

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



**MISSION STATEMENT:**

*“Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together.”*

<b>LiveLink REPORT #</b>	<b>Report Date: October 30, 2014</b>
<b>Author’s Name: Chantelle Anson</b>	<b>Date to Council: November 17, 2014</b>
<b>Author’s Phone: 519 253-3016 ext. 224</b>	<b>Classification #:</b>
<b>Author’s E-mail: canson@city.windsor.on.ca</b>	

**To: Mayor and Members of City Council**

**Subject: 2014 Third Quarter Operating Budget Variance Report**

**1. RECOMMENDATION: City Wide: \_\_\_\_\_ Ward(s): \_\_\_\_\_**

THAT Council **RECEIVE FOR INFORMATION** the 2014 3rd Quarter Operating Budget Variance Report dated October 30, 2014 from the CFO & City Treasurer and;

THAT the CAO in concert with the CFO & City Treasurer **BE DIRECTED** to continue monitoring the 2014 Operating Budget and Actuals and pro-actively take steps to mitigate any significant variances projected.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

Annual Operating Budgets for City departments are set at the beginning of the calendar year based on Council direction, economic trends and local information available at the time. The departments monitor their expenditures and revenues on an ongoing basis and project to the end of the year to ensure that they remain within the approved budget. As with any forecasting, the projections become more accurate as the year unfolds and as more information becomes available.

The City's 2014 operating budget includes a \$2.5 million budget stabilization contingency line item that is used to help offset any unforeseen variances that can materialize throughout the year.

In addition to the City's tax levy funded Operating Budget, certain expenditures are funded through specific non tax levy streams such as Legislated Building Permits, On / Off Street Parking Operations, and Sewer Surcharge, as detailed in the discussion section of this report.

### **3. DISCUSSION:**

The financial position of the Corporation is directly affected by uncontrollable factors such as weather conditions, unemployment rates, tax appeals, fuel, electricity, interest rates, settlement of litigation brought against the City and social assistance caseloads. As a result, material fluctuations in the projected variances can occur if any unforeseen event occurs or the event is of an unforeseen magnitude.

Based on information as of September 30, 2014, Administration is projecting an estimated year end deficit of approximately \$944,000 after the use of the noted \$2.5 million contingency allowance and other approved/recommended reserve funding.

The following table provides a summary of the 2014 projected year-end variances for the City Departments and Agencies, Boards & Commissions, by projected dollar value from largest deficit to largest surplus.

**Table A: 2014 Third Quarter Operating Budget Variance by Department**

	2013 Year End Surplus/ (Deficit)	2014 Annual Net Budget	Q3 2014 Projected Surplus / (Deficit)	Variance as a % of Gross Budget
PW Operations	(773,671)	11,135,228	(2,924,500)	-10.7%
Legal / POA	20,708	5,329,141	(1,243,000)	-7.5%
Corporate Financial Accounts	1,625,171	(282,788,197)	(875,000)	-0.5%
Recreation & Culture	550,453	7,051,073	(795,000)	-4.2%
Fire & Rescue Services	(144,584)	39,412,820	(440,000)	-1.1%
Parks & Facility Operations	577,574	21,804,641	(249,500)	-0.7%
Engineering	(59,149)	8,473,284	(218,500)	-2.0%
Huron Lodge	(106,857)	7,483,874	(23,000)	-0.1%
Mayor's Office	0	438,316	0	0.0%
Comm. Development & Health Office	1,828	0	0	0.0%
Council Administrative Services	2,472	721,424	0	0.0%
Human Resources	139,544	3,693,810	0	0.0%
Building	105,476	2,008,371	13,000	0.2%
Information Technology	50,812	5,761,026	36,000	0.5%
CAO's Office	246,883	1,278,215	113,000	8.8%
Council Services	(201,990)	4,750,771	145,000	1.7%
Planning	30,279	2,752,553	160,000	4.8%
Finance	524,552	6,339,315	175,000	1.9%
Environmental	74,081	12,861,724	200,000	0.6%
Housing & Children's Services	1,241,539	21,184,758	359,000	0.4%
Corporate Human Resource Accounts	(345,932)	(6,272,470)	704,000	1.7%
Employment & Social Services	1,680,487	14,373,133	1,162,000	1.0%
<b>Total City Departments</b>	<b>5,239,676</b>	<b>(112,207,190)</b>	<b>(3,701,500)</b>	<b>-0.6%</b>
<b>Agencies, Boards &amp; Commissions</b>				
Windsor Police Services	(626,672)	73,782,958	(750,000)	-0.9%
Agency Grants	(146,520)	16,186,455	(598,120)	-3.7%
Transit Windsor	(518,278)	12,387,926	(408,000)	-1.4%
Windsor Public Library Grant	0	7,293,932	0	0.0%
Committees of Council	13,572	55,920	23,700	42.4%
<b>Total Agencies, Boards &amp; Commissions</b>	<b>(1,277,898)</b>	<b>109,707,191</b>	<b>(1,732,420)</b>	<b>-1.3%</b>
<b>Total Corporation ** (excluding Handi Transit)</b>	<b>3,961,778</b>	<b>(2,500,000)</b>	<b>(5,433,920)</b>	<b>-0.7%</b>
<b>Recommended Reserve Funding</b>				
BSR for Winter Control	0	0	1,250,000	
BSR for LED Lights	0	0	500,000	
Self Insurance Reserve for Insurance Variance	0	0	240,000	
<b>Total Recommended Reserve Funding</b>	<b>0</b>	<b>0</b>	<b>1,990,000</b>	
<b>Total Corporation Net of Recommended Reserve Funding</b>		<b>(2,500,000)</b>	<b>(3,443,920)</b>	<b>-0.4%</b>
Budget Stabilization Contingency Acct.	1,500,000	2,500,000	2,500,000	100%
<b>2014 Net Operating Budget Surplus (excludes Handi</b>	<b>5,461,778</b>	<b>0</b>	<b>(943,920)</b>	<b>-0.1%</b>

Administration is working to reduce the projected departmental variances by incorporating appropriate mitigating measures in the departments.

Further details explaining the composition of these numbers and mitigating measures are provided in *Appendix A* of this report.

The projected year-end variance is also broken down by major account categories and presented in the table below:

**Table B: 2014 Third Quarter Operating Budget Variance by Category**

Category	Net Favourable (Unfavourable) Variance
<b>REVENUE:</b>	
User Fees, Permits & Charges	(455,000)
Taxes - Municipal	(350,000)
Transfers from Other Funds	(150,000)
Other Miscellaneous Revenue	(135,000)
Recovery of Expenditures	(30,000)
Taxes - Education	0
Investment Income & Dividends	100,000
Grants & Subsidies	837,000
<b>SUBTOTAL - REVENUE</b>	<b>(183,000)</b>
<b>EXPENSE:</b>	
Purchased Services	(3,125,000)
Utilities, Insurance & Taxes	(1,984,000)
Operating & Maintenance Supplies	(693,000)
Transfers to External Agencies	(598,120)
Minor Capital	(170,000)
Financial Expenses	(114,000)
Transfers to Education Entities	0
Other Miscellaneous Expenditures	17,700
Transfers to Reserves & Capital Funds	289,000
Salaries & Benefits	489,500
Transfer for Social Services	637,000
<b>SUBTOTAL - EXPENSES</b>	<b>(5,250,920)</b>
<b>2014 Projected Year End Deficit prior to Contingency &amp; Recommended Reserve Funding</b>	<b>(5,433,920)</b>

***Revenue Variance:***

The largest portion of the projected revenue variance is comprised of a shortfall in User Fees, Permits & Charges due to decreased charging volumes of court fines. The Municipal Taxes category is projecting a deficit resulting from lower penalties and interest on taxes due to concentrated tax collection efforts and an improving economy.

Offsetting these revenue deficits are revenue surpluses related to Grants & Subsidies and Investment Income & Dividends.

***Expenditure Variance:***

On the expenditure side, the significant variance in the Purchased Services category is mainly due to the higher than budgeted winter control costs, while the variance in the Utilities, Insurance & Taxes category is attributable to higher than projected hydro prices, the delayed implementation of the LED streetlight conversion project, as well as high general liability insurance premiums. The variance in the Operating & Maintenance Supplies Category is a result of increasing fuel prices as well as expenditures relating to winter control and road maintenance. The bulk of the expenditure savings have been realized in the Transfer for Social Services category, and also the Salaries & Benefits category through salary gapping and corporate provisions that typically offset costs in departments for workers compensation awards and other such items.

## Non-Tax Levy Variances

### *Building Permit Operations*

<i>Budgeted Draw on Permit Reserve</i>	<i>Projected Draw at Year End</i>	<i>Projected Year End Variance</i>
\$523,404	\$695,404	(\$172,021)

Construction statistics as of September 30, 2014 (1,765 permits) are below that of 2013 (1,831 permits) for the same period. Also, the permit counts are largely concentrated in property renovations and new housing starts. These types of permits generate lower permit revenues compared to permits for new construction of the larger industrial, commercial and institutional (ICI) type projects. The (ICI) categories traditionally represent a large portion of the permit based revenue for the Corporation.

Mitigating efforts are continually 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.

Implementation of the City Council approved Building Permit Fee Reserve Deficit Reduction Action Plan (adopted September 19, 2011) was completed as part of the 2014 budget process.

### *On / Off Street Parking Operations*

<i>Budgeted Transfer to Reserve</i>	<i>Projected Year End</i>	<i>Projected Year End Variance</i>
\$531,276	\$600,276	\$69,000

On / Off Street Parking Operations is expecting to transfer the full budgeted transfer amount of \$531,276 and any surpluses realized for the year. This surplus is currently estimated at \$69,000. This projection could fluctuate depending upon any unforeseen change in revenues or expenditures before year end.

### ***Sewer Surcharge Funded Operations***

The Sewer Surcharge Reserve funded operations in Environmental Services is projecting a year-end surplus of \$965,000.

The primary reason for this surplus relates to chemicals usage at the Lou Romano Water Reclamation Plant. A projected year-end surplus of approximately \$500,000 is anticipated at the plant due to improved optimization mixes being utilized. A surplus of approximately \$250,000 is projected for the Little River Pollution Control plant due to higher than anticipated revenues and decreased chemical usage

There are also minor surpluses projected within the Pump Stations division \$100,000, lab/industrial waste control \$50,000, and the electrical division \$50,000, due to staffing vacancies. Lastly, a small surplus of approximately \$15,000 has been projected for the landfill site accounts, based on lower than anticipated costs to date.

Sewer Surcharge revenue has been trending slightly higher as at August 31, 2014 and it is anticipated that a surplus of approximately \$400,000 will materialize by the end of the year.

Therefore, the overall projected year end surplus for the Sewer Surcharge Funded Operations is expected to be approximately \$1,365,000. Any year end variance will be taken into account during the annual review of the sewer surcharge budget as part of the 2015 budget process.

### **Other Related Matters**

#### ***Handi Transit***

During the 2010 Budget deliberations, it was approved by Council that Handi Transit be included as part of our regular quarterly reports to Council. As a result, they have been included in Appendix A (see page 35). Handi Transit is not projecting a budget variance in 2014.

## **4. RISK ANALYSIS:**

There are a number of potential risks that can have a significant impact on the year-end financial results:

1. Current macro and micro economic conditions such as changes to local unemployment rates, volatility of energy costs, commodity prices and interest rates as well as supply and demand for products and services.
2. Seasonal variability with respect to revenues (i.e. Recreation fees) and expenses (i.e. winter control)

3. Potential increase in staffing costs due to factors such as sick call replacement, modified duties (particularly in mandated or 24 / 7 operational areas), WSIB, joint job evaluation or other arbitration decisions, health benefit usage (Green Shield) and such other. Some of these costs may be covered by corporate provisions / reserves.
4. Potential increase to unavoidable expenditures such as mandated repairs and maintenance and related purchase of materials and supplies, legal expenses, streetlight maintenance, etc.
5. The Net Tax Additions / Reductions account is extremely difficult to project with certainty. There are still some significant appeals in progress and any variances in this account will vary dramatically based on the outcomes and timing of the settlements.
6. The significant use of estimates, historical knowledge and judgment in developing budgets and projecting actuals for the year implies that actual year end revenues and expenditures may differ significantly from quarterly projections. One way to mitigate this risk and help to offset any unexpected or one-time variances is by way of the annual \$2.5 million budget stabilization contingency account.

## **5. FINANCIAL MATTERS:**

For further financial support, refer to *Appendix A* for detailed descriptions to support the departmental projected year end variances.

*Appendix B* of this report includes a list of relevant operational and economic statistics (extracted from various sources) as background information and is depicted graphically by quarter, by year, for ease of reference and comparison purposes.

As can be noted by Table 1 below, the city has historically ended the year with a surplus in each of the last four years. Although the projected variance for 2014 is estimated to be a deficit, departments are working to reduce this overall variance by implementing mitigating measures as outlined in Appendix A.

**Table 1: Year End (YE) Operating Budget Variances - 5 Year History**

	2010	2011	2012	2013	2014*
Surplus/(Deficit) before Contingency	2,307,758	1,048,621	208,605	3,961,778	(3,443,920)
Budget Contingency	1,500,000	3,000,000	1,500,000	1,500,000	2,500,000
Net Year End Surplus/(Deficit)	3,807,758	4,048,621	1,708,605	5,461,778	(943,920)

*\*Projected*

It should be noted that the cumulative net year end operating surplus for the period 2010-2013 (as detailed in the table above) has totaled approximately \$15 million. These significant surpluses have allowed City Council to allocate funds to the Budget Stabilization Reserve, the Building Contra Reserve and the Tax Appeals Reserve. The transfer of surplus funds to these

reserves has enabled funding of a number of issues while not impacting the current tax levy as well as providing assistance with funding this year's potential deficit.

## **6. CONSULTATIONS:**

All City Departments and relevant Agencies, Boards and Commissions provided details and comments to augment the analysis performed by the Finance Department.

## **7. CONCLUSION:**

Administration is projecting a potential estimated year end deficit of approximately \$944,000 (or less than 2/10<sup>th</sup> of 1% of the total gross budget) after the use of the noted \$2.5 million contingency allowance and other approved/recommended reserve funding. Should this deficit actually materialize, it would be funded from the Budget Stabilization Reserve Fund at year end. Mitigating measures and steps have and will be implemented where possible in order to minimize unfavourable variances by year end.

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**Chantelle Anson**  
**Financial Planning Administrator, Legal**  
**& Fire and Rescue**

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

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**Mario Sonogo**  
**City Engineer and**  
**Corporate Leader Environmental**  
**Protection and Transportation**

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**Jelena Payne**  
**Community Development and Health**  
**Commissioner and Corporate Leader Social**  
**Development, Health, Recreation and**  
**Culture**

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**Valerie Critchley**  
**City Clerk/Licence Commissioner and**  
**Corporate Leader Public Engagement and**  
**Human Services**

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**Shelby Askin-Hager**  
**City Solicitor**

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



**APPENDICES:****Appendix A – Components of the 2014 3<sup>rd</sup> Quarter Operating Budget Variance Report****Appendix B – Operational & Economic Statistics****DEPARTMENTS/OTHERS CONSULTED:****Name: Andrew Daher, Manager, Operating Budget Control & Financial Administration****Phone #: 519 255 6100 ext. 6613****NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX

**2014 Q3 OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION**

Departments/Divisions	Page #	2013				2014				
		Annual Net Budget	Q3 (Aug 31) Projected Surplus / (Deficit)	Year End Surplus/ (Deficit)	YE % Var. of Gross Bgt.	Annual Gross Budget	Annual Net Budget	Q2 (May 31) Projected Surplus / (Deficit)	Q3 (Aug 31) Projected Surplus / (Deficit)	YE % Var. of Gross Bgt.
<b>Representation</b>										
Mayor's Office	2	438,179	0	0	0.0%	438,316	438,316	0	0	0.0%
Council Administrative Services	3	741,281	0	2,472	0.3%	721,424	721,424	0	0	0.0%
<b>Total Representation</b>		<b>1,179,460</b>	<b>0</b>	<b>2,472</b>	<b>0.2%</b>	<b>1,159,740</b>	<b>1,159,740</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Office of the Chief Administrative Officer</b>										
CAO's Office	4	1,354,061	0	246,883	18.2%	1,278,215	1,278,215	0	113,000	8.8%
Legal / POA	5	6,832,655	0	20,708	0.2%	16,491,109	5,329,141	(946,000)	(1,243,000)	-7.5%
Fire & Rescue Services	7	35,133,818	(45,000)	(144,584)	-0.4%	40,204,700	39,412,820	0	(440,000)	-1.1%
<b>Total Office of the Chief Admin. Officer</b>		<b>43,320,534</b>	<b>(45,000)</b>	<b>246,883</b>	<b>0.5%</b>	<b>57,974,024</b>	<b>46,020,176</b>	<b>(946,000)</b>	<b>(1,570,000)</b>	<b>-2.7%</b>
<b>Office of the Chief Financial Officer</b>										
Finance	9	6,529,604	170,000	524,552	5.8%	8,983,862	6,339,315	95,000	175,000	1.9%
Information Technology	10	5,322,836	45,000	50,812	0.8%	7,060,481	5,761,026	43,000	36,000	0.5%
Corporate Financial Accounts	11	(279,305,665)	1,653,000	1,625,171	1.0%	163,988,597	(282,788,197)	(695,000)	(875,000)	-0.5%
<b>Total Office of the Chief Financial Officer</b>		<b>(267,453,225)</b>	<b>1,868,000</b>	<b>2,200,535</b>	<b>1.3%</b>	<b>180,032,940</b>	<b>(270,687,856)</b>	<b>(557,000)</b>	<b>(664,000)</b>	<b>-0.4%</b>
<b>Office of City Clerk</b>										
Council Services	14	3,443,477	(168,500)	(201,990)	-1.5%	8,376,364	4,750,771	35,000	145,000	1.7%
Human Resources	15	3,722,478	55,000	139,544	3.4%	3,929,384	3,693,810	0	0	0.0%
Corporate Human Resource Accounts	16	(5,735,375)	0	(345,932)	-0.9%	40,911,821	(6,272,470)	100,000	704,000	1.7%
Planning	17	2,736,269	0	30,279	0.9%	3,305,427	2,752,553	137,500	160,000	4.8%
<b>Total Office of City Clerk</b>		<b>4,166,849</b>	<b>(113,500)</b>	<b>(378,099)</b>	<b>-0.6%</b>	<b>56,522,996</b>	<b>4,924,664</b>	<b>272,500</b>	<b>1,009,000</b>	<b>1.8%</b>
<b>Office of the City Engineer</b>										
Engineering	18	8,649,979	(171,000)	(59,149)	-0.5%	11,138,756	8,473,284	(387,000)	(218,500)	-2.0%
Environmental	19	12,621,610	(30,000)	74,081	0.2%	35,678,096	12,861,724	100,000	200,000	0.6%
PW Operations	21	11,573,484	(25,000)	(773,671)	-2.8%	27,397,837	11,135,228	(2,704,000)	(2,924,500)	-10.7%
Building	23	2,146,385	32,300	105,476	1.8%	5,760,682	2,008,371	38,200	13,000	0.2%
Parks & Facility Operations	24	19,497,415	(191,000)	577,574	2.0%	34,567,496	21,804,641	(315,000)	(249,500)	-0.7%
<b>Total Office of the City Engineer</b>		<b>54,488,873</b>	<b>(384,700)</b>	<b>(181,165)</b>	<b>-0.2%</b>	<b>114,542,867</b>	<b>56,283,248</b>	<b>(3,267,800)</b>	<b>(3,179,500)</b>	<b>-2.8%</b>
<b>Community Development &amp; Health</b>										
Comm. Development & Health Office	NA	92,840	0	1,828	0.3%	0	0	0	0	0.0%
Employment & Social Services	26	15,961,498	1,160,000	1,680,487	1.4%	117,277,254	14,373,133	997,000	1,162,000	1.0%
Housing & Children's Services	28	21,150,846	1,013,000	1,241,539	1.4%	87,388,448	21,184,758	191,000	359,000	0.4%
Huron Lodge	29	7,797,907	(233,000)	(106,857)	-0.5%	21,876,229	7,483,874	(182,000)	(23,000)	-0.1%
Recreation & Culture	31	9,044,667	(150,000)	550,453	3.1%	18,919,303	7,051,073	(610,000)	(795,000)	-4.2%
<b>Total Community Development &amp; Health</b>		<b>54,047,758</b>	<b>1,790,000</b>	<b>3,367,450</b>	<b>1.4%</b>	<b>245,461,233</b>	<b>50,092,837</b>	<b>396,000</b>	<b>703,000</b>	<b>0.3%</b>
<b>Total City Departments</b>		<b>(110,249,751)</b>	<b>3,114,800</b>	<b>5,239,676</b>	<b>0.8%</b>	<b>655,693,801</b>	<b>(112,207,190)</b>	<b>(4,102,300)</b>	<b>(3,701,500)</b>	<b>-0.6%</b>
<b>Agencies, Boards &amp; Commissions</b>										
Windsor Police Services	33	72,282,957	(470,000)	(626,672)	-0.8%	82,830,647	73,782,958	(750,000)	(750,000)	-0.9%
Transit Windsor	34	12,289,811	(347,000)	(518,278)	-1.8%	29,843,504	12,387,926	(294,000)	(408,000)	-1.4%
Windsor Public Library Grant	36	7,939,359	0	0	0.0%	7,293,932	7,293,932	0	0	0.0%
Agency Grants	37	16,150,454	0	(146,520)	-0.9%	16,287,054	16,186,455	(501,720)	(598,120)	-3.7%
Committees of Council	38	87,170	9,900	13,572	15.6%	55,920	55,920	20,000	23,700	42.4%
<b>Total Agencies, Boards &amp; Commissions</b>		<b>108,749,751</b>	<b>(807,100)</b>	<b>(1,277,898)</b>	<b>-1.0%</b>	<b>136,311,057</b>	<b>109,707,191</b>	<b>(1,525,720)</b>	<b>(1,732,420)</b>	<b>-1.3%</b>
<b>Total Corporation (excluding Handi Transit)<sup>1</sup></b>		<b>(1,500,000)</b>	<b>2,307,700</b>	<b>3,961,778</b>	<b>0.5%</b>	<b>792,004,857</b>	<b>(2,500,000)</b>	<b>(5,628,020)</b>	<b>(5,433,920)</b>	<b>-0.7%</b>
<b>Reserve Funding</b>										
BSR for Winter Control <sup>2</sup>		0	0	0		0	0	1,250,000	1,250,000	
BSR for LED Lights <sup>3</sup>		0	0	0		0	0	500,000	500,000	
Self Insurance Reserve for Insurance Variance <sup>4</sup>		0	0	0		0	0	240,000	240,000	
<b>Total Recommended Reserve Funding</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>1,990,000</b>	<b>1,990,000</b>	
<b>Total Corporation Net of Recommended Reserve Funding</b>		<b>(1,500,000)</b>	<b>2,307,700</b>	<b>3,961,778</b>		<b>792,004,857</b>	<b>(2,500,000)</b>	<b>(3,638,020)</b>	<b>(3,443,920)</b>	
Budget Stabilization Contingency Acct.		1,500,000	1,500,000	1,500,000	100%	2,500,000	2,500,000	2,500,000	2,500,000	100%
<b>2014 Net Operating Budget Surplus (excl Handi Transit)</b>		<b>0</b>	<b>3,807,700</b>	<b>5,461,778</b>	<b>0.7%</b>	<b>794,504,857</b>	<b>0</b>	<b>(1,138,020)</b>	<b>(943,920)</b>	<b>-0.1%</b>

Notes:

1. Reflects the transfer of \$2.5 M budget contingency amount to the Budget Stabilization Reserve. Note that while the Handi Transit Variance is included on page 35, the amount is not included in the City's overall variance since Handi Transit uses a separate accounting system.
2. \$1.25M funding from the Budget Stabilization Reserve has been approved by Council (CR81/2014 & M7/2014).
3. \$122,900 funding from the Budget Stabilization Reserve has been approved (B39/2013) though the total requested funding is anticipated to be \$500,000.
4. Funding request from the Self Insurance Reserve anticipated.

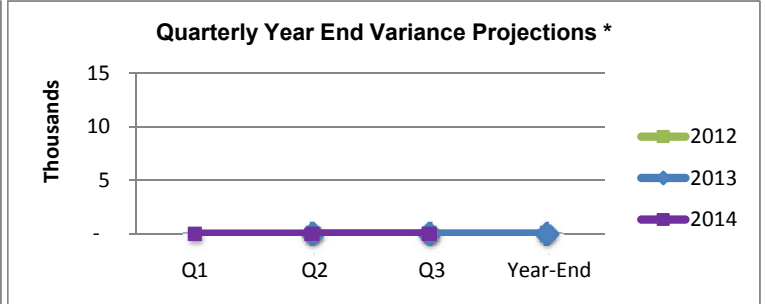
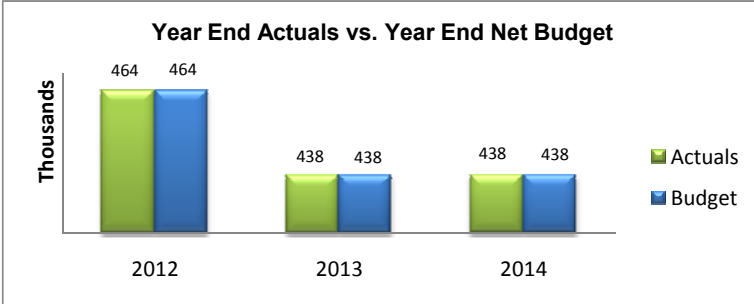
**MAYOR'S OFFICE**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	464,481	438,179	438,316
Annual Net Budget	464,481	438,179	438,316
Annual Net Expenditures	464,481	438,179	438,316
<b>Year End Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>
Variance as % of GB			

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	-	-	-

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

No material variance projected at this time.

**Summary of Description**

1. Projected to end the year within budget estimates.  
**Net Year End Surplus/(Deficit)**

**Category**

**Amount**

\$ -  
 \$ -

**Mitigating Steps**

**COUNCIL ADMINISTRATIVE SERVICES**

<b>Financial Summary</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>Financials</b>	<b>Financials</b>	<b>Financials</b>
Annual Gross Budget (GB)	798,453	741,281	721,424
Annual Net Budget	798,453	741,281	721,424
Annual Net Expenditures	788,030	738,809	721,424
<b>Year End Variance</b>	<b>10,423</b>	<b>2,472</b>	<b>0</b>
Variance as % of GB	1.3%	0.3%	

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>Est. Variance</b>	<b>Est. Variance</b>	<b>Est. Variance</b>
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
<b>Year-End (Q4)*</b>	<b>10,423</b>	<b>2,472</b>	

\* Note: Year-end numbers are based on actual results, not projections.

**Year End Actuals vs. Year End Net Budget**



**Description**

No material variance projected at this time.

**Summary of Description**

<b>Description</b>	<b>Category</b>	<b>Amount</b>
1. Projected to end the year within budget estimates.		\$ -
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ -</b>

**Mitigating Steps**

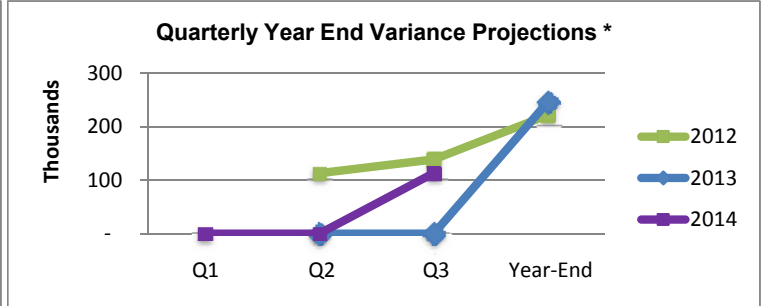
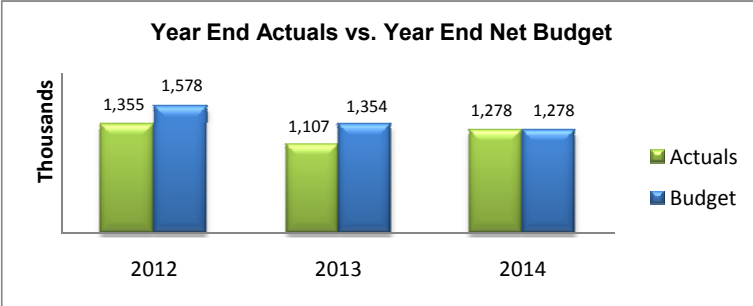
**CAO'S OFFICE**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	1,577,999	1,354,061	1,278,215
Annual Net Budget	1,577,999	1,354,061	1,278,215
Annual Net Expenditures	1,355,389	1,107,178	1,278,215
<b>Year End Variance</b>	<b>222,610</b>	<b>246,883</b>	<b>0</b>
Variance as % of GB	14.1%	18.2%	

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	113,000	-	-
Third Quarter (Q3)	139,000	-	113,000
Year-End (Q4)*	222,610	246,883	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

Corporate Consulting: \$113,000

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, what these budgets may be used for, therefore while a surplus is projected as of 3rd quarter 2014, there is possibility that a portion of these funds may be used by year-end.

**Summary of Description**

Description	Category	Amount
1. Corporate Consulting	Purchased Services	\$ 113,000
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 113,000</b>

**Mitigating Steps**

**LEGAL**

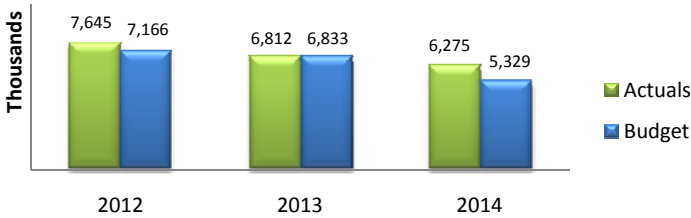
**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	10,460,211	10,470,778	16,491,109
Annual Net Budget	7,165,836	6,832,655	5,329,141
Annual Net Expenditures	7,645,241	6,811,947	6,275,141
<b>Year End Variance</b>	<b>(479,405)</b>	<b>20,708</b>	<b>(946,000)</b>
Variance as % of GB	-4.6%	0.2%	-5.7%

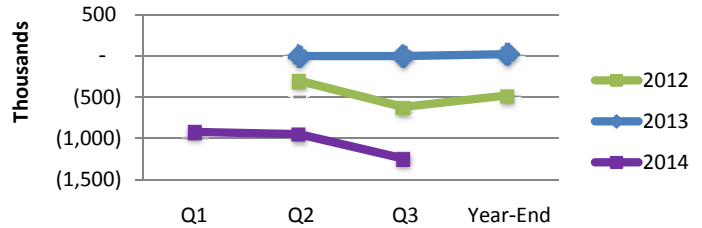
	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			(919,000)
Second Quarter (Q2)	(300,000)	-	(946,000)
Third Quarter (Q3)	(619,000)	-	(1,243,000)
Year-End (Q4)*	(479,405)	20,708	

\* Note: Year-end numbers are based on actual results, not projections.

**Year End Actuals vs. Year End Net Budget**



**Quarterly Year End Variance Projections \***



**Description**

The Legal department, now including POA, projects a year end deficit of (\$1,243,000) as detailed below.

*Legal Services, Real Estate Services, Risk Management and Purchasing Divisions:*

Salary Gapping: \$180,000

A surplus of \$180,000 is projected in the salary accounts due to restructuring in the department and position vacancies.

Site Plan Control Agreements: \$20,000

A surplus of \$20,000 is projected in this account as public demand for the preparation of site plan agreements and other legal documents has increased in the current year.

By-Law Prosecutions: (\$20,000)

By-law fine revenue has decreased over 50% since 2009, and is anticipated to fall \$45,000 short of budget in 2014. This deficit will be partially offset by budgetary savings of \$25,000 resulting from the shift back to in-house prosecutions.

Shared Services Legal Work: (\$60,000)

Due to the fewer than anticipated number of files transferred from EnWin, revenue from this source is projected to fall short of budgeted revenue by (\$60,000).

Canderel Lease Expense: (\$140,000)

As previously disclosed in the 2013 year end variance report & earlier 2014 variance reports, a calculation error made by the landlord in respect of the CPI increase required by the Canderel lease resulted in underpayments by the City to the landlord. Prior to discovery of this issue a budget reduction was taken in respect of this item, which will now result in a negative variance of approximately (\$70,000) in this account in 2014. Further, one of the City's sub-tenants vacated the premises in early 2013 and a new tenant has yet to be found to occupy the space. If this vacancy persists, an additional deficit of approximately (\$70,000) will result, for a total projected deficit of (\$140,000) relating to the leased Canderel property.

Labour Arbitration and Legal Services Costs: (\$240,000)

The legal services & litigation accounts are projected to be in a deficit of approximately (\$110,000) at year end due to unanticipated costs incurred relating to the City's appeal of a Property Standards Committee decision, CTC's appeal of a Property Standards Committee decision, and the CTC federal court appeal of the applicability of the Property Standards by-law to CTC, and ongoing costs associated with the ALS bingo license matter. Additionally, the labour arbitration account is projected to be in a deficit of (\$130,000) due in main part to costs related to a human rights matter, but also to costs for other continuing and new labour arbitration files.

It should be stressed that external legal fees and labour arbitration costs are very difficult to project as it is impossible to determine what actions will be brought forward against the city and which the City would then be obliged to address. As a result, the final deficits in these accounts may vary materially from current projections.

Insurance Premiums: (\$240,000)

Insurance costs rose significantly for the 2014 policy year. As actual rates were unknown during the 2014 budget process, the insurance premium budget was estimated based on a 3% increase in property values and a 10% increase over 2013 budgeted premium rates. For property and transit

vehicle insurance premiums, these amounts closely approximated actual budgetary requirements. General liability premiums, however, rose 30% over 2013 rates while City vehicle insurance premiums rose 25%. As a result of these premium increases as well as an increased Police vehicle count, there will be a negative variance of (\$240,000) in the insurance premium account in 2014. Should this variance materialize at the end of the year, Council may be asked to approve funding from the Self Insurance Reserve.

*Provincial Offences Division:*

Per the Windsor/Essex Area Intermunicipal Courts Service Agreement cost-sharing formula for 2014, the City portion of revenue and costs is set at 52.43%. All variances below are representative of the net City portion, except where otherwise noted.

Litigation Costs: \$37,000

Savings are anticipated in the Litigation account by diligently monitoring and scheduling court time throughout the entire year.

Salary Gapping: \$34,000

Salary savings of approximately \$34,000 are projected due to a retirement and subsequent restructuring of the Division.

Collection Charges: \$26,000

A surplus projection of \$26,000 in collection charges representing a change in the services required to the end of the year.

Court Fines: (\$840,000)

The Court Fines collected by the Provincial Offences Division has experienced an overall decline since 2013 due to a reduction in charging volumes and fewer funds collected from outstanding Court Fines. Based on the amount of Court Fines received at 3rd quarter, it is projected that the total Court Fine account will end the year at approximately \$5,600,000, representing a gross budgetary shortfall of (\$1,600,000). The City's share of the deficit will be approximately (\$840,000).

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**Summary of Description**

*Legal Services, Real Estate Services, Risk Management and Purchasing Divisions*

1. Salary Gapping	Salaries & Benefits	\$ 180,000
2. Site Plan Control Agreements	User Fees, Permits & Charges	20,000
3. By-law Prosecutions	Purchased Services	(20,000)
4. Shared Services Legal Work	Recovery of Expenditures	(60,000)
5. Canderel Lease Expense	Financial Expenses	(140,000)
6. Labour Arbitration and Legal Services Costs	Purchased Services	(240,000)
7. Insurance Premiums	Utilities, Insurance & Taxes	(240,000)
Total Legal Services, Real Estate Services, Risk Management and Purchasing Divisions		\$ (500,000)

*Provincial Offences Division*

8. Litigation Costs	Purchased Services	\$ 37,000
9. Salary Gapping	Salaries & Benefits	34,000
10. Collection Charges	Financial Expenses	26,000
11. Court Fines	User Fees, Permits & Charges	(840,000)
Total Provincial Offences Division		\$ (743,000)

**Net Year End Surplus/(Deficit)**

**\$ (1,243,000)**

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**Mitigating Steps**

*Legal Services, Real Estate Services, Risk Management and Purchasing Divisions*

Some mitigating steps identified include utilizing internal legal department resources where staffing levels and competing priorities allow for it and ensuring external legal expenses are recovered from specific projects, where possible.

*Provincial Offences Division*

Operational efficiencies are being realized through the implementation of the Court Administration Management System Software system to effectively tackle the collection of outstanding Court Fines. Operating expenses continue to be monitored to offset the projected year end deficit position.

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**FIRE & RESCUE SERVICES**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	34,465,658	35,775,103	40,204,700	First Quarter (Q1)			200,000
Annual Net Budget	33,813,373	35,133,818	39,412,820	Second Quarter (Q2)	10,000	60,000	-
Annual Net Expenditures	33,698,435	35,278,402	39,412,820	Third Quarter (Q3)	134,000	(45,000)	(440,000)
<b>Year End Variance</b>	<b>114,938</b>	<b>(144,584)</b>	<b>0</b>	Year-End (Q4)*	114,938	(144,584)	
Variance as % of GB	0.3%	-0.4%		* Note: Year-end numbers are based on actual results, not projections.			

**Description**

WFRS is projecting a deficit of (\$440,000) at third quarter as described below.

Travel & Training: \$45,000

A surplus in the travel & training accounts is projected as daily staff shortages resulting from position vacancies, injuries and illnesses have precluded many employees from participating in training opportunities in 2014.

Vehicle Repairs: (\$20,000)

A deficit in the vehicle repairs account is anticipated due to costs associated with the repairs to two vehicles involved in separate accidents in 2014.

Recruit Training: (\$35,000)

The recruit training budget was established to record the costs associated with running the training program for new firefighter recruits, and is set to handle the estimated costs associated with one recruit class. As a second recruit class was required in 2014, a deficit of (\$35,000) is anticipated in this account this year.

Fire Uniforms: (\$40,000)

Per the collective agreement, WFRS personnel are allocated a set number of points each year to use towards the “purchase” of Fire uniform items. It is anticipated that the expenditures necessitated by this point usage, coupled with the costs incurred to outfit new recruits, will exceed the budgeted amount by approximately (\$40,000) in 2014. As no funds remain in the associated reserve account, the variance will be reflected in the operating budget.

County Apparatus Revenue: (\$50,000)

The Apparatus division will be unable to perform to the volume of work expected - and still meet the maintenance needs of WFRS vehicles and equipment - and therefore the recovery from the county will be lower than budgeted in 2014. Contributing factors to the backlog include:

- An Emergency Technician position was filled in the beginning of 2014, and the technician is currently undergoing the mandatory three year Master Emergency Vehicle Technician (EVT) program. While the mechanic is able to service vehicles, it will take time for his pace to reach that of the experienced technicians.
- In addition to the vacancy of the technician position, an unanticipated leave of absence was required.
- Several new fire apparatus were delivered in 2013 and early 2014, which required upfitting to prepare them for service.

The division is slowly relieving the backlog and is working towards addressing county apparatus needs.

Fire Prevention User Fees: (\$60,000)

The Fire Prevention user fee budget was increased by \$72,500 in 2014 due to the establishment of new fees for fire safety plan reviews, firework pyro applications & reviews and special events applications & reviews. Several factors, including new leadership in the division, recurring vacancies and several new staff (6 of 11) requiring training, have resulted in significant reductions in productivity. Although increased activity is anticipated through the end of the year, it is anticipated that revenue from these sources will fall short of budget.



WSIB: (\$100,000)

A deficit of (\$100,000) is projected in the WSIB accounts as a result of new and ongoing claims.

Net Salary Variance: (\$180,000)

A net deficit of (\$180,000) in the salary accounts is projected in 2014. Overtime requirements in the Fire Rescue division have been unusually high as firefighters have worked to cover absences due to a greater than usual number of firefighter injuries and illnesses. In addition, 12 firefighter positions were vacant to begin the year and two were seconded for new recruit training, resulting in further overtime requirements in the Fire Rescue division. The projected deficit in the overtime accounts will be partially offset by savings in the permanent salary accounts resulting from both firefighter and other position vacancies within the department.

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
1. Travel & Training	Purchased Services	\$ 45,000
2. Vehicle Repairs	Minor Capital	(20,000)
3. Recruit Training	Other Miscellaneous Expenditures	(35,000)
4. Fire Uniforms	Salaries & Benefits	(40,000)
5. County Apparatus Revenue	Other Miscellaneous Revenue	(50,000)
6. Fire Prevention User Fees	User Fees, Permits & Charges	(60,000)
7. WSIB	Salaries & Benefits	(100,000)
8. Net Salary Variance	Salaries & Benefits	(180,000)
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ (440,000)</u></b>

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**Mitigating Steps**

WFRS will continue to monitor its accounts closely and utilize constraint in order to minimize costs through the end of the year.

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**FINANCE**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials		2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
Annual Gross Budget (GB)	8,172,313	9,049,487	8,983,862	First Quarter (Q1)			-
Annual Net Budget	5,659,287	6,529,604	6,339,315	Second Quarter (Q2)	(15,000)	88,000	95,000
Annual Net Expenditures	5,283,031	6,005,052	6,244,315	Third Quarter (Q3)	(445,000)	170,000	175,000
<b>Year End Variance</b>	<b>376,256</b>	<b>524,552</b>	<b>95,000</b>	Year-End (Q4)*	376,256	524,552	
Variance as % of GB	4.6%	5.8%	1.1%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Finance is currently projecting a year-end surplus of approximately \$175,000.

Salaries and Benefits: \$125,000

Due to the timing of recruitment and staff departures within the Finance Department, salaries are projected to experience a surplus of approximately \$125,000. Depending on the timing of positions being filled and variances in budget vs. actual wages, this projection may change by year end.

Ownership Changes: \$50,000

This account is trending towards a \$50,000 surplus in 2014. This and other tax-related revenues are dependent upon taxpayer sales activity which makes these revenue streams hard to predict.

**Summary of Description**

	Category	Amount
1. Salaries and Benefits	Salaries & Benefits	\$ 125,000
2. Ownership Changes	Other Miscellaneous Revenue	50,000
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 175,000</b>

**Mitigating Steps**

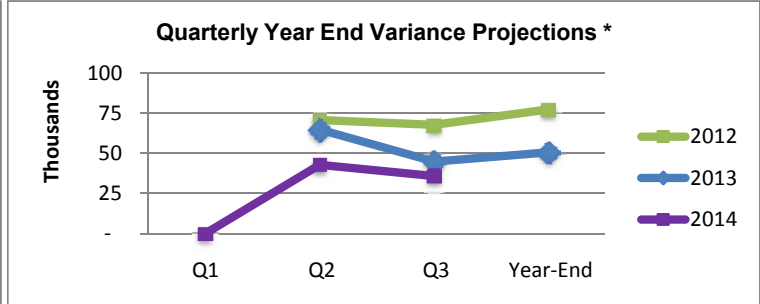
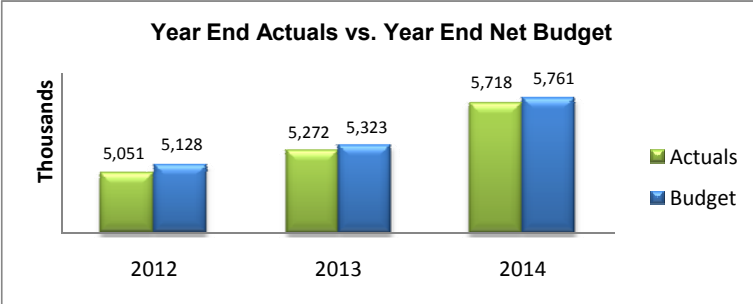
**INFORMATION TECHNOLOGY (I.T.)**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	6,467,384	6,669,110	7,060,481
Annual Net Budget	5,128,337	5,322,836	5,761,026
Annual Net Expenditures	5,050,730	5,272,024	5,718,026
<b>Year End Variance</b>	<b>77,607</b>	<b>50,812</b>	<b>43,000</b>
Variance as % of GB	1.2%	0.8%	0.6%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	71,000	65,000	43,000
Third Quarter (Q3)	68,000	45,000	36,000
Year-End (Q4)*	77,607	50,812	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

The I.T. department is projecting a year-end surplus of \$36,000 at second quarter.

Minor Variances in Various Accounts: \$82,000

Other miscellaneous accounts are projected to net to a \$82,000 surplus in 2014.

Salary Gapping: \$14,000

Various gapping of positions in several divisions in I.T. will lead to a small surplus of \$14,000 in 2014.

Windsor Public Library (WPL) Transition: (\$60,000)

A deficit of (\$60,000) is anticipated in the WPL technology budget which was transferred to the City of Windsor's Information Technology Department this year. Having now experienced close to a full year of operations, it is likely that the projected savings originally anticipated will not be fully realized this year. The benefits anticipated from the transfer of responsibility and projected savings should begin to materialize over the course of the next few years as existing contracts expire. The deficit projected as a result of these unrealized savings is being mitigated through salary gapping elsewhere in the department.

**Summary of Description**

Category	Amount
1. Minor Variances in Various Accounts	\$ 82,000
2. Salary Gapping	14,000
3. WPL Transition	(60,000)
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ 36,000</b>

**Mitigating Steps**

**CORPORATE FINANCIAL ACCOUNTS**

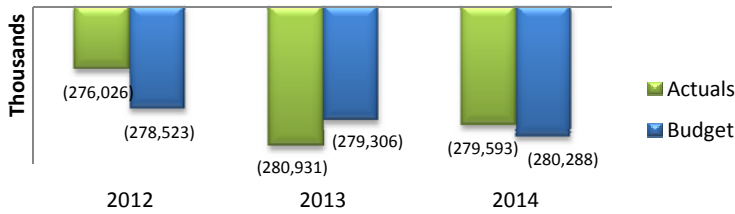
**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	184,614,476	156,801,892	167,664,777
Annual Net Budget	(278,523,323)	(279,305,665)	(280,288,197)
Annual Net Expenditures	(276,026,209)	(280,930,836)	(279,593,197)
<b>Year End Variance</b>	<b>(2,497,114)</b>	<b>1,625,171</b>	<b>(695,000)</b>
Variance as % of GB	-1.4%	1.0%	-0.4%

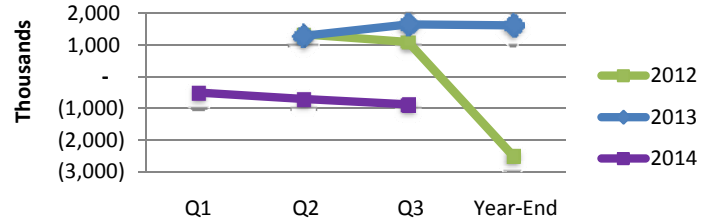
	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			(495,000)
Second Quarter (Q2)	1,342,000	1,288,000	(695,000)
Third Quarter (Q3)	1,101,000	1,653,000	(875,000)
Year-End (Q4)*	(2,497,114)	1,625,171	

\* Note: Year-end numbers are based on actual results, not projections.

**Year End Actuals vs. Year End Net Budget**



**Quarterly Year End Variance Projections \***



**Description**

The following year-end variances are projected in the Corporate Financial Accounts:

General Corporate Accounts

Corporate Provision for JJE Retro, Unanticipated WSIB costs and NU Overtime: \$955,000

The approved budget contains corporate provisions for JJE retro payments of \$500,000, unanticipated WSIB costs of \$150,000, and overtime provision for eligible non-union members of \$305,000. The actual expenditures are charged to the appropriate department, but as noted the budget is contained in the corporate accounts, therefore there is typically a surplus in these accounts offset by the charges in the various departments.

Net Interest on Investments: \$100,000

As a result of the reserve balances being higher than projected the interest paid to reserves account is projected to be in a deficit position of approximately (\$200,000) at year end. This will be offset by a \$300,000 surplus in interest earned on investments due to additional monies available to the corporation as a result of the projected growth of reserves.

MPAC: \$69,000

The Municipality is mandated to use the Municipal Property Assessment Corporation (MPAC) for its assessment services. Due to the timing of the approved budget, the total 2014 MPAC requirement is lower than what was originally projected, and therefore, a surplus of approximately \$69,000 is expected.

Payments in Lieu of Taxes: (\$100,000)

Under the applicable legislation, the municipality retains the educational levy portion relative to certain properties that are charged payments in lieu of taxes. Largely due to declining Education Rates that were provided by the province in early 2014 after the 2014 municipal budget had been approved for the Municipal Share of Education Taxes, the Payments in Lieu of Taxes accounts are projected to be in a deficit of approximately (\$180,000) by year-end. This deficit will be offset by an \$80,000 surplus projected in Right of Way Billings/Bridge and Tunnel Tax revenue.

Sick Leave Gratuity: (\$100,000)

It is projected that Sick Leave Gratuity will end the year with a deficit of (\$100,000). This account is difficult to predict, as the timing of retirements is uncertain. Although this amount cannot be accurately calculated at this time, there is a risk that a greater negative variance could materialize by the end of the year.

Employer Health Tax: (\$130,000)

Total taxable gross earnings for 2014 are estimated to be approximately \$208.7 million based on current YTD totals. As the rate is 1.95% of gross taxable earnings, a deficit of (\$130,000) is projected.

Canada Pension Plan: (\$190,000)

Based on the monthly trends over the last few years, CPP is projected to have a year-end total of \$5.95 million. This leaves a projected deficit of (\$190,000) in this account.

Penalty and Interest on Taxes: (\$250,000)

A downward trend of accounts falling into arrears as a result of enhanced collection efforts and the improving economy will result in a projected

deficit of approximately (\$250,000) in the Penalty and Interest on Taxes account.

*Corporate Utilities*

The third quarter variance was analysed during the third week of September and as such the following energy data is reflective of costs and consumption for the period January to July.

Water: \$22,000

As a result of a cooler and wetter Spring /Summer a year end budget surplus of \$22,000 is projected.

Thermal Energy: (\$230,000)

District Energy provides hot water for heating and chilled water for cooling to six City owned facilities from a central plant located at Caesar’s Windsor Casino. Both AGW & WIATC consumption are trending higher than originally projected during the 2014 budget formulation. The year end budget deficit is anticipated to be approximately (\$230,000).

Natural Gas: (\$286,000)

The harsh winter weather conditions experienced January to March and colder than normal April – June temperatures has resulted in a 10% increase in consumption. Commodity market price is also trending higher ( approximately 35% higher since January)as a result of colder Winter/Spring. These combined factors are contributing to the Gas account ending the year with a projected budget deficit of (\$286,000).

Hydro: (\$735,000)

Same facility consumption data indicates a slight decrease of (1.2%) in electricity usage with costs trending 2.0% higher. Price volatility (monthly electricity price plus global adjustment) as reported in the 1st & 2nd Quarter variance continues to create uncertainty relative to administration’s ability to forecast reasonably accurate year end projections. To further underscore the unpredictable nature of the electricity market, the global adjustment was set as low as \$-0.01 (April) to as high as \$.08 (September) a differential of over \$0.09 cents per kWh. (The global adjustment is the difference between the total payments made to certain contracted or regulated suppliers of electricity and conservation programs/services and any offsetting revenues they receive from sales to customers. The wholesale price of electricity plus the GA equals the commodity price of electricity.) To provide further perspective a 1 cent increase in costs per kWh has an annualized impact of \$900,000 to the utility budget. As indicated in the introduction above, third quarter data for all accounts is incomplete (July data) which adds further risk to year end projections. A range between \$600,000 to \$900,000 has been identified as the hydro budget deficit risk. Projecting quarterly energy variances is always a challenge given the ongoing monthly price fluctuations that occur in the marketplace. Based on the Provincial Government’s estimated 8-10% annual electricity cost increase, Administration is projecting (\$735,000) as the year end hydro budget deficit.

It should be noted that weather conditions throughout the Summer and Fall in tandem with rate volatility will continue to have an impact on costs despite continuing efforts to reduce consumption.

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
<i>General Corporate Accounts</i>		
1. Corporate Provision for JJE Retro, Unanticipated WSIB costs and NU Ove	Salaries & Benefits	\$ 955,000
2. Net Interest on Investments	Investment Income & Dividends	100,000
3. MPAC	Other Miscellaneous Expenditures	69,000
4. Payments in Lieu	Taxes - Municipal	(100,000)
5. Sick Leave Gratuity	Salaries & Benefits	(100,000)
6. Employer Health Tax (EHT)	Salaries & Benefits	(130,000)
7. Canada Pension Plan (CPP)	Salaries & Benefits	(190,000)
8. Penalty and Interest on Taxes	Taxes - Municipal	(250,000)
Total General Corporate Accounts		<u>\$ 354,000</u>
<i>Corporate Utilities</i>		
9. Water	Utilities, Insurance & Taxes	\$ 22,000
10. Thermal Energy	Utilities, Insurance & Taxes	(230,000)
11. Gas	Utilities, Insurance & Taxes	(286,000)
12. Hydro	Utilities, Insurance & Taxes	(735,000)
Total Corporate Utilities		<u>\$ (1,229,000)</u>
<b>Net Year End Surplus/(Deficit)</b>		<u><u>\$ (875,000)</u></u>

**Mitigating Steps**

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**COUNCIL SERVICES**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials <sup>1</sup>
Annual Gross Budget (GB)	12,763,917	13,632,010	8,376,364
Annual Net Budget	3,188,106	3,443,477	4,750,771
Annual Net Expenditures	2,763,232	3,645,467	4,715,771
<b>Year End Variance</b>	<b>424,874</b>	<b>(201,990)</b>	<b>35,000</b>
Variance as % of GB	3.3%	-1.5%	0.4%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	372,000	(206,500)	35,000
Third Quarter (Q3)	613,000	(168,500)	145,000
Year-End (Q4)*	424,874	(201,990)	

\* Note: Year-end numbers are based on actual results, not projections.

**Description**

Council Services is projecting a total surplus of \$145,000 as outlined below.

**Salary Gapping: \$145,000**

The Policy, Gaming and Licensing Division is projecting a surplus of \$80,000 resulting from salary gapping and a surplus in their temporary salary account. The Communication and Customer Service Division is projecting a year end surplus of \$65,000, also related to salary gapping resulting from staff vacancies.

The Employee Relations and Council Service Administration Divisions have no material variance projections to December 31, 2014.

**Summary of Description**

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 145,000
<b>Net Department Year End Surplus/(Deficit)</b>		<b>\$ 145,000</b>

**Mitigating Steps**

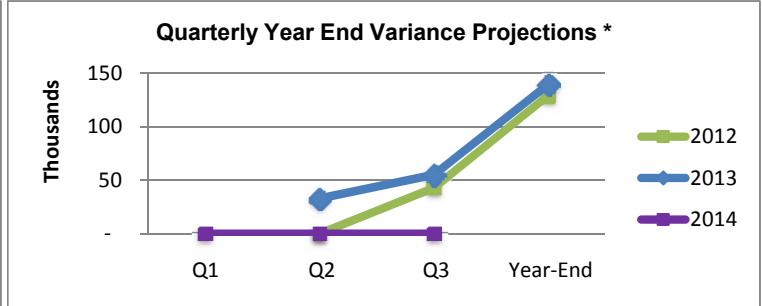
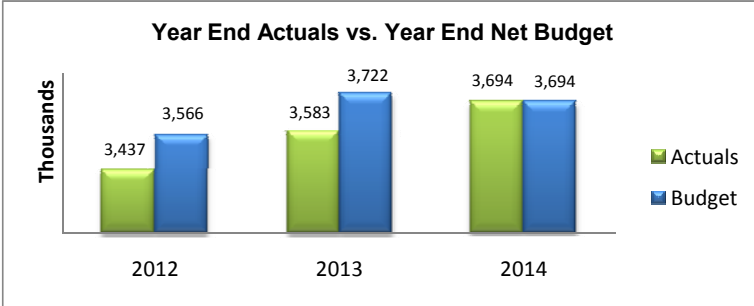
**HUMAN RESOURCES**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	3,942,138	4,124,652	3,929,384
Annual Net Budget	3,565,918	3,722,478	3,693,810
Annual Net Expenditures	3,436,528	3,582,934	3,693,810
<b>Year End Variance</b>	<b>129,390</b>	<b>139,544</b>	<b>0</b>
Variance as % of GB	3.3%	3.4%	

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	33,000	-
Third Quarter (Q3)	43,000	55,000	-
Year-End (Q4)*	129,390	139,544	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

No material variance projected at this time.

**Summary of Description**

1. Projected to end the year within budget estimates.

**Net Year End Surplus/(Deficit)**

Category

Amount

\$	-
\$	-

**Mitigating Steps**



**CORPORATE HUMAN RESOURCE ACCOUNTS**

<u>Financial Summary</u>	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	37,306,800	39,963,101	40,911,821	First Quarter (Q1)			-
Annual Net Budget	1,778,012	(5,735,375)	(6,272,470)	Second Quarter (Q2)	(120,000)	-	100,000
Annual Net Expenditures	1,544,628	(5,389,443)	(6,372,470)	Third Quarter (Q3)	(300,000)	-	704,000
<b>Year End Variance</b>	<b>233,384</b>	<b>(345,932)</b>	<b>100,000</b>	Year-End (Q4)*	233,384	(345,932)	
Variance as % of GB	0.6%	-0.9%	0.2%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

The Corporate Human Resource Accounts is projecting a surplus of \$704,000 at third quarter as described below.

Green Shield: \$700,000

The number of claims filed with Green Shield by employees to August 31 has been trending in a surplus position since January of this year, resulting in a projected year-end surplus of approximately \$700,000. Green Shield sends a monthly surplus/deficit financial position based on year-to-date program usage (provided below). Please note however, that given the uncontrollable nature of Green Shield usage, it is difficult to guarantee that this account will remain in a surplus position to year-end.

January 31: \$56,259	May 31: \$186,269
February 28: \$123,821	June 30: \$266,275
March 31: \$111,343	July 31: \$310,062
April 30: \$177,250	August 31: \$474,504

Long Term Disability: \$71,000

This projected surplus of \$71,000 is based on reports from Great West Life which provides information on our Long Term Disability (LTD) claims activity i.e., current active claims and highlights whether an employee is likely, ready or unlikely to return to work. We currently have 32 active LTD claims. To date there have been 5 claims inactivated as the employee has returned to work or retired and as a result, no longer qualifies for LTD benefits.

Group Life Insurance Program: (\$67,000)

A deficit of (\$67,000) is projected to year end in Group Life insurance premiums as a result of salary increases over the last couple of years and no budget adjustments made to this program since the 2012 Budget Process. Note there is a request to increase this for 2015 Budget to address the shortfall anticipated to continue through 2015.

The Fringe Rate Stabilization Reserve Fund balance as at August 31 is \$4,180,160.

**Summary of Description**

	Category	Amount
1. Green Shield	Salaries & Benefits	\$ 700,000
2. Long Term Disability	Salaries & Benefits	71,000
3. Group Life Insurance	Salaries & Benefits	(67,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 704,000</b>

**Mitigating Steps**

**PLANNING**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	3,206,862	3,289,143	3,305,427	First Quarter (Q1)			(100,000)
Annual Net Budget	2,464,788	2,736,269	2,752,553	Second Quarter (Q2)	(152,000)	-	137,500
Annual Net Expenditures	2,724,103	2,705,990	2,615,053	Third Quarter (Q3)	(154,000)	-	160,000
<b>Year End Variance</b>	<b>(259,315)</b>	<b>30,279</b>	<b>137,500</b>	Year-End (Q4)*	(259,315)	30,279	
Variance as % of GB	-8.1%	0.9%	4.2%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

The Planning Department is projecting a surplus of approximately \$160,000 for 2014.

Salary Gapping: \$160,000

There were a number of vacancies by staff filling temporary assignments throughout the year. Many of the positions were filled or replaced with the exception of the Planner II (Official Plan Monitor) which is anticipated to remain vacant until year end as a mitigating measure.

Miscellaneous Expense Account Variances: \$45,000

An estimated net amount totalling \$45,000 as a result of mitigating efforts in expense categories such as purchased services, travel, training and operating supplies is also reflected in the Departmental overall projected surplus total.

WSIB Costs: (\$45,000)

The Department continues to absorb WSIB costs for a former employee. This variance is offset by a corporate provision as reported in the Corporate Financial Accounts department.

**Summary of Description**

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 160,000
2. Miscellaneous Expense Account Variances	Other Miscellaneous Expenditures	45,000
3. WSIB Costs	Other Miscellaneous Expenditures	(45,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 160,000</b>

**Mitigating Steps**

The Department continually works to mitigate costs where possible in order to minimize any overall negative operating variances. This includes staff gapping and ongoing monitoring of miscellaneous controllable costs.

**ENGINEERING**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	10,662,829	11,244,979	11,138,756	First Quarter (Q1)			(377,000)
Annual Net Budget	7,902,104	8,649,979	8,473,284	Second Quarter (Q2)	(210,000)	(389,000)	(387,000)
Annual Net Expenditures	7,895,450	8,709,128	8,860,284	Third Quarter (Q3)	(301,000)	(171,000)	(218,500)
<b>Year End Variance</b>	<b>6,654</b>	<b>(59,149)</b>	<b>(387,000)</b>	Year-End (Q4)*	6,654	(59,149)	
Variance as % of GB	0.1%	-0.5%	-3.5%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Based on actual expenditures and revenues as at August 31, 2014, the Engineering and Corporate Projects Department is estimating to end the year with a deficit of (\$218,500), as follows:.

Licences & Permits: \$336,000

Revenues for Licences and Permits are up by over \$336,000, compared to budget, mainly due to the issuance of moving permits associated with construction of the Herb Gray Parkway. This trend is not expected to continue.

Salary Gapping / Temporary Staff: \$21,500

Salary & Benefit charges are expected to come in under budget by approximately \$21,500. This favourability is largely due to gapping savings is partially offset by additional staff hired on a temporary basis.

Other Miscellaneous Expenditures: (\$61,000)

Various expense line items are projected to net to a shortfall of (\$61,000).

Delayed Maintenance Cost Savings: (\$515,000)

The 2014 budget for Hydro - Maintenance was built on the assumption that the LED Streetlight Conversion project would have been substantially completed early in the year and a full year's worth of savings would be realized by the City in 2014. The unrealized maintenance savings for 2014 are expected to be approximately (\$515,000). This projected variance will be partially offset by funding provided through the Budget Stabilization Reserve of (\$123,000), as approved in the 2014 Operating Budget.

Any unanticipated events or uncontrollable factors could affect the projections presented here.

**Summary of Description**

	Category	Amount
1. Licences & Permits	User Fees, Permits & Charges	\$ 336,000
2. Salary and Benefits	Salaries & Benefits	21,500
3. Other Misc Expenses	Other Miscellaneous Expenditures	(61,000)
4. Unrealized Hydro Maintenance Cost Savings	Utilities, Insurance & Taxes	(515,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (218,500)</b>

**Mitigating Steps**

Until the City's streetlights are converted to LED fixtures, maintenance costs will continue to escalate, as the old existing fixtures will require maintenance on a more frequent basis. Regarding the RFP, the services of a lighting consultant to assist the City / Enwin with the selection of the successful proponent are being sought at this time. This delay suggests that the awarding of the conversion contract will not take place until late 2014 or 2015; meaning that the LED conversion will not be significantly complete until the latter part of 2015.

**ENVIRONMENTAL**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	33,317,209	35,177,037	35,678,096	First Quarter (Q1)			-
Annual Net Budget	12,617,291	12,621,610	12,861,724	Second Quarter (Q2)	(100,000)	140,000	100,000
Annual Net Expenditures	12,594,601	12,547,529	12,761,724	Third Quarter (Q3)	50,000	(30,000)	200,000
<b>Year End Variance</b>	<b>22,690</b>	<b>74,081</b>	<b>100,000</b>	Year-End (Q4)*	22,690	74,081	
Variance as % of GB	0.1%	0.2%	0.3%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

The Environmental Services area is projecting a year-end surplus of \$200,000 as at the end of the 3rd quarter. A few surpluses in several areas are contributing to this projection:

Waste Disposal: \$180,000

Landfill tipping fees paid for all waste tonnage (residential and front-end loader collection) are projecting to be 2900 tonnes (5.4%) below the budgeted figure of 53,925 tonnes. As a result, the department is projecting a surplus of approximately \$100,000 relating to landfill tipping fees paid. In addition, a surplus of \$60,000 is anticipated with respect to leachate treatment costs and \$20,000 related to higher than expected internal user recoveries for landfill tipping fees from other City departments.

Rodent Control: \$85,000

Given a budget carryforward from 2013 of \$153,653, in addition to the annual budget of \$84,335 for rodent control, the area had a total of \$237,988 to provide skunk and rodent control in 2014. With the skunk program completed as directed by Council in early August 2014, the program is expected to have a surplus in the range of \$85,000 at year-end.

Waste Collection: \$40,000

Residential waste tonnage for 2014 is projecting to be approximately 700 tonnes (1.6%) below the budgeted figure of 43,925 tonnes. As a result, the department is projecting a year-end surplus of approximately \$40,000 with respect to contractor fees due to the slightly reduced tonnage amount.

Containerized Collection: \$30,000

Revenues for containerized collection are projecting to be slightly higher than anticipated, resulting in a projected year-end surplus of approximately \$30,000.

Building & Security: (\$135,000)

Offsetting these aforementioned surpluses is a deficit of approximately \$135,000 projected at year-end relating to expenditures for the grounds and maintenance of the Solid Waste Control Centre. A large chunk of this deficit (\$75,000) is timing of property taxes paid in 2014. In addition, labour costs to maintain the facility are in a deficit position of (\$35,000), along with a projected year-end deficit of (\$25,000) in the Environmental Admin area for higher than anticipated temporary wages.

**Summary of Description**

	Category	Amount
1. Waste Disposal	Operating & Maintenance Supplies	\$ 180,000
2. Pest Control	Operating & Maintenance Supplies	85,000
3. Waste Collection	Operating & Maintenance Supplies	40,000
4. Containerized Collection	User Fees, Permits & Charges	30,000
5. Building & Security/Environmental Admin.	Operating & Maintenance Supplies	(135,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 200,000</b>

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**Mitigating Steps**

The Department continually works to mitigate costs in order to avoid and minimize any negative operating variances. As a result, ongoing monitoring of miscellaneous controllable costs will continue.

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**PUBLIC WORKS OPERATIONS**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	26,973,162	27,388,577	27,397,837	First Quarter (Q1)			(530,000)
Annual Net Budget	10,797,703	11,573,484	11,135,228	Second Quarter (Q2)	162,000	(77,000)	(2,704,000)
Annual Net Expenditures	10,378,190	12,347,155	13,839,228	Third Quarter (Q3)	63,000	(25,000)	(2,924,500)
<b>Year End Variance</b>	<b>419,513</b>	<b>(773,671)</b>	<b>(2,704,000)</b>	Year-End (Q4)*	419,513	(773,671)	
Variance as % of GB	1.6%	-2.8%	-9.9%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

As of August 31st, the PW Operations Department is projecting an overall deficit of (\$2,924,500) for 2014 resulting from several variances related to winter control, depreciation, PIC revenue, parking ticket revenue, road maintenance, and fuel.

*Fleet Division:*

Depreciation: \$289,000

A surplus of \$289,000 is projected for depreciation based on the 10-year depreciation forecast.

Fuel: (\$85,000)

A deficit of (\$85,000) is projected for fuel purchases related to fuel pricing and the budgeted fuel consumption for 2014 based on the average pricing for 2014 as of August 31st and current pricing.

Winter Control: (\$103,500)

The deficit related to extra fuel and parts used for the winter control fleet charged in the Fleet Division is expected to total approximately (\$103,500).

*Maintenance Division:*

PIC Revenue: \$50,000

The Maintenance Division will end 2014 with a surplus of approximately \$50,000 related to billings for the parkway for salt and brine provided to PIC.

Road Maintenance: (\$100,000)

The Maintenance Division will end 2014 with a deficit of approximately (\$100,000) related to additional road maintenance required as a result of the extreme winter conditions, i.e. frost damage. The Division is currently performing permanent repairs now that asphalt plants are open, failure to provide this critical frontline service will result in unacceptable risk to the corporation. A report to Council identifying the impacts of the winter conditions with recommendations for the pothole patching / road maintenance program for the remainder of 2014 is anticipated.

Winter Control: (\$2,925,000)

The City of Windsor experienced above-average winter conditions in the 1st quarter of 2014, which will result in an overall deficit in 2014 for the Maintenance Division of PW Operations. At the time of writing this report (Jan 1 - August 31), PW Operations has a winter control deficit of (\$1,631,199). Based on 2013 actuals for 4th quarter and the current level of winter control costs, Administration is projecting a final year-end deficit of approximately (\$2,925,000) in the Maintenance Division. Should this variance materialize at the end of the year, it will be partially offset by the Council-approved funding from the budget stabilization reserve. It should also be noted that there is a significant increase in the number of snow plow damage complaints through 311 received in 2014 to date, 166 to date in 2014 versus 43 in 2013 and 17 in 2012.

*Traffic Division:*

PIC Revenue: \$50,000

The Traffic Division is expecting an overall surplus in recovery revenue of \$50,000 related to billings for work performed on the parkway for PIC.

**Parking Ticket Revenue: (\$100,000)**

The Traffic Division will end 2014 with a deficit of approximately (\$100,000) related to parking ticket revenue. Parking Enforcement has experienced a decrease in the number of tickets issued since the beginning of 2014 which will likely result in a decrease in realized revenues. It should also be noted that the Administrative Penalty System (AMPS) went into effect in November of 2013, however, full implementation of the system and associated fees did not begin until May of 2014. The new AMPS system has generated additional revenue for late payment administration fees which has mitigated the expected parking ticket deficit.

**Summary of Description**

<i>Summary of Description</i>	<b>Category</b>	
<i>Fleet Division</i>		
1. Depreciation	Transfers to Reserves & Capital Funds	\$ 289,000
2. Fuel	Operating & Maintenance Supplies	(85,000)
3. Winter Control (Fleet Division only)	Operating & Maintenance Supplies	<u>(103,500)</u>
Total Fleet Division		<u>\$ 100,500</u>
<i>Maintenance Division</i>		
4. PIC Revenue	User Fees, Permits & Charges	\$ 50,000
5. Road Maintenance	Operating & Maintenance Supplies	(100,000)
6. Winter Control (Maintenance Division only)	Purchased Services	<u>(2,925,000)</u>
Total Maintenance Division		<u>\$ (2,975,000)</u>
<i>Traffic Division</i>		
7. PIC Revenue	User Fees, Permits & Charges	\$ 50,000
8. Parking Ticket Revenue	User Fees, Permits & Charges	<u>(100,000)</u>
Total Traffic Division		<u>\$ (50,000)</u>
<b>Net Year End Surplus/(Deficit)</b>		<b><u><u>\$ (2,924,500)</u></u></b>

**Mitigating Steps**

Administration continues to monitor the budget in an effort to mitigate the year-end variance. Several 2015 budget issues will be brought forward for Administrative Review to address budgetary issues where necessary.

**BUILDING**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	5,874,107	5,884,847	5,760,682	First Quarter (Q1)			-
Annual Net Budget	2,041,106	2,146,385	2,008,371	Second Quarter (Q2)	85,000	-	38,200
Annual Net Expenditures	1,841,600	2,040,909	1,970,171	Third Quarter (Q3)	142,000	32,300	13,000
<b>Year End Variance</b>	<b>199,506</b>	<b>105,476</b>	<b>38,200</b>	Year-End (Q4)*	199,506	105,476	
Variance as % of GB	3.4%	1.8%	0.7%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

The Building Department is projecting an approximate \$13,000 operating surplus for 2014.

Salary Gapping: \$31,000

Salary gapping totalling \$31,000 can be attributed to: (1) the temporary gapping of one Customer Service Representative that retired and is now being replaced; (2) the temporary gapping of two Building Inspectors that retired in the recent quarter and for which replacements are currently being recruited and; (3) the temporary gapping of one By-law Enforcement Officer who is currently assuming a temporary assignment in the City Clerk Department. A temporary By-law Officer vacancy has been back filled for the remainder of the duration of the acting assignment.

Minor Miscellaneous Expense Account Variances: \$11,000

Also contributing to the projected Building surplus is \$11,000 in mitigated postage, office supplies and training and other minor operating expense line items.

Projected Fee Revenue Shortfall (Property Standards): (\$29,000)

A revenue shortfall of (\$15,000) from property standards enforcement is projected in terms of lower than budgeted fee collections due to Building Inspectors having to prioritize their time on Permits activity to conduct inspections within legislated time frames as opposed to being able to follow up on property standards complaints. A further revenue shortfall of (\$14,000) is projected in relation to dirty yards enforcement as property owners seem to be more compliant in responding to complaints and cleaning up their properties.

Legislated Permits Funded Budget (Non-Tax Levy)

The Department is projecting a negative variance of (\$172,000), mainly due to lower permit revenues, offset by some salary gapping savings. Permit activity to date has been largely related to renovations, residential and other lower cost projects as opposed to institutional, commercial and industrial projects which generate greater revenue. Any revenue shortfalls require a similar draw on the Building Permits Fee Reserve. When adding the projected (\$172,000) variance to the 2014 budgeted draw of (\$523,400), the reserve draw is estimated to be (\$695,400) by the end of the year. The 2013 year end life to date cumulative reserve fund balance was (\$9,591,527) deficit. A dedicated offsetting reserve fund called the Building Department Fee Contra Reserve has balance of \$9,589,133 as of September 30th. This fund was established to offset the accumulated deficit in the Building Department Reserve Fund.

**Summary of Description**

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 31,000
2. Minor Miscellaneous Expense Account Variances	Other Miscellaneous Expenditures	11,000
3. Projected Fee Revenue Shortfall (Property Standards)	User Fees, Permits & Charges	(29,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 13,000</b>

**Mitigating Steps**

The Building Department continues to mitigate expenses where possible as well as explore revenue enhancements each year. In 2014 the Department completed the final commitments of the 2011 City Council approved Deficit Reduction Action Plan which included a downsizing of the Department through attrition.



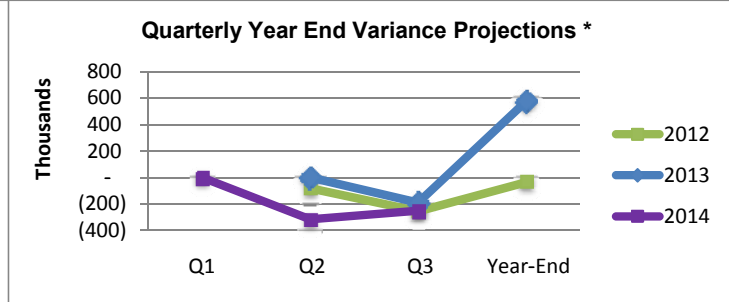
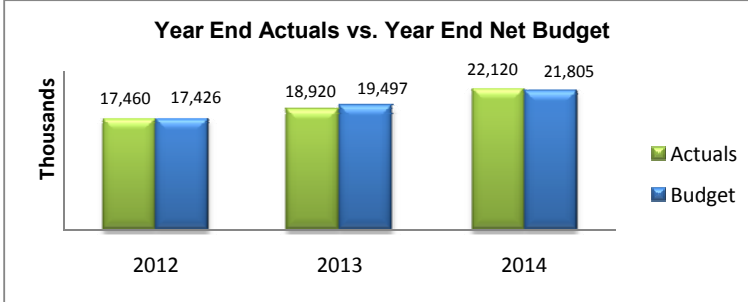
**PARKS & FACILITY OPERATIONS**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	26,191,801	28,715,531	34,567,496
Annual Net Budget	17,425,825	19,497,415	21,804,641
Annual Net Expenditures	17,460,109	18,919,841	22,119,641
<b>Year End Variance</b>	<b>(34,284)</b>	<b>577,574</b>	<b>(315,000)</b>
Variance as % of GB	-0.1%	2.0%	-0.9%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	(81,000)	-	(315,000)
Third Quarter (Q3)	(255,000)	(191,000)	(249,500)
<b>Year-End (Q4)*</b>	<b>(34,284)</b>	<b>577,574</b>	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

Overall, Parks & Facility Operations is projecting a year-end variance of (\$249,500).

*Parks Operations Division:*

The Parks Operations Division is projecting a year end deficit of (\$256,500).

Tree Trim Revenue, Vacant Lots, Rental Income: \$280,000

A projected revenue surplus of \$280,000 is attributed to increased recoveries in tree trimming, the annual plant sale, Council approved funding for median work and recoveries from vacant lot seasonal work such as snow removal and grass cutting.

Wages, Other Pay, and Contracted Services: \$65,000

The wage accounts collectively represent a deficit of (\$137,000), however this wage variance is more than offset by savings in Contracted Services. The projected wage variance is also attributed to changes in work processes, including the hiring of part-time staff to manage work that had been previously performed under contract. In addition to efficiencies gained thru the in-sourcing of work, the overage in wage and benefit costs is more than offset by a projected year-end surplus of \$202,000 in External Contract Work and Other Purchased Services. Council's recent decision to in-source the hanging basket and planter program is one of the contributing factors to this positive variance, and is the model and framework on which future operational business decisions will be based upon.

Fuel & Lubricants: (\$58,000)

A deficit of (\$58,000) is projected in this account due to both increased prices and usage.

Overtime: (\$260,000)

There is a projected deficit in overtime of (\$260,000), with approximately (\$225,000) of the overtime variance attributable to Winter Control.

Equipment & Infrastructure Repairs and Materials: (\$283,500)

There is a projected deficit of (\$283,500) in Equipment Repairs and Infrastructure Maintenance Materials, which is a slight improvement when compared to the past few years. The materials budget continues to be a pressure for the Parks Division. With aging infrastructure, equipment, and unexpected repairs, the department continues to strive to focus on core duties, to find efficiencies where possible and to keep costs within the limits of their budget while providing facilities, playfields 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.

In summary, the Parks Operations Division variance for this year is mainly attributed to Winter Control activities. While there are variances in some operating accounts, these are largely offsetting each other, with Winter Control being the largest uncontrollable variance faced by the department this year. Should this (\$263,500) deficit materialize at the end of the year, it will be partially offset by the Council-approved funding from the budget stabilization reserve.

Heavy storms in the area, overly wet weather, heavy graffiti and vandalism as well as unforeseeable requests and special events can significantly affect the demands of Parks' work plans and budget dollars.

*Facilities Operations Division:*

Overall, Facility Operations is reporting a projected year-end surplus of \$7,000.

Operating expenses - Art Gallery of Windsor: \$150,000

As this was the first full year of estimating the budget, conservative estimates were used. A surplus of approximately \$150,000 is projected in various operating expense accounts for the Art Gallery in 2014. This variance has been addressed in the budget issues for the 2015 Operating Budget (2015-0212).

Maintenance Costs - Capitol Theatre: \$28,000

Based on actual costs to date, maintenance and caretaking supplies costs are projected to be \$28,000 less than budget in 2014.

UV Replacement Bulbs - WIATC/AB: (\$32,000)

This is the replacement cost of special UV bulbs which was an unexpected costs. These bulbs must be changed twice per year at a cost of \$32,000 per change. Only one change will be necessary this year as they were installed later in the year.

Salaries & Benefits: (\$139,000)

Maintenance Staff (\$25,000) - A deficit of (\$25,000) is projected due to wage increases and retroactive payments for some of the maintenance staff. This deficit is offset by the corporate provision for JJE settlements.

Caretaking Costs - WIATC/AB (\$114,000) - Caretaking costs are expected to exceed the initial budgeted amount due in part to the additional staff required during special events. Facility Operations is in the process of reducing the number of caretaking shifts as a result of the new operating hours of the WIATC/AB.

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
<i>Parks Operations Division</i>		
1. Tree Trim Revenue, Vacant Lots, Other Recoverable Expenses	Recovery of Expenditures	\$ 280,000
2. Wages, Other Pay, and Contracted Services	Salaries & Benefits	65,000
3. Fuel & Lubricants	Operating & Maintenance Supplies	(58,000)
4. Overtime	Salaries & Benefits	(260,000)
5. Equipment & Infrastructure Repairs and Materials	Operating & Maintenance Supplies	(283,500)
Total Parks Operations Division		\$ (256,500)
<i>Facility Operations Division</i>		
6. Operating Expense Surplus - AGW	Operating & Maintenance Supplies	\$ 150,000
7. Operating Expense Surplus - Capitol Theatre	Operating & Maintenance Supplies	28,000
8. UV Replacement Bulbs - WIATC/AB	Operating & Maintenance Supplies	(32,000)
9. Salaries & Benefits	Salaries & Benefits	(139,000)
Total Facility Operations Division		\$ 7,000
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (249,500)</b>

**Mitigating Steps**

*Parks Operations Division:*

Parks continues to be diligent in their efforts to spend their budget responsibly. The Parks Division has eliminated all Work Auths that were not third party related as these inflated costs and revenues. This has allowed for a more efficient and clear monitoring of Parks' related expenses.

*Facility Operations Division:*

In 2014, Facility Operations took over the financial budgets and responsibility for all maintenance and caretaking functions for the Recreation and Culture Department's facilities, and the environmental element of Huron Lodge. The Facility Operations Division has also undergone a change in chartfield structure to coincide with the work order system, 360 Facility. This will allow for better tracking of the costs incurred to maintain facilities. Repair and maintenance work orders submitted through the 360 Facility application will be monitored and responded to on a timely basis. Facility Operations has addressed the large items identified above as budget issues for 2015. For the remainder of 2014 however, the Division will closely monitor spending in order to minimize the identified costs not originally budgeted for, while providing clean, safe and well-maintained facilities for its employees, tenants, and the general public.

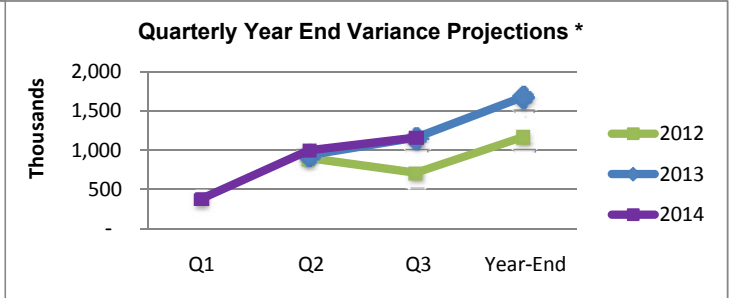
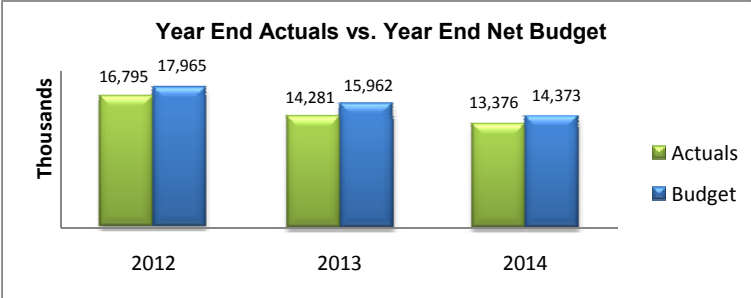
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**EMPLOYMENT & SOCIAL SERVICES**

<u>Financial Summary</u>	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	119,581,320	117,309,462	117,277,254
Annual Net Budget	17,964,834	15,961,894	14,373,133
Annual Net Expenditures	16,794,647	14,281,407	13,376,133
<b>Year End Variance</b>	<b>1,170,187</b>	<b>1,680,487</b>	<b>997,000</b>
Variance as % of GB	1.0%	1.4%	0.9%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			380,000
Second Quarter (Q2)	898,000	937,000	997,000
Third Quarter (Q3)	711,000	1,160,000	1,162,000
Year-End (Q4)*	1,170,187	1,680,487	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

As of August 31, 2014, the Employment and Social Services Department is projecting to end the year with a net city surplus of \$1,162,000.

Ontario Works Program Delivery: \$775,000

A net city surplus of \$775,000 is projected at year end for Ontario Works (OW) Program Delivery. Expenditures are lower than budget due in part to a lower than budgeted average OW monthly caseload. Of this projected City surplus, \$470,000 relates to salary gapping, as well the in year announcement of additional 100% provincial funding to offset the cost of implementation of the Social Services Solutions Modernization Project (SSSMP). Lower than expected Employment Related Expenses, Employment Initiatives, and operating costs add \$305,000 to the city surplus.

Financial Assistance: \$380,000

Ontario Works Financial Assistance is projected to end the year with a net City surplus of approximately \$380,000. The 2014 Ontario Works monthly caseload has ranged from 9,346 to 9,606 with the year to date average at August 31, 2014 being 9,471. This is 1.34% lower than the budgeted average caseload of 9,600. The lower caseload along with a less than expected cost per case account for a significant part of the surplus. Discretionary benefit expenditures are expected to remain within the provincial funding cap. Should the OW caseload rise in the last quarter of the year, the projected surpluses for OW Program Delivery and OW Financial Assistance may be reduced.

The Ontario government proposed a number of changes to social assistance that take effect September 1, 2014, such as an additional \$30 per month (or about five percent) for adult singles without children receiving Ontario Works (applied to basic needs and boarder amounts) and an additional 1 per cent for Ontario Works families (applied to basic needs, shelter and boarder amounts). Municipalities however will not be required to cost share the cost of these increases in Ontario Works rates until after January 2015.

100% Municipal Assistance: \$10,000

100% Municipal Assistance is projected to end the year with a net City surplus of approximately \$10,000 largely attributed to increased funeral and burial recoveries.

Community Development and Health Office: \$0

No significant variance is expected for the Community Development and Health Office.

Other Employment Initiatives: (\$3,000)

Other Employment Services is projected to end the year with a small city deficit of (\$3,000) related to the provision of client employment supports over and above the 100% provincial funding envelope.

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
<i>OW Program Delivery</i>		
1. OW Program Delivery- Salary and Benefits	Salaries & Benefits	\$ 470,000
2. OW Program Delivery- Employment Initiatives	Transfer for Social Services	250,000
3. OW Program Delivery- Employment Related Expenses	Purchased Services	55,000
Total OW Program Delivery		<u>\$ 775,000</u>

*Financial Assistance*

4. OW Financial Assistance	Transfer for Social Services	\$ 380,000
5. 100% Municipal Assistance	Transfer for Social Services	10,000
Total Financial Assistance		<u>\$ 390,000</u>
6. <i>Other Employment Initiatives</i>	Transfer for Social Services	\$ (3,000)
<b>Net Year End Surplus/(Deficit)</b>		<b><u><u>\$ 1,162,000</u></u></b>

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**Mitigating Steps**

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**HOUSING & CHILDREN SERVICES**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	90,747,778	89,197,605	87,388,448	First Quarter (Q1)			-
Annual Net Budget	21,201,530	21,150,846	21,184,758	Second Quarter (Q2)	-	247,000	191,000
Annual Net Expenditures	20,733,981	19,909,307	20,993,758	Third Quarter (Q3)	251,000	1,013,000	359,000
<b>Year End Variance</b>	<b>467,549</b>	<b>1,241,539</b>	<b>191,000</b>	Year-End (Q4)*	467,549	1,241,539	
Variance as % of GB	0.5%	1.4%	0.2%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Overall, Housing and Children Services is projecting a year end surplus of \$359,000 for 2014 as follows:

Housing Subsidy Surplus: \$577,000

Housing is projecting a net city surplus of \$577,000. Of this surplus, \$264,000 (net city) is due to lower mandated subsidy payments required by service providers. Service provider 2013-2014 year end subsidy reconciliations is also expected to add \$325,000 (net city) to the surplus on a one-time basis. Offsetting the surplus is a deficit of (\$12,000) related to unbudgeted staffing cost (displaced job).

Children's Services: \$274,000

Children Services is projecting a \$274,000 city surplus. In 2014 over \$1,000,000 in additional funding from the province was received for the childcare envelope thereby reducing the need for a municipal contribution to the budget. This, coupled with a lower overall demand for childcare funding in the community has created a surplus.

Windsor Essex Community Housing Corporation (WECHC): (\$492,000)

Windsor Essex Community Housing Corporation (WECHC) is projecting a city year end deficit of (\$492,000). WECHC's projected deficit is due in part to the 2012 MPAC reassessment process (Public Housing portfolio) and the resulting increase in property tax expense in 2014 (\$569,000) net city along with increases in 2014 utilities costs (\$65,000) net city. This increase is expected to be offset by a savings \$142,000 net city as a result of a reduction in legislated subsidies for the Non-Profit Families program. On March 27, 2014 WECHC submitted a request for reconsideration ("R4R") to the Municipal Property Tax Assessment Corporation (MPAC) for the 2014 taxation year and a response from MPAC has not been received. A favourable response has the potential to reduce the deficit.

**Summary of Description**

	Category	Amount
1. <i>Housing Subsidy Surplus</i>	Grants & Subsidies	\$ 577,000
2. <i>Children Services</i>	Grants & Subsidies	\$ 274,000
<i>Windsor Essex Community Housing Corporation (WECHC)</i>		
3. WECHC Family Housing Property Tax	Grants & Subsidies	\$ 142,000
4. WECHC Public Housing Property Tax/Utilities	Grants & Subsidies	(634,000)
Total Windsor Essex Community Housing Corporation (WECHC)		\$ (492,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 359,000</b>

**Mitigating Steps**

**HURON LODGE**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	20,720,557	21,713,302	21,876,229	First Quarter (Q1)			-
Annual Net Budget	7,365,162	7,797,907	7,483,874	Second Quarter (Q2)	-	(258,000)	(182,000)
Annual Net Expenditures	7,486,921	7,904,764	7,665,874	Third Quarter (Q3)	-	(233,000)	(23,000)
<b>Year End Variance</b>	<b>(121,759)</b>	<b>(106,857)</b>	<b>(182,000)</b>	Year-End (Q4)*	(121,759)	(106,857)	
Variance as % of GB	-0.6%	-0.5%	-0.8%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Huron Lodge is projecting to end the year with a deficit of (\$23,000).

**Increase in Funding: \$478,000**

As communicated at 2nd quarter, the MOHLTC announced an increase to our CMI for 2014 resulting in an additional \$278,000 in revenue for 2014. The MOHLTC also communicated an increase to the resident accommodation rates effective September 1, 2014. The additional revenue expected from this rate increase will be approximately \$76,000 for 2014. In September the MOHLTC also announced a 2% increase in funding within the nursing and personal care envelope. This will yield an additional \$109,200 for 2014. In 2014 Huron Lodge received CARF Accreditation for three years. As such additional funding is provided by the Ministry for any accredited home. In 2014 Huron Lodge will receive an additional \$14,800 in funding related to CARF accreditation. In total, additional funding expected in 2014 in excess of the budget is \$478,000.

**WSIB: (\$11,000)**

The department continues to have obligations to pay WSIB expenses, which are currently projected to end the year in a budget shortfall of (\$11,000). Through diligent processes and assistance from Human Resources, Huron Lodge has been able to effectively mitigate WSIB costs throughout the year. However, it should be noted that costs to replace staff who are off sick and on modified duties due to non-occupational injuries continues to increase. It is expected these costs will equate to approximately \$100,000 by year end. This variance is included in with Salary Accounts.

**Other Miscellaneous Accounts: (\$52,000)**

Other miscellaneous accounts are projected to end the year with an unfavourable variance of approximately (\$52,000) primarily due to building maintenance services. As the building operates on a 24 hour, 7 days a week basis, the cost of the repairs to both the building and equipment is at risk for a budget shortfall. The department continues to review these accounts monthly to minimize any deficits by year end.

**Nursing Supplies and Incontinence Products: (\$183,000)**

Nursing Supplies and Incontinence Product costs are a challenge for the department. With the increasing acuity of residents, nursing supplies and incontinence products may see an unfavourable variance of (\$183,000) primarily due to the increased costs of linen services. As previously communicated, the contract for linen services had expired at the end of 2013. Until recently, Huron Lodge had negotiated with the current provider for a month to month agreement until an RFP could be completed. In August of 2014 the RFP was completed with the successful proponent being Brit-Linen, the current vendor. However, as a result of the RFP the current rate per pound of linen cleaned will increase from \$0.45/lb to \$0.49/lb effective December 1st. Through Facility Operations, a budget issue will be brought forward as part of the 2015 Budget Process to accommodate this increase.

**Salary Accounts: (\$255,000)**

Salaries are projected to end the year with a deficit of (\$255,000). Salaries are difficult to project because the department is obligated to replace staff in the event of absences due to non-occupational accommodations and modified duties due to WSIB, attendance at work issues and mandatory training. The replacement costs of salaries will continue to be monitored closely by the department and reported in subsequent variance reports. Included in this projected year end variance is approximately (\$57,000) in replacement costs within the Nursing Division due to scheduling to comply with the new 2014 vacation carryforward procedure.

**Summary of Description**

	<b>Category</b>	<b>Amount</b>
1. Increase in Funding	Grants & Subsidies	\$ 478,000
2. WSIB	Salaries & Benefits	(11,000)
3. Other Miscellaneous Accounts	Other Miscellaneous Expenditures	(52,000)
4. Nursing Supplies and Incontinence Products	Operating & Maintenance Supplies	(183,000)
5. Salary Accounts	Salaries & Benefits	(255,000)
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ (23,000)</u></b>

**Mitigating Steps**

Huron Lodge is working on a comprehensive Attendance Management program in conjunction with Human Resources and Employee Relations to address absenteeism.

**RECREATION & CULTURE**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	17,550,521	17,633,739	18,919,303	First Quarter (Q1)			-
Annual Net Budget	8,782,731	9,044,667	7,051,073	Second Quarter (Q2)	(340,000)	(150,000)	(610,000)
Annual Net Expenditures	8,943,328	8,494,214	7,661,073	Third Quarter (Q3)	(230,000)	(150,000)	(795,000)
<b>Year End Variance</b>	<b>(160,597)</b>	<b>550,453</b>	<b>(610,000)</b>	Year-End (Q4)*	(160,597)	550,453	
Variance as % of GB	-0.9%	3.1%	-3.2%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

The Recreation and Culture department has highlighted potential variance risks within the operating divisions based on all available information at the time of this report. The department is projecting a potential overall year end variance of (\$795,000). There continues to be additional revenue in the Recreation and Culture department that is realized in the fourth quarter of the year. These revenue patterns make it difficult to accurately project year end variances, based on the information available at the time of this report. Therefore, the projections presented in this report have a risk of fluctuation. The overall potential variance can be broken down as follows:

Global Spectrum-Managed Operations: (\$135,000)

Global Spectrum is projecting an operating budget deficit within the WFCU Centre financials of (\$135,000). Global Spectrum removed several events from the 2014 year-end projection as they were either moved to 2015 or were not able to secure what they had anticipated for events in 2014.

WFCU Centre: (\$150,000)

The WFCU Centre is projecting a deficit of (\$150,000) mainly due to revenue shortfalls in concessions, programming and ticket surcharges. The Spitfire attendance figures have been lower than in previous years along with less playoff games, which have resulted in lower revenue from ticket surcharges and concessions.

Windsor International Aquatics & Training Centre (WIATC)/Adventure Bay (AB): (\$510,000)

The WIATC/AB facility is projecting an overall unfavourable budget variance of (\$1,334,500). This includes a negative variance of (\$792,500) for utilities (which is reported in the Corporate Finance utility variance and consistent with how all facilities are reported) as well as an unfavourable variance of (\$32,000) for the replacement cost of special UV bulbs (which is reported to Facility Operations). Therefore, the net reported variance for Recreation and Culture for this facility is (\$510,000).

Of the (\$792,500) projected variance for utilities, (\$550,000) is attributable to hydro costs and approximately (\$210,000) is attributed to heating/cooling costs. Provincial hydro rates have increased 50% from the October/November 2011 rates prevalent when the budget was developed. In addition, consumption has been higher than originally projected. While rates will continue to fluctuate based on market demand, it is hoped that consumption can be better managed going forward due to a planned energy audit and by consolidating the use of the facility by taking into account usage patterns and operating hours.

As part of the reported (\$510,000) variance for Recreation and Culture, wages make up approximately (\$250,000) of the projected facility variance. This is as a result of increasing staffing levels from the originally budgeted 27 lifeguards to 32 based on actual experience with the new facility and equipment. These 5 additional lifeguards were added to improve safety as per established guidelines from the Life Saving Society and TSSA and to allow for proper operational logistics. An additional 3 temporary lifeguards have been required due to a TSSA requirement for coverage until an electronic solution was implemented. The addition of a coordination position was also required in order to better manage the significant number of lifeguards. Furthermore, once the facility opened it became apparent that in order to provide better service and safety, an additional facility attendant position was required on the second floor to oversee the Cannon Cove playing area and fitness centre. The costs for these additional positions have been partially offset by gapping in a couple non-union salary accounts.



The remaining (\$260,000) deficit is a largely the result of less than anticipated revenues (approximately \$200,000) and the remaining \$60,000 is comprised of TSSA inspections and operational supplies.

As this is the first year of operations of this facility, there is no historical record of seasonality impacts. Therefore, the projections are subject to greater variability than for other facilities for which we have historical data available. Additionally, the first eight months of operating this very complex and unique facility have afforded administration with the experience and knowledge base to make proactive adjustments to the facility operations and programming that will allow for implementing changes aimed at positively impacting the bottom line. Some of these operational decisions have been detailed in the mitigating efforts section. Similar to all municipally owned recreation facilities which are operated based on affordable fees as a service to the overall community, there is a net operating cost that is picked up by tax payers.

It should be highlighted that there are significant economic benefits that continue to be realized from this facility. These include:

- The creation of a popular family attraction for Windsor residents
- Avoided the economic drain of significant share of the 200,000 annual visitors spending their discretionary income at similar facilities across the border or around the province
- Has put Windsor on the map for aquatics sports tourism and drawn visitors from across the world
- The creation of approximately 260 part time and full time net jobs to operate the facility
- Has added to the revitalization of the downtown
- Has helped to diversify the economy and positively impacted the hospitality industry

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
1. Global Spectrum	Other Miscellaneous Revenue	\$ (135,000)
2. WFCU Centre	Transfers from Other Funds	(150,000)
3. WIATC/Adventure Bay	Salaries & Benefits	<u>(510,000)</u>
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ (795,000)</u></b>

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**Mitigating Steps**

Recreation and Culture in 2014 is closely monitoring the monthly financial statements for a variety of facilities. Some specific mitigating measures include:

- Marketing plan for the WIATC/AB has been approved and is being implemented
  - Energy audit & hydro cost optimization at the WIATC/AB
  - Refine/consolidate program delivery to achieve synergies aimed at cost reductions at WIATC/AB based on attendance levels and daily/hourly attendance patterns experienced to date
  - Reduce 3 temporary lifeguards put in place due to TSSA requirements
  - Undergo an audit with the Life Saving Society regarding lifeguard positions/rotations to determine if staff level can be further reduced
  - Adjust concession price to reflect market/industry rates
  - Optimize concession and facility attendant staffing schedules to reflect attendance demand
  - A working group committee has been established to regularly monitor and make recommendations on all aspects of the operations
  - Operating review of the WFCU Centre is currently being undertaken by the newly appointed facility manager. It is expected that recommendations will be made that will improve efficiencies and reduce operating costs.
-

**WINDSOR POLICE SERVICES**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	76,704,906	80,140,114	82,830,647	First Quarter (Q1)			(600,000)
Annual Net Budget	68,168,086	72,282,957	73,782,958	Second Quarter (Q2)	-	(470,000)	(750,000)
Annual Net Expenditures	68,078,115	72,909,629	74,532,958	Third Quarter (Q3)	-	(470,000)	(750,000)
<b>Year End Variance</b>	<b>89,971</b>	<b>(626,672)</b>	<b>(750,000)</b>	Year-End (Q4)*	89,971	(626,672)	
Variance as % of GB	0.1%	-0.8%	-0.9%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Note: The Summary of Description section below was provided by the Windsor Police Service (WPS) administration, as the City Finance Department does not provide financial support to the WPS.

**Summary of Description**

	Category	Amount
1. Overtime - unforeseen major crimes/events/court attendance	Salaries & Benefits	\$ (100,000)
2. Personnel costs, workers comp, one-time payouts	Salaries & Benefits	(100,000)
3. Minor equipment, repairs, maintenance, replacement	Minor Capital	(150,000)
4. Legal and consulting costs	Purchased Services	(150,000)
5. Unachievable revenue targets - fees, recoveries	Recovery of Expenditures	(250,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (750,000)</b>

**Mitigating Steps**

- 1) The WPS continues to aggressively monitor and control overtime costs which have slowly been decreasing over the past few years, however, with the occurrence of unforeseen major crimes, investigation and corresponding court costs will rise accordingly.
- 2) The Service has also been very diligent in delaying the replacement of equipment and trying to extend the life through repairs and maintenance, unfortunately, we have begun to reach the point where equipment has become obsolete with service and parts no longer available. This is forcing the resulting replacements in order to continue to provide service and to ensure the health and safety of our employees. All purchasing is done in accordance with the city purchasing bylaw.

**TRANSIT WINDSOR**

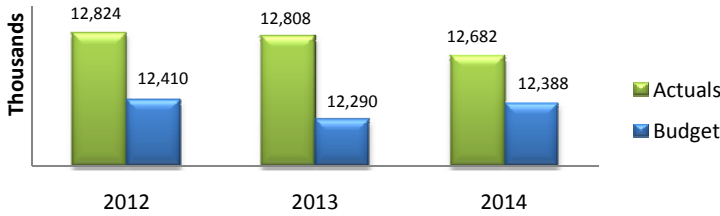
**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	29,855,258	28,245,389	29,843,504
Annual Net Budget	12,409,811	12,289,811	12,387,926
Annual Net Expenditures	12,823,749	12,808,089	12,681,926
<b>Year End Variance</b>	<b>(413,938)</b>	<b>(518,278)</b>	<b>(294,000)</b>
Variance as % of GB	-1.4%	-1.8%	-1.0%

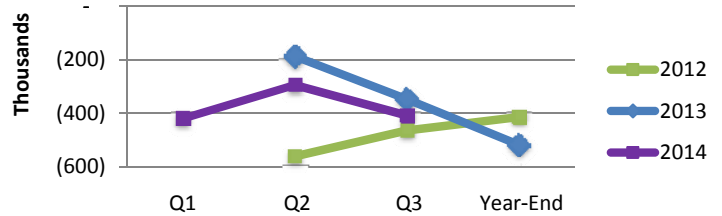
	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			(420,000)
Second Quarter (Q2)	(562,000)	(186,000)	(294,000)
Third Quarter (Q3)	(464,000)	(347,000)	(408,000)
Year-End (Q4)*	(413,938)	(518,278)	

\* Note: Year-end numbers are based on actual results, not projections.

**Year End Actuals vs. Year End Net Budget**



**Quarterly Year End Variance Projections \***



**Description**

Transit Windsor Administration monitors the operating budget on an ongoing basis and is projecting a year end deficit of (\$408,000) at third quarter.

Transit Revenue: \$200,000

Transit Windsor revenues are projected to exceed budget estimates with a projected surplus of approximately \$200,000.

Commissions: (\$112,000)

Transit commission revenue, realized primarily through sales made at the Windsor International Transit Terminal for Greyhound customers, are currently below budget estimates. Discussions are ongoing with representative from Greyhound to address this.

Fuel & Lubricants: (\$196,000)

Current fuel prices are resulting in a projected deficit in the Fuel and Lubricants account of approximately (\$196,000). The 2014 approved budget for fuel was maintained at \$1.00 per litre. Based on approximately 3 million litres of diesel consumed annually, every \$0.01 increase above the budget figure of \$1.00 per litre translates to a cost of approximately \$30,000. While the consumption of fuel is consistent with the budget of 3 million litres, the average cost for diesel for Transit Windsor from Jan 1, 2014 to August 31, 2014 was \$1.1015 per litre. This represents a \$0.1015 increase, or a price variance of approximately (\$203,000) for diesel fuel for the Transit Windsor fleet. The price of diesel fuel has been declining steadily over the last several months and the spot rate on September 19, 2014 was \$0.993. Using this rate for the remainder of the year will result in a surplus of approximately \$7,000. The fuel price variance projected for the remainder of the year may increase if the spot price of fuel starts to increase again for a variety of reasons. Given the volatility in predicting fuel prices, Transit Windsor will continue to monitor this closely and report the projected variance to the Board of Directors on a monthly basis.

Salary and Wages: (\$300,000)

Salary and Wages accounts are projecting a potential deficit of approximately (\$300,000) largely due to the number of detours encountered on existing routes, combined with the continuing need to react to late buses and overloaded buses on the main lines and special events. Transit Windsor is anticipating that wages will stabilize somewhat as of September 1st with the allocation of the \$300,000 for the one time service enhancements, but significant detours will still be experienced on many routes.

Note that Transit Windsor will become a City department in 2015.

**Summary of Description**

Category	Amount
1. Transit Revenue	\$ 200,000
2. Commissions Revenue	(112,000)
3. Fuel and Lubricants	(196,000)
4. Salary and Wages	(300,000)
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ (408,000)</b>

**Mitigating Steps**

**HANDI TRANSIT**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	1,236,257	1,337,100	966,502	First Quarter (Q1)			-
Annual Net Budget	1,236,257	1,337,100	966,502	Second Quarter (Q2)	(43,000)	-	(2,000)
Annual Net Expenditures	1,276,431	1,330,038	968,502	Third Quarter (Q3)	(52,000)	(6,145)	-
<b>Year End Variance</b>	<b>(40,174)</b>	<b>7,062</b>	<b>(2,000)</b>	Year-End (Q4)*	(40,174)	7,062	
Variance as % of GB	-3.2%	0.5%	-0.2%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

From Handi-Transit:

"Actual results up to August are right on track with budget. Expectation is a breakeven for the year."

**Summary of Description**

	Category	Amount
1. Projected to end the year within budget estimates.		\$ -
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ -</b>

**Mitigating Steps**

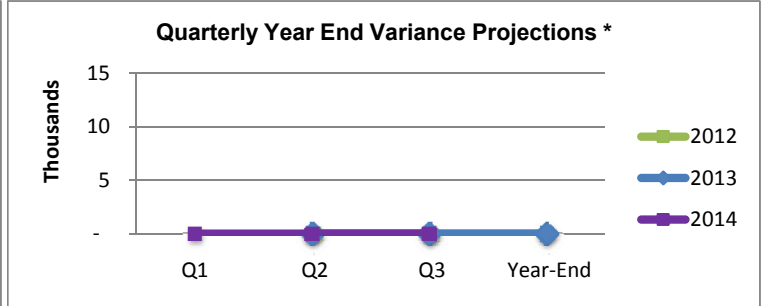
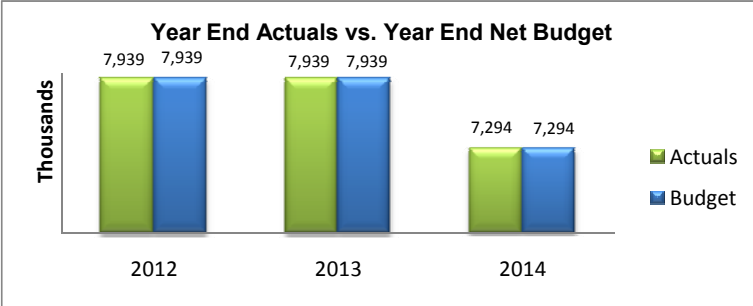
**WINDSOR PUBLIC LIBRARY GRANT**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	7,939,359	7,939,359	7,293,932
Annual Net Budget	7,939,359	7,939,359	7,293,932
Annual Net Expenditures	7,939,359	7,939,359	7,293,932
<b>Year End Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>
Variance as % of GB			

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	-	-	-

\* Note: Year-end numbers are based on actual results, not projections.



**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 (\$7.3M), 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**

Category	Amount
1. Annual Grant Funding	\$ -
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ -</b>

**Mitigating Steps**

**AGENCY GRANTS**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	16,053,391	16,150,454	16,287,054	First Quarter (Q1)			(501,720)
Annual Net Budget	16,053,391	16,150,454	16,186,455	Second Quarter (Q2)	50,000	-	(501,720)
Annual Net Expenditures	16,186,600	16,296,974	16,688,175	Third Quarter (Q3)	(34,000)	-	(598,120)
<b>Year End Variance</b>	<b>(133,209)</b>	<b>(146,520)</b>	<b>(501,720)</b>	Year-End (Q4)*	(133,209)	(146,520)	
Variance as % of GB	-0.8%	-0.9%	-3.1%	* Note: Year-end numbers are based on actual results, not projections.			

**Description**

Essex Region Conservation Authority (ERCA): \$3,600

Due to timing of budget approvals, the City budget will generate a small surplus of approximately \$3,600.

Health Unit: (\$196,720)

At their regular meeting held on January 16, 2014, the Windsor-Essex County Health Unit Board approved a 2014 Budget. The approved budget was \$17,708,251, inclusive of a one-time request of \$100,000. The City's share of the base budget is \$2,619,862 and \$13,561 of the one-time request, bringing the total to \$2,633,423 and thereby resulting in a budget deficit of (\$196,720).

Land Ambulance: (\$405,000)

The land ambulance budget was not available from the County when the City's budget was approved in December 2013, and a status quo budget estimate was made for the City's share of costs. Based on the 2014 land ambulance budget approved by the County on February 19, 2014, the City's share will be approximately \$305,000 higher than budgeted by the City. In addition, EMS is currently projecting operations to be over budget (City share) by \$100,000.

**Summary of Description**

	Category	Amount
1. Essex Region Conservation Authority	Transfers to External Agencies	\$ 3,600
2. Windsor-Essex County Health Unit	Transfers to External Agencies	(196,720)
3. Land Ambulance	Transfers to External Agencies	(405,000)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (598,120)</b>

**Mitigating Steps**

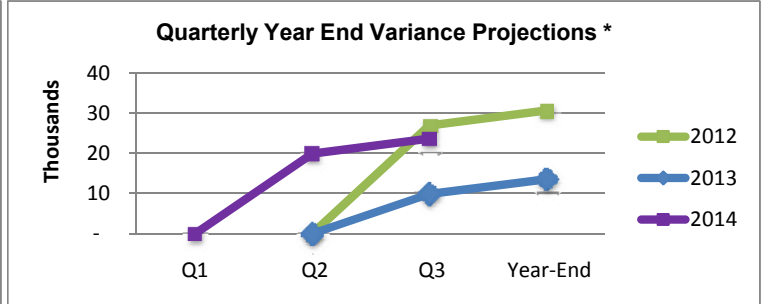
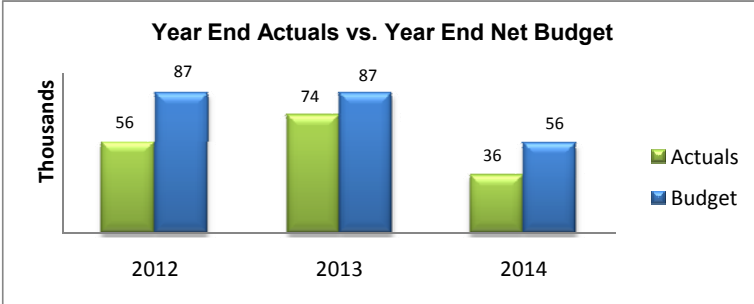
**COMMITTEES OF COUNCIL**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	87,170	87,170	55,920
Annual Net Budget	87,170	87,170	55,920
Annual Net Expenditures	56,394	73,598	35,920
<b>Year End Variance</b>	<b>30,776</b>	<b>13,572</b>	<b>20,000</b>
Variance as % of GB	35.3%	15.6%	35.8%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	20,000
Third Quarter (Q3)	27,000	9,900	23,700
<b>Year-End (Q4)*</b>	<b>30,776</b>	<b>13,572</b>	

\* Note: Year-end numbers are based on actual results, not projections.



**Description**

International Relations Committee: \$20,000

The International Relations Committee is actively meeting throughout the year and has projected a surplus of \$20,000 to December 31, 2014.

Diversity Committee: \$3,700

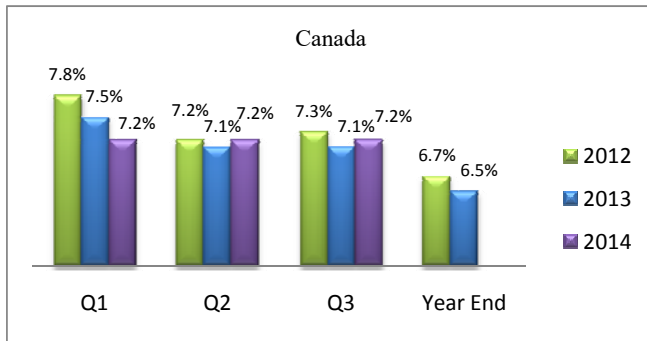
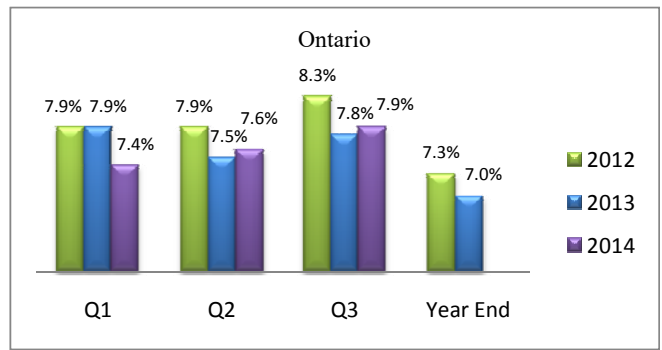
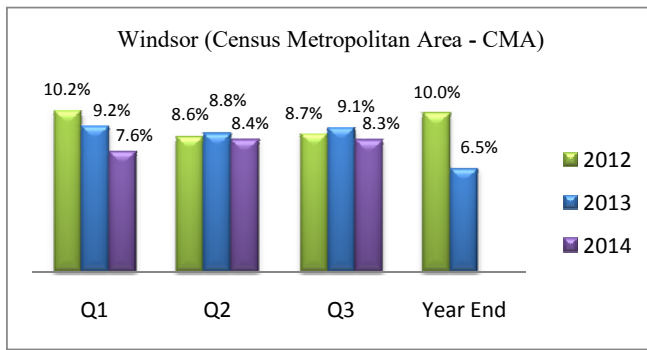
**Summary of Description**

- 1. International Relations Committee
  - 2. Diversity Committee
- Net Year End Surplus/(Deficit)**

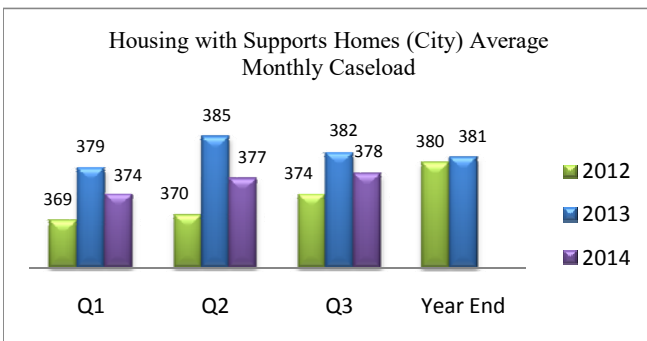
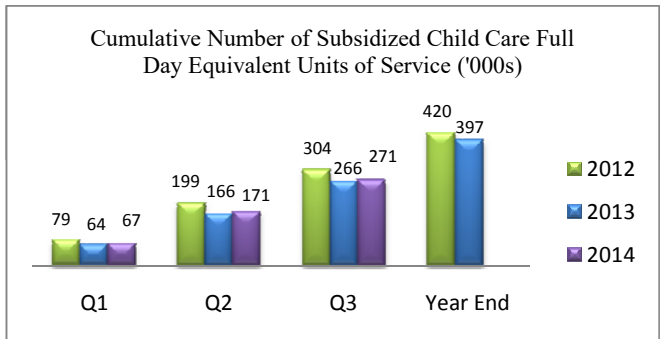
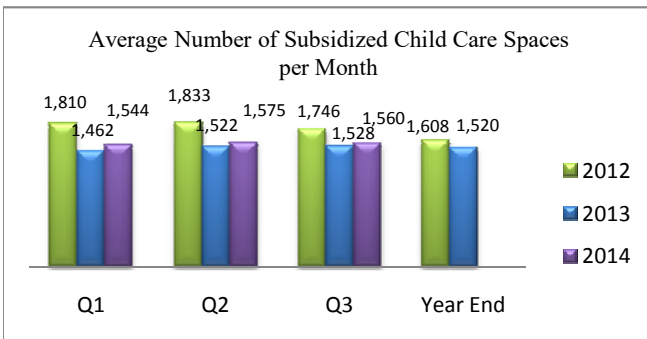
Category	Amount
Purchased Services	\$ 20,000
Other Miscellaneous Expenditures	3,700
	<b>\$ 23,700</b>

**Mitigating Steps**

Unemployment Rates (3-month Moving Average, unadjusted)

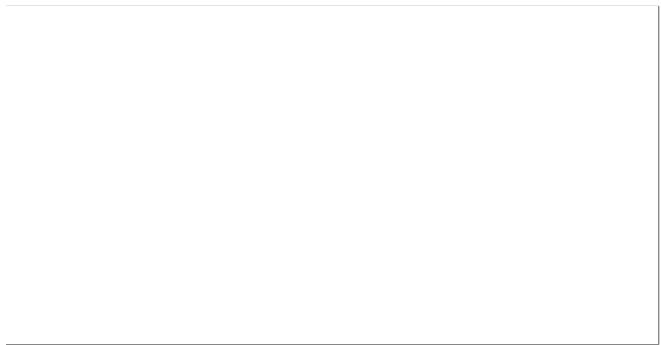
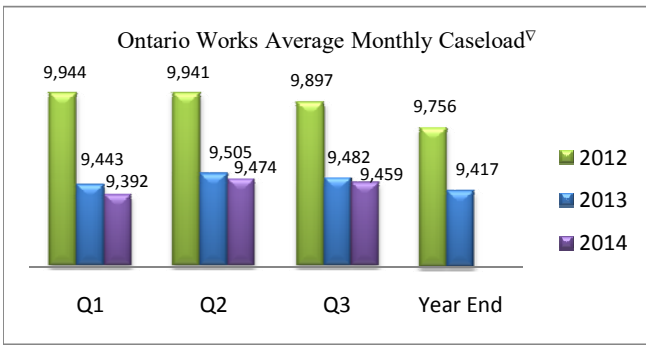


Housing & Children Services

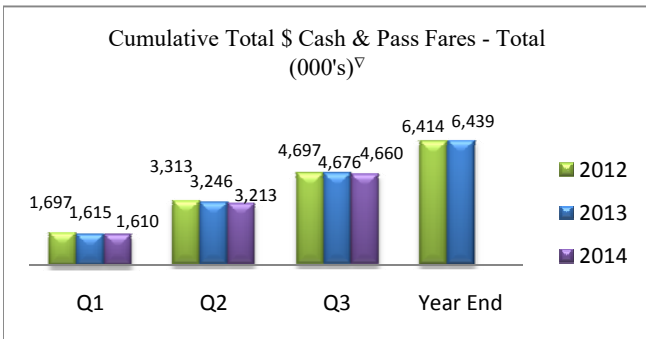
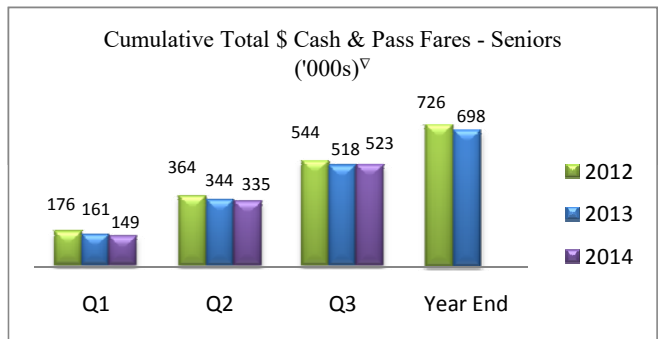
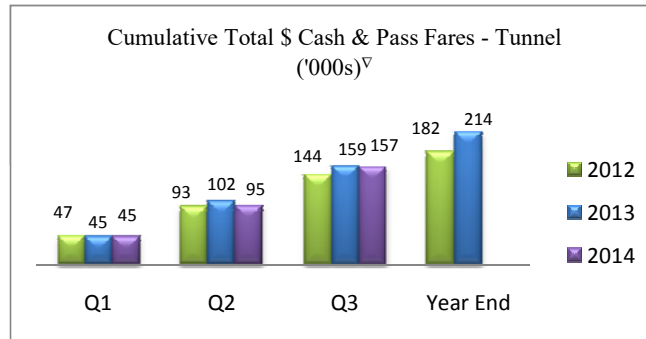
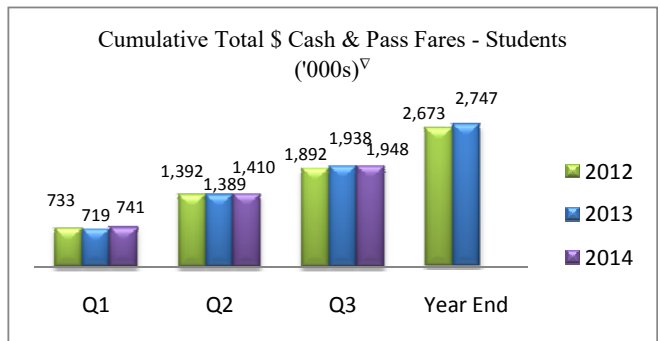
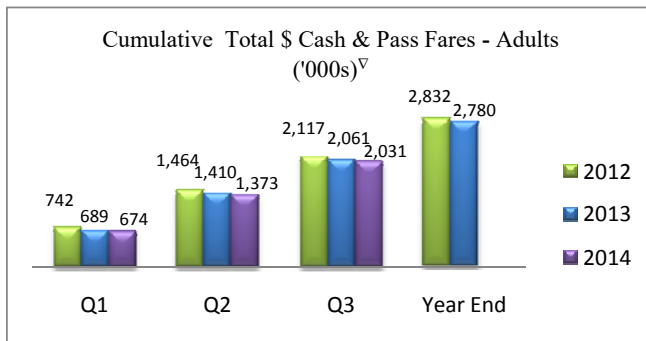




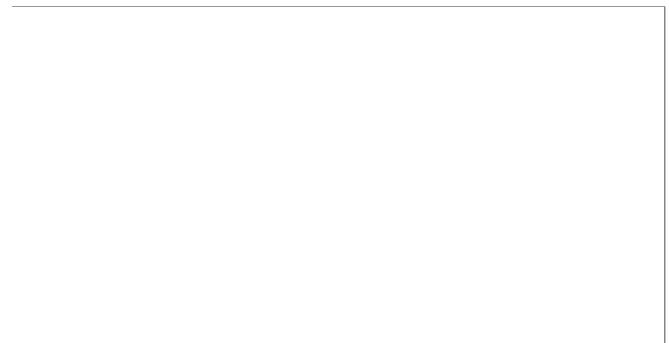
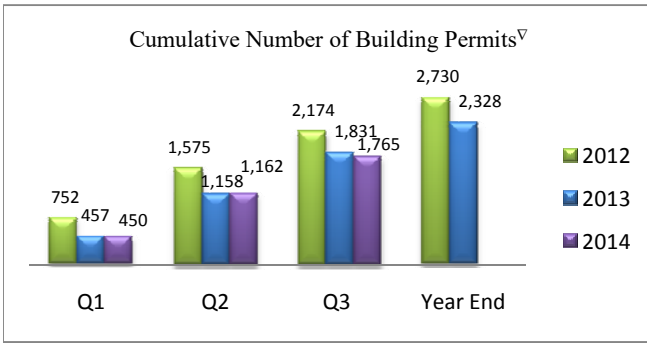
Employment & Social Services



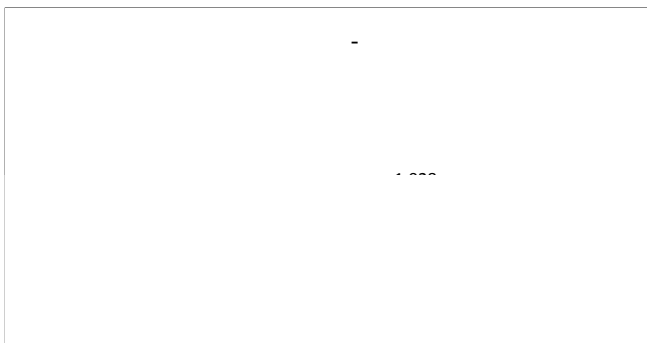
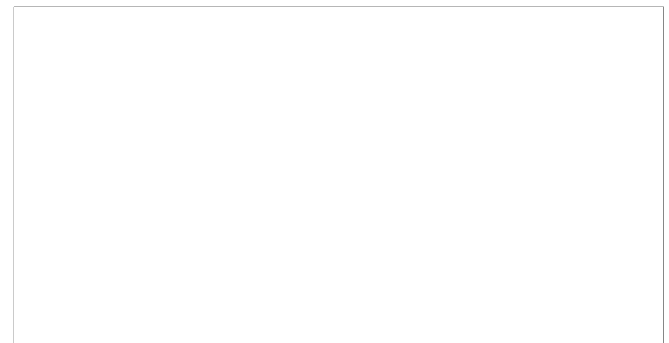
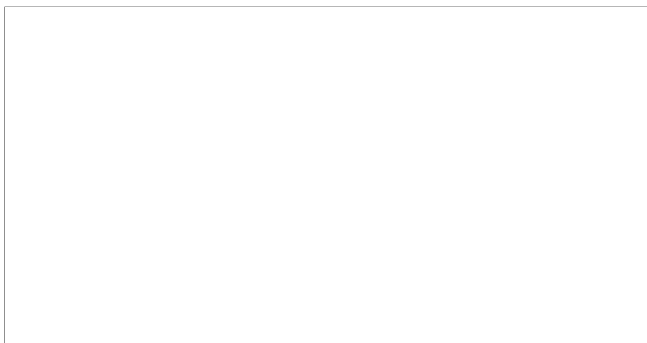
Transit Windsor



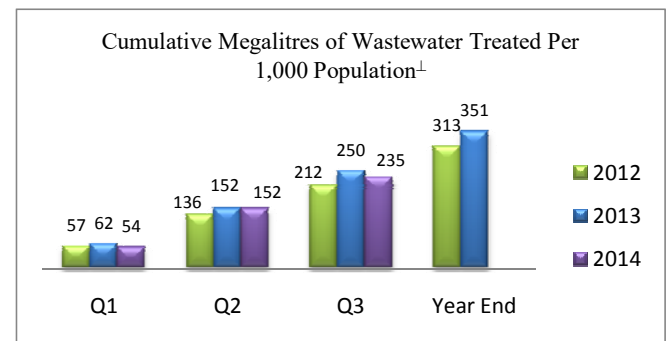
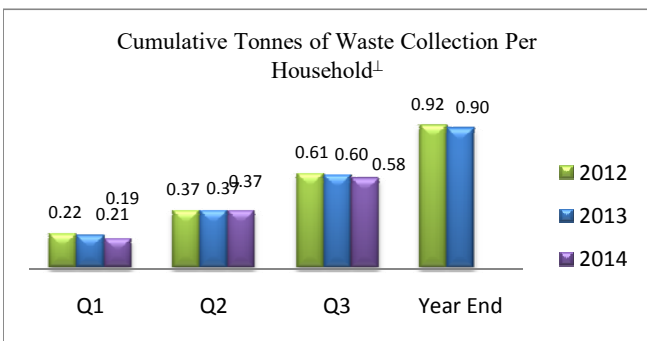
Building



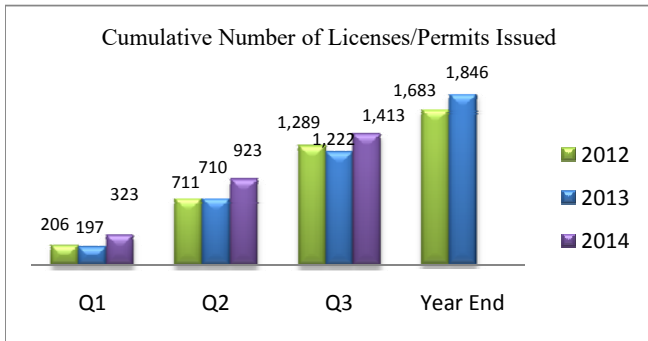
Public Works - Operations



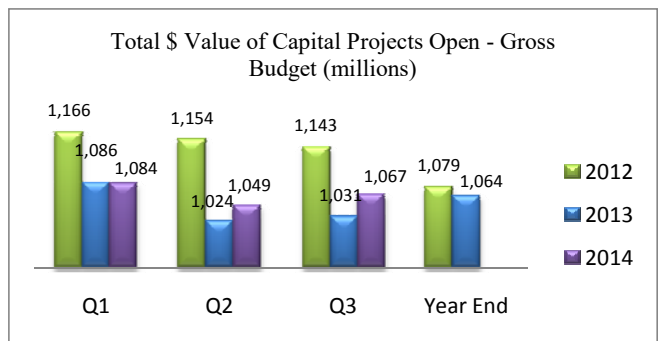
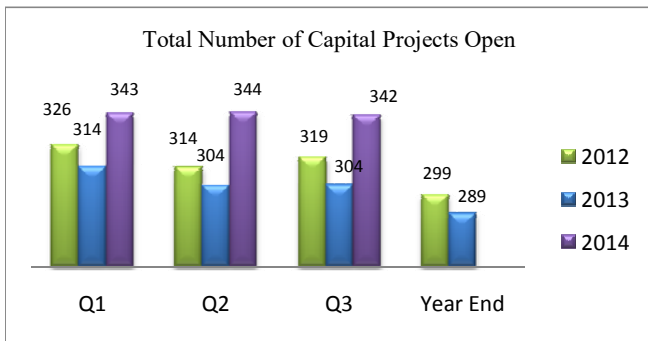
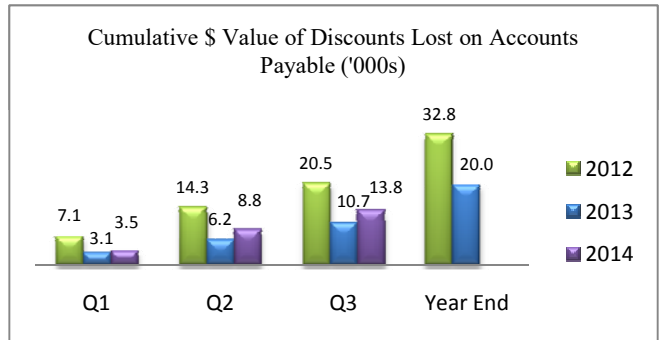
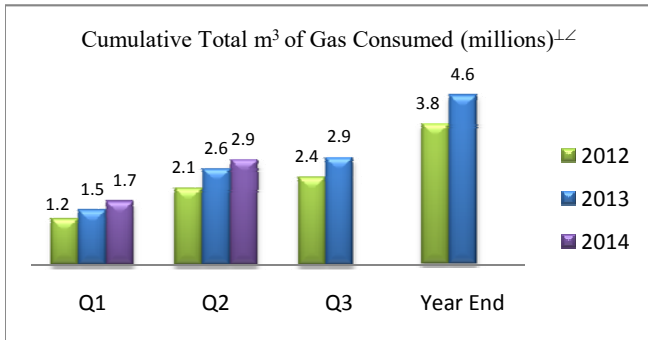
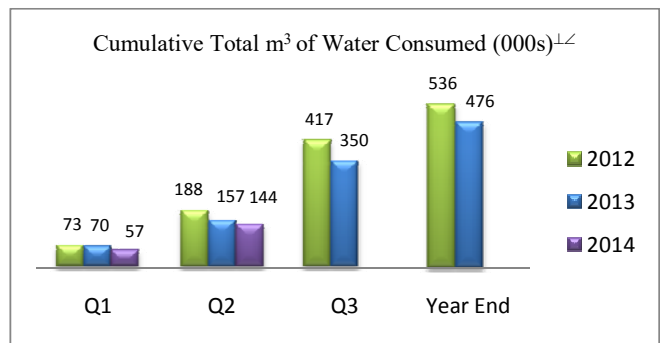
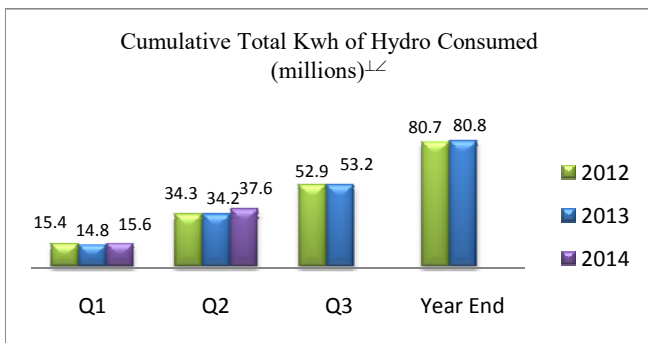
Public Works - Environmental



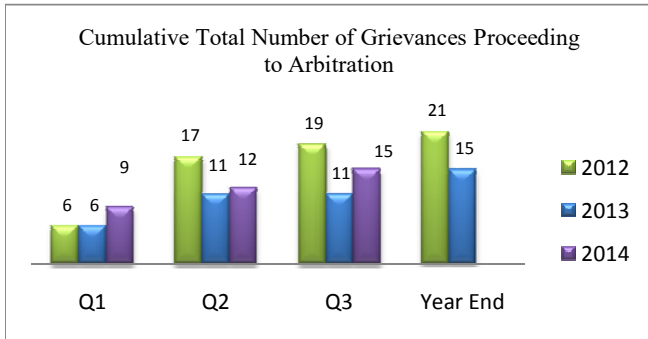
Engineering



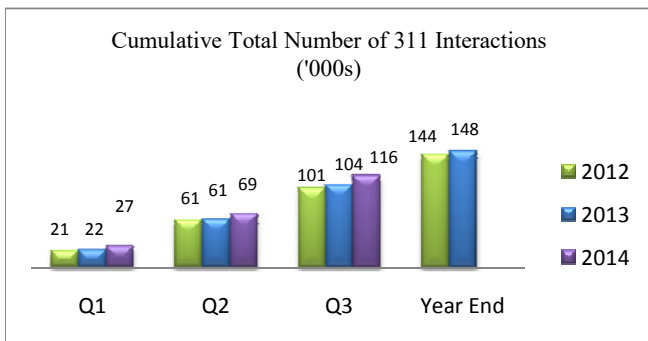
Finance / Corporate Finance



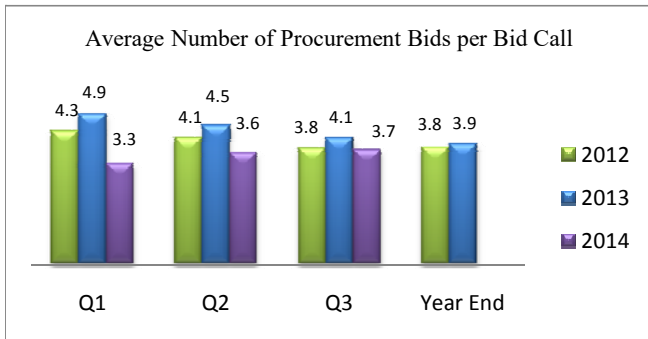
Human Resources



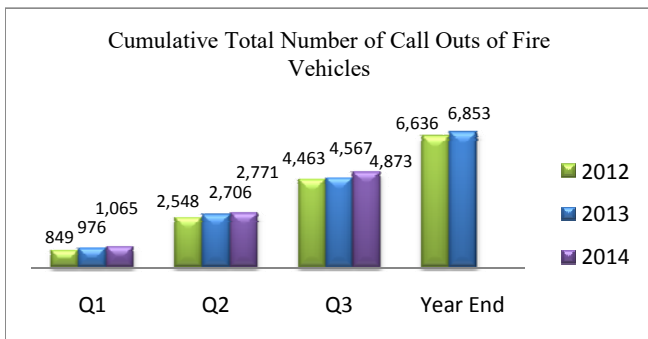
Council Services



Legal

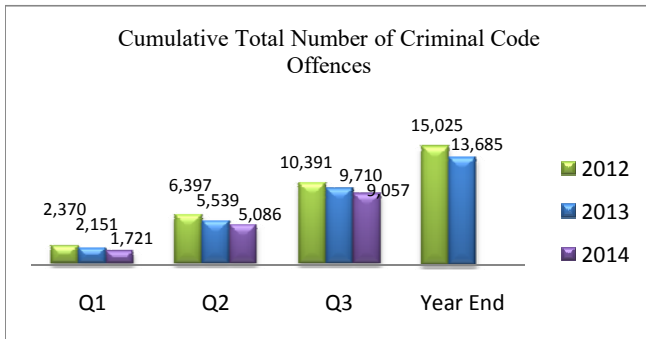


Windsor Fire & Rescue Services



Windsor Police Services

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\*Quarterly statistics as at February 28th, May 31st, August 31st and December 31st except where otherwise noted.

∇ Denotes quarterly statistics on a calendar year basis, i.e. March 31st, June 30th, September 30th, December 31st.

⊥ Current quarter statistic not yet available. ODSP average caseload Q3 figure as at July 31st.

∠ Not all quarterly statistics available at time of report writing