:

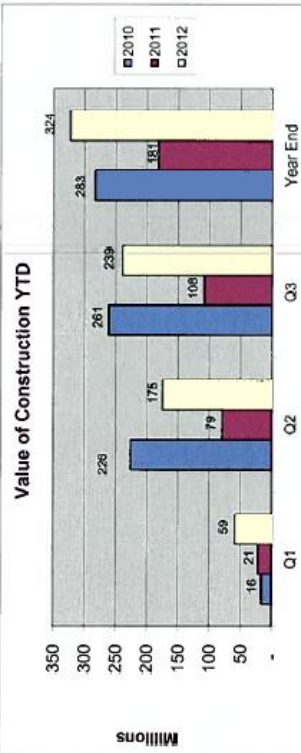
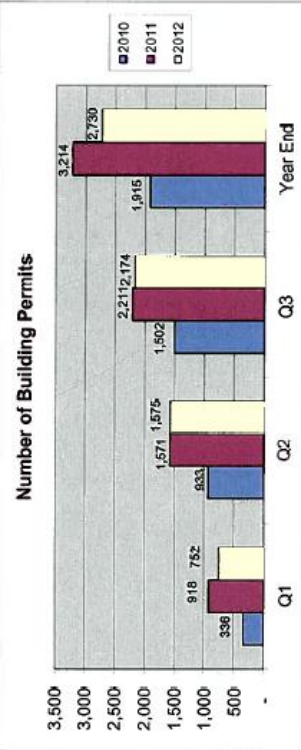
1. Committees of Council
2. Committees of Council

[illegible]

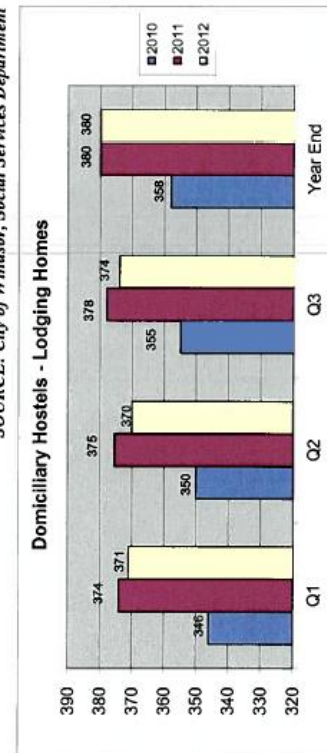
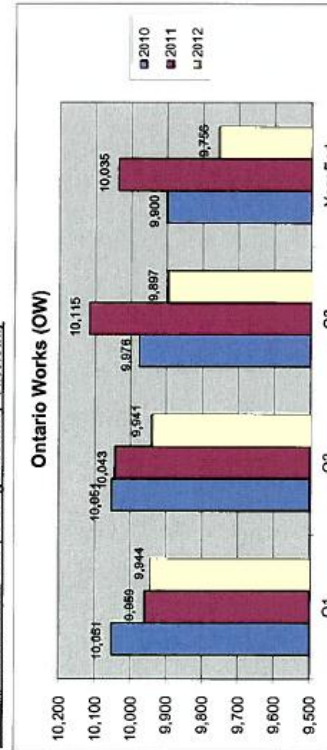


Building Permit Activity

SOURCE: City of Windsor, Building Department

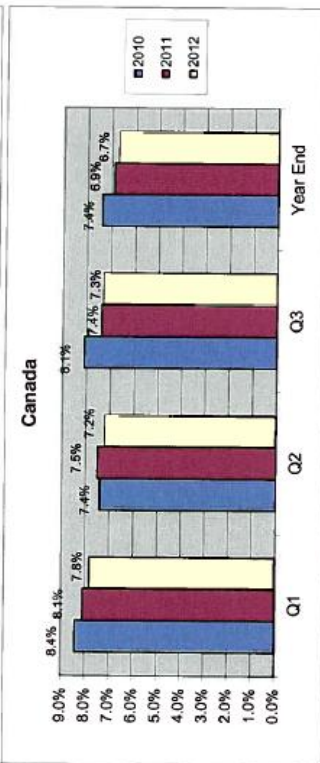
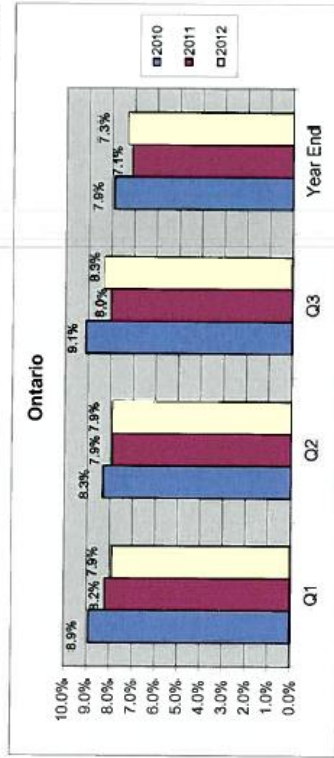
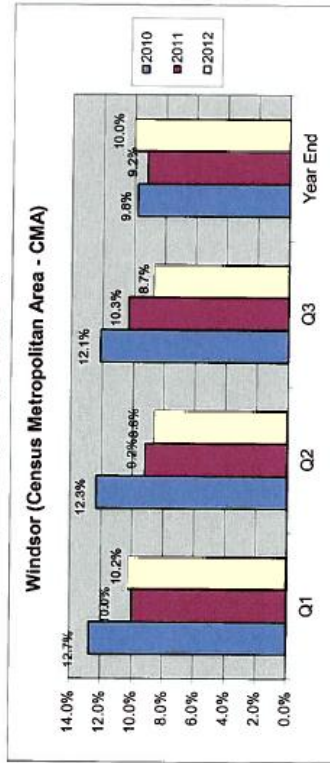
Social Services Caseloads (Average Monthly Caseload)

SOURCE: City of Windsor, Social Services Department



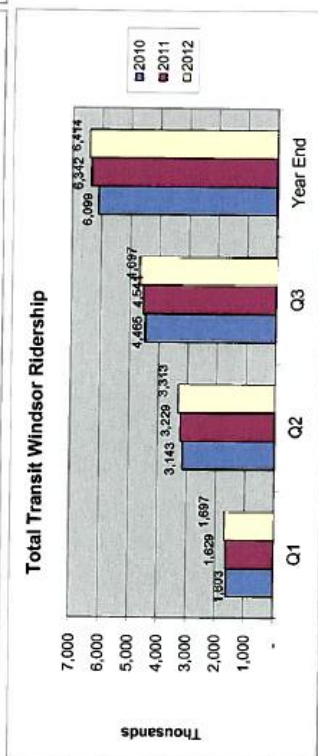
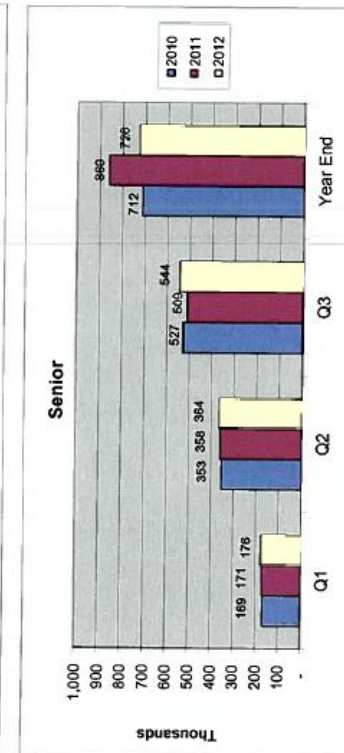
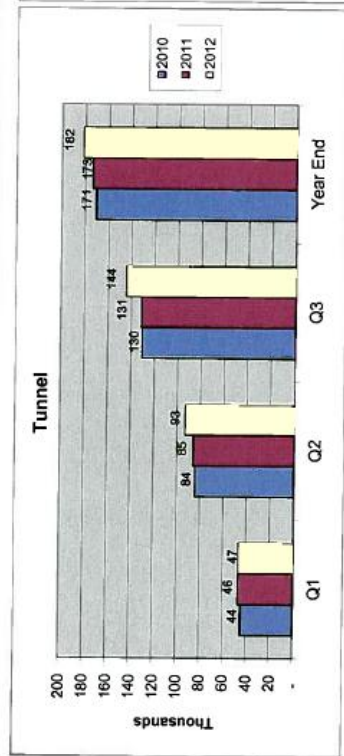
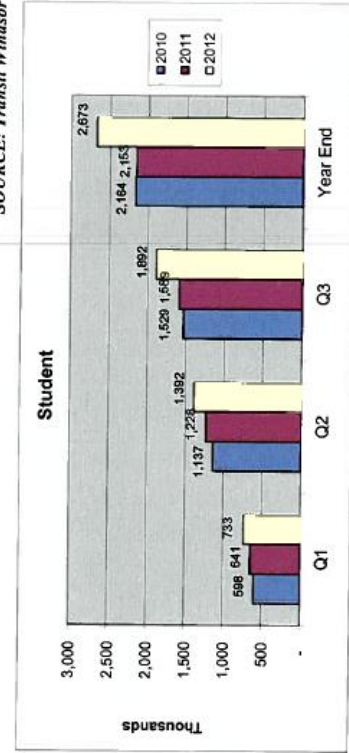
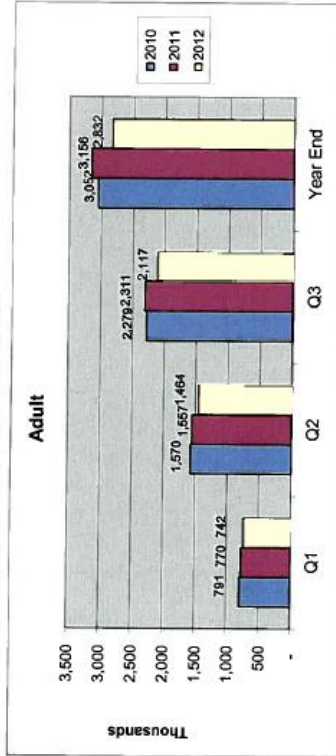
Unemployment Rates (3-month Moving Average, unadjusted)

SOURCE: Statistics Canada



Transit Windsor Ridership (Combined Cash & Pass Fares)

SOURCE: Transit Windsor



**2012 Budget Carry-Forwards**

Department	Description	Amount \$
City Council	Ward Funds	664,020
<b>City Council Total</b>		<b>664,020</b>
Mayor's Office	Mayor's Office Year End Balances (Mayors Office)	540,654
Mayor's Office	Mayor's Office Year End Balances (Community Relations)	181,097
Mayor's Office	Mayor's Office Year End Balances (Revenue for Events - Econ Dev.)	39,870
<b>Mayor's Office Total</b>		<b>761,622</b>
CAO's Office	Lean Six Sigma training and coaching	34,512
CAO's Office	Corporate United Way - keynote speaker event	2,435
CAO's Office	Employee Recognition	2,445
CAO's Office	100 Mile Peninsula from the Economic Development Initiative- 2013	60,000
CAO's Office	100 Mile Peninsula from the Economic Development Initiative - 2014	60,000
CAO's Office	Physician Recruitment	31,500
<b>CAO's Office Total</b>		<b>190,892</b>
Council Services	Cat Voucher Program	25,000
<b>Council Services Total</b>		<b>25,000</b>
Human Resources	Purchase of New Equipment to comply with Ontario Regulation 490-09 Designated Substances Section 19 for Health & Safety Division	12,546
Human Resources	Employee Assistance Program: Material Distribution, Mental Health Awareness Workshop, Key Note Speaker	4,981
<b>Human Resources Total</b>		<b>17,527</b>
Fire & Rescue	Public Access Defibrillator Program	22,637
Fire & Rescue	Defibrillator Tiered Response Program	89,629
<b>Fire &amp; Rescue Total</b>		<b>112,266</b>
Engineering	RFP for a Consultant to complete the Traffic Calming Policy	200,000
<b>Engineering Total</b>		<b>200,000</b>
PW Environmental	Skunk Removal Program	32,420
<b>PW Environmental Total</b>		<b>32,420</b>
Employment & Social Services	Ministry of Community & Social Services Funding	113,405
Employment & Social Services	New Work Transition Incentive Funding	177,218
<b>Employment &amp; Social Services Total</b>		<b>290,623</b>
Recreation & Culture	Creative Communities Prosperity Fund, Update Culture Web Presence, Membership CLASS Module, Public Art Piece Evaluation & Appraisals, Cultural Summit, Tracking of Historical & Art Pieces within Willistead Manor & Cultural Signage	150,000
<b>Recreation &amp; Culture Total</b>		<b>150,000</b>
<b>Grand Total</b>		<b>2,444,370</b>

Several of the above Budget Carry Forwards have already been approved by Council.

**Summary of Capital Projects Closed (by 2012)**  
As at December 31, 2012

Project ID	Department/Program	Project Name	Surplus / (Deficit)	Sub-Total by Fund	Fund	Funding Source/Transfer	Project Variance Comments
<b>Section A: Projects Balanced &amp; Closed via Transfer to Other Projects/Chartfield</b>							
7091023	Ontario Works	Pot in Pot Nursery	(3,861.96)		001 0229630	Capital Projects Closeout Project was funded from Government Grants and the Tree Planting Reserve Account - 1756	The Ministry of Training Colleges and Universities provides funding for expenses outlined in the original proposal submitted and does not cover interest charges incurred. The variance is due to interest expenses incurred caused from the timing delay of when claim recoveries were received.
7091002	Operations	2009 City Wide Road Rehabilitation	66,920.45		007 7101001	2010 City Wide Road Rehabilitation Project was funded from Fund 176 - Federal Fuel Tax	The project's surplus was transferred to the ongoing 2010 City Wide Road Rehabilitation project.
7091023	Operations	2009 E.C. Row Rehabilitation	(873,670.32)		007 7101011	2010 E.C. Row Rehabilitation Project was funded from Fund 176 - Federal Fuel Tax	The project variance represents costs associated with the LaSalle Parkway E.C. Row Bridge (CR232/2010). These costs were transferred to the ongoing project 7101011 - 2010 E.C. Row Rehabilitation project. This variance is not a true deficit since all costs were charged to one project, but funding was over 2 years.
7091024	Operations	2009 Bridge Rehabilitation	(529,993.52)		007 7101004	2010 Bridge Rehabilitation Project was funded from Fund 176 - Federal Fuel Tax	The project's variance was absorbed and consolidated into the ongoing 2010 Bridge Rehabilitation project. This variance is not a true deficit since all costs were charged to one project, but funding was over 2 years.
7101003	Operations	2010 Sidewalk Rehabilitation	549,636.29		007 7121007	2012 Sidewalk Rehabilitation Project was funded from Fund 169 - PYG	The unit prices for the 2010 tender were lower than anticipated when the budget was developed resulting in the project's surplus. All 2010 work is now complete.
7101004	Operations	2010 Bridge Rehabilitation	271,550.81		007 7111003	2011 Bridge Rehabilitation Project was funded from Fund 176 - Federal Fuel Tax	The project's surplus was transferred to the ongoing 2011 Bridge Rehabilitation project.
7071039	Parks & Facility Operations	South Cameron Parks	(9,385.77)		001 0229630	Capital Projects Closeout Project was funded from Land Proceeds initially deposited into Fund 160 - Capital Expenditure	The deficit was caused by a change of policy by WUC to install a metered electrical service for park lights. The additional cost was \$10,000. This new requirement was not known at the time of project tender. Traditionally, the connection was made to the street light system at a minimal charge and without a meter.
7101022	Parks & Facility Operations	Career Development Service Relocation	(13,255.44)		001 0229630	Capital Projects Closeout Project was funded by the Provincial Government	This project was established to track the costs of moving Career Development Services from Clengary to the 400 Building and to renovate the Employment Resources Centre on the 1st floor of the 400 Building. Funding for eligible costs was provided from the Ministry of Training Colleges and Universities. The variance represents those costs that were ineligible.
<b>Total:</b>			<b>(642,059.46)</b>				



**Summary of Capital Projects Closed (for 2012)**  
As at December 31, 2012

Project ID	Department/Program	Project Name	Surplus/(Deficit)	Sub-Total by Fund	Fund	Funding Sources/Transfer	Project Variance Comments
<b>Section B: Projects Balanced &amp; Closed via Transfer to/from Original Funding Sources</b>							
7091012	Operations	2009 Fleet Replacement	1,385,617.06		136	Fleet Replacement	Fleet Replacements were introduced to the capital budget process in 2008. In 2009, a placeholder of \$2,500,000 was entered into the capital budget. It was not until 2010 that the capital budget began to be submitted based on the 10 year forecasted amount.
7111028	Operations	2011 Fleet Replacement	160,445.27		136	Fleet Replacement	Project budget was a best estimate at the time the project was approved. Actual expenses came in under what was estimated.
7121008	Operations	2012 Additional Fleet Equipment	(5,478.62)	1,540,583.71	136	Fleet Replacement	Project budget was a best estimate at the time the project was approved. The actual cost of the truck came in slightly over what was estimated.
7111036	Roseland Golf & Curling Club	Roseland Bunker Rehab/Restoration	(3,144.01)	(3,144.01)	139	Budget Stabilization Reserve	Project budget was a best estimate at the time the project was approved. Actual expenses came in slightly over what was estimated.
7064027	Engineering	Storm Relief Sewer Outfall Rehabilitation	1,502.41		153	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. Actual expenses came in under what was estimated.
7071013	Engineering	Beit's - Totten/Algonquin Sanitary Sewer	160,368.49		153	Sanitary Sewer Surcharge	The project surplus is attributed to tenders coming in lower than anticipated.
7081004	Engineering	Westminster - Lassaline/Tecumseh	310,205.59		153	Sanitary Sewer Surcharge	The project surplus is attributed to tenders coming in lower than anticipated.
7081017	Engineering	East Riverside Retention Pond/Land	(113,222.46)		153	Sanitary Sewer Surcharge	Actual land acquisition costs related to the pond expansion/construction ended up being higher than what was originally estimated, thus resulting in an over expenditure in the completion of the project.
7082010	Engineering	Prado Place - Riverside/Wyndolite	25,875.00		153	Sanitary Sewer Surcharge	The project budget included a contingency component that was not fully required, resulting in a project surplus.
7082014	Engineering	Eastlawn Avenue - Edgar/Cul-de-sac	41,160.96		153	Sanitary Sewer Surcharge	The project budget included a contingency component that was not fully required, resulting in a project surplus.
7082015	Engineering	Parlington Avenue - College/Tecumseh	(114,285.15)		153	Sanitary Sewer Surcharge	CR8/2011 approved a transfer of \$490,000 from this project to Prince/Totten Storm Outfall project (#7060002). Further to this, efforts to claim recoveries from Union Gas did not materialize, therefore, causing this project to be overspent.
7083005	Engineering	Parent - Lens/Ypres Storm Sewers	100,723.56		153	Sanitary Sewer Surcharge	The project's surplus is attributed to tenders coming in lower than anticipated.
7091037	Engineering	Aubin Rd - Franklin St./CNR	1,727.37	414,075.77	153	Sanitary Sewer Surcharge	The project budget included a contingency component that was not fully required, resulting in a project surplus.
7072019	Information Technology	Budget Module Implementation	1,881.63		160	Capital Expenditure Reserve	The system has been operational for over one year and no further needs have been identified that would require the use of the remaining budgeted funds.
7081011	Community Development and Health Services	Cultural Master Plan	25,170.03	27,051.66	160	Capital Expenditure Reserve	The variance is attributable to the project coming in under original estimates so there was no need for all of the funds allocated nor the contingency fund which was included.
7101020	Auditor General's Office	Audit Management Software	40,000.00		169	Pay As You Go - Capital Reserve	Due to the recent Council decision on July 9, 2012 to outsource the Audit function, this project was closed and the funds were returned back to its original funding source.
7111007	Transit Windsor	Transit Renovation to Staff Change Room	10,378.61		169	Pay As You Go - Capital Reserve	Project budget was a best estimate at the time the project was approved. Actual expenses came in under what was estimated.
7111008	CAO's Office	Physician Recruitment Office	31,463.05		169	Pay As You Go - Capital Reserve	The project was completed with a surplus due to related cost savings.

**Summary of Capital Projects Closed (for 2012)**  
As at December 31, 2012

Project ID	Department/Program	Project Name	Surplus/ (Deficit)	Sub-Total by Fund	Fund	Funding Source/Transfer	Project Variance Comments
7051019	Human Resources	Health and Safety Improvements	(2,882.31)		169	Pay As You Go - Capital Reserve	Project costs were underestimated. The over expenditure is due to higher than anticipated electrical costs for separate circuit and panel related work that had to be run out to the security building and could not be fed from the compound building as originally planned.
7061907	Engineering	Sidewalks - Tranby/Florence	39,743.99		169	Pay As You Go - Capital Reserve	Sidewalks on both Tranby and Florence were completed. However, the estimated ditch closure on Florence turned out to be unnecessary since the sidewalk was only installed on one side without ditches.
7061022	Operations	Fuel Management System	6,485.83	125,209.17	169	Pay As You Go - Capital Reserve	Project budget was a best estimate at the time the project was approved. Actual expenses came in under what was estimated.
7074066	Fire and Rescue	Fire Truck Replacement	293,091.30	293,091.30	170	Pay As You Go - Leasing Reserve	The surplus variance of \$293,091 for this project is the result of a budget of \$1,556,700 offset by actual project spending of \$1,623,677 which leaves a deficit balance of (\$66,977). This deficit balance was offset by unbudgeted actual revenues of \$350,000 from the sale of Truck 4017 to the Essex Fire Department plus approved, however unbudgeted, net transfer from reserve funds of \$10,088.
7061031	Transit Winsdor	TW - Cash Sorters/Wrappers	(5,919.81)	(5,919.81)	175	Provincial Gas Tax Rebate	Project budget was a best estimate at the time the project was approved. Actual expenses came in slightly over what was estimated.
7059903	Engineering	Overall Management - B.I.F.	0.00				All costs incurred have been recovered from MTO.
7079602	Engineering	Hwy 401-Ph 4 - B.I.F.	0.00				All costs incurred have been recovered from MTO.
Total:			2,330,947.79				