

**THE CORPORATION OF THE CITY OF WINDSOR
Executive Committee – Administrative Report**



MISSION STATEMENT:

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

LiveLink REPORT #16792	Report Date: October 9, 2013
Author’s Name: Don Nantais	Date to Standing Committee: October 28, 2013
Author’s Phone: 519 255-6100 ext. 1668	Classification #:
Author’s E-mail: dnantais@city.windsor.on.ca	

To: Executive Standing Committee

Subject: 2013 Third Quarter Operating Budget Variance Report

1. RECOMMENDATION: City Wide: _____ Ward(s): _____

THAT Council **RECEIVE FOR INFORMATION** the 2013 3rd Quarter Operating Budget Variance Report dated October 28, 2013 from the CFO & City Treasurer and;

THAT the CAO in concert with the CFO & City Treasurer **BE DIRECTED** to continue monitoring the 2013 Operating Budget and Actuals and pro-actively take steps to mitigate any significant variances projected by year end.

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 annual budget includes a \$1.5 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, utility rates, interest rates, settlement of litigation brought against the City and social assistance caseloads to name a few. 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 August 31, 2013, Administration is projecting an estimated year end surplus of \$2.3 million after the transfer of the noted contingency of \$1.5 million to the Budget Stabilization Reserve. With the contingency factored in, the projected year-end variance for 2013 represents an estimated surplus of \$3.8 million.

The following table provides a summary of the 2013 projected year-end variances for the City Departments and Agencies, Boards & Commissions, by projected dollar value from largest deficit to largest surplus.

Table A: 2013 Third Quarter Operating Budget Variance by Department

Departments / Divisions	2012 Year End Surplus/ (Deficit)	2013 Annual Net Budget	Q3 - 2013 Projected Surplus / (Deficit)	Variance as a % of Gross Budget
Huron Lodge	(121,759)	7,797,907	(233,000)	-1.1%
Parks & Facility Operations	(34,284)	19,497,415	(191,000)	-0.7%
Engineering	6,654	8,649,979	(171,000)	-1.5%
Council Services	424,874	3,443,477	(168,500)	-1.2%
Recreation & Culture	(160,597)	9,044,667	(150,000)	-0.9%
Fire & Rescue Services	114,938	35,133,818	(45,000)	-0.1%
Environmental	22,690	12,621,610	(30,000)	-0.1%
PW Operations	419,513	11,573,484	(25,000)	-0.1%
Mayor's Office	0	438,179	0	0.0%
Council Administrative Services	10,423	741,281	0	0.0%
CAO's Office	222,610	1,354,061	0	0.0%
Corporate Human Resource Accounts	233,384	(5,735,375)	0	0.0%
Legal	(479,405)	6,832,655	0	0.0%
Planning	(259,315)	2,736,269	0	0.0%
Comm. Development & Health Office	(8,870)	92,840	0	0.0%
Building	199,506	2,146,385	32,300	0.5%
Information Technology	77,607	5,322,836	45,000	0.7%
Human Resources	129,391	3,722,478	55,000	1.3%
Finance	376,256	6,529,604	170,000	1.9%
Housing & Children's Services	467,549	21,150,846	1,013,000	1.1%
Employment & Social Services	1,170,187	15,961,498	1,160,000	1.0%
Corporate Financial Accounts	(2,497,114)	(279,305,665)	1,653,000	1.1%
Total City Departments	314,238	(110,249,751)	3,114,800	0.5%
Windsor Police Services	89,971	72,282,957	(470,000)	-0.6%
Transit Windsor	(413,938)	12,289,811	(347,000)	-1.2%
Windsor Public Library	0	7,939,359	0	0.0%
Agency Grants	(133,209)	16,150,454	0	0.0%
Committees of Council	30,776	87,170	9,900	11.4%
Total Agencies, Boards & Commissions	(105,633)	108,749,751	(807,100)	-0.6%
Total Corporation	208,605	(1,500,000)	2,307,700	0.3%
Budget Stabilization Contingency Acct.	1,500,000	1,500,000	1,500,000	100%
Net Operating Budget Surplus	\$1,708,605	0	3,807,700	0.5%

Administration is working diligently to reduce any projected departmental negative 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: 2013 Third Quarter Operating Budget Variance by Category

CATEGORIES	NET FAVOURABLE/ (UNFAVOURABLE) VARIANCES
REVENUE:	
User Fees, Permits & Charges	(\$1,093,600)
Taxes - Municipal	(\$380,000)
Other Miscellaneous Revenue	(\$222,900)
Recovery of Expenditures	(\$82,600)
Transfers from Other Funds	\$480,000
Investment Income & Dividends	\$500,000
Grants & Subsidies	\$1,134,000
SUBTOTAL - REVENUE	\$334,900
EXPENSE:	
Operating & Maintenance Supplies	(\$665,100)
Minor Capital	(\$287,500)
Utilities, Insurance & Taxes	\$31,500
Purchased Services	\$67,100
Transfers to Reserves & Capital Funds	\$334,000
Transfer for Social Services	\$712,000
Other Miscellaneous Expenditures	\$795,400
Salaries & Benefits	\$985,400
SUBTOTAL - EXPENSES	\$1,972,800
2013 Projected Year End Surplus	\$2,307,700

Revenue Variance:

A major contributor to the overall positive variance in revenue was the one time influx of \$595,000 related to the retroactive reconciliation of Child Care Administration costs by the Ministry of Education (MEDU) for years 2011 and 2012. Similarly, a onetime reconciliation surplus of \$263,000 is projected in Housing services. Lower required subsidy payments to housing service providers also contributed to the Grants and Subsidies positive total. The shortfall in User Fees, Permits & Charges reported across the Corporation can be attributed to volume decreases. The Municipal Taxes category is projecting a deficit resulting from lower penalties and interest on taxes due to concentrated tax collection efforts. Offsetting these revenue deficit amounts are revenue surpluses related to Corporate Investments and a Transfer from Other Funds of one time capital funding for Transit Windsor.

Expenditure Variance:

On the expenditure side, the significant negative variance in the Operating and Maintenance Supplies category is mainly due to the higher than budgeted fleet maintenance costs at Transit Windsor and building, equipment and infrastructure repairs required at Parks. It should be noted that Transit and Parks have taken mitigating steps to reduce the deficit in this expense item by delaying other non emergency projects. The bulk of the expenditure savings being projected will be in Salaries & Benefits through salary gapping and corporate provisions that typically offset costs in departments for workers compensation awards and other such items. The “Other Miscellaneous Expenditures” category reflects collective projected positive variances in various expense accounts as well as \$300,000 estimated eligible program support costs being recovered from the Ministry of Education in relation to the reconciliation of the Children’s Services programs.

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>
\$720,299	(\$947,299)	(\$227,000)

Construction statistics as of August 31, 2013 (1,831 permits) are below that of 2012 (2,174 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.

The projected year end deficit in the Building Permit Fee Reserve is (\$9.2 million) and is offset by a Contra Reserve Account with a current balance of \$7.275 million as set up by City Council.

Implementation of the City Council approved Building Permit Fee Reserve Deficit Reduction Action Plan (September 19, 2011) remains on schedule for completion in 2014.

On / Off Street Parking Operations

<i>Budgeted Transfer to Reserve</i>	<i>Projected Year End (rounded)</i>	<i>Projected Year End Variance</i>
\$531,276	\$481,276	(\$50,000)

At this time, Administration is projecting a (\$50,000) reduction to the amount being transferred to the Parking Reserve due to a projected revenue deficit of (\$150,000) and a projected expense surplus of \$100,000 for the On/Off Street Parking Division of Public Works Operations for the year 2013.

The revenue deficit projection is related to daily revenues in parking garages, on streets, and in lots based on operational and financial information currently on hand. The daily revenues are down due to an increase in monthly parkers and construction work in Garage 1 (Goyeau), construction work in Garage 2 (Pellissier), vacant commercial space in the tower above Garage 3 (Riverside), road and sewer construction at various locations in the city, and general economic conditions impacting the demand for parking.

Administration is currently working towards mitigating as much of the projected revenue deficit as possible, and based on current operational and financial information, Administration expects to have an overall surplus of approximately \$100,000 in various expense accounts for the year.

The balance in the On/Off Street Parking Reserve as at August 31st, 2013 is (\$1,974,727).

Sewer Surcharge Funded Operations

<i>Budgeted</i>	<i>Projected Year End</i>	<i>Projected Year End Variance</i>
\$58,273,921	\$59,473,921	\$1,225,000

The Sewer Surcharge funded operations in Environmental Services are projecting a year-end surplus position of \$425,000.

The primary reason for this surplus relates to revenue from Sewage Treatment at the Little River Pollution Control Plant. A projected year-end revenue surplus of \$200,000 is expected at the Little River Pollution Control Plant due to the sewage treatment rate returning to normal levels for 2013 and a slight volume increase in the amount of sewage treated at that particular plant. Furthermore, the Lou Romano Water Reclamation Plant is projecting a surplus of \$100,000 relating to sludge removal costs. Solids numbers have dropped mid-year, resulting in lower than expected sludge removal costs at the plant.

In addition, there are surpluses projected within the Pump Stations division of \$60,000 and Electrical division of \$50,000, due to staffing vacancies within the area that currently remain in place. Lastly, a small surplus of \$15,000 has been projected for the Landfill Sites division, based on lower than anticipated monitoring costs.

Finally, Sewer Surcharge revenue has been trending higher as at August 31, 2013 and it is anticipated that a surplus of \$800,000 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 \$1.225 million. Any year end variance will be taken into account during the annual review of the sewer surcharge budget.

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. They have been included in Appendix A (see page 32 of Appendix A). Handi Transit is projecting a minor deficit for 2013 of (\$6,145).

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) in a variety of operating departments.
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 allied 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 \$1.5 million budget stabilization contingency account. Due to the favourable projection of an overall year end surplus, this contingency line item may not be utilized in 2013.

5. FINANCIAL MATTERS:

As discussed throughout the report.

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.


6. CONSULTATIONS:

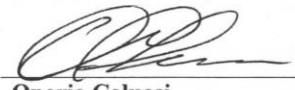
All City Departments provided details and comments to augment the analysis performed by the Finance Department.

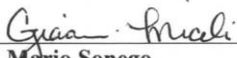
7. CONCLUSION:

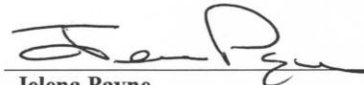
Administration's best estimate calls for a projected year end surplus of \$ 2,307,700 after the transfer of the noted contingency of \$1.5 million to the Budget Stabilization Reserve.

As indicated throughout this report, the third quarter variance projection is subject to significant refinements as the fiscal year progresses. Mitigating measures and steps have and will be implemented where possible in order to minimize unfavourable variances by year end.



Don Nantais
Financial Planning Administrator, for
Building and Planning


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


Mario Sonogo
City Engineer and
Corporate Leader Environmental
Protection and Transportation


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


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


George Wilkki
City Solicitor and Corporate Leader
Economic Development and Public Safety


Helga Reidel
Chief Administrative Officer

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APPENDICES:

Appendix A – Components of the Q3 2013 Operating Budget Variance Report

Appendix B – Q3 2013 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

2013 THIRD QUARTER OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION

Departments/Divisions	Page #	2012				2013				
		Annual Gross Budget	Annual Net Budget	Q3 (Aug 31) Projected Surplus / (Deficit)	Year End Surplus/ (Deficit)	% Var. of Gross Bgt.	Annual Gross Budget	Annual Net Budget	Q3 (Aug 31) Projected Surplus / (Deficit)	YE % Var. of Gross Bgt.
Representation										
Mayor's Office	1	464,481	464,481	0	0	0.0%	438,179	438,179	0	0.0%
Council Administrative Services	2	798,453	798,453	0	10,423	1.3%	741,281	741,281	0	0.0%
Total Representation		1,262,934	1,262,934	0	10,423	0.8%	1,179,460	1,179,460	0	0.0%
Office of the Chief Administrative Officer										
CAO's Office	3	1,577,999	1,577,999	139,000	222,610	14.1%	1,354,061	1,354,061	0	0.0%
Total Office of the Chief Admin. Officer		1,577,999	1,577,999	0	222,610	14.1%	1,354,061	1,354,061	0	0.0%
Office of the Chief Financial Officer										
Finance	4,5	8,172,313	5,659,287	(445,000)	376,256	4.6%	9,049,487	6,529,604	170,000	1.9%
Information Technology	6	6,467,384	5,128,337	68,000	77,607	1.2%	6,669,110	5,322,836	45,000	0.7%
Corporate Financial Accounts	7,8	184,614,476	(278,523,323)	1,101,000	(2,497,114)	-1.4%	156,801,892	(279,305,665)	1,653,000	1.1%
Total Office of the Chief Financial Officer		199,254,173	(267,735,699)	724,000	(2,043,251)	-1.0%	172,520,489	(267,453,225)	1,868,000	1.1%
Office of City Clerk										
Council Services	9	12,763,917	3,188,106	613,000	424,874	3.3%	13,632,010	3,443,477	(168,500)	-1.2%
Human Resources	10	3,942,138	3,565,918	43,000	129,391	3.3%	4,124,652	3,722,478	55,000	1.3%
Corporate Human Resource Accounts	11	37,306,800	1,778,012	(300,000)	233,384	0.6%	39,963,101	(5,735,375)	0	0.0%
Total Office of City Clerk		54,012,855	8,532,036	356,000	787,649	1.5%	57,719,763	1,430,580	(113,500)	-0.2%
Office of the City Solicitor										
Legal	12,13	10,460,211	7,165,836	(619,000)	(479,405)	-4.6%	10,470,778	6,832,655	0	0.0%
Fire & Rescue Services	14	34,465,658	33,813,373	134,000	114,938	0.3%	35,775,103	35,133,818	(45,000)	-0.1%
Building	15	5,874,107	2,041,106	142,000	199,506	3.4%	5,884,847	2,146,385	32,300	0.5%
Planning	16	3,206,862	2,464,788	(154,000)	(259,315)	-8.1%	3,289,143	2,736,269	0	0.0%
Total Office of the City Solicitor		54,006,838	45,485,103	(497,000)	(424,276)	-0.8%	55,419,871	46,849,127	(12,700)	0.0%
Office of the City Engineer										
Engineering	17	10,662,829	7,902,104	(301,000)	6,654	0.1%	11,244,979	8,649,979	(171,000)	-1.5%
Environmental	18	35,317,209	12,617,291	50,000	22,690	0.1%	35,177,037	12,621,610	(30,000)	-0.1%
PW Operations	19,20	26,973,162	10,797,703	63,000	419,513	1.6%	27,388,577	11,573,484	(25,000)	-0.1%
Parks & Facility Operations	21,22	26,191,801	17,425,825	(255,000)	(34,284)	-0.1%	28,715,531	19,497,415	(191,000)	-0.7%
Total Office of the City Engineer		99,145,001	48,742,923	(443,000)	414,573	0.4%	102,526,124	52,342,488	(417,000)	-0.4%
Community Development & Health										
Comm. Development & Health Office	23	522,603	89,358	0	(8,870)	-1.7%	660,188	92,840	0	0.0%
Employment & Social Services	24	119,581,320	17,964,834	711,000	1,170,187	1.0%	117,309,462	15,961,498	1,160,000	1.0%
Housing & Children's Services	25	90,747,778	21,201,530	251,000	467,549	0.5%	89,197,605	21,150,846	1,013,000	1.1%
Huron Lodge	26,27	20,720,557	7,365,162	0	(121,759)	-0.6%	21,713,302	7,797,907	(233,000)	-1.1%
Recreation & Culture	28,29	17,550,521	8,782,731	(230,000)	(160,597)	-0.9%	17,633,739	9,044,667	(150,000)	-0.9%
Total Community Development & Health		249,122,779	55,403,615	732,000	1,346,510	0.5%	246,514,296	54,047,758	1,790,000	0.7%
Total City Departments		658,382,579	(106,731,089)	1,011,000	314,238	0.0%	637,234,064	(110,249,751)	3,114,800	0.5%
Agencies, Boards & Commissions										
Windsor Police Services	30	76,704,906	68,168,086	0	89,971	0.1%	80,140,114	72,282,957	(470,000)	-0.6%
Transit Windsor	31	29,855,258	12,409,811	(464,000)	(413,938)	-1.4%	28,245,389	12,289,811	(347,000)	-1.2%
Windsor Public Library	33	7,939,359	7,939,359	0	0	0.0%	7,939,359	7,939,359	0	0.0%
Agency Grants	34	16,053,391	16,053,391	(34,000)	(133,209)	-0.8%	16,150,454	16,150,454	0	0.0%
Committees of Council	35	87,170	87,170	27,000	30,776	35.3%	87,170	87,170	9,900	11.4%
Total Agencies, Boards & Commissions		131,213,356	105,231,089	(171,000)	(105,633)	-0.1%	132,562,486	108,749,751	(807,100)	-0.6%
Total Corporation (excludes Handi Transit)		789,595,935	(1,500,000)	840,000	208,605	0.0%	769,796,550	(1,500,000)	2,307,700	0.3%
Budget Stabilization Contingency Acct.		1,500,000	1,500,000	1,500,000	1,500,000	100%	1,500,000	1,500,000	1,500,000	100%
Net Operating Budget Surplus (excludes Handi Transit*)		791,095,935	0	2,340,000	\$ 1,708,605	0.2%	771,296,550	0	3,807,700	0.5%

*Note: While the Handi Transit Variance is included on page 32, the amount is not included in the City's overall variance since Handi Transit uses a separate accounting system.

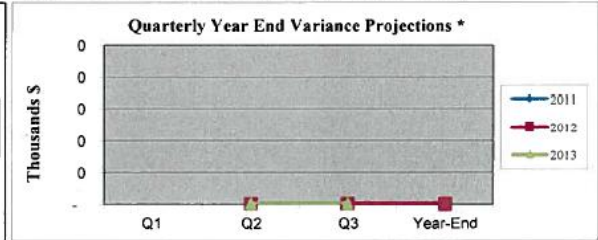
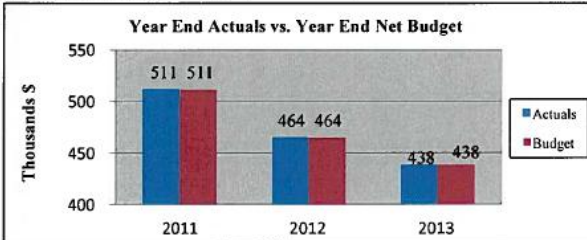
MAYOR'S OFFICE

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	511,396	464,481	438,179
Annual Net Budget	511,396	464,481	438,179
Annual Net Expenditures	511,396	464,481	438,179
Year End Variance	0	0	
Variance as % of GB			

	2011	2012	2013
	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 significant budget variance is being projected at this time.

Summary of Description

Summary of Description	Category	Amount
1.		
2.		
3.		
4.		
5.		
Net Year End Surplus/(Deficit)		\$ -

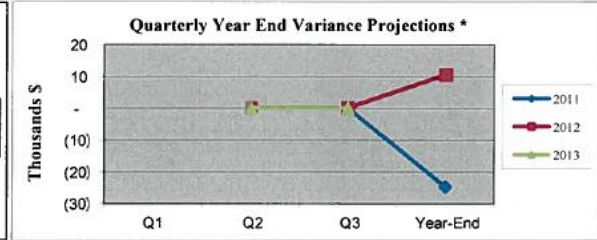
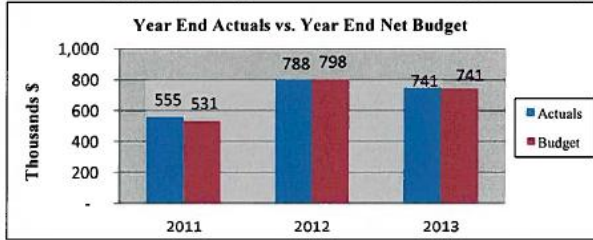
Mitigating Steps

COUNCIL ADMINISTRATIVE SERVICES

Financial Summary	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	530,594	798,453	741,281
Annual Net Budget	530,594	798,453	741,281
Annual Net Expenditures	555,401	788,030	741,281
Year End Variance	(24,807)	10,423	
Variance as % of GB	-4.7%	1.3%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	(24,807)	10,423	

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



Description

No significant budget variance is being projected at this time.

Summary of Description

Category	Amount
1.	
2.	
3.	
4.	
5.	
Net Year End Surplus/(Deficit)	\$ -

Mitigating Steps

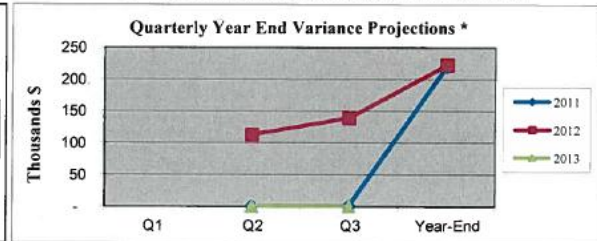
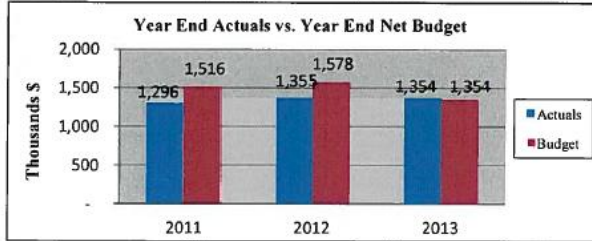
CAO'S OFFICE

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	1,515,666	1,577,999	1,354,061
Annual Net Budget	1,515,666	1,577,999	1,354,061
Annual Net Expenditures	1,295,777	1,355,389	1,354,061
Year End Variance	219,889	222,610	
Variance as % of GB	14.5%	14.1%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	113,000	-
Third Quarter (Q3)	-	139,000	-
Year-End (Q4)*	219,889	222,610	

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



Description

There is no anticipated variance at this time. It should be noted that budgets included in the CAO's Office for Consulting and Economic Development are considered to be provisional and may result in a positive variance at year end.

Summary of Description

Category	Amount
1.	
2.	
3.	
4.	
5.	
Net Year End Surplus/(Deficit)	\$ -

Mitigating Steps

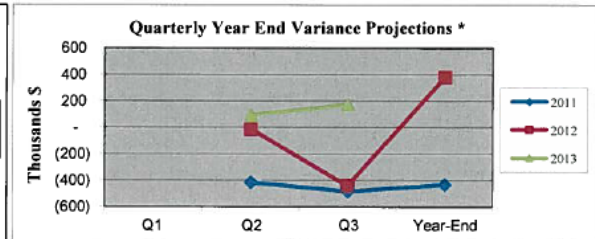
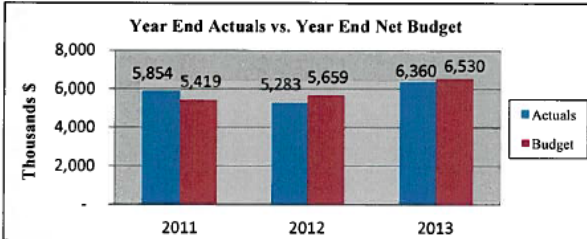
FINANCE

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	7,948,050	8,172,313	9,049,487
Annual Net Budget	5,419,390	5,659,287	6,529,604
Annual Net Expenditures	5,853,589	5,283,031	6,359,604
Year End Variance	(434,199)	376,256	
Variance as % of GB	-5.5%	4.6%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(416,500)	(15,000)	88,000
Third Quarter (Q3)	(485,000)	(445,000)	170,000
Year-End (Q4)*	(434,199)	376,256	

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



Description

Finance is currently projecting a year-end surplus of approximately \$170,000.

Utilities Accounts

Utilities Accounts are projected to end the year with a surplus of approximately \$302,000.

Hydro

Hydro account totals for 3rd quarter 2013 are based on available July / August data. Current analysis indicates that the hydro accounts are trending towards a projected year-end surplus of approximately \$130,000 or 1.1% of the budget. However, going forward, weather changes may have a significant effect on consumption as well as costs. Another factor is the Global Adjustment which is a monthly cost allocation per kilowatt hour (from Independent Electricity System Operator) that can experience substantial fluctuations month to month. As a result, it affects the final commodity price that is paid, making it difficult to apply reasonable forecasting methodologies. For example, year to date 2013 the global adjustment has ranged from a low of \$.0377 to a high of \$.0872 which represents a significant swing in costs of approximately \$.05 cents per kilowatt hour.

Natural Gas

Gas account totals for 3rd quarter 2013 are based on available July / August data and are tracking 21.3% higher in consumption resulting in an overall increase of 7.5% in costs. The higher consumption / costs are a direct result of a colder winter/spring with temperature averaging 4 degrees colder per month. The year-end projected deficit is approximately \$50,000, however due to the 2012 annual true-up reconciliation from Shell Energy, which resulted in a credit of \$157,000 to the gas accounts, the projected year-end variance is a surplus of \$107,000.

Water

Water account totals for the 3rd quarter 2013 are based on available July data and are tracking 19.7% lower in consumption. Consumption reduction can be attributed to the arenas (water reclamation systems), less irrigation due wet spring, City Hall fountain closure and other. Every effort is made to closely monitor and analyze trends on consumption and cost on the various utilities accounts. A number of different factors can impact these accounts, such as consumer response to climate changes, impact of global adjustment on commodity cost, among others.

Other Issues

External revenues are projected to be in a deficit of approximately (\$163,000). As usage continues to decline, Dial-Up Revenues are projected to be in a deficit of (\$38,000). A deficit of (\$155,000) is projected in Tax Lien Registration revenue attributed to the recent moratorium as directed by City Council on registration of new tax arrears certificates as well as a number of properties who made a commitment to pay their outstanding tax balance, therefore these accounts will not be subject to registration fees at this time. The projected surplus of \$30,000 in Ownership Changes is expected to partially offset this deficit;

WSIB accounts are projected to be in a deficit of approximately (\$24,000). This is mainly attributed to retro payouts for staff covered by WSIB advances. This deficit is covered by a Corporate WSIB provision found in the Corporate Financial Accounts.

Due to the timing of recruitment and staff departures, salaries are projected to experience a surplus of approximately **\$30,000**;

Travel and Training is projected to create a slight surplus of **\$13,000** largely due to the timing of staff utilizing these accounts;

Other miscellaneous accounts are expected to provide a surplus of approximately **\$12,000**.

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
1. Utilities Accounts (Hydro, Water, Gas)	Utilities, Insurance & Taxes	\$ 302,000
2. External Revenues	Other Miscellaneous Revenue	(163,000)
3. WSIB Accounts	Salaries & Benefits	(24,000)
4. Salary Gapping	Salaries & Benefits	30,000
5. Travel and Training	Other Miscellaneous Expenditures	13,000
6. Other Miscellaneous	Other Miscellaneous Expenditures	12,000
Net Year End Surplus/(Deficit)		\$ 170,000

Mitigating Steps

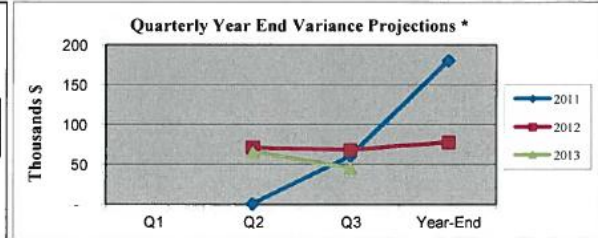
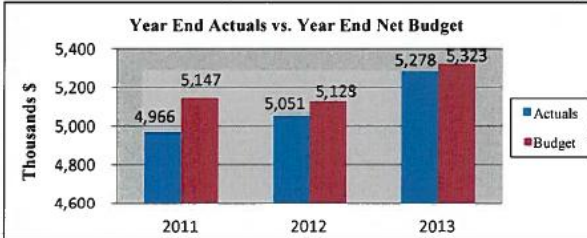
INFORMATION TECHNOLOGY (I.T.)

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	6,286,323	6,467,384	6,669,110
Annual Net Budget	5,146,744	5,128,337	5,322,836
Annual Net Expenditures	4,966,360	5,050,730	5,277,836
Year End Variance	180,384	77,607	
Variance as % of GB	2.9%	1.2%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	71,000	65,000
Third Quarter (Q3)	60,000	68,000	45,000
Year-End (Q4)*	180,384	77,607	

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



Description

It is anticipated that salary gapping due to internal promotions, less required training of new staff will result in a small year-end surplus.

Summary of Description

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 75,000
2. Training	Other Miscellaneous Expenditures	(30,000)
3.		
4.		
5.		
Net Year End Surplus/(Deficit)		\$ 45,000

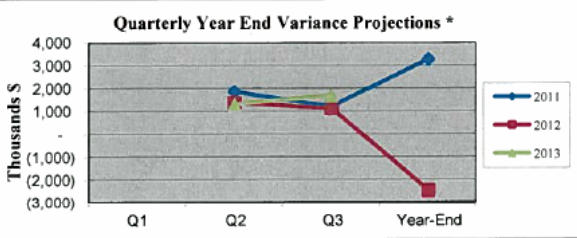
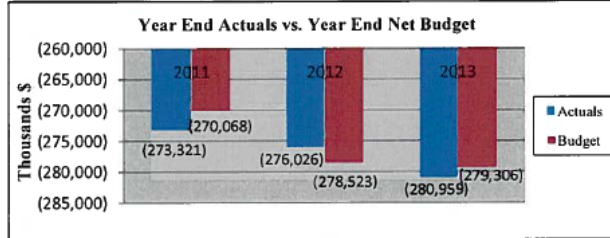
Mitigating Steps

CORPORATE FINANCIAL ACCOUNTS

<u>Financial Summary</u>	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	216,144,702	184,614,476	156,801,892
Annual Net Budget	(270,068,289)	(278,523,323)	(279,305,665)
Annual Net Expenditures	(273,320,797)	(276,026,209)	(280,958,665)
Year End Variance	3,252,508	(2,497,114)	
Variance as % of GB	1.5%	-1.4%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	1,834,000	1,342,000	1,288,000
Third Quarter (Q3)	1,176,000	1,101,000	1,653,000
Year-End (Q4)*	3,252,508	(2,497,114)	

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



Description

A surplus is projected in corporate accounts as described below:

Corporate Provisions = \$1,145,000

This surplus is related to corporate provisions which are anticipated to be offset by expenditures in departmental budgets for matters such as unanticipated WSIB retroactive payments (\$150,000) and non-union overtime (\$305,000). There are regular ongoing JJE reviews that have not yet been fully quantified. Part of the Corporate provision for salary and wages (\$410,000) may not be needed in 2013 and as such is currently showing as a surplus. A final recommendation pertaining to this may be made at the end of the year. A combination of a number of different miscellaneous budget adjustments will also have a positive impact on the corporate provisions account (\$280,000).

Penalty and Interest on Taxes = (\$200,000)

A downward trend of accounts falling into arrears as a result of enhanced collection efforts will result in a projected deficit of approximately (\$200,000) in the Penalty and Interest on Taxes;

Payments in Lieu of Taxes (PIL) = (\$180,000)

This account is used to record revenues received from entities in lieu of taxes as well as the municipal share of the education levy. This area is projected to be in a deficit position by year-end of approximately (\$180,000) largely due to the decrease in education rates announced by Province coupled with an approximate decrease in PIL assessment of \$50 million.

Sewer Surcharge Recovery = \$123,000

Due to the timing of getting an approved 2013 budget, the sewer surcharge recovery will be higher, creating a surplus of approximately \$123,000.

Interest on Investments = \$500,000

This account is currently projecting a surplus as investment yields achieved will exceed what was originally estimated.

Program Support Recovery = \$300,000

Approximately \$300,000 of Program support expenditures may be recovered in relation to Children's Services programs. Although the Ministry of Education approved the eligibility of program support costs as administrative expenditures, they have capped the level of funding to be used for administrative purposes; therefore the actual recovery may vary at year end.

Payroll Fringe Benefits = (\$110,000)

As previously reported to City Council of a potential impact, a deficit of approximately (\$150,000) is projected in the Employment Insurance budget due to a change in the sick leave plan for CUPE and Non-Union staff. This resulted in higher EI premiums for the Corporation due to the fact that employees no longer qualify for the Employment Insurance Premium Reduction Program. However, as previously reported to City Council, this is more than offset by savings from the new agreement. Current trends in the Employer Health Tax and Canada Pension Plan contributions combined are expected to result in a net surplus variance of \$40,000.

Outsourced Internal Audit = \$75,000

Due to the timing of the implementation of the Outsourced Internal Audit, this account is projected to end the year with a surplus of approximately \$75,000.

Waiver of Fees

In 2012, Council approved a new Waiver of Fees policy to provide a consistent and systematic approach in assessing requests for waiving fees for the various services that the City offer. In addition to approving the policy, Council also approved the recommendation that a corporate account be established to track all costs associated with the waiver of fees. Fees waived to date are approximately \$101,000 and these and any additional fees waived prior to year end will be recovered from the Budget Stabilization Reserve as per the council resolution. Another report currently being prepared and expected to be tabled before year end is for the Habitat For Humanity with a fee waiver request of \$47,000.

Sick Leave Gratuity = \$0

Payments are made to eligible retirees for the allowable portion of unused sick leave credits. This account is difficult to project to year-end because not all employees that are eligible to retire actually retire in any given year. While this account is currently trending to finish the year within budget estimates, there is a risk of a significant variance should there be an influx of retirees before the end of the year.

Summary of Description

	Category	Amount
1. WSIB Retro Payments	Salaries & Benefits	150,000
2. Non-Union Overtime	Salaries & Benefits	305,000
3. Corporate Salary and Wages Provision	Salaries & Benefits	410,000
4. Miscellaneous Budget Adjustments	Salaries & Benefits	280,000
5. Penalty and Interest on Taxes	Taxes - Municipal	(200,000)
6. Payments in Lieu	Taxes - Municipal	(180,000)
7. Sewer Surcharge Recovery	Transfers to Reserves & Capital Funds	123,000
8. Interest on Investments	Investment Income & Dividends	500,000
9. Program Support Recovery	Other Miscellaneous Expenditures	300,000
10 Payroll Fringe Benefits	Salaries & Benefits	(110,000)
11 Outsourced Internal Audit	Other Miscellaneous Expenditures	75,000
Net Year End Surplus/(Deficit)		\$ 1,653,000

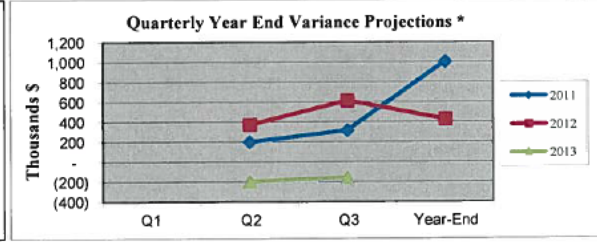
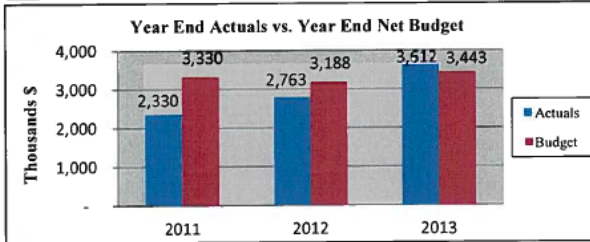
Mitigating Steps

COUNCIL SERVICES

Financial Summary

	2011	2012	2013	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
	Financials	Financials	Financials			
Annual Gross Budget (GB)	12,273,535	12,763,917	13,632,010			
Annual Net Budget	3,330,478	3,188,106	3,443,477			
Annual Net Expenditures	2,329,969	2,763,232	3,611,977			
Year End Variance	1,000,509	424,874				
Variance as % of GB	8.2%	3.3%				

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



Description

The Policy, Gaming and Licensing Division is projecting a year end surplus of **\$62,000**. A surplus of \$60,000 is anticipated in Lottery License program due to the higher level of activity in the gaming E-Bingo Halls, of which the City receives a contracted percentage of the activity/sales at the E-Bingo Halls from the Ontario Lottery and Gaming Corporation (OLG). Based on the volume of activity they are experiencing to the end of August and assuming it was to continue at the same level for the remainder of the year a potential surplus of approximately \$60,000 could be realized. An increase to the E-Bingo account has been incorporated in the 2014 Operating Budget.

The budget shortfall in the Dog Licensing Program has shown a slight improvement over the 2nd Quarter with a (\$10,000) deficit projection to the end of the year. The Cat Voucher program is projecting a \$12,000 year end surplus which represents approximately 200 of the 1,000 vouchers that were not redeemed under the spay and neuter program administered by this Division.

The Provincial Offences Division's projected year end deficit is **(\$230,500)**. Consistent with the 2nd Quarter, the Court Fine Fees account is projecting a deficit of (\$421,296) with a total of \$6,800,000 anticipated to be collected by the end of the year based on the conservative approach of using Court Fine fees collected each year since 2010. The City portion of (\$226,236) representing 53.7% of the total budget shortfall, continues to be attributed to a combination of factors that include a downward trend in charging volumes and less funds coming in from additional collection efforts by the Division.

In addition, a year end deficit of (\$8,000) is anticipated due to the implementation of the Administrative Monetary Penalties (AMP) by the Corporation of City of Windsor. The Provincial Offences Division will no longer collect the \$3.00 fee for registering each conviction effective November 1, 2013. The City portion of 53.7% translates to a deficit of (\$4,296) in accordance with the funding agreement with the County and Pelee Island. The 2014 Operating Budget reflects the adoption of the AMP policy.

There are no significant variances projected for the Council Services Administration, Communications and Customer Service and Employee Relations Divisions.

Summary of Description

Policy, Gaming and Licensing Division	Category	Amount
1. Lottery and Dog Licensing Program	User Fees, Permits & Charges	\$ 50,000
2. Cat Voucher Program	Transfers from Other Funds	12,000
Net Year End Surplus/(Deficit)		\$ 62,000
Provincial Offences Division		
1. Court Fine Fees	User Fees, Permits & Charges	(230,500)
Net Department Year End Surplus/(Deficit)		\$ (168,500)

Mitigating Steps

The Provincial Offences Division continues to diligently monitor the charging volumes and has deployed resources towards the collection of outstanding Court Fines.

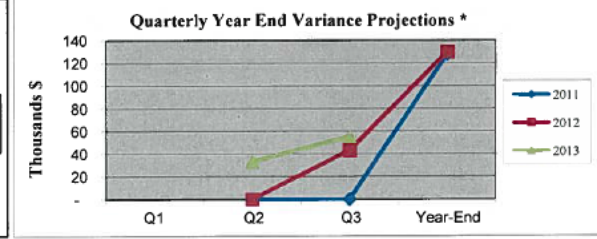
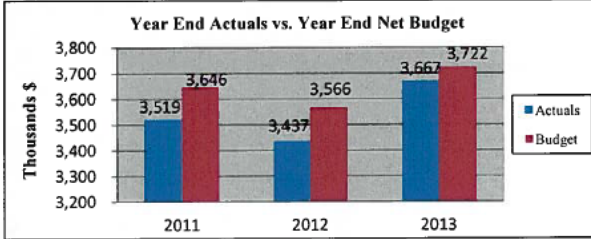
HUMAN RESOURCES

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	3,770,466	3,942,138	4,124,652
Annual Net Budget	3,646,208	3,565,918	3,722,478
Annual Net Expenditures	3,518,597	3,436,528	3,667,478
Year End Variance	127,611	129,390	
Variance as % of GB	3.4%	3.3%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	33,000
Third Quarter (Q3)	-	43,000	55,000
Year-End (Q4)*	127,611	129,390	

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



Description

The Human Resources Department is projecting a year end surplus of \$55,000.

A projected surplus of \$30,000 can be found in the Temporary Salary account. As reported in the 2nd Quarter Variance Report to Council, due to timing constraints by staff working on multiple priorities and transforming the structure of HR policies and procedures minor surpluses in multiple operating accounts of \$25,000 will be realized.

Closed Captioning program is projecting a surplus of \$5,000 due to the change in Standing and Council Meeting format. The Corporate Training program is projected to achieve savings in multiple accounts including Computer Software and Facility Rental. Both of these programs have been identified as reductions to 2014 Human Resources Operating Budget document.

Summary of Description

Description	Category	Amount
1. Temporary Salary Account	Salaries & Benefits	\$ 30,000
2. Closed Captioning, Travel and Facility Rental	Purchased Services	12,600
3. Membership Fees and Dues	Other Miscellaneous Expenditures	8,000
4. Computer Software	Minor Capital	2,500
5. Minor surpluses in various Corporate Training program accounts	Operating & Maintenance Supplies	1,900
Net Year End Surplus/(Deficit)		\$ 55,000

Mitigating Steps

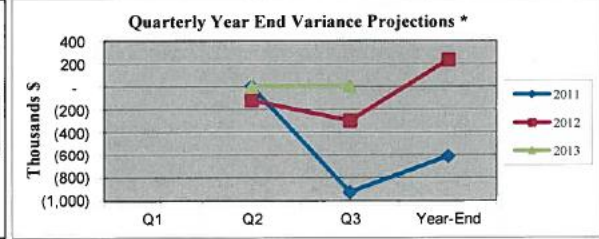
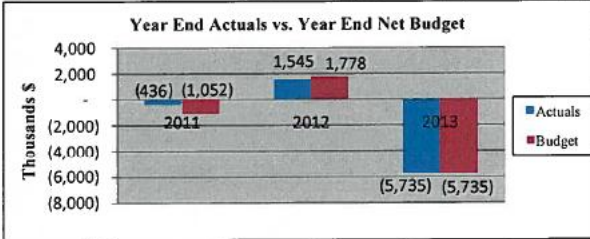
CORPORATE HUMAN RESOURCE ACCOUNTS

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	(1,051,741)	37,306,800	39,963,101
Annual Net Budget	(1,051,741)	1,778,012	(5,735,375)
Annual Net Expenditures	(436,141)	1,544,628	(5,735,375)
Year End Variance	(615,600)	233,384	
Variance as % of GB	58.5%	0.6%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	(120,000)	-
Third Quarter (Q3)	(929,000)	(300,000)	-
Year-End (Q4)*	(615,600)	233,384	

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



Description

No significant budget variance is being projected at this time.

Summary of Description

Category	Amount
1.	
2.	
3.	
4.	
5.	
Net Year End Surplus/(Deficit)	\$ -

Mitigating Steps

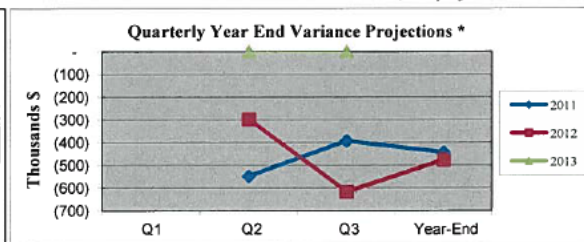
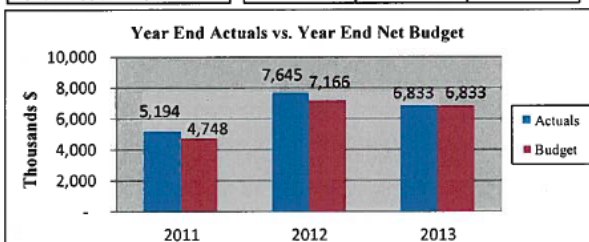
LEGAL

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	7,866,553	10,460,211	10,470,778
Annual Net Budget	4,748,105	7,165,836	6,832,655
Annual Net Expenditures	5,194,063	7,645,241	6,832,655
Year End Variance	(445,958)	(479,405)	
Variance as % of GB	-5.7%	-4.6%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(550,000)	(300,000)	-
Third Quarter (Q3)	(395,000)	(619,000)	-
Year-End (Q4)*	(445,958)	(479,405)	

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



Description

The Legal department is projecting to be on budget overall at year end, but with the individual account variances as described below.

Candere lease: \$145,000

Due in part to decreased common area maintenance fees, the total lease payments on the Candere property will be lower than budgeted. This surplus will be partially offset by decreased lease revenue from the vacancy of one of the sub-leased units, for a projected net surplus of \$145,000 in 2013. This budget will be adjusted accordingly as part of the 2014 budget process.

Salary gapping: \$160,000

As a result of current vacancies in the department, a surplus of \$160,000 is projected in the salary accounts.

Enwin legal work: (\$65,000):

Due to the timing of the budget approval for this item and the time required to make the necessary arrangements, the Legal department was unable to commence legal work on EnWin's behalf until September. Due to this timing and to the number of files currently transferred, revenue from this source is estimated to fall \$65,000 short of the budgeted amount in 2013. This variance is offset by the salary gapping savings identified above.

User fees: (\$40,000)

A deficit of \$40,000 is projected in this account as public demand for the preparation of site plan agreements and other legal documents has steadily diminished over the past several years. These revenues have decreased by over 40% since 2009, and these revenues are expected to continue to move with the economy.

Legal Services & Labor Arbitration: (\$110,000)

External legal services costs are tracking to be on budget by the end of the year. Additionally, the department received an insurance pay out for reimbursement of eligible legal expenses. However, given the volatile nature of the legal services account, this pay out is not factored in to current projections. Should the need for external legal services not increase in the fourth quarter, a surplus of \$250,000 may be realized. Offsetting the legal services expenses is a projected deficit of \$110,000 in the labour arbitration account due to the costs incurred for continuing and new labour arbitration files.

By-law prosecutions and fines: (\$90,000)

Expenses to prosecute by-law offences have increased as prosecutions have transferred from an in-house articling student to external legal services. In addition, by-law fine revenue has decreased over 50% since 2009, and this trend is expected to continue in 2013. Combined, these deficits are projected to total \$90,000 in 2013. If the proposed transfer of by-law prosecutions to the Provincial Offences Division takes place in 2013, the deficit will be decreased. A draft Risk Based Business Process Review report by the Consultant of Enterprise Risk and Project Management is currently circulating for comments.

Summary of Description

1. Canderel Lease	Other Miscellaneous Expenditures	\$ 145,000
2. Salary Gapping	Salaries & Benefits	160,000
3. Enwin Legal Work	User Fees, Permits & Charges	(65,000)
4. User Fees	User Fees, Permits & Charges	(40,000)
5. Labour Arbitration	Purchased Services	(110,000)
6. By-law Prosecutions & Fines	User Fees, Permits & Charges	(90,000)
7. External Legal Services	Purchased Services	-
Net Year End Surplus/(Deficit)		\$ -

Mitigating Steps

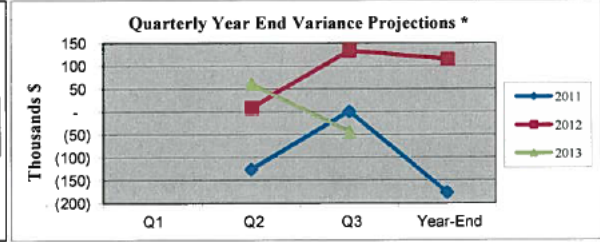
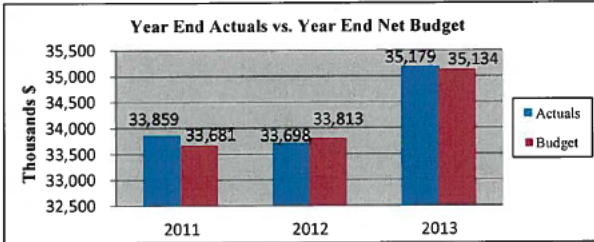
FIRE & RESCUE SERVICES

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	34,449,469	34,465,658	35,775,103
Annual Net Budget	33,681,149	33,813,373	35,133,818
Annual Net Expenditures	33,859,000	33,698,435	35,178,818
Year End Variance	(177,851)	114,938	
Variance as % of GB	-0.5%	0.3%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(127,000)	10,000	60,000
Third Quarter (Q3)	-	134,000	(45,000)
Year-End (Q4)*	(177,851)	114,938	

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



Description

Windsor Fire & Rescue Services is currently projecting a minor deficit of approximately (\$45,000) as described below.

Net salary variance: \$425,000

A surplus in the permanent salary accounts is anticipated due to current vacancies in the Emergency Planning, Apparatus and Communications divisions, as well as current and anticipated vacancies in the Firefighting division due to upcoming retirements. This surplus will be partially offset by overtime necessitated by these vacancies and by major fire incidents, as well as vacation and statutory holiday pay outs that will be payable to the retiring employees. A net surplus of \$425,000 is projected in these accounts due to the combination of these factors.

County dispatch billings: (\$13,000)

Windsor Fire & Rescue Services provides dispatch services on a per capita basis, based on population figures provided by MPAC, to the towns of Lakeshore, Essex, Amherstburg and Tecumseh. Based on figures provided in May, a deficit of \$13,000 is expected in this account in 2013.

County apparatus work: (\$47,000)

As a result of the continued vacancy of an Emergency Technician position, the Apparatus division will be unable to service the budgeted level of county vehicles in 2013. As a result, the department will not be able to meet its full revenue budget for county apparatus work and is projecting to be short \$47,000 in revenue at this time.

Chauvin Arbitration Award - Truck out of Service: (\$410,000)

In the spring of 2013, Arbitrator Chauvin ordered the payment of damages that arose from a breach of promissory estoppel, as it related to the removal of a fire truck from service in 2008. This award to the Windsor Professional Firefighters Association (WPFPA) was not budgeted for and will therefore result in a negative variance of \$410,000.

Summary of Description

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 425,000
2. County Dispatch Billings	User Fees, Permits & Charges	(13,000)
3. County Apparatus Work	User Fees, Permits & Charges	(47,000)
4. Chauvin Award	Salaries & Benefits	(410,000)
Net Year End Surplus/(Deficit)		\$ (45,000)

Mitigating Steps

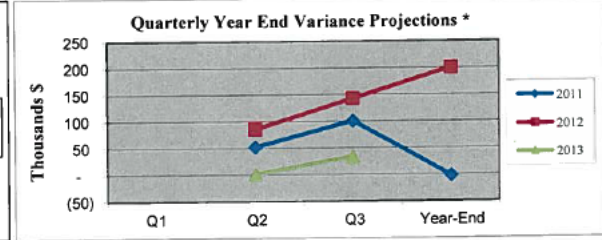
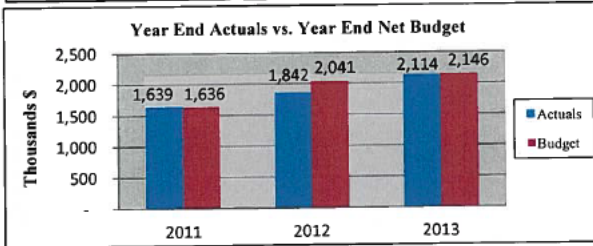
BUILDING

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	5,941,918	5,874,107	5,884,847
Annual Net Budget	1,635,959	2,041,106	2,146,385
Annual Net Expenditures	1,638,671	1,841,600	2,114,085
Year End Variance	(2,712)	199,506	
Variance as % of GB	0.0%	3.4%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	51,500	85,000	-
Third Quarter (Q3)	100,000	142,000	32,300
Year-End (Q4)*	(2,712)	199,506	

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



Description

Tax Levy Funded Budget

The Building Department is currently projecting a possible operating surplus of \$32,300 due to cumulative mitigating efforts regarding various expense accounts within the departmental budget.

Legislated Permits Funded Budget

Permit revenues to date continue to be less than that observed for the same period in 2012. While there is a lot of activity in low cost construction projects which conversely provide lower permit fees, volumes are down in the higher value projects which traditionally represent more significant permit fees and help the revenue budget immensely. Any revenue shortfall will require a similar draw on the Building Permits Fee Reserve. A revenue shortfall of (\$227,000) is projected, in addition to the 2013 budgeted draw of (\$720,299) for a total projected draw of (\$947,286). Administration continues to intently investigate additional mitigating measures to help offset the projected negative variance. The 2014 budget submission will include some of those considerations. As well, the Department is on track with its implementation of its Building Permit Fee Reserve Deficit Reduction Action Plan.

The 2013 beginning balance in the Building Permits Fee Reserve (BPR) was (\$8.3 MM) deficit and the projected year end balance is currently at (\$9.2 MM) deficit. A contra reserve account, approved and set up as part of the 2011 BPR Deficit Reduction Action Plan currently sits with a positive balance of \$7.275 MM.

Summary of Description

Description	Category	Amount
1. Reveue shortfall (due to less than less than anticipated fee volumes)	User Fees, Permits & Charges	\$ (17,100)
2. Unbudgeted WSIB costs	Other Miscellaneous Expenditures	(1,300)
3. Deferred training costs to 2014 related to new Bldg. Code Legislation requirements (awaiting final Provincial releases)	Other Miscellaneous Expenditures	12,000
4. Gapping of vacant positions	Salaries & Benefits	15,500
5. Miscellaneous expense accounts mitigating efforts	Other Miscellaneous Expenditures	23,200
Net Year End Surplus/(Deficit)		\$ 32,300

Mitigating Steps

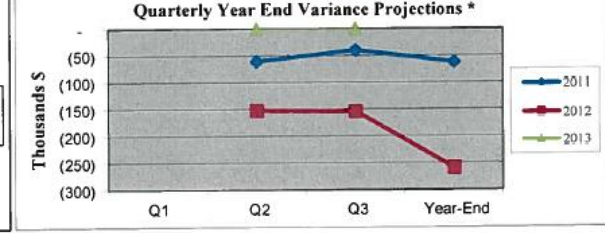
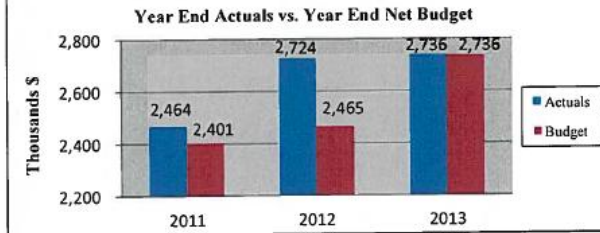
The Building Department team continuously tries to mitigate operating expenditures each year and explore revenue enhancements where possible. The Deficit Reduction Action Plan remains on schedule for full implementation by the end of 2014 which is hoped to reduce the annual Reserve draw significantly further. The 2014 operating budget submission will reflect a number of proposed mitigating efforts.

PLANNING

Financial Summary	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	3,254,233	3,206,862	3,289,143
Annual Net Budget	2,401,159	2,464,788	2,736,269
Annual Net Expenditures	2,463,725	2,724,103	2,736,269
Year End Variance	(62,566)	(259,315)	
Variance as % of GB	-1.9%	-8.1%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(61,000)	(152,000)	-
Third Quarter (Q3)	(40,000)	(154,000)	-
Year-End (Q4)*	(62,566)	(259,315)	

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



Description

The Planning Department is projecting a zero variance for 2013.

Planning Department revenues are projected to fall short of budget in 2013 within the following Divisions: Street and Alley Closings, Committee of Adjustment and Development Applications. These revenues, for the most part, are tied directly to the level of local economic activity which still remains below that of just a few years ago. Expenses overall for 2013 will be mitigated where possible to help offset revenue shortfalls and to maintain a zero operating variance. One employee of the Department continues to be in receipt of Worker Compensation Insurance Benefits which is approaching \$47,000 for 2013.

Summary of Description

Description	Category	Amount
1. Projected Revenue Shortfall	User Fees, Permits & Charges	\$ (132,500)
2. Projected WSIB Claimant Benefits	Other Miscellaneous Expenditures	(47,000)
3. Partial recovery of Co-op Student/staff time on projects	Recovery of Expenditures	15,900
4. Mitigated Travel and Training Expenditures	Other Miscellaneous Expenditures	24,700
5. Total Planned Staff Gapping	Salaries & Benefits	57,000
6. Mitigating of Misc. Expenses: (office supplies, postage, advertising, purchased services, temp. Staff/Students)	Other Miscellaneous Expenditures	81,900
Net Year End Surplus/(Deficit)		\$ -

Mitigating Steps

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

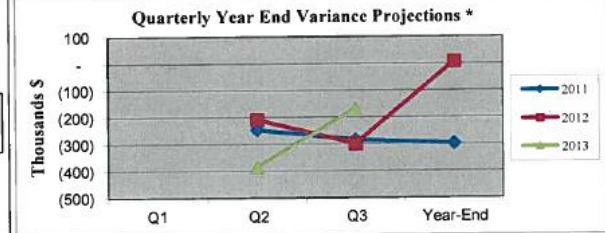
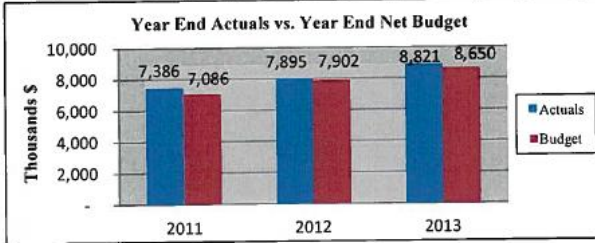
ENGINEERING

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	9,863,055	10,662,829	11,244,979
Annual Net Budget	7,085,544	7,902,104	8,649,979
Annual Net Expenditures	7,386,008	7,895,450	8,820,979
Year End Variance	(300,464)	6,654	
Variance as % of GB	-3.0%	0.1%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(249,000)	(210,000)	(389,000)
Third Quarter (Q3)	(286,750)	(301,000)	(171,000)
Year-End (Q4)*	(300,464)	6,654	

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



Description

As of Aug 31, 2013, the Engineering Department is projecting a deficit of approximately (\$171,000). This can be attributed to an overall increase in street light maintenance, increase in salary costs, an increase in operating costs and offset by an increase in various user fee/permit revenues.

The department is projecting a deficit of approximately (\$270,500) in the Streetlight Maintenance account. This can be attributed to existing aging streetlight infrastructure which require greater than normal maintenance. This trend will continue until either the fixtures are relamped or changed to LED fixtures.

The salary costs of the department are expected to be in a deficit of (\$31,000) and extended WSIB Leave has resulted in backfilling causing a variance in the salary account. Other operational costs are expected to be over budget by \$22,000.

The department is forecasting an increase in revenues of \$152,500 related to: permits, GIS charges (increase in building permits), new Municipal Access Agreements, new Transfer of Review fees and increased wage recoveries.

Summary of Description

	Category	Amount
1. Streetlighting - Maintenance Expenses	Utilities, Insurance & Taxes	\$ (270,500)
2. Increase to salary costs	Salaries & Benefits	(31,000)
3. Increase in operational costs	Other Miscellaneous Expenditures	(22,000)
4. Revenue Surplus	User Fees, Permits & Charges	152,500
Net Year End Surplus/(Deficit)		\$ (171,000)

Mitigating Steps

In 2013, the department will strive to take various measures to mitigate potential deficits. The budget will be monitored continually and steps will be taken to reduce operating costs and maximize revenues where possible. In addition, the 2014 Operating budget will address the variance items noted throughout the year.

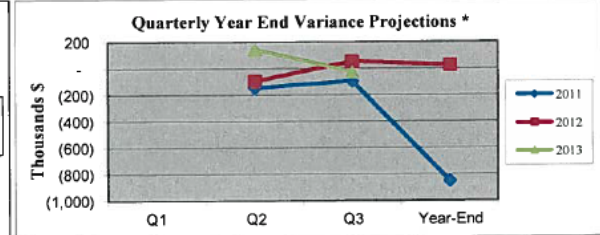
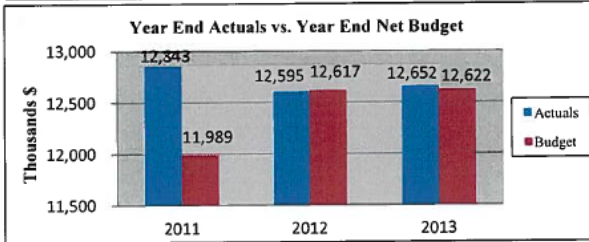
ENVIRONMENTAL

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	33,423,055	33,317,209	35,177,037
Annual Net Budget	11,988,948	12,617,291	12,621,610
Annual Net Expenditures	12,843,372	12,594,601	12,651,610
Year End Variance	(854,424)	22,690	
Variance as % of GB	-2.6%	0.1%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(150,000)	(100,000)	140,000
Third Quarter (Q3)	(100,000)	50,000	(30,000)
Year-End (Q4)*	(854,424)	22,690	

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



Description

The Environmental Services area is projecting a year-end deficit of (\$30,000), as at the end of the 3rd quarter. A couple of small deficits in the area are contributing to this projection:

A projected deficit is anticipated in WSIB expenses (\$50,000) and Fleet repairs (\$25,000). Actual WSIB costs have been higher than expected in 2013.**

In addition, a small deficit of \$20,000 is projected in the Waste Collection division. Although residential waste tonnages are projected to be approximately 525 tonnes below the budgeted figure of 43,925 resulting in savings of approximately \$45,000 in contractor costs and tipping fees, containerized collection revenue is projected to have a deficit of \$65,000, due primarily to the unexpected loss of the Windsor Housing front-end loader collection, effective October 1st. This loss alone should result in an estimated loss of \$40,000 in revenue over the final quarter of the year.**

**Offsetting these deficits are projected surpluses of \$40,000 in the Waste Disposal division and \$25,000 in the Waste Diversion area due to lower than anticipated tipping fees due to slightly lower tonnage.

Summary of Description

	Category	Amount
1. Common Products - WSIB & Fleet Costs/Repairs	Operating & Maintenance Supplies	\$ (75,000)
2. Waste Collection	Operating & Maintenance Supplies	45,000
3. Waste Collection - Containerized Collection	User Fees, Permits & Charges	(65,000)
4. Waste Diversion - Yard Waste	Operating & Maintenance Supplies	25,000
5. Waste Disposal - Landfill Tipping Fees	Operating & Maintenance Supplies	40,000
Net Year End Surplus/(Deficit)		\$ (30,000)

Mitigating Steps

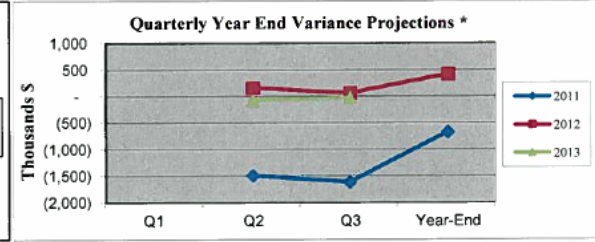
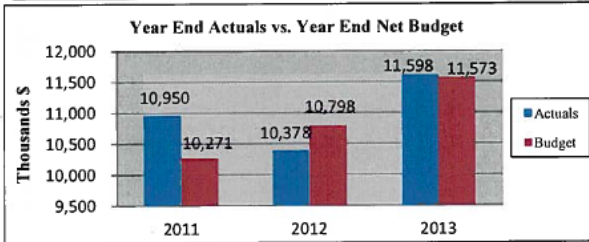
Administration will do what it can to mitigate this deficit over the course of the remaining portion of the year in the hopes of not allowing this figure to grow larger.

PUBLIC WORKS OPERATIONS

Financial Summary	2011		2012		2013		
	Financials	Financials	Financials	Financials	Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	30,138,814	26,973,162	27,388,577				
Annual Net Budget	10,270,634	10,797,703	11,573,484				
Annual Net Expenditures	10,949,807	10,378,190	11,598,484				
Year End Variance	(679,173)	419,513					
Variance as % of GB	-2.3%	1.6%					

	2011	2012	2013
First Quarter (Q1)			
Second Quarter (Q2)	(1,500,000)	162,000	(77,000)
Third Quarter (Q3)	(1,625,685)	63,000	(25,000)
Year-End (Q4)*	(679,173)	419,513	

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



Description

The Public Works Operations Department is projecting an overall year-end deficit of (\$25,000) based on financial and operational information available as of August 31st, 2013 month-end close. This year-end projection is made up of an overall salary surplus of \$267,000, a depreciation surplus of \$211,000, a deficit for construction costs of (\$90,000), an overall revenue deficit of (\$163,000), and an overall winter control deficit of (\$250,000). Further explanation and details of the above are provided below.

The Department is expected to finish 2013 with an overall salary surplus of \$267,000. This surplus is made up of salary gapping of \$200,000 in Field Services, \$100,000 in Fleet, and a salary deficit of (\$33,000) in Traffic Operations due to position backfilling requirements for modified work programs.

The Department is expected to finish 2013 with a year-end surplus of \$211,000 related to the annual depreciation transfers in the Fleet Division resulting from a change put in place in 2012 that has the Fleet depreciation budget remaining unchanged from year to year.

The Department is expected to finish 2013 with a year-end deficit of (\$90,000) related to construction work for signals in Traffic Operations. This deficit is for required repairs to various aging underground infrastructure to keep signals working, primarily repairs to pole bases, conduits, and manholes.

The Department is expected to finish 2013 with an overall revenue deficit of (\$163,000). This deficit is made up of a (\$350,000) recovery shortfall with respect to budgeted labour recoveries for Field Services staff, a surplus of \$187,000 related to capital recoveries for Contracts Staff, a deficit of (\$50,000) related to parking ticket revenue in Parking Enforcement, and a surplus of \$50,000 related to Parkway Infrastructure Constructors (PIC) revenue in Traffic Operations. The parking ticket revenue is expected to be in a deficit position for 2013 due to a decrease in the number of parking tickets issued resulting from the general economic conditions in Windsor.

The Department is expected to finish 2013 with an overall deficit of (\$250,000) related to winter control based on average winter conditions over the past 7-years, winter conditions in the 1st quarter of 2013, and the guaranteed contract payments for the 2012/2013 and 2013/2014 seasons. It should also be noted, any winter events in the latter part of 2013 resulting in residential roll-outs can add approximately \$250,000 to the projected year-end deficit for each roll-out required.

Summary of Description

Description	Category	Amount
1. Salary Surplus	Salaries & Benefits	\$ 267,000
2. Depreciation Surplus	Transfers to Reserves & Capital Funds	211,000
3. Construction Deficit	Minor Capital	(90,000)
4. Revenue Deficit	Recovery of Expenditures	(163,000)
5. Winter Control Deficit	Purchased Services	(250,000)
Net Year End Surplus/(Deficit)		\$ (25,000)

Mitigating Steps

With respect to parking ticket revenue, Administration is expecting a material decrease in the number of tickets voided in 2014 as a new Administrative Penalty System (APS) will be implemented by the Legal Department by the end of 2013 which will replace the current court system. This should avoid ticketing errors and thereby reduce the need for voiding tickets. Administration is also expecting a decrease in the number of appeals being processed as new handhelds will be in use by fall of 2013 that will provide photo evidence of parking infractions.

The variances related to the PIC revenue in Traffic Operations will continue until services are no longer provided by the Division or the Parkway is completed. The PIC revenue surplus of \$50,000 mitigates a portion of the construction deficit in the Traffic Operations Division for

The variance related to the Fleet Division depreciation will continue to be an annual reportable variance each year if this budget continues to be unchanged year over year. A 2014 budget adjustment has been submitted for Council consideration to smooth the anticipated depreciation variances in coming years.

All Divisions consider and utilize salary gapping as a mitigating step to offset deficits where possible and feasible.

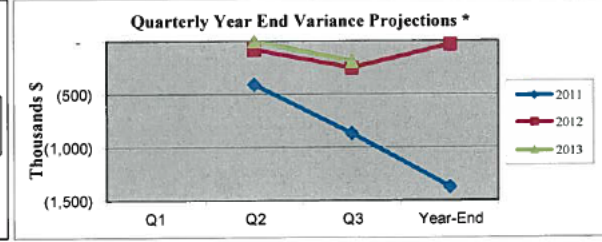
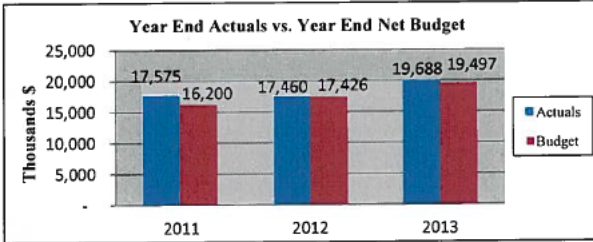
PARKS & FACILITY OPERATIONS

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	25,508,717	26,191,801	28,715,531
Annual Net Budget	16,200,386	17,425,825	19,497,415
Annual Net Expenditures	17,575,262	17,460,109	19,688,415
Year End Variance	(1,374,876)	(34,284)	
Variance as % of GB	-5.4%	-0.1%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(410,000)	(81,000)	-
Third Quarter (Q3)	(870,000)	(255,000)	(191,000)
Year-End (Q4)*	(1,374,876)	(34,284)	

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



Description

Overall, Parks & Facility Operations is projecting a deficit of (\$191,000) at Year End.

Parks

The Parks Division is projecting a surplus of \$47,900 at year end.

The projected Revenue surplus of \$64,500 is attributed to increased recoveries in tree trimming from capital and Windsor Utilities Commission, the annual plant sale, recoverable work and revenues from vacant lot seasonal work such as snow removal and grass cutting.

The wage accounts collectively represent a net surplus of \$10,900. The projected surplus this year is due to wage gapping.

A surplus of \$116,500 in External Contract work and other purchased services is primarily attributed to changes in work processes (i.e. internal staff doing work). Festival lighting is one example of this efficiency. Typically, Parks contracted this work out but last year, in their on-going effort to find efficiencies, the department performed most of the festival lighting work with their existing workforce without impacting service levels in other areas. This External Contract work surplus helped to offset the (\$64,000) deficit in First Aid, Office and Program Supplies combined. 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 to and have come to expect.

Although difficult to quantify at this time of the year, there are potential risk issues that may arise. 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.

Facility Operations

The Facility Operations division is currently projecting a year-end deficit of approximately (\$238,900). A portion of the projected deficit is attributable to facility maintenance costs in the amount of (\$150,000) for required repairs to our existing facilities. The Fire Halls in particular are aging facilities that require a great deal of maintenance to keep them operational such as, boiler repairs, foundation repairs and HVAC unit repairs that are not supported by the current budget level. A deficit of (\$73,700) is being forecasted related to Fire Hall maintenance. The remaining deficit of (\$76,300) for maintenance costs is primarily related to unanticipated repair costs at our Recreation, Parks and Public Works facilities. To mitigate the deficit only urgent repairs will be done in excess of the operating budget and the Facilities division will continue to utilize the Facility 360 application to schedule preventative maintenance to expand the useful life-cycle of our current facilities and provide a more proactive approach to building maintenance that should help reduce the impact of unanticipated repairs.

In 2013, the budget for recreational caretakers of \$379,093 was transferred to Facility Operations to streamline the delivery of caretaking services. Facility Operations is projecting a year-end deficit of (\$70,000) for recreational caretakers. An employee that has been on extended sick leave for the majority of 2013 has returned to work with continued absences each month. This has primarily contributed to the deficit with additional costs being incurred for regular sick leave and vacation leave coverage. The return to work has lowered the projected deficit from 2nd quarter to (\$70,000). This deficit will be off-set by the overall management of local 82 staff between Parks & Facilities and Recreation.

The Art Gallery of Windsor (AGW) was officially acquired by the City of Windsor in January of 2013. Facility Operations is responsible for all maintenance, caretaking, security and utility costs for the facility. A surplus of \$104,000 is being projected for year-end based on identified maintenance repairs and available work capacity to complete all necessary repairs in 2013.

A surplus of \$19,000 is being projected for the additional sale of parking passes to 3rd parties in the City Hall Square area. This revenue projection is based on 1st and 2nd quarter revenue received and is in line with actual revenue from 2012 of \$52,800.

As part of a mutually beneficial agreement between the City of Windsor and the Department of National Defence (DND) the Major F A Tilston, V C Armoury and Police Training Centre was constructed to provide joint use of the facility for the purposes of a police training facility and military armoury.

As part of the lease agreement with the Department of National Defence (DND), additional rent in the amount equal to Payment-in-lieu of Taxes (PILT) that they would have otherwise been expected to pay had the facility been constructed and owned by them has been charged since 2008. The DND are disputing the payment of additional rent under the terms of the lease agreement citing that the building is municipally owned and is classified as tax exempt. The City of Windsor's position is that the additional rent provision in the lease agreement was intended to charge DND PILT as a part of the agreement to construct and operate the new joint facility. As negotiations with the Department of National Defense continue to progress, a year-end deficit of (\$141,900) is being projected.

Summary of Description

Parks	Category	Amount
1. Tree Trim Revenue, Vacant Lots, Rental Income	Recovery of Expenditures	\$ 64,500
2. Salary gapping, vacancies, WSIB	Salaries & Benefits	10,900
3. Maintenance Contracts, Security and other External Services	Purchased Services	116,500
4. First Aid, Office and Program Supplies	Operating & Maintenance Supplies	(64,000)
5. Vandalism, Building, Equipment & Infrastructure Repairs and Materials	Operating & Maintenance Supplies	(80,000)
Sub-Total Parks		\$ 47,900
Facilities		
1. Recreation Caretakers	Salaries & Benefits	\$ (70,000)
2. Building Maintenance and Repairs	Operating & Maintenance Supplies	(150,000)
3. CHS Parking Revenue	User Fees, Permits & Charges	19,000
4. Art Gallery	Operating & Maintenance Supplies	104,000
5. DND - Additional Rent	Other Miscellaneous Revenue	(141,900)
Sub-Total Facilities		\$ (238,900)
Net Year End Surplus/(Deficit)		\$ (191,000)

Mitigating Steps

To mitigate the overall Facility Operations deficit, the division will continue to monitor work orders using the Facility 360 application to proactively respond to required maintenance and repairs. Work Order requests that are deemed non-critical or unnecessary will be managed within the operating budget limits. Parks will continue 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 to and have come to expect.

To mitigate the potential revenue loss from the Department of National Defence, the Facility Operations division is current exploring other options within the terms of the lease agreement that will allow for a portion of the Additional Rent revenue to be recovered. The management team is working with the Department of National Defence representative to reach a mutual agreement.

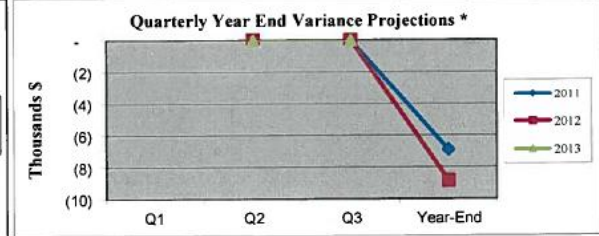
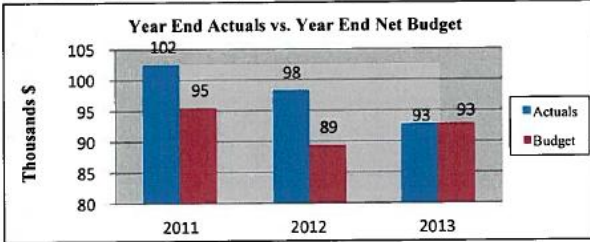
COMMUNITY DEVELOPMENT & HEALTH OFFICE

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	493,103	522,603	660,188
Annual Net Budget	95,453	89,358	92,840
Annual Net Expenditures	102,375	98,228	92,840
Year End Variance	(6,922)	(8,870)	
Variance as % of GB	-1.4%	-1.7%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	(6,922)	(8,870)	

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



Description

No significant budget variance is being projected at this time.

Summary of Description

Category	Amount
1.	
2.	
3.	
4.	
5.	
Net Year End Surplus/(Deficit)	\$ -

Mitigating Steps

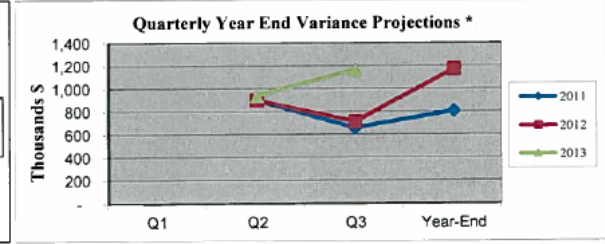
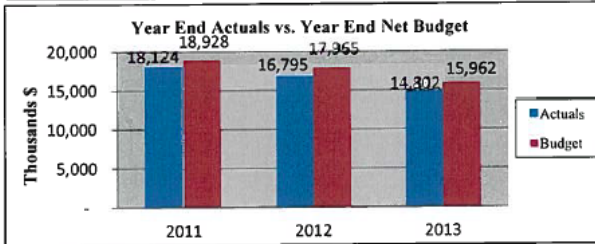
EMPLOYMENT & SOCIAL SERVICES

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	118,414,549	119,581,320	117,309,462
Annual Net Budget	18,928,063	17,964,834	15,961,894
Annual Net Expenditures	18,124,106	16,794,647	14,801,894
Year End Variance	803,957	1,170,187	
Variance as % of GB	0.7%	1.0%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	897,000	898,000	937,000
Third Quarter (Q3)	656,000	711,000	1,160,000
Year-End (Q4)*	803,957	1,170,187	

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



Description

Based on information available and expenditure trends as of August 31, 2013, the **Employment and Social Services Department** is projected to end the year with a net city surplus of **\$1,160,000**.

Ontario Works (OW) Program Delivery (previously Administration and Employment Assistance) is projected to have a net city surplus of \$660,000 at year end. Expenditures are lower than budget, in part due to the decrease in the average monthly caseload from the 9,950 budgeted compared to the of 9,494 the actual average caseload for January to August. A \$234,000 projected city surplus relates to vacant positions for a portion of the year as well as higher than anticipated recoveries for staff support provided to the Community Homelessness and Prevention Initiative program. Lower than expected Employment Related Expenses, Employment Initiatives, and operating costs are expected to add \$426,000 to the city surplus. The development of new employer contracts or employment programs in the latter part of the year may reduce the projected year end surplus. The ongoing portion of the CHPI recoveries, as well as a portion of the Employment budget has been put forward as part of 2014 Budget Reductions options.

Ontario Works Financial Assistance is projected to end the year with a net City surplus of \$481,000. The 2013 actual average Ontario Works caseload is trending at 4.6% lower than the budgeted average caseload. Ontario Works discretionary benefit expenditures are expected to remain within the provincial funding cap.

The Ontario government introduced a number of changes to social assistance that take effect in the last quarter of 2013, such as a 1% Benefit rate increase, increase in Top-Up for Single Adults without children on Social Assistance, increase in Earnings Exemption for Ontario Works Clients and increase in asset level. Although Municipalities do not have to cost-share the proposed Ontario Works rate increases until January 2014, the changes to earnings exemptions and asset levels may result in increased costs and/or caseload levels in the latter part of the year which has not been factored into the projected variance. The impact of these changes has been incorporated into the Proposed 2014 Ontario Works Municipal Budget.

100% Municipal Assistance is projected to end the year with a surplus of \$19,000 largely attributed to higher than projected recoveries in funeral and burial account and variability in demand for these services.

Summary of Description

	Category	Amount
OW Program Delivery		
1. OW Program Delivery - Salary and Benefits	Salaries & Benefits	\$ 234,000
2. OW Program Delivery - Employment Related Expenses	Purchased Services	200,000
3. OW Program Delivery - Employment Initiatives	Transfer for Social Services	212,000
4. OW Program Delivery - Operating Supplies	Operating & Maintenance Supplies	14,000
Sub-Total OW Program Delivery		\$ 660,000
5 OW Financial Assistance	Transfer for Social Services	481,000
6 100% Municipal Assistance	Transfer for Social Services	19,000
Net Year End Surplus/(Deficit)		\$ 1,160,000

Mitigating Steps

Existing vacancies are expected to be filled as of the end of September 2013. The establishment of employment programs to meet client and employer / investor needs continue to be explored, pursued and developed.

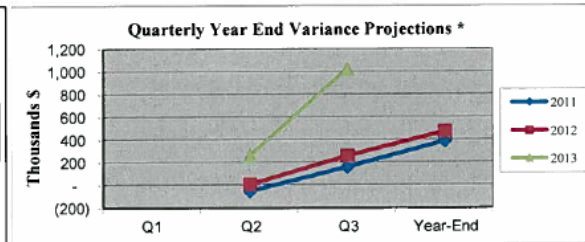
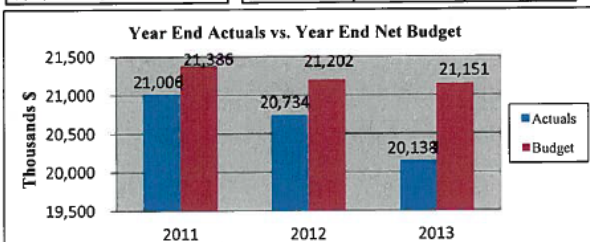
HOUSING & CHILDREN SERVICES

Financial Summary

	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	79,302,563	90,747,778	89,197,605
Annual Net Budget	21,385,512	21,201,530	21,150,846
Annual Net Expenditures	21,006,105	20,733,981	20,137,846
Year End Variance	379,407	467,549	
Variance as % of GB	0.5%	0.5%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(62,000)	-	247,000
Third Quarter (Q3)	151,000	251,000	1,013,000
Year-End (Q4)*	379,407	467,549	

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



Description

Overall, **Housing and Children Services** is projecting a year end surplus variance of **\$1,013,000** for 2013, broken down by program, as follows:

Housing is projecting a net city surplus of \$151,000. Of this surplus, \$424,000 (net city) is a result of lower subsidy payments to service providers being required due to RGI (Rent Geared Income) increases and provider mortgage renewals at lower rates of interest. In addition, one-time year end operating subsidy reconciliations are projected to add \$263,000 (net city) to the year end surplus. Offsetting this program surplus is one time cost of (\$300,000 net city) to assist housing providers with carbon monoxide detector installations required by City of Windsor By-Law and other health and safety repairs identified by social housing providers. Offsetting the surplus is a deficit in Administration of (\$43,000) due to higher than expected workers compensation expense and salary costs. Finally, the net city surplus may be reduced by a carryover of (\$93,000) to address WECHC budget pressures in 2014 and by (\$100,000) to hire a temporary (one-year) Program Co-ordinator to assist with the implementation of the 10 year Housing Strategy. If these carryovers are not required as expected, the surplus at year end may be higher. Not factored in the variance projection at this time is a potential payment of (\$188,000 net city) to Windsor Essex Community Housing Corporation (WECHC) related to a projected deficit in Public Housing.

Community Homelessness Prevention Initiatives is projecting a net city surplus of \$189,000, if projected expenditures remain at current levels. Program utilization was slow during the first quarter of the year but demand has been increasing since April. Administration's approach to expenditures under this program is to first utilize provincial funding and then municipal funding. At this time, full utilization of municipal funds utilization is not anticipated, however plans are underway for initiatives that will line up with the 10 Year Housing and Homelessness Plan that could potentially reduce the projected surplus.

Children Services is projecting a one-time City surplus of **\$595,000** related to the reconciliation of Child Care Administration costs by Ministry of Education for years 2011 and 2012.

Pathway to Potential is projecting a net city surplus of \$78,000. Two programs (Keep the Heat and HEART) met the criteria for 100% MMAH funding under the Community Homelessness Prevention Initiatives program which resulted in gross savings of \$190,000 with the City's share being \$114,000 and the County's being \$76,000. Additional funding provided to Recreation's P2P programming, well as to the Affordable Pass program offered through Transit Windsor, has offset the City surplus. The proposed 2014 budget includes a reduction option that transfers the funding of the two homelessness programs to the CHPI program which is funded by MMAH 100%.

Summary of Description

	Category	Amount
1. Housing Subsidy Surplus	Grants & Subsidies	\$ 194,000
2. Housing Administration Deficit	Salaries & Benefits	(43,000)
3. Community Homelessness Prevention Initiative	Grants & Subsidies	189,000
4. Children Services	Grants & Subsidies	595,000
5. Pathway to Potential	Purchased Services	78,000
Net Year End Surplus/(Deficit)		\$ 1,013,000

Mitigating Steps

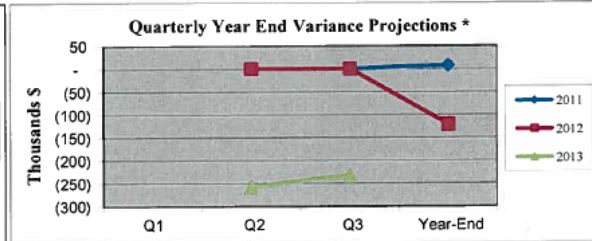
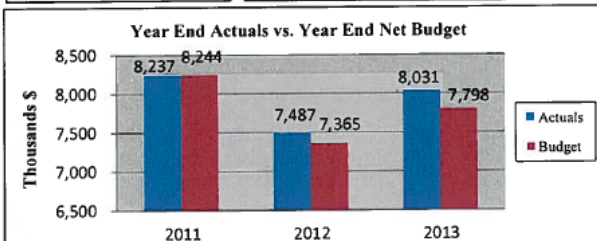
HURON LODGE

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	21,119,693	20,720,557	21,713,302
Annual Net Budget	8,244,298	7,365,162	7,797,907
Annual Net Expenditures	8,237,031	7,486,921	8,030,907
Year End Variance	7,267	(121,759)	
Variance as % of GB	0.0%	-0.6%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	(258,000)
Third Quarter (Q3)	-	-	(233,000)
Year-End (Q4)*	7,267	(121,759)	

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



Description

Huron Lodge is projecting to end the year with a deficit of (\$233,000).

The MOHLTC announced some funding opportunities and changes which will give Huron Lodge a positive net increase of approximately \$156,000 in the Grants & Subsidies Category. This funding includes increased dollars for the Nursing and Personal Care, Program and Support Services and Raw food Envelopes. As reported at Q2, one-time funding for Staff Training and Development of \$29,000 and Behavioural Supports Enhancement Funding of approximately \$53,000 will directly correspond to an increase spending in the Salaries Expense to use this funding for it's intended purpose. In addition, the model for High Intensity Needs funding has changed from submitting claims to receiving a monthly per diems. The High Intensity Needs funding per diems are estimated to be \$60,000 in 2013 and will directly offset an increase in Nursing and Personal Care Expenses.

Using previous trends, Resident Revenue is expected to end the year in a positive variance of approximately \$82,000. On July 1, 2013 the MOHLTC announced an increase in the co-payment that residents pay for basic accommodation in long-term care homes. This increase is intended to help with the rising costs of accommodations due to inflationary increases. In addition, a modest increase to the accommodation rates for newer residents admitted to preferred beds was also announced.

Salaries are projected to end the year with a deficit of approximately (\$250,000). As previously reported in Q2, the department is obligated to replace staff in the event of absences due to mandatory training, attendance at work issues, non-occupational accommodations and modified duties due to WSIB. The replacement costs of salaries is monitored closely by the department and will be reported accordingly.

The department continues to have obligations to pay WSIB expenses, which are projected to end the year with a budget shortfall of approximately (\$210,000). Council approved a \$50,000 budget increase in 2013 as part of the budget process in efforts to minimize variances in these accounts. WSIB accounts ended the 2012 year with a variance of (\$331,134).

Advertising Expenses are projected to see a budget shortfall of approximately (\$11,000). Huron Lodge has a small budget for advertising of \$1,000. With the advertising costs associated with the recruitment of the Executive Director of Huron Lodge/Administrator position, higher than expected advertising expenses will be reported.

Unfavourable variances in the Salary and WSIB accounts projected for this quarter are comparable to those Huron Lodge has previously disclosed in Operating Budget Variance Reports in 2012 and 2013. Although at this time the department is projecting to stay on target in other expense accounts, there is risk of budget shortfalls in the building and equipment repairs and nursing supplies categories. As the building is utilized on a 24 hour, 7 days a week basis, repairs to both the building and equipment is at risk for a budget shortfall due to unexpected breakdowns. With the possibility of illness and outbreak in the home, nursing supplies is also at risk for a budget shortfall in 2013. The department continues to review these accounts to minimize any deficits by year end.

Summary of Description

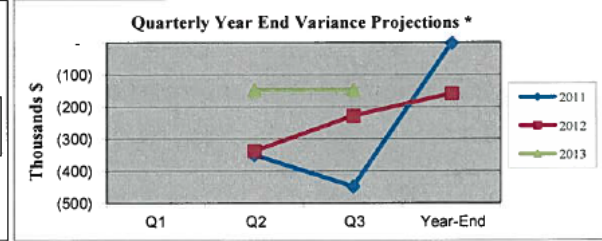
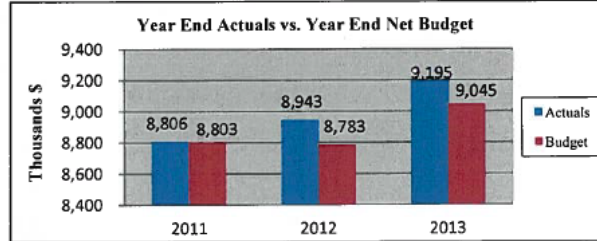
	Category	Amount
1. Increase in Funding	Grants & Subsidies	156,000
2. Increase in Resident Revenue	Other Miscellaneous Revenue	82,000
3. Salary Accounts	Salaries & Benefits	(250,000)
4. WSIB	Salaries & Benefits	(210,000)
5. Advertising Expense	Operating & Maintenance Supplies	(11,000)
Net Year End Surplus/(Deficit)		<u>\$ (233,000)</u>

Mitigating Steps

RECREATION & CULTURE

Financial Summary	2011	2012	2013	2011	2012	2013
	Financials	Financials	Financials			
Annual Gross Budget (GB)	17,706,633	17,550,521	17,633,739			
Annual Net Budget	8,802,986	8,782,731	9,044,667			
Annual Net Expenditures	8,805,822	8,943,328	9,194,667			
Year End Variance	(2,836)	(160,597)				
Variance as % of GB	0.0%	-0.9%				
				First Quarter (Q1)		
				Second Quarter (Q2)	(351,000)	(340,000)
				Third Quarter (Q3)	(450,000)	(230,000)
				Year-End (Q4)*	(2,836)	(160,597)

* 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 (\$150,000), comprised of WSIB, Retro Payments, Sick Coverage and Net Facility Shortfalls.

- 1) Recreation and Culture is projecting a deficit of approximately (\$46,000) in salaries and wages due to WSIB payments, sick coverage and retro payments.
- 2) Recreation and Culture is projecting a potential revenue shortfall of (\$315,000) within its recreational facilities. At the beginning of February 2013 the chiller at Forest Glade Arena Rink A went out of service and resulted in an early close of the ice rental season for Rink A. While the chiller was receiving required repairs, Forest Glade Arena lost the use of the ice which resulted in loss of ice rental revenue, public skating revenue and concession sales along with the costs of repairing the chiller. However, Recreation and Culture is diligently working on increasing revenue streams (i.e. increasing marketing efforts on rentals & events using internet and other inexpensive channels of communication) as well as curtailing expenditures for facility and equipment repairs and purchases within other Recreational facilities (i.e. only doing emergency repairs, adjusting operating hours during slow periods, etc).
- 3) Recreation and Culture is projecting a savings within the Cultural Services department in the amount of \$70,000.
- 4) Recreation and Culture will decrease expenses by putting their mitigating expenditure strategies into place by closing facilities during the low peak periods and cancelling programs with low registrations (which reduces staffing costs). In addition, the department is decreasing expenditures wherever possible in the 2013 operating year such as building repairs, plant equipment repairs, program supplies and travel expenses to assist in mitigating the projected deficit variance for the 2013 year end (as identified below). It is projected that these mitigating expenditure strategies will result in \$121,000 worth of savings.
- 5) The Recreation and Culture Department share Local 82 staff with the Parks Department but the wages budget is fixed. Where one Department has a surplus in their Local 82 wages account, the other will have a deficit to offset. Recreation and Culture is projecting a surplus in the wages account for Local 82 staff of approximately \$20,000 due to the use of transitional employees at outdoor arenas.

Other Departmental Variance Notes

Report #16445 that was presented to City Council on April 8, 2013 regarding the closure of Windsor Arena stated that "should Council wish to proceed with an event in April 2013, there would be minimum cost as the ice is currently in at Windsor Arena, and we would just require staffing for the time the facility is open for the event". Recreation and Culture received direction to have the ice remain in the facility until the end of April.

At the 2013 Operating Budget Recreation and Culture requested Budget Stabilization Reserve funding to operate the facility to March 1, 2013. This extended operating season will require additional Budget Stabilization Reserve funding that will be brought forward to Council in the year-end variance report.

Summary of Description

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
1. Salary Issues (WSIB, Retro, Sick Coverage)	Salaries & Benefits	\$ (46,000)
2. Net Facility Shortfalls	User Fees, Permits & Charges	(315,000)
3. Cultural Services Savings	Other Miscellaneous Expenditures	70,000
4. Mitigating Expenditure Initiatives	Other Miscellaneous Expenditures	121,000
5. Shared Parks and Recreation L82 Labour	Purchased Services	20,000
Net Year End Surplus/(Deficit)		<u>\$ (150,000)</u>

Mitigating Steps

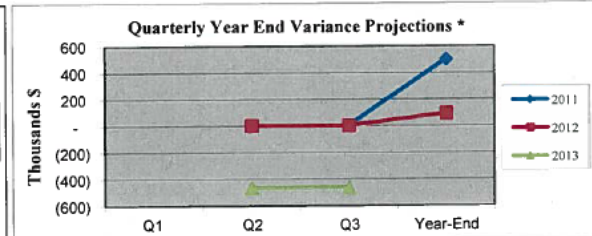
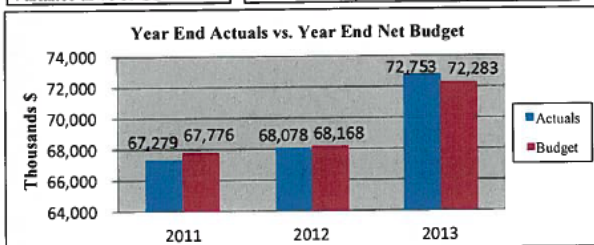
Recreation and Culture in 2013 is closely monitoring the monthly financial statements and will bring forward concerns or anticipated variances as part of the quarterly variance to Council. Recreation and Culture has and will continue to implement the short-term mitigating steps and will be continuing to review them going forward. Some of the short-term solutions includes adjusting hours of operations, staffing and controlling expenditures to high priority issues such as mechanical and structural repairs. With the economy starting to recover it is felt that these controls are manageable however a long-term solution includes consolidating facilities.

WINDSOR POLICE SERVICES

Financial Summary	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	75,382,021	76,704,906	80,140,114
Annual Net Budget	67,776,443	68,168,086	72,282,957
Annual Net Expenditures	67,279,131	68,078,115	72,752,957
Year End Variance	497,312	89,971	
Variance as % of GB	0.7%	0.1%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	(470,000)
Third Quarter (Q3)			(470,000)
Year-End (Q4)*	497,312	89,971	

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



Description

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

An operating variance of (\$470,000) deficit is projected for year 2013.

Summary of Description

Description	Category	Amount
1. Under Project Accountability, the WPS Board approved the relocation of the new Risk Management Unit. Costs include retrofit & renovations, furniture & fixtures, and lease payments for the balance of the year.	Minor Capital	\$ (150,000)
2. Retroactive payroll benefits payout to former employee.	Salaries & Benefits	(70,000)
3. Additional overtime costs due to major crimes investigations and corresponding court attendance time.	Salaries & Benefits	(200,000)
4. Various unforeseen minor equipment replacement costs due to age, obsolescence or breakdown.	Minor Capital	(50,000)
Net Year End Surplus/(Deficit)		\$ (470,000)

Mitigating Steps

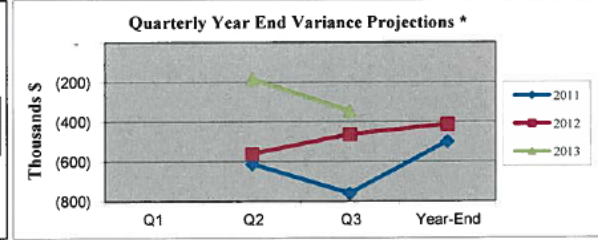
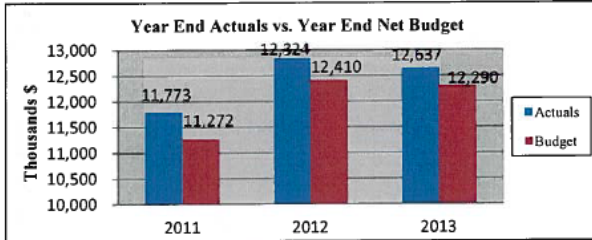
1) The WPS continues to aggressively monitor and control overtime costs which have slowly been decreasing over the past few years, however, with the occurrence of unforeseen major crimes, investigation and court costs will rise accordingly. 2) The Service has also been very diligent in delaying the replacement of equipment and trying to extend the life through repairs & maintenance, however, we have begun to reach the point where equipment has now 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 & safety of our employees. All purchasing is done in accordance with the municipal purchasing bylaw.

TRANSIT WINDSOR

Financial Summary	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	28,617,525	29,855,258	28,245,389
Annual Net Budget	11,272,079	12,409,811	12,289,811
Annual Net Expenditures	11,772,630	12,823,749	12,636,811
Year End Variance	(500,551)	(413,938)	
Variance as % of GB	-1.7%	-1.4%	

	2011	2012	2013
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(613,000)	(562,000)	(186,000)
Third Quarter (Q3)	(761,373)	(464,000)	(347,000)
Year-End (Q4)*	(500,551)	(413,938)	

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



Description

Transit Windsor Administration monitors the operating budget on an ongoing basis. Current fuel prices are resulting in a projected deficit in the Fuel and Lubricants account of approximately (\$120,000). Transit Windsor will continue to monitor this closely and report the projected variance to the Board of Directors on a monthly basis.

Vehicle Maintenance Materials are projected to exceed budget estimates at this point by approximately (\$395,000). This over expenditure will be offset by the Enhanced Capital One Time Funding approved for Fleet Maintenance in the amount of \$395,000 in the 2013 Capital Budget. Salary, Wages and Benefits accounts are projected to be over budget by approximately (\$300,000) partially due to the number of detours encountered on the existing routes, combined with reacting to late buses and overloaded buses on the main lines. As previously reported to Council, in late 2011, Transit Windsor received some infractions that resulted in the MTO inspection division increasing the frequency of regular audits from semi-annually to quarterly. In 2012, Transit Windsor invested additional overtime dollars to ensure new processes and procedures were in place. Transit Windsor also internally implemented a more thorough inspection schedule for the fleet. Three audits were conducted in 2012 which resulted in positive results and no violations. As a result of this improvement, MTO decreased their audit inspections back to every six months and Transit Windsor has remained on this schedule to date.

At this point, Transit Revenues are expected to be within budget estimates.

As recently reported to Council, Transit Windsor was faced with the emergency replacement of a hoist in the garage at a cost of \$30,000. The 2013 facilities repairs operating budget is \$85,000 and at this point there is approximately \$19,000 available for use for the remainder of 2013. Administration continues to monitor the level of spending in this account closely and has deferred several discretionary repairs.

Summary of Description

	Category	Amount
1. Projected deficit in the Fuel and Lubricants account	Operating & Maintenance Supplies	\$ (120,000)
2. Salaries and wages and benefits overrun	Salaries & Benefits	\$ (300,000)
3. Projected deficit in the Vehicle Maintenance account	Operating & Maintenance Supplies	(395,000)
4. Enhanced Capital One Time Funding for Fleet Maintenance	Transfers from Other Funds	395,000
5. Recovery of Expenditures	Transfers from Other Funds	73,000
Net Year End Surplus/(Deficit)		\$ (347,000)

Mitigating Steps

Administration will continue to identify mitigating factors in 2013 in an effort to ensure Transit Windsor remains within total budget estimates.

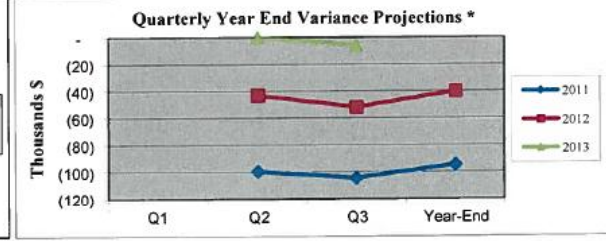
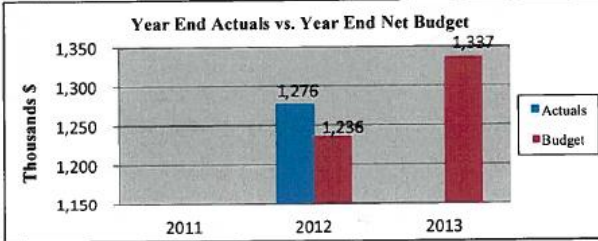
HANDI TRANSIT

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)		1,236,257	1,337,100
Annual Net Budget		1,236,257	1,337,100
Annual Net Expenditures		1,276,431	
Year End Variance	(95,000)	(40,174)	
Variance as % of GB		-3.2%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	(100,000)	(43,000)	-
Third Quarter (Q3)	(105,000)	(52,000)	(6,145)
Year-End (Q4)*	(95,000)	(40,174)	

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



Description

The Agency is projecting a minor deficit of (\$6,145) due to additional body repairs on the buses.

Summary of Description

	Category	Amount
1. Additional body repairs on buses	Other Miscellaneous Expenditures	\$ (6,145)
2.		
3.		
4.		
5.		
Net Year End Surplus/(Deficit)		\$ (6,145)

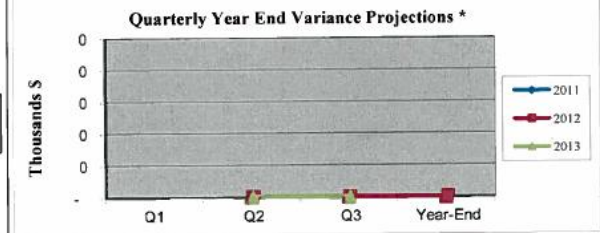
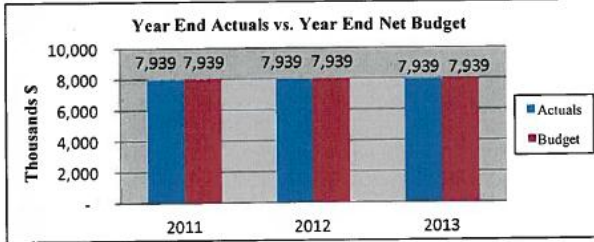
Mitigating Steps

WINDSOR PUBLIC LIBRARY

Financial Summary	2011	2012	2013
	Financials	Financials	Financials
Annual Gross Budget (GB)	7,939,359	7,939,359	7,939,359
Annual Net Budget	7,939,359	7,939,359	7,939,359
Annual Net Expenditures	7,939,359	7,939,359	7,939,359
Year End Variance	0	0	
Variance as % of GB			

	2011	2012	2013
	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 (\$7.9m), four equal quarterly payments are made to the WPL. Therefore, there are no variances within this line item. Should there be a variance within the WPL's operating budget, it will be reported through the Board and addressed as such.

Summary of Description

	Category	Amount
1.		
2.		
3.		
4.		
5.		
Net Year End Surplus/(Deficit)		\$ -

Mitigating Steps

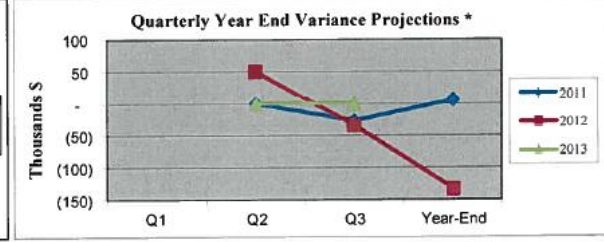
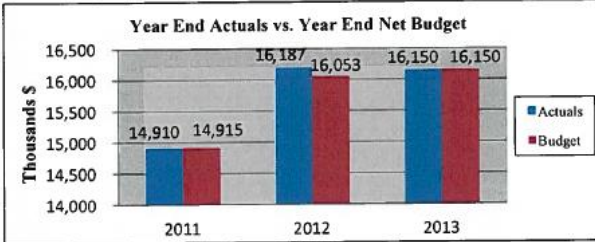
AGENCY GRANTS

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	14,915,034	16,053,391	16,150,454
Annual Net Budget	14,915,034	16,053,391	16,150,454
Annual Net Expenditures	14,909,804	16,186,600	16,150,454
Year End Variance	5,230	(133,209)	
Variance as % of GB	0.0%	-0.8%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	50,000	-
Third Quarter (Q3)	(26,940)	(34,000)	-
Year-End (Q4)*	5,230	(133,209)	

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



Description

EMS

Land Ambulance is currently projected to end the year within budget estimates, however, there is a risk that a variance could materialize before year-end, based on a pending arbitration award due to the EMS CUPE contract, which expired March 31, 2012.

Summary of Description

Category	Amount
1.	
2.	
3.	
4.	
5.	
Net Year End Surplus/(Deficit)	\$ -

Mitigating Steps

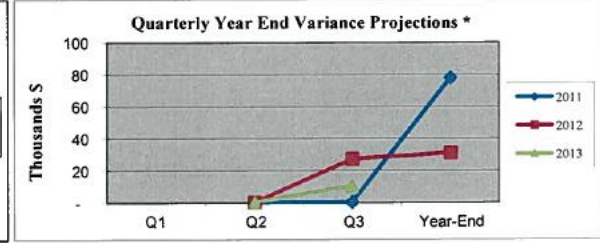
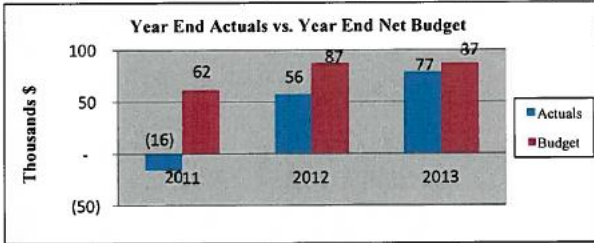
COMMITTEES OF COUNCIL

Financial Summary

	2011 Financials	2012 Financials	2013 Financials
Annual Gross Budget (GB)	61,558	87,170	87,170
Annual Net Budget	61,558	87,170	87,170
Annual Net Expenditures	(16,067)	56,394	77,270
Year End Variance	77,625	30,776	
Variance as % of GB	126.1%	35.3%	

	2011 Est. Variance	2012 Est. Variance	2013 Est. Variance
First Quarter (Q1)			
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	27,000	9,900
Year-End (Q4)*	77,625	30,776	

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



Description

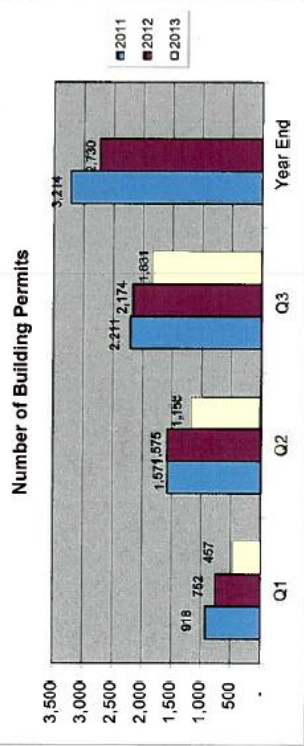
The Youth Advisory and Diversity Committees of Council meet regularly throughout the year and are projecting combined surpluses of \$9,900 to the end of the year.

Summary of Description

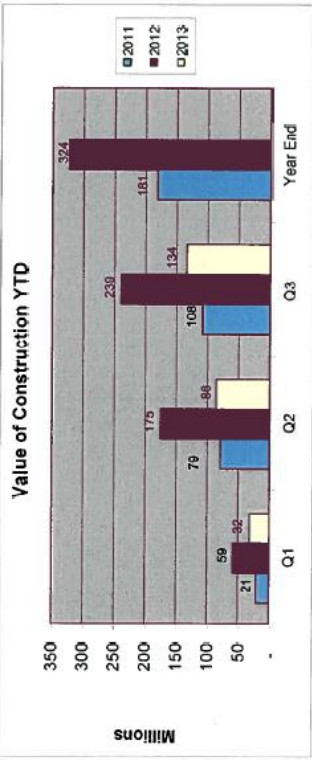
	Category	Amount
1. Youth Advisory Committee	Other Miscellaneous Expenditures	\$ 6,000
2. Diversity Committee	Other Miscellaneous Expenditures	3,900
3.		
4.		
5.		
Net Year End Surplus/(Deficit)		\$ 9,900

Mitigating Steps

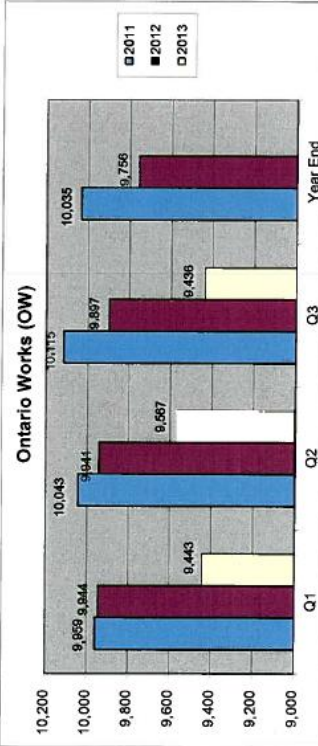
Building Permit Activity



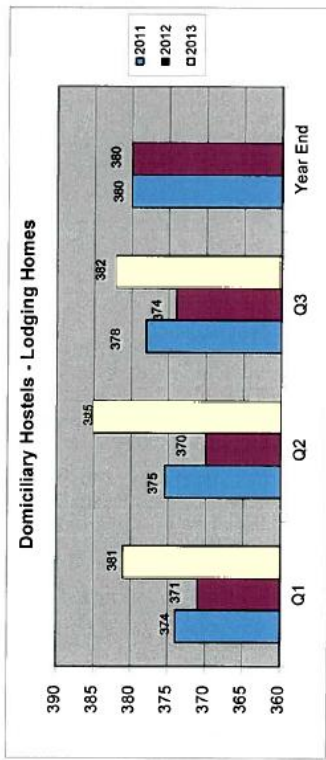
SOURCE: City of Windsor, Building Department



Social Services Caseloads (Average Monthly Caseload)

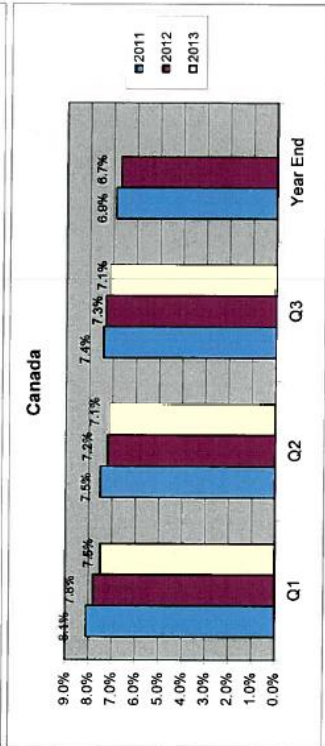
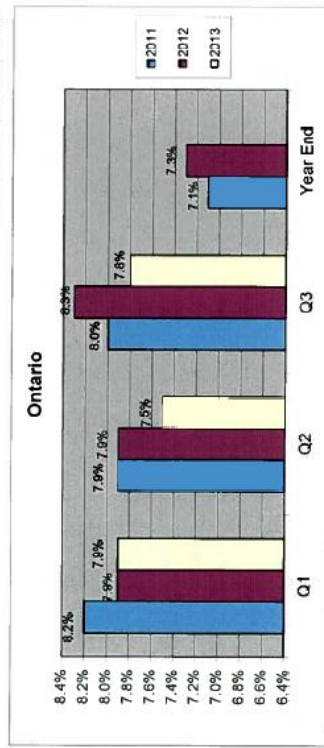
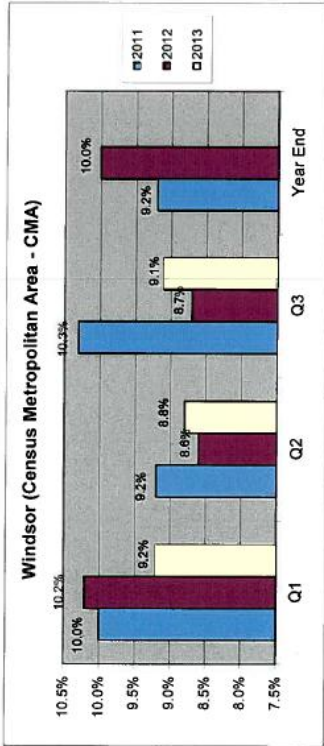


SOURCE: City of Windsor, Social Services Department



Unemployment Rates (3-month Moving Average, unadjusted)

SOURCE: Statistics Canada



Transit Windsor Ridership (Combined Cash & Pass Fares)

SOURCE: Transit Windsor

