

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



MISSION STATEMENT:

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

LiveLink REPORT #: 17625	Report Date: March 5, 2015
Author’s Name: Chantelle Anson / Tony Ardovini	Date to Executive Committee: March 30, 2015
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Author’s E-mail: <a href="mailto:canson@city.windsor.on.ca">canson@city.windsor.on.ca</a> <a href="mailto:tardovini@city.windsor.on.ca">tardovini@city.windsor.on.ca</a>	

To: Mayor and Members of City Council

Subject: 2014 Year-End Operating Budget Variance Report

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

1. **RECOMMENDATION:**

1. THAT Council **RECEIVE FOR INFORMATION** the 2014 Year-end Operating Budget Variance Report, dated March 5, 2015;
2. THAT the final 2014 Operating Budget Surplus of \$691,606 **BE TRANSFERRED** to the Budget Stabilization Reserve Fund;
3. THAT in order to avoid the need to re-budget for various items, Council **APPROVE** \$1,840,999 in budget carryovers as detailed in Appendix C: 2014 Budget Carry-Forwards;
4. THAT Council **APPROVE** the balancing of and transfers from Capital Projects, as detailed in Appendix D: 2014 Capital Closeouts;
5. THAT Council **APPROVE** the following housekeeping items and various transfers to/from reserves:
  - a. \$195,712 from the Capital Expenditure Reserve (Fund 160) to the City owned Vacant Lands (Dept ID#0122623) to fund the maintenance and grounds upkeep of vacant land owned by the City of Windsor.
  - b. Remaining funds of \$319,618 from the Fleet Reserve (Fund 136) related to future annual Parks equipment replacements transferred to the new Parks Equipment Reserve (Fund 197) with the Parks equipment replacements overseen by the Fleet Review Committee.

- c. \$16,967 from the Small Fleet Reserve (Account 1781) to the Fire department for the purchase of lighting packages and vehicle up-fitting on fire vehicles
  - d. \$377,100 from the Budget Stabilization Reserve (Fund 139) to the Engineering department due to timing differences relative to the implementation of LED lighting
  - e. \$4,958 from the W.F.D. Mobile Command Post Reserve (Account 1754) to the Fire Major Equipment Reserve (Fund 163) to close out the reserve account
  - f. \$2,548,479 transfer from the Tax Appeals Reserve to fund the tax appeal settlements approved during the year
6. THAT Council **APPROVE** the annual transfer of funding from the Pay As You Go Leasing Reserve (Fund 170) to the Fire department for support of the corporate radio communications system, in an amount not to exceed 50% of the salary and benefits cost of the Senior Electronics Technician
  7. THAT Council **APPROVE** the attached Development Charges 2014 Income Statement Schedule (Appendix E)
  8. THAT Council **APPROVE** the transfer of \$246,493 from the Police Equipment Replacement Reserve (Fund 195) to the Windsor Police 2014 Operating budget for the purchase of small equipment in 2014 subject to the approval of the Police Services Board at their next meeting.

### **EXECUTIVE SUMMARY:**

The Corporation ended the 2014 fiscal year with an operating surplus of \$691,606 (net of the normal \$2.5 million contingency transfer and inclusive of the additional \$1.25M in funding approved by Council during the year relative to the record breaking winter control season). This surplus is recommended to be transferred to the Budget Stabilization Reserve Fund.

These results are still subject to the annual external audit.

Table A below provides a summary of the budgets and year-end variances for City Departments, Corporate Accounts, and Agencies & Boards for 2014. The 2014 year-end variances have been sorted from largest deficit to largest surplus (dollars). Please refer to Appendix A for detailed variance explanations for each department / division.

**Table A: 2014 Year End Operating Budget Variance Summary by Department**

<b>Department</b>	<b>2014 Annual Net Budget</b>	<b>Year End Surplus (Deficit)</b>	<b>Variance as a % of Gross Budget</b>
PW Operations	11,135,228	(3,481,932)	-12.7%
Legal / POA	5,329,141	(1,276,159)	-7.7%
Fire & Rescue Services	39,412,820	(627,463)	-1.6%
Parks & Facility Operations	21,804,641	(617,226)	-1.8%
Recreation & Culture	7,051,073	(613,266)	-3.2%
Corporate Human Resource Accounts	(6,272,470)	(607,719)	-1.5%
Council Administrative Services	721,424	(8,890)	-1.2%
Mayor's Office	438,316	0	0.0%
Information Technology	5,761,026	37,242	0.5%
Human Resources	3,693,810	102,628	2.6%
Building	2,008,371	182,878	3.2%
Finance	6,339,315	216,930	2.4%
CAO's Office	1,278,215	252,308	19.7%
Council Services	4,750,771	324,600	3.9%
Planning	2,752,553	339,199	10.3%
Environmental	12,861,724	348,197	1.0%
Housing & Children's Services	21,184,758	357,900	0.4%
Huron Lodge	7,483,874	406,718	1.9%
Engineering	8,473,284	415,055	3.7%
Employment & Social Services	14,373,133	1,405,517	1.2%
Corporate Financial Accounts	(282,788,197)	2,045,686	1.2%
<b>Total City Departments Prior to Contingency and Additional Council Approved Funding</b>	<b>(112,207,190)</b>	<b>(797,797)</b>	<b>-0.1%</b>
Corporate Contingency Approved in 2014 Budget	2,500,000	2,500,000	100%
<b>Surplus (Deficit) Subtotal</b>	<b>(109,707,190)</b>	<b>1,702,203</b>	<b>0.3%</b>
<b>Agencies, Boards &amp; Commissions</b>			
Windsor Police Services	73,782,958	(810,374)	-1.0%
Transit Windsor	12,387,926	(796,082)	-2.7%
Agency Grants	16,186,455	(671,144)	-4.1%
Windsor Public Library Grant	7,293,932	0	0.0%
Committees of Council	55,920	17,003	30.4%
<b>Total Agencies, Boards &amp; Commissions</b>	<b>109,707,191</b>	<b>(2,260,597)</b>	<b>-1.7%</b>
<b>Total Corporation Prior to Additional Council-Approved Funding</b>		<b>(558,394)</b>	<b>-0.1%</b>
Additional Council-Approved Funding for Winter Control (CR81/2014, M7/2014)		1,250,000	
<b>2014 Net Operating Budget Surplus (Deficit)</b>	<b>0</b>	<b>691,606</b>	<b>0.1%</b>

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

## **2. BACKGROUND:**

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

Appendix C includes a list of the approved carry-forwards that relate to 2014. These are budgeted items that, due to timing, were committed but not expended in 2014 and as a result the related budgets for those items have been carried forward into 2015. These expenditure line items are expected to be paid in 2015.

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

**Table B: Operating Variance by Year As Previously Reported**

Year	Variance Surplus	Variance as a % of Gross Budget
2010	\$2,307,758	0.30%
2011	\$4,048,621	0.60%
2012	\$1,708,605	0.20%
2013	\$5,461,778	0.80%
2014	\$691,606	0.10%

Note: The 2014 surplus noted above is reflective of Council's in-year approval of an additional budget provision of \$1.25 million due to the severe winter control season.

## **3. DISCUSSION:**

### Tax Supported Variances

As noted in the Executive Summary, the Corporation ended the 2014 fiscal year with an operating surplus of \$691,606 (net of the \$2.5 million contingency transfer). This figure is net of budget carryovers in the amount of \$1,840,999 and also reflective of Council's additional in-year budget approval of \$1.25 million as noted above.

This surplus is recommended to be transferred to the Budget Stabilization Reserve Fund.

## Miscellaneous Housekeeping Transfers To/From Reserves

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

### ***Transfer from the Capital Expenditure Reserve (Reserve Fund 160) to Vacant Land Dept ID 0122623***

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

### ***Tax Appeals Reserve (Reserve Fund 192)***

The transfer from the Tax Appeal Reserve was required to fund tax appeal settlements approved throughout the year. Reports on the settlements have been previously approved by City Council as they have occurred. Report #17463 (the Chrysler Tax Appeal) was approved by CR276/2014 on Dec. 15/14 for \$5,738,000. The total transfer from the Tax Appeal Reserve in 2014 was \$8,286,479.

### ***Ontario Fire Service Grant (Reserve Account 1768)***

Windsor Fire & Rescue Services received \$300,000 a one-time grant funding as part of the Ontario Fire Service Training Grant. The funds have since been held in reserve account 1768. In 2007, CR387/2007 directed that the Fire Chief report annually on how the grant funds are expended and identify the types of training activities, fire equipment purchases, and public education activities carried out.

Expenditures of \$14,229 were funded from the Ontario Fire Service Grant Reserve in 2014 for Fire dispatch training and the purchase & upfitting of a trailer for Fire training, leaving a year-end balance of \$104,672 in the reserve.

### ***Reserve for Fire Education (Reserve Account 1755)***

WFRS has formed a number of partnerships with local businesses and agencies to promote fire safety. Some of the partnerships involved financial support for public education programs that extend beyond the fiscal year in which the donation occurred. The Fire Education reserve was set up to ensure that the funds donated would be carried over to fulfill the goals of the program, such as the purchase of educational materials for schools, smoke alarm replacements, batteries and carbon monoxide detectors. In 2009, CR37/2009 directed that the Fire Chief report annually on how the reserve funds were expended and identify the types of material purchases and public education activities carried out.

In 2014, WFRS expenditures totalling \$575 were funded from the Fire Education reserve for purchases of supplies for the Wake Up Get a Working Smoke Alarm program such as: Smoke alarms, batteries for smoke alarms, brochures, drills and associated hardware. The 2014 year-end reserve balance is \$17,045.

***Transfer from Pay As You Go Leasing Reserve for Radio Communications Support (Reserve Fund 170)***

The corporate radio system is supported by the Communications division of the Windsor Fire & Rescue Services, and a recovery from the Leasing Reserve is appropriate in order to compensate for this support. In 2014, a transfer of \$41,350 was made from the reserve to the Communications division.

***Establishment of a BIA Maintenance Reserve (Reserve Account 1785)***

CR81/2014 approved the establishment of the BIA Maintenance Reserve Fund, to be used for the purpose of contingency funding for annual BIA Maintenance with transfers to/from the Reserve taking place and being reported each year end. In 2014, \$17,405 was transferred from the reserve to fund the operating deficit, leaving a balance of \$121,147 in the reserve at 2014 year end.

***Transfer to Parks Equipment Reserve (Reserve Fund 197)***

A new Parks Equipment Reserve was approved through the 2015 operating budget (issue 2015-0144) and has been set up for use beginning January 1, 2015. Since the Parks Equipment has traditionally been managed through the existing Fleet Reserve (Fund 136), remaining funds of \$319,618 (as at December 31, 2014) in the Fleet Reserve related to future annual Parks equipment replacements were transferred to the new Parks Equipment Reserve with the Parks equipment replacements overseen by the Fleet Review Committee.

***Development Charge Reserve Income Statements***

Appendix E provides Council with detailed revenue and expenses for all the development charge reserves in 2014.

***Temporary Borrowing of Money***

Council approves the authorization of temporary borrowing of money for current expenditures for the year, if and when required, as provided for in the Municipal Act. In addition, administration is to provide Council with a quarterly update on the use of borrowed funds; As of December 31, 2014, the City of Windsor has not used the Scotiabank line of credit usage and the current balance owing is zero.

***Capital Closeouts***

Appendix D contains a summary of capital projects that were either closed, completed or consolidated during 2014. The Corporation does not budget for any variance with respect to capital closeouts. Surplus balances normally offset deficits in other projects as long as consistent funding guidelines are being followed. Usual practice calls for surpluses to be returned back to the original funding source(s) and deficits drawn from their original funding source if the funds are available. If funding is not available, alternate funding sources are found and reported to Council.

## Non-Tax Supported Variances

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

<b><i>Budgeted Draw on Permit Reserve</i></b>	<b><i>Actual Draw at Year End</i></b>	<b><i>Year End Variance</i></b>
\$523,404	\$512,509	\$10,895

Construction statistics for 2014 (2,385 permits) were slightly better than that of 2013 (2,328 permits). Total projects construction value was similarly higher in 2014 at \$211,463,971 compared to 2013 at \$188,458,731. The (ICI) categories traditionally represent a large portion of the permit based revenue for the Corporation.

The net result for 2014 was a slight surplus of \$10,895 which was transferred back to the Building Permit Fee Reserve. This surplus was better than the originally projected (\$172,000) deficit at the third quarter of the year. Unanticipated permit fee revenue received during the fourth quarter from major projects such as the TRW auto parts plant, the University Welcome Centre and the east end Home Depot renovation plus several other commercial permits issued, all helped to lift the final revenue total for the year. In addition, unexpected savings in the salaries and vehicle accounts due to staff gapping during the fourth quarter contributed to the reduced draw on Reserve.

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 staff gapping where feasible, frugal management of all controllable operating costs, pursuance of increased efficiencies and implementing new fees and cost recovery of services rendered.

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

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

<b>Budgeted Transfer to Reserve</b>	<b>Actual Transfer to Reserve</b>	<b>Reduced Transfer (Year-End Deficit)</b>
\$465,332	\$288,376	(\$176,956)

On/Off Street Parking has finished the year with a reduced transfer to the Off Street Parking Reserve of \$176,956 due to monthly revenue deficits totalling (\$298,751) and other immaterial line by line deficits totalling (\$7,442) offset by surpluses in the utility accounts of \$54,425, in the rental income accounts of \$42,432, and in the property tax accounts of \$32,380.

The monthly revenues have been declining for several years now, and based on current levels of demand downtown, are not expected to increase until such time as the University begins transitioning campuses to the downtown core in June of 2015. Administration will analyse the monthly parking revenue variances and trends to determine if a 2016 budget issue should be brought forward for consideration where mitigation may not be possible within the existing budget.

Rental income budgets for space in the parking garages are reviewed each budget development year as vacancies fluctuate annually resulting in an annual budget adjustment.

The 2014 year-end balance in the On/Off Street Parking Reserve Fund is a deficit of (\$1,608,057) as the City's comparatively very low parking fees have not been sufficient over the years to fund the required maintenance and capital expenditures for the parking facilities. . City Council through resolution B12-2015, increased on-street parking rates by 25 cents which may assist in reducing the deficit.

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

The overall budget variance surplus for the Sewer Surcharge Funded Operations is \$1,305,698. The surplus is slightly lower than the 3<sup>rd</sup> Quarter Variance projection of \$1.365,000.

### **Environmental Services**

The Sewer Surcharge funded operations in Environmental Services area is in a surplus position of \$1,254,411. The primary reason for this surplus is with respect to operations at the Lou Romano Water Reclamation Plant (LRWRP), which ended with a surplus for the year of \$643,639.

The surplus at the LRWRP is primarily due to lower than anticipated chemical expenses during 2014. This decrease, resulting in a surplus of \$561,979, was in large part a result of improved optimization resulting in decreased usage along with a lower per unit cost from the supplier. Additionally, sewage treated from the Town of LaSalle and from third party haulers was more than anticipated, and contributed surplus revenues of \$217,404. Utility costs at the plant were also better than anticipated, contributing a favourable variance of \$88,866. Surpluses in water and gas expenses were partially offset by deficits in hydro expenses.

Although the plant did see savings in labour and benefits due to vacancies which are expected to be filled in early 2015, this surplus was offset entirely by Worker's Compensation expenses.

Volumes of sludge removed from the facility by Prism-Berlie increased by 3,467 tonnes (29,090 tonnes vs 25,623 tonnes) over 2013 and contributed unfavourably by (\$87,957). Although fuel costs have been trending downward lately, high fuel costs throughout most of 2014 contributed to a deficit of (\$50,926) in Plant Fuel and Lubricants. Miscellaneous item make up the remaining deficit of (\$85,727).

A smaller surplus of \$152,336 was seen at the Little River Pollution Control Plant (LRPCP) in 2014. Similar to the LRWRP, LRPCP benefitted from lower than anticipated charges for chemical usage in 2014. The surplus of \$93,056 is again largely due to improved optimization usage combined with favourable per unit costs from the supplier. Labour and benefit costs contributed a surplus of \$79,493, which was due to vacancies of both salaried and hourly positions. Sewage treated from the Town of Tecumseh was also higher than expected and resulted in a surplus of \$67,164. These surpluses were partially offset by an increase in Sludge Removal costs of (\$34,209), due to an increase in sludge volumes of 812 tonnes (9,023 tonnes vs. 8,211 tonnes) over 2013. Secondly, taxes charged to the facility were slightly higher than budgeted and contributed a deficit of (\$30,791). Miscellaneous line items make up the remaining deficit of (\$22,377).

Small surpluses were also seen at Street Sanitation \$123,106, Electrical \$115,233, Pump Stations \$102,947, Industrial Waste Control \$67,107, Landfill Sites \$38,322 and Litter & Debris \$11,721.



## **Public Works Operations**

PW Operations has finished 2014 with an overall surplus of \$281,678 related to their sewer surcharge funded operations. This is made up of salary and fringe surpluses for both hourly and salary employees totalling \$231,278 as well as other miscellaneous line-by-line variances totalling \$50,400.

## **Other**

Sewer repair and replacement ended the year with a deficit of (\$184,685) due to increased activity, while increased appeal refunds resulted in a deficit of (\$323,223). Other miscellaneous expenditures make up the remaining balance deficit of (\$18,605).

## **Sewer Surcharge Revenue**

Revenue from the sewer surcharge rates resulted in a surplus of \$296,122. Given the revenue budget of \$58.5 million, the surplus represents 0.005% of the budget.

## **4. RISK ANALYSIS:**

Departments/Divisions monitor their operating budgets on an ongoing basis to ensure that their expenditures and revenue are in line with budget. It should be stressed that significant use of estimates, historical knowledge and judgement is used in projecting budget versus actual variances to year-end and as a result actual year end variances may be different from the approved budget. One way to mitigate this risk and help to offset any unexpected or one-time variances is by way of the annual \$2.5 million Budget Stabilization Contingency Account.

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

1. Seasonal variability with respect to revenues (i.e. Recreation fees) and expenses (i.e. winter control)
2. Current macro and micro economic conditions such as changes to unemployment and GDP rates as well as supply and demand for products and services
3. Volatility in commodity prices and interest rates (i.e. oil, gas, steel, Bank of Canada Rate, CPI, etc)
4. Potential increase in costs related to salaries due to several uncontrollable factors such as sick call replacement, WSIB, health benefit usage (Green Shield), and mandatory training for personnel on modified duties etc.
5. Potential increase in other expenditures such as material costs, energy costs, tipping fees, legal litigation expenses, Streetlight Maintenance, etc.

6. The Net Tax Additions/Reductions account is extremely difficult to project with certainty and variances can run into the millions of dollars. There are still some significant appeals in progress as previously reported to Council. Any variances in this account will vary dramatically based on the outcomes and timing of these settlements. Until an MPAC or Assessment Review Board (ARB) decision is rendered, the cost cannot be quantified with a high degree of certainty.

Many of the potential risks and variances associated with them (as noted above) have been addressed as part of the 2015 operating budget.

**5. FINANCIAL MATTERS:**

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

**6. CONSULTATIONS:**

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

**7. CONCLUSION:**

Table D below summarizes the projected quarterly variances throughout 2014 along with the actual year-end results.

Table D: 2014 Year End Projections and Actual Results

	Year End Projection At Quarter 1	Year End Projection At Quarter 2	Year End Projection At Quarter 3	Year End Actuals
2014 (Deficit)/Surplus (including Budget Stabilization Contingency Account)	(\$862,720)	(\$1,138,020)	(\$943,920)	\$691,606

Overall, the City ended the 2014 fiscal year with an operating surplus of \$691,606 (net of the \$2.5 million contingency transfer) which is proposed to be transferred to the BSR fund.

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**Tony Ardovini**  
Deputy Treasurer, Financial Planning

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

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

**APPENDICES:**

**Appendix A – Components of the 2014 Year End Operating Budget Variance Report**

**Appendix B – 2014 Operational & Economic Statistics**

**Appendix C – 2014 Budget Carry-Forwards**

**Appendix D – 2014 Capital Closeouts**

**Appendix E – Development Charge Reserve Funds Income Statement for 2014**

**DEPARTMENTS/OTHERS CONSULTED:**

**Name:**

**Phone #: 519            ext.**

**NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX

## 2014 YEAR END OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION

Departments/Divisions	Page #	2014			
		Annual Gross Budget	Annual Net Budget	Year End Surplus/ (Deficit)	YE % Var. of Gross Bgt.
<b><u>Representation</u></b>					
Mayor's Office	2	438,316	438,316	0	0.0%
Council Administrative Services	3	721,424	721,424	(8,890)	-1.2%
<b>Total Representation</b>		<b>1,159,740</b>	<b>1,159,740</b>	<b>(8,890)</b>	<b>-0.8%</b>
<b><u>Office of the Chief Administrative Officer</u></b>					
CAO's Office	4	1,278,215	1,278,215	252,308	19.7%
Legal / POA	5,6	16,491,109	5,329,141	(1,276,159)	-7.7%
Fire & Rescue Services	7,8	40,204,700	39,412,820	(627,463)	-1.6%
<b>Total Office of the Chief Admin. Officer</b>		<b>57,974,024</b>	<b>46,020,176</b>	<b>(1,651,314)</b>	<b>-2.8%</b>
<b><u>Office of the Chief Financial Officer</u></b>					
Finance	9	8,983,862	6,339,315	216,930	2.4%
Information Technology	10	7,060,481	5,761,026	37,242	0.5%
Corporate Financial Accounts	11-13	163,988,597	(282,788,197)	2,045,686	1.2%
<b>Total Office of the Chief Financial Officer</b>		<b>180,032,940</b>	<b>(270,687,856)</b>	<b>2,299,858</b>	<b>1.3%</b>
<b><u>Office of City Clerk</u></b>					
Council Services	14	8,376,364	4,750,771	324,600	3.9%
Human Resources	15	3,929,384	3,693,810	102,628	2.6%
Corporate Human Resource Accounts	16	40,911,821	(6,272,470)	(607,719)	-1.5%
Planning	17	3,305,427	2,752,553	339,199	10.3%
<b>Total Office of City Clerk</b>		<b>56,522,996</b>	<b>4,924,664</b>	<b>158,708</b>	<b>0.3%</b>
<b><u>Office of the City Engineer</u></b>					
Engineering	18	11,138,756	8,473,284	415,055	3.7%
Environmental	19,20	35,678,096	12,861,724	348,197	1.0%
PW Operations	21-23	27,397,837	11,135,228	(3,481,932)	-12.7%
Building	24	5,760,682	2,008,371	182,878	3.2%
Parks & Facility Operations	25-27	34,567,496	21,804,641	(617,226)	-1.8%
<b>Total Office of the City Engineer</b>		<b>114,542,867</b>	<b>56,283,248</b>	<b>(3,153,028)</b>	<b>-2.8%</b>
<b><u>Community Development &amp; Health</u></b>					
Employment & Social Services	28,29	117,277,254	14,373,133	1,405,517	1.2%
Housing & Children's Services	30	87,388,448	21,184,758	357,900	0.4%
Huron Lodge	31,32	21,876,229	7,483,874	406,718	1.9%
Recreation & Culture	33-35	18,919,303	7,051,073	(613,266)	-3.2%
<b>Total Community Development &amp; Health</b>		<b>245,461,233</b>	<b>50,092,837</b>	<b>1,556,869</b>	<b>0.6%</b>
<b>Total City Departments Prior to Contingency &amp; Additional Council-Approved Funding</b>		<b>655,693,801</b>	<b>(112,207,190)</b>	<b>(797,797)</b>	<b>-0.1%</b>
Corporate Contingency Approved in 2014 Budget		2,500,000	2,500,000	2,500,000	100%
<b>Surplus (Deficit) Subtotal</b>		<b>658,193,801</b>	<b>(109,707,190)</b>	<b>1,702,203</b>	<b>0.3%</b>
<b><u>Agencies, Boards &amp; Commissions</u></b>					
Windsor Police Services	36	82,830,647	73,782,958	(810,374)	-1.0%
Transit Windsor	37,38	29,843,504	12,387,926	(796,082)	-2.7%
Windsor Public Library Grant	39	7,293,932	7,293,932	0	0.0%
Agency Grants	40	16,287,054	16,186,455	(671,144)	-4.1%
Committees of Council	41	55,920	55,920	17,003	30.4%
<b>Total Agencies, Boards &amp; Commissions</b>		<b>136,311,057</b>	<b>109,707,191</b>	<b>(2,260,597)</b>	<b>-1.7%</b>
<b>Total Corporation Prior to Additional Council Approved Funding</b>		<b>794,504,857</b>	<b>0</b>	<b>(558,394)</b>	<b>-0.1%</b>
Additional Council-Approved Funding for Winter Control (CR81/2014, M7/2014)		0	0	1,250,000	
Proposed Funding for Insurance Premium Deficit		0	0	0	
<b>2014 Net Operating Budget Surplus (Deficit)</b>		<b>794,504,857</b>	<b>0</b>	<b>691,606</b>	<b>0.1%</b>

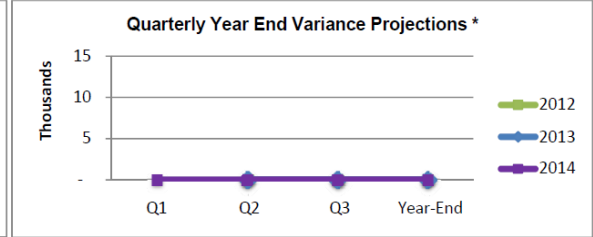
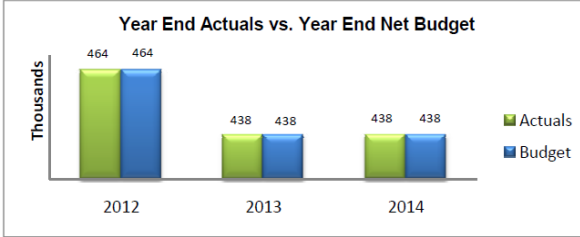
**MAYOR'S OFFICE**

**Financial Summary**

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

	2012 Est. Variance	2013 Est. Variance	2014 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**

Prior to the budget carryforward of \$425,391, the Mayor's Office budget for 2014 reflected a surplus of that amount and generally relating to the accumulated surplus carried forward from previous years based on Council approval.

**Summary of Description**

Category	Amount
1.No reportable variance	\$ -
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ -</b>

**Mitigating Steps**

**COUNCIL ADMINISTRATIVE SERVICES**

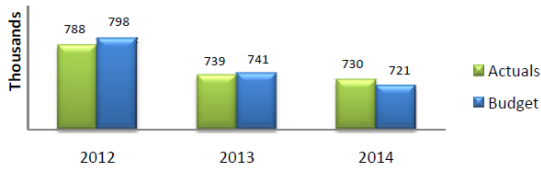
**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	798,453	741,281	721,424
Annual Net Budget	798,453	741,281	721,424
Annual Net Expenditures	788,030	738,809	730,314
<b>Year End Variance</b>	<b>10,423</b>	<b>2,472</b>	<b>(8,890)</b>
Variance as % of GB	1.3%	0.3%	-1.2%

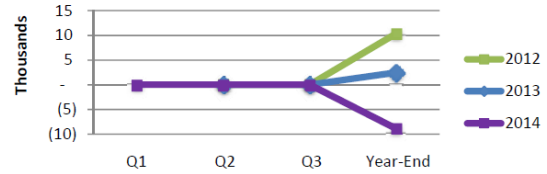
	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
<b>Year-End (Q4)*</b>	<b>10,423</b>	<b>2,472</b>	<b>(8,890)</b>

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

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



**Quarterly Year End Variance Projections \***



**Description**

The City Council budget centre (which includes the salary of all elected officials including the Mayor as well as travel and administrative costs for City Councillors) ended the year with a slight deficit of (\$8,890). This deficit was largely attributed to a vacation payout of \$29,950 to the former Mayor as previously approved by Council, which was mostly offset by a surplus in travel expenses of \$20,155.

The noted (\$8,890) variance is net of a carryforward amount for Ward Funds of \$645,182.

**Summary of Description**

	Category	Amount
1. Other Miscellaneous accounts	Other Miscellaneous Expenditures	\$ 24,450
2. Salaries & Benefits	Salaries & Benefits	(33,340)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (8,890)</b>

**Mitigating Steps**

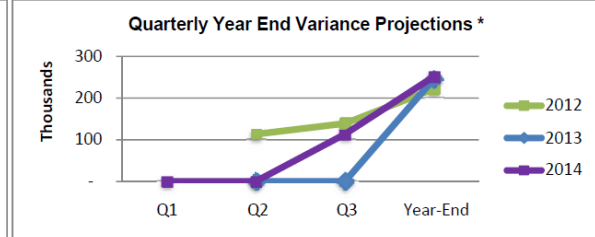
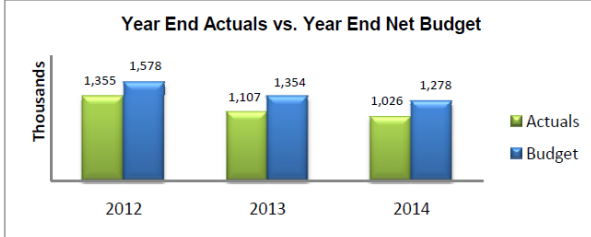
**CAO'S OFFICE**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	1,577,999	1,354,061	1,278,215
Annual Net Budget	1,577,999	1,354,061	1,278,215
Annual Net Expenditures	1,355,389	1,107,178	1,025,907
<b>Year End Variance</b>	<b>222,610</b>	<b>246,883</b>	<b>252,308</b>
Variance as % of GB	14.1%	18.2%	19.7%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	113,000	-	-
Third Quarter (Q3)	139,000	-	113,000
<b>Year-End (Q4)*</b>	<b>222,610</b>	<b>246,883</b>	<b>252,308</b>

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



**Description**

The CAO's Office budget contains provisional/contingency budgets for Corporate consulting and other matters. It is difficult to anticipate until very close to year end, what these budgets may be used for, therefore by the end of 2014, a surplus is reported after taking into account certain budget carry forwards to cover the payments for anticipated 2015 projects.

**Summary of Description**

Category	Amount
1. External Consulting	\$ 120,000
2. Salary Gapping	76,813
3. Minor Variances in Multiple Accounts	55,495
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ 252,308</b>

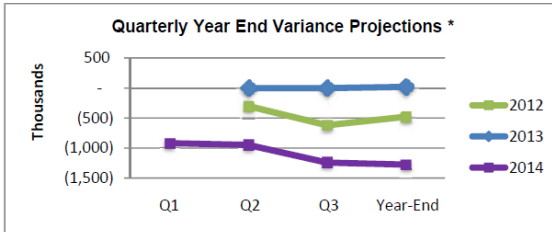
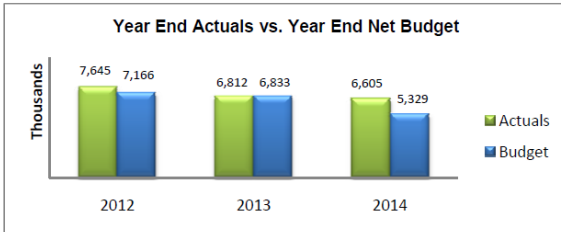
**Mitigating Steps**

**LEGAL**

**Financial Summary**

	2012	2013	2014	2012	2013	2014
	Financials	Financials	Financials			
Annual Gross Budget (GB)	10,460,211	10,470,778	16,491,109			
Annual Net Budget	7,165,836	6,832,655	5,329,141			
Annual Net Expenditures	7,645,241	6,811,947	6,605,300			
<b>Year End Variance</b>	<b>(479,405)</b>	<b>20,708</b>	<b>(1,276,159)</b>			
Variance as % of GB	-4.6%	0.2%	-7.7%			
First Quarter (Q1)						(919,000)
Second Quarter (Q2)	(300,000)	-				(946,000)
Third Quarter (Q3)	(619,000)	-				(1,243,000)
<b>Year-End (Q4)*</b>	<b>(479,405)</b>	<b>20,708</b>				<b>(1,276,159)</b>

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



**Description**

The Legal department, now including POA, concluded 2014 with a year end deficit of (\$1,276,159) as detailed below.

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

Salary Gapping: \$190,000

A surplus of \$190,000 is reflected in the salary accounts due to restructuring in the department and position vacancies.

Site Plan Control Agreements: \$24,000

This surplus is attributable to increased public demand for the preparation of site plan agreements and other legal documents in 2014.

Other Miscellaneous Accounts \$5,693

Other miscellaneous accounts netted to a \$5,693 surplus in 2014.

By-Law Prosecutions: (\$22,000)

By-law fine revenue has decreased over 50% since 2009, and has resulted in a budgetary shortfall of (\$47,000) in 2014. This deficit will be partially offset by budgetary savings of \$25,000 resulting from the shift back to in-house prosecutions.

Shared Services Legal Work: (\$69,000)

Due to the fewer than anticipated number of files transferred from EnWin, revenue from this source fell short of budgeted revenue by (\$69,000). The approved 2015 operating budget has ended this arrangement.

Canderel Lease Expense: (\$145,000)

As previously disclosed in the 2013 year end variance report & earlier 2014 variance reports, a calculation error made by the landlord in respect of the CPI increase required by the Canderel lease resulted in underpayments by the City to the landlord. Prior to discovery of this issue a budget reduction was taken in respect of this item, which will now result in a negative variance of approximately (\$70,000) in this account in 2014. Further, one of the City's sub-tenants vacated the premises in early 2013 and a new tenant has yet to be found to occupy the space. As a result, an additional deficit of approximately (\$75,000) has been incurred, for a total deficit of (\$145,000) relating to the leased Canderel property in 2014.

Insurance Premiums: (\$240,000)

Insurance costs rose significantly for the 2014 policy year. As actual rates were unknown during the 2014 budget process, the insurance premium budget was estimated based on a 3% increase in property values and a 10% increase over 2013 budgeted premium rates. For property and transit vehicle insurance premiums, these amounts closely approximated actual budgetary requirements. General liability premiums, however, rose 30% over 2013 rates while City vehicle insurance premiums rose 25%. As a result of these premium increases as well as an increased Police vehicle count, there is a negative variance of (\$240,000) in the insurance premium account in 2014.

Labour Arbitration and Legal Services Costs: (\$255,000)

The legal services & litigation accounts ended the year in a deficit of (\$115,000) due to costs incurred relating to the City's appeal of a Property Standards Committee decision, the CTC federal appeal of the Property Standards bylaw, and ongoing costs associated with the ALS bingo license matter. Additionally, the labour arbitration account has ended 2014 in a deficit of (\$140,000) due to costs incurred for continuing and new labour arbitration files.

**Provincial Offences Division:**

The net City portion of the Provincial Offences operations represents 52.43%, in accordance with the Windsor/Essex Intermunicipal Courts Services Agreement is presented below.



Litigation Costs: \$102,448

Savings of \$102,448 were achieved in the Litigation account by diligently monitoring and scheduling court time throughout the entire year. Total surpluses in the various accounts in order to offset the projected deficit in the division.

Collection Charges: \$52,992

A change in the services required by the collection agency on record resulted in a yearend surplus of \$52,992.

Salary Gapping: \$52,954

The overall salary savings of \$52,954 were realized due to a retirement and subsequent restructuring of the Division in 2014. Although the salary & benefit accounts were in a minor deficit position of (\$5,767) as a result of salary gapping and settlement of a Joint Job Evaluation decision, approved and dedicated funding of \$58,721 was transferred to the Department.

Administrative Services: (\$81,110)

This line item reflects the transfer to county partners for their net share of POA revenues. Due to the early approval of the 2014 budget, the actual correct percentage (which changes annually) was not used. The correct budget percentage will be updated in 2015 (48.01% County, 51.99% City).

Court Fines: (\$892,136)

The Court Fines collected by the Provincial Offences Division has experienced an overall decline since 2013 due to a reduction in charging volumes and fewer funds collected from outstanding Court Fines, as previously reported to Council. A Court Fine revenue shortfall of (\$1,701,575) is being reported for the end of 2014, with the City portion representing (\$892,136) based on the funding agreement percentage above. This shortfall issue has been addressed during the 2015 Operating budget by setting an appropriate Court Fine Budget of \$6,000,000 to better align with collection trends.

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**Summary of Description**

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

1. Salary Gapping	Salaries & Benefits	\$	190,000
2. Other Miscellaneous Accounts	Other Miscellaneous Expenditures		5,693
3. Site Plan Control Agreements	User Fees, Permits & Charges		24,000
4. By-law Prosecutions	Purchased Services		(22,000)
5. Shared Services Legal Work	Recovery of Expenditures		(69,000)
6. Canderel Lease Expense	Financial Expenses		(145,000)
7. Insurance Premiums	Utilities, Insurance & Taxes		(240,000)
8. Labour Arbitration and Legal Services Costs	Purchased Services		(255,000)
	Total Legal Services, Real Estate Services, Risk Management and Purchasing Divisions	\$	(511,307)

*Provincial Offences Division*

9. Litigation Costs	Purchased Services	\$	102,448
10. Collection Charges	Financial Expenses		52,992
11. Net Salary Savings	Salaries & Benefits		52,954
12. Administrative Services	Other Miscellaneous Expenditures		(81,110)
13. Court Fines	User Fees, Permits & Charges		(892,136)
	Total Provincial Offences Division	\$	(764,852)

<b>Net Year End Surplus/(Deficit)</b>		<b>\$</b>	<b>(1,276,159)</b>
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**Mitigating Steps**

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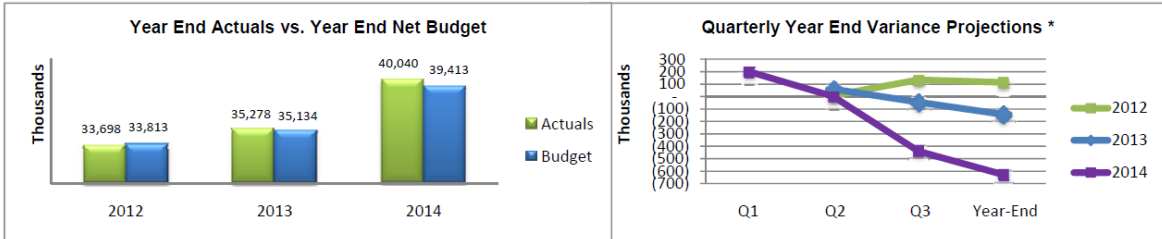
**FIRE & RESCUE SERVICES**

**Financial Summary**

	2012	2013	2014	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
	Financials	Financials	Financials			
Annual Gross Budget (GB)	34,465,658	35,775,103	40,204,700			200,000
Annual Net Budget	33,813,373	35,133,818	39,412,820	10,000	60,000	-
Annual Net Expenditures	33,698,435	35,278,402	40,040,283	134,000	(45,000)	(440,000)
<b>Year End Variance</b>	<b>114,938</b>	<b>(144,584)</b>	<b>(627,463)</b>	114,938	(144,584)	(627,463)
Variance as % of GB	0.3%	-0.4%	-1.6%			

	2012	2013	2014
First Quarter (Q1)			200,000
Second Quarter (Q2)	10,000	60,000	-
Third Quarter (Q3)	134,000	(45,000)	(440,000)
Year-End (Q4)*	114,938	(144,584)	(627,463)

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



**Description**

WFRS has ended fiscal 2014 with a year-end deficit of (\$627,463) as described below.

Travel & Training: \$30,000

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

Miscellaneous Discretionary Accounts: \$18,537

A net surplus in miscellaneous discretionary accounts of \$18,537 was experienced in the department in 2014 as a result of the department's efforts to limit discretionary spending in order to offset the overall net deficit.

Chemical, Biological, Radioactive, Nuclear & Explosives (CBRNE) Program: \$15,000

WFRS receives an annual grant of \$100,000 from the Province for costs associated with running the CBRNE program. A budgetary surplus of \$15,000 was experienced in 2014 due to the timing of expenditures.

Recruit Training: (\$27,000)

The recruit training budget was established to record the costs associated with running the training program for new firefighter recruits, and is set to handle the estimated costs associated with one recruit class. As a second recruit class was required in 2014, a deficit of (\$27,000) was incurred in this account this year.

County Apparatus Revenue: (\$28,000)

The Apparatus division was unable to perform to the budgeted level of county apparatus work and still meet the maintenance needs of WFRS vehicles and equipment in 2014. Contributing factors to the backlog included:

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

Vehicle Repairs: (\$32,000)

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

WSIB: (\$40,000)

A deficit of (\$40,000) was incurred in the WSIB accounts as a result of new and ongoing claims.

Fire Uniforms: (\$60,000)

Per the collective agreement, WFRS personnel are allocated a set number of points each year to use towards the "purchase" of Fire uniform items. The expenditures necessitated by this point usage, coupled with the costs incurred to outfit new recruits, exceeded the budgeted amount by approximately (\$60,000) in 2014. As no funds remain in the associated reserve account, the variance is reflected in the operating budget.

Fire Prevention User Fees: (\$68,000)

The Fire Prevention user fee budget was increased by \$72,500 in 2014 due to the establishment of new fees for fire safety plan reviews, firework pyro applications & reviews and special events applications & reviews. Several factors, including new leadership in the division, recurring vacancies and several new staff (6 of 11) requiring training, resulted in significant reductions in productivity.

42 Hour Work Week Implementation: (\$106,000)

WFRS incurred substantial charges in 2014 as it worked to convert the fire service from a 48 hour work week to a 42 hour work week as ordered by the Burkett arbitration award dated October 25, 2013. The majority of these costs were due to overtime (\$83,000) and statutory holiday payouts (\$7,000) required to staff the trucks on the changeover day (December 28th) and for staff training. The remainder of the costs (\$16,000) related to the purchase of uniforms & insignia, GIS services and map printing costs for the new stations & boundaries, and telecommunications & opticom equipment purchases.

Net Salary Variance - Regular Operations: (\$330,000)

A net deficit of (\$330,000) in the salary accounts from regular operations was incurred in 2014. Overtime requirements in the Fire Rescue division were unusually high as firefighters worked to cover absences due to a greater than usual number of firefighter injuries and illnesses. In addition, 12 firefighter positions were vacant to begin the year and two were seconded for new recruit training, resulting in further overtime requirements in the Fire Rescue division. The deficit in the overtime accounts was partially offset by savings in the permanent salary accounts resulting from both firefighter and other position vacancies within the department.

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
1. Travel & Training	Purchased Services	\$ 30,000
2. Miscellaneous Discretionary Accounts	Other Miscellaneous Expenditures	18,537
3. CBRNE	Minor Capital	15,000
3. Recruit Training	Other Miscellaneous Expenditures	(27,000)
4. County Apparatus Revenue	Other Miscellaneous Revenue	(28,000)
5. Vehicle Repairs	Minor Capital	(32,000)
6. WSIB	Salaries & Benefits	(40,000)
7. Fire Uniforms	Salaries & Benefits	(60,000)
8. Fire Prevention User Fees	User Fees, Permits & Charges	(68,000)
9. 42 Hour Work Week Implementation	Salaries & Benefits	(106,000)
10. Net Salary Variance	Salaries & Benefits	(330,000)
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ (627,463)</u></b>

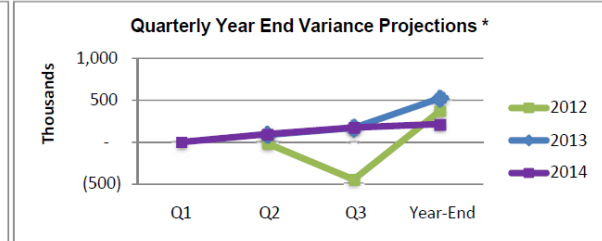
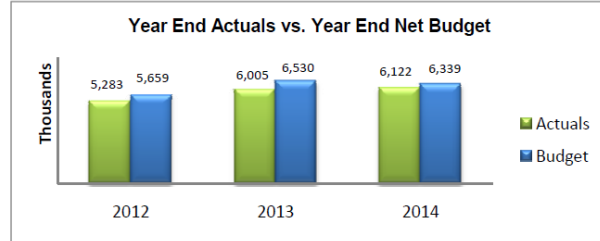
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**Mitigating Steps**

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**FINANCE**

<u>Financial Summary</u>	2012	2013	2014	2012	2013	2014
	Financials	Financials	Financials			
Annual Gross Budget (GB)	8,172,313	9,049,487	8,983,862	First Quarter (Q1)		-
Annual Net Budget	5,659,287	6,529,604	6,339,315	Second Quarter (Q2)	(15,000)	88,000
Annual Net Expenditures	5,283,031	6,005,052	6,122,385	Third Quarter (Q3)	(445,000)	170,000
<b>Year End Variance</b>	<b>376,256</b>	<b>524,552</b>	<b>216,930</b>	<b>Year-End (Q4)*</b>	<b>376,256</b>	<b>524,552</b>
Variance as % of GB	4.6%	5.8%	2.4%	* Note: Year-end numbers are based on actual results, not projections.		



Description

Finance ended the year with a surplus of \$216,930.

External Revenues: \$118,542

External revenues ended the year with a surplus of \$118,542. Registration Cost Recovery and Letters of Default revenues ended the year with a surplus of \$12,265 and \$25,360, respectively. There was also a large surplus in Ownership Changes of \$74,700. This account captures fees charged when there is a change in ownership or new property created. The surplus was a direct result of increased real estate activity throughout the year. These and other related revenues are dependent upon external sales activity that cannot be easily projected.

Salaries and Benefits: \$112,870

Salaries and Benefits ended the year with a surplus of \$112,870 due primarily to the timing of recruitment and vacancies of various positions in the Finance Department.

Miscellaneous Accounts: \$10,362

Other miscellaneous accounts ended the year with a net surplus of \$10,362.

WSIB: (\$24,844)

WSIB accounts ended the year with a deficit of (\$24,844). This is mainly attributed to unforeseen WSIB expenses.

Summary of Description

	Category	Amount
1. External Revenues	Other Miscellaneous Revenue	\$ 118,542
2. Salaries and Benefits	Salaries & Benefits	112,870
3. Other Miscellaneous	Other Miscellaneous Expenditures	10,362
4. WSIB Accounts	Salaries & Benefits	(24,844)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 216,930</b>

Mitigating Steps

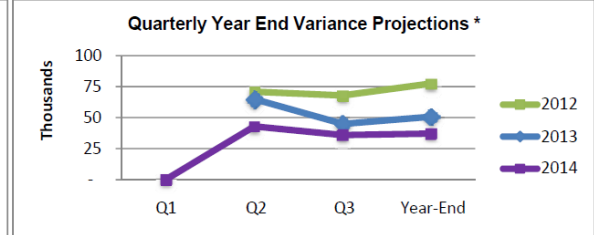
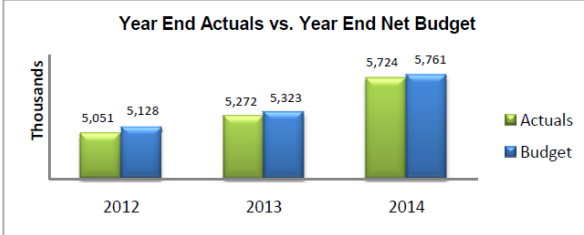
**INFORMATION TECHNOLOGY (I.T.)**

Financial Summary

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	6,467,384	6,669,110	7,060,481
Annual Net Budget	5,128,337	5,322,836	5,761,026
Annual Net Expenditures	5,050,730	5,272,024	5,723,784
<b>Year End Variance</b>	<b>77,607</b>	<b>50,812</b>	<b>37,242</b>
Variance as % of GB	1.2%	0.8%	0.5%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	71,000	65,000	43,000
Third Quarter (Q3)	68,000	45,000	36,000
<b>Year-End (Q4)*</b>	<b>77,607</b>	<b>50,812</b>	<b>37,242</b>

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



Description

Minor Variances in Various Accounts: \$57,770

Minor variances in various miscellaneous accounts have led to a small surplus in 2014.

Windsor Public Library (WPL) Transition: (\$20,528)

The WPL technology budget was transferred to the City of Windsor's Information Technology (I.T.) Department this year, and while a higher deficit was anticipated at year end, the I.T. department was able to internally mitigate it. Although the projected savings originally anticipated were not fully realized this year, the benefits anticipated from the transfer of responsibility and projected savings should begin to materialize over the course of the next few years as existing contracts expire.

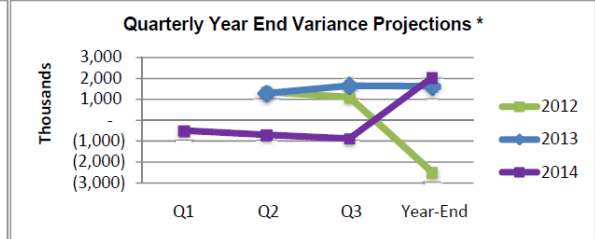
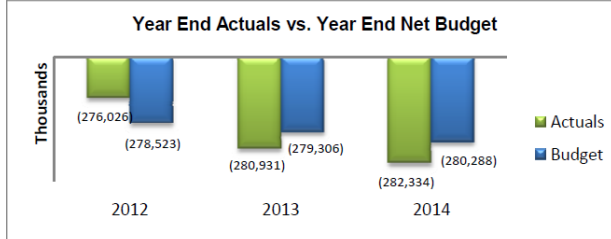
Summary of Description

	Category	Amount
1. Minor Variances in Various Accounts	Other Miscellaneous Expenditures	\$ 57,770
2. WPL Transition	Purchased Services	(20,528)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 37,242</b>

Mitigating Steps

**CORPORATE FINANCIAL ACCOUNTS**

<u>Financial Summary</u>	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	184,614,476	156,801,892	167,664,777	First Quarter (Q1)			(495,000)
Annual Net Budget	(278,523,323)	(279,305,665)	(280,288,197)	Second Quarter (Q2)	1,342,000	1,288,000	(695,000)
Annual Net Expenditures	(276,026,209)	(280,930,836)	(282,333,883)	Third Quarter (Q3)	1,101,000	1,653,000	(875,000)
<b>Year End Variance</b>	<b>(2,497,114)</b>	<b>1,625,171</b>	<b>2,045,686</b>	<b>Year-End (Q4)*</b>	<b>(2,497,114)</b>	<b>1,625,171</b>	<b>2,045,686</b>
Variance as % of GB	-1.4%	1.0%	1.2%	* Note: Year-end numbers are based on actual results, not projections.			



**Description**

A surplus of \$2,045,686 in corporate accounts is described below:

Corporate Financial Accounts:

Corporate Salary & Wage Provision: \$1,908,093

The approved budget contained corporate provisions for JJE retro payments of \$500,000, unanticipated WSIB costs of \$150,000, and overtime provision for eligible non-union members of \$305,000. The actual expenditures are charged to the appropriate department, but as noted the budget is contained in the corporate accounts, therefore there is typically a surplus in these accounts offset by the charges in the various departments. Also contributing to this positive variance are net surpluses totalling \$953,093 for ongoing corporate provisions.

Enwin Contribution Dividend: \$1,000,000

The 2014 approved budget included a \$4M dividend from Enwin for which the City is the sole shareholder. Due to very positive results, the Enwin board approved a dividend of \$5M, resulting in a surplus of \$1M.

Allowance for Doubtful Accounts: \$316,628

Actual write-off of bad debts was lower than budgeted as a result of enhanced monitoring and collection activities which resulted in a surplus of \$316,628.

Program Support Recoveries: \$226,134

Additional program support expenditures were recovered from provincial subsidies in relation to Children's Services programs, resulting in a surplus of \$226,134.

Net Interest on Investments & Reserves: \$206,860

As a result of the reserve balances being higher than projected, the interest paid to reserves account ended in a deficit of (\$245,846) at year end. This was offset by a \$452,706 surplus in interest earned on investments due to positive cash flows. The net effect resulted in a year-end surplus of \$206,860.

Local Improvements: \$139,748

Local Improvement accounts ended the year with a \$139,748 surplus due to Right of Way Billings/Bridge and Tunnel Tax revenue.

Employer Health Tax: \$109,905

Employer Health Taxes are also driven by employment decisions and as such are difficult to predict. This account ended 2014 with a surplus of \$109,905.

MPAC: \$69,163

The Municipality is mandated to use the Municipal Property Assessment Corporation (MPAC) for its assessment services. The 2014 MPAC notice was received from MPAC following budget approval, and the actual requirement was lower than projected by \$69,163.

Miscellaneous Accounts: \$16,188

Other miscellaneous corporate accounts net to a surplus of \$16,188 in 2014.

Waiver of Fees: (\$35,482)

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 offers. In addition to approving the policy, Council also approved the recommendation that a corporate account be established to track all costs associated with the waived of fees. Fees waived in 2014 amounted to \$35,482.

Sick Leave Gratuity: (\$43,483)

Due to the timing of retirements, sick leave gratuities paid to employees still eligible for this benefit exceeded budget by (\$43,483) in 2014.

CIP Property Tax Rebates: (\$55,000)

In 2010, Council approved the adoption of the Economic Development Community Improvement Plan. Approved property owners are eligible to receive a grant equivalent to the increase in property tax as a result of an increase in their assessment values generated by the increased investment in the property. At time of approval, an estimate as to the amount of increased tax revenue and CIP grant is made. Those estimates are then adjusted as actual values become known. At the end of 2014, an accrual was made to record a payment due of \$90,000, thereby leaving the CIP Property Tax Rebates account in a deficit of (\$55,000). This deficit is offset by increased tax revenue realized in the year.

Canada Pension Plan: (\$340,808)

As CPP costs are driven by a number of issues relative to employment decisions such as acting assignments, gapping, student employment, etc. it is difficult to predict actual results. In 2014, total CPP contributions were in excess of budget by (\$340,808).

Payment in Lieu of Taxes: (\$341,544)

This account is used to record revenues received from Federal and Provincial entities in lieu of taxes. These accounts ended in a deficit position of (\$341,544) largely due to declining rates which were provided by the province in early 2014 after the 2014 municipal budget had been approved. This deficit is partially offset by a surplus in Right of Way Billings/Bridge and Tunnel Tax revenue.

Interest and Penalties on Taxes and Receivables: (\$482,792)

The outstanding taxes receivable have decreased as a result of enhanced collection efforts and the improving economy, resulting in a deficit of (\$482,792) in the account in 2014.

***Corporate Utilities:***

Water: \$122,733

As a result of a cooler and wetter Spring/Summer, this largely attributed to the year end surplus.

Natural Gas: (\$229,272)

The harsh winter weather conditions experienced in 2014 has resulted in an increase in consumption which contributed to a deficit of (\$229,272).

Hydro: (\$541,385)

Hydro billings in 2014 were volatile and significantly higher than anticipated. This, coupled with the unpredictable nature of the electricity market, has resulted in a year-end hydro deficit of (\$541,385).

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**Summary of Description**

	<b>Category</b>	<b>Amount</b>
<i>Corporate Financial Accounts</i>		
1. Corporate Salary & Wage Provisions	Salaries & Benefits	\$ 1,908,093
2. Enwin Contribution Dividend	Investment Income & Dividends	1,000,000
3. Allowance for Doubtful Accounts	Financial Expenses	316,628
4. Program Support Recoveries	Grants & Subsidies	226,134
5. Net Interest on Investments	Investment Income & Dividends	206,860
6. Local Improvements	Taxes - Municipal	139,748
7. Employer Health Tax	Salaries & Benefits	109,905
8. MPAC	Taxes - Municipal	69,163
9. Other Miscellaneous Accounts	Other Miscellaneous Expenditures	16,188

10 Waiver of Fees	Financial Expenses	(35,482)
11 Sick Leave Gratuity	Salaries & Benefits	(43,483)
12 CIP Property Tax Rebates	Taxes - Municipal	(55,000)
13 Canada Pension Plan	Salaries & Benefits	(340,808)
14 Payment in Lieu of Taxes	Taxes - Municipal	(341,544)
15 Interest and Penalties on Taxes and Receivables	Taxes - Municipal	(482,792)
Total Corporate Financial Accounts		<u>\$ 2,693,610</u>
 <i>Corporate Utilities</i>		
1. Water	Utilities, Insurance & Taxes	122,733
2. Natural Gas	Utilities, Insurance & Taxes	(229,272)
3. Hydro	Utilities, Insurance & Taxes	(541,385)
Total Corporate Utilities		<u>\$ (647,924)</u>
<b>Net Year End Surplus/(Deficit)</b>		<u><b>\$ 2,045,686</b></u>

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**Mitigating Steps**

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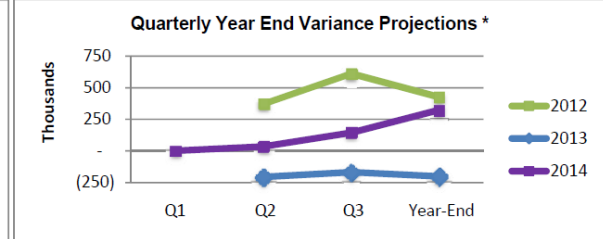
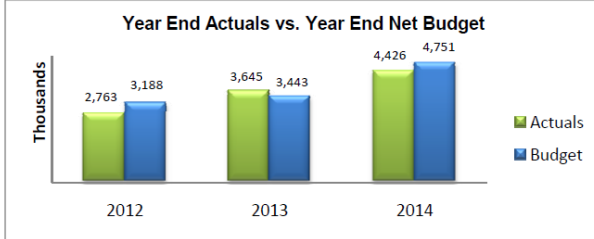
**COUNCIL SERVICES**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials <sup>1</sup>
Annual Gross Budget (GB)	12,763,917	13,632,010	8,376,364
Annual Net Budget	3,188,106	3,443,477	4,750,771
Annual Net Expenditures	2,763,232	3,645,467	4,426,171
<b>Year End Variance</b>	<b>424,874</b>	<b>(201,990)</b>	<b>324,600</b>
Variance as % of GB	3.3%	-1.5%	3.9%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	372,000	(206,500)	35,000
Third Quarter (Q3)	613,000	(168,500)	145,000
<b>Year-End (Q4)*</b>	<b>424,874</b>	<b>(201,990)</b>	<b>324,600</b>

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



**Description**

Council Services is reporting a yearend surplus of \$324,600 as presented below.

Salary Gapping \$200,869

Overall salary savings of \$129,135 were realized by the Policy, Gaming and Licensing division, \$68,414 by the Communications and Customer Service division with Employee Relations reporting a surplus of \$3,320.

Purchased Services \$100,780

The Animal Control program was in a surplus of \$8,700 with minor variances in the Cat Voucher program, the Dog Tag sharing payment and the monthly Board and Pound Fees paid to the Windsor Humane Society. Additionally, budgetary surpluses in the advertising and legal services accounts of \$18,382 lead to the overall surplus in the Purchased Services category for the Policy, Gaming and Licensing division. The Communications and Customer Service division ended the year with surpluses of \$49,763 in conference, advertising and other professional services accounts mainly due to the competing priorities for the staff in 2014. Council Services and Employee Relations divisions achieved minor surpluses for a total of \$23,935.

Other Miscellaneous Expenditures \$14,698

The Policy, Gaming and Licensing and Communication and Customer Service divisions ended the year with surpluses in the membership and training accounts.

Operating & Maintenance Supplies \$11,453

Minor surpluses were achieved in various accounts for the Policy, Gaming and Licensing division.

User Fees (\$3,200)

The User Fees collected by the Policy, Gaming and Licensing division ended the year with an overall deficit of (\$3,200). This category is comprised of Business License fees that ended the year on budget, the lottery license program realized a deficit of (\$35,200) due to the new funding model introduced by the Ontario Lottery Gaming corporation effective for December and the Dog Tag program ended the year with a surplus of \$32,000.

**Summary of Description**

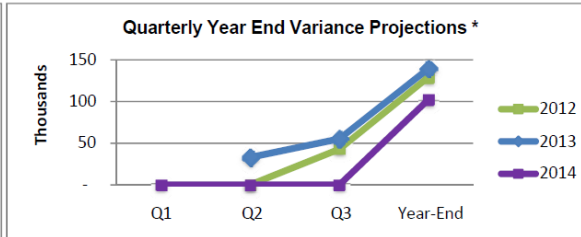
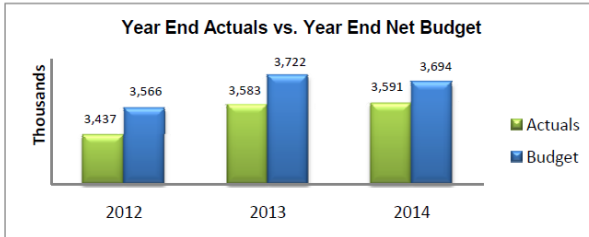
	Category	Amount
1 Salary gapping savings	Recovery of Expenditures	\$ 200,869
2 Animal control, Advertising and Other Professional services costs	Purchased Services	100,780
3 Membership and Training costs	Other Miscellaneous Expenditures	14,698
4 Minor surpluses in multiple accounts	Operating & Maintenance Supplies	11,453
5 Business, Lottery and Dog Licenses	User Fees, Permits & Charges	(3,200)
<b>Net Department Year End Surplus/(Deficit)</b>		<b>\$ 324,600</b>

**Mitigating Steps**

**HUMAN RESOURCES**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	3,942,138	4,124,652	3,929,384	First Quarter (Q1)			-
Annual Net Budget	3,565,918	3,722,478	3,693,810	Second Quarter (Q2)	-	33,000	-
Annual Net Expenditures	3,436,528	3,582,934	3,591,182	Third Quarter (Q3)	43,000	55,000	-
<b>Year End Variance</b>	<b>129,390</b>	<b>139,544</b>	<b>102,628</b>	<b>Year-End (Q4)*</b>	<b>129,390</b>	<b>139,544</b>	<b>102,628</b>
Variance as % of GB	3.3%	3.4%	2.6%	* Note: Year-end numbers are based on actual results, not projections.			



**Description**

The Human Resources Department ended the year in a surplus of \$102,628. The operational savings realized by the department can be categorized through various accounts as noted below such as Minor Capital; Recovery of Expenditures; Purchased Services and other Miscellaneous Expenditures.

Net Salary Savings: \$60,074

Given the secondment of staff to the HR/Payroll process review project that elicited a number of vacancies, acting assignments and movement of staff throughout 2014, there was a recovery of wages from the project as a result of staff movement in the amount of \$170,400. While the account shows a deficit in the salaries and benefits, primarily due to the retroactive wage payment to the Employment Officers in 2014, this was offset by the recovery of wages from the project, bringing in an overall net salary savings of \$60,074.

Travel & Consulting: \$46,108

Further there was a surplus in both the purchased services and miscellaneous expenditures as a result of savings from the EFAP and Benefit Consultant account, reimbursement from Cogeco for closed captioned as well, given time constraints, a savings was realized in training and travel for the HR staff.

Miscellaneous Accounts: \$16,908

Other miscellaneous accounts net to a surplus of \$16,908 in 2014.

Minor Capital Improvements: (\$20,462)

During 2014, Human Resources incorporated minor capital improvements to both its Corporate Training and Health & Safety Training Rooms, inclusive of new furniture and most notably, in the effort to provide an environment that would maintain confidential communication within the prescribed areas soundproofing devices were installed to the boardroom and throughout the department.

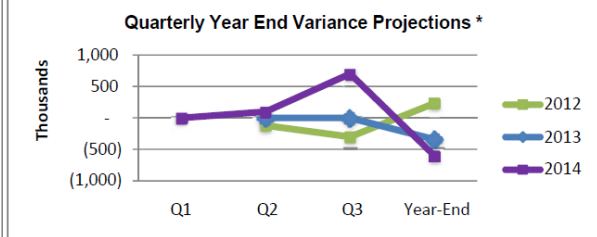
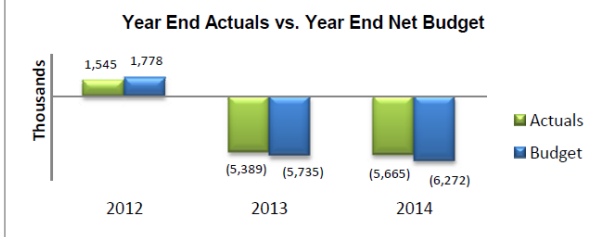
**Summary of Description**

	Category	Amount
1. Net Salary savings	Recovery of Expenditures	\$ 60,074
2. Travel and consulting accounts	Purchased Services	46,108
3. Minor surpluses in multiple accounts	Other Miscellaneous Expenditures	16,908
4. Minor capital improvements	Minor Capital	(20,462)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 102,628</b>

**Mitigating Steps**

**CORPORATE HUMAN RESOURCE ACCOUNTS**

<u>Financial Summary</u>		2012	2013	2014		2012	2013	2014
		Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)		37,306,800	39,963,101	40,911,821	First Quarter (Q1)			-
Annual Net Budget		1,778,012	(5,735,375)	(6,272,470)	Second Quarter (Q2)	(120,000)	-	100,000
Annual Net Expenditures		1,544,628	(5,389,443)	(5,664,751)	Third Quarter (Q3)	(300,000)	-	704,000
<b>Year End Variance</b>		<b>233,384</b>	<b>(345,932)</b>	<b>(607,719)</b>	Year-End (Q4)*	233,384	(345,932)	(607,719)
Variance as % of GB		0.6%	-0.9%	-1.5%	* Note: Year-end numbers are based on actual results, not projections.			



**Description**

The Corporate Human Resource Accounts is in a yearend deficit of (\$607,719) as presented below.

OMERS Program: \$209,469

The OMERS program ended the year in a surplus of \$209,469.

Long Term Disability Program: \$146,500

The Long Term disability program ended in an overall surplus of \$146,500 as a result of claim activity and eligibility.

Green Shield Program: (\$18,935)

A slight deficit of (\$18,935) is being reported in the Green Shield program.

Group Life Insurance Program: (\$81,257)

As previously reported to Council, Group Life Insurance ended the year in a deficit of (\$81,257) and the 2015 Operating budget has been increased to reflect the funding requirements for 2015.

Although these operating programs have reported deficits, there were surplus amounts in claims activity with Great West Life of \$864,000 and \$600,043 by Green Shield. These surplus amounts were transferred to the Fringe Rate Stabilization Reserve fund resulting in a December 31 balance of \$5,101,152.

Fringe Benefit Recovery: (\$863,496)

The Fringe Benefit Recovery account ended the year with a deficit of (\$863,496) and is offset by the cumulative surpluses in the fringe benefit allocation accounts in the operating departments.

**Summary of Description**

	Category	Amount
1. OMERS program	Salaries & Benefits	\$ 209,469
2. Long Term Disability program	Salaries & Benefits	146,500
3. Green Shield program	Salaries & Benefits	(18,935)
4. Group Life Insurance program	Salaries & Benefits	(81,257)
5. Fringe Benefits Recovery	Salaries & Benefits	(863,496)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (607,719)</b>

**Mitigating Steps**

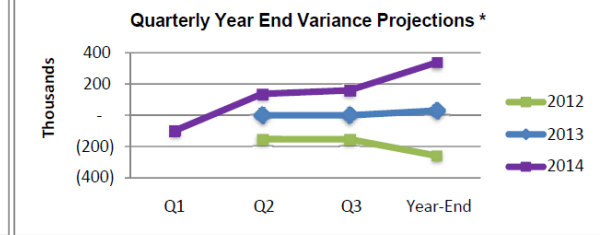
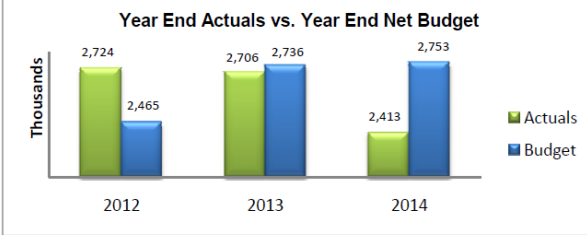
**PLANNING**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	3,206,862	3,289,143	3,305,427
Annual Net Budget	2,464,788	2,736,269	2,752,553
Annual Net Expenditures	2,724,103	2,705,990	2,413,354
<b>Year End Variance</b>	<b>(259,315)</b>	<b>30,279</b>	<b>339,199</b>
Variance as % of GB	-8.1%	0.9%	10.3%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			(100,000)
Second Quarter (Q2)	(152,000)	-	137,500
Third Quarter (Q3)	(154,000)	-	160,000
<b>Year-End (Q4)*</b>	<b>(259,315)</b>	<b>30,279</b>	<b>339,199</b>

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



**Description**

Planning ended the 2014 fiscal year with an operating budget surplus of \$339,199.

Salary Gapping: \$175,947

A major contributor to the reported surplus was the cumulative staff gapping that occurred during the year. The Department experienced some staff turn over (and delayed back filling of the created vacancies where possible) as well as secondments to the Proactive Alley Closure capital program. Total net savings from gapping amounted to \$175,947.

Fees Revenue: \$98,102

Total fees revenue collected in 2014 for development, site plan and zoning amendment applications surpassed the revenue budget by \$98,102. A major reason for the spike was the receipt of the plan of subdivision (approx. 103 lots) from South Windsor Properties Company in the latter part of the year.

Mitigating of Expenses: \$96,009

Year long mitigating efforts by Administration, in response to the depressed revenues experienced during the first half of the year, amounted to \$96,009. Components of this latter figure included: \$32,889 savings in travel and training related accounts, \$27,171 unrealized expenditure in printing/publications/purchased services accounts and a cumulative amount of \$35,949 from numerous other remaining miscellaneous expense accounts.

WSIB Costs: (\$30,859)

The Department paid out (\$30,859) in unbudgeted WSIB costs during 2014 which partially offset the total surplus reported above.

**Summary of Description**

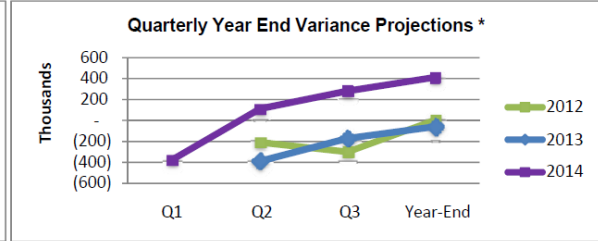
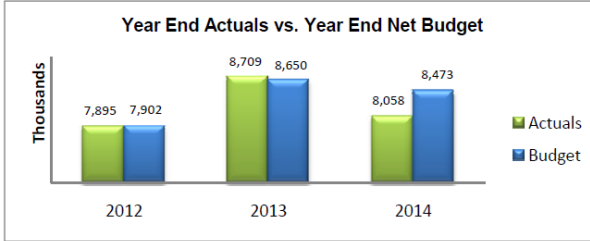
	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 175,947
2. Development Applications Fees Revenue	User Fees, Permits & Charges	98,102
3. Miscellaneous Cost Mitigating	Other Miscellaneous Expenditures	96,009
4. WSIB Costs	Salaries & Benefits	(30,859)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 339,199</b>

**Mitigating Steps**

**ENGINEERING**

**Financial Summary**

	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	10,662,829	11,244,979	11,138,756	First Quarter (Q1)			(377,000)
Annual Net Budget	7,902,104	8,649,979	8,473,284	Second Quarter (Q2)	(210,000)	(389,000)	113,000
Annual Net Expenditures	7,895,450	8,709,128	8,058,229	Third Quarter (Q3)	(301,000)	(171,000)	281,500
<b>Year End Variance</b>	<b>6,654</b>	<b>(59,149)</b>	<b>415,055</b>	<b>Year-End (Q4)*</b>	<b>6,654</b>	<b>(59,149)</b>	<b>415,055</b>
Variance as % of GB	0.1%	-0.5%	3.7%	* Note: Year-end numbers are based on actual results, not projections.			



**Description**

The Engineering Department reported here consists of the Office of the City Engineer, Public Works Administration, Development, Right of Way, Projects, Geomatics, Infrastructure, and Transportation Planning. Effective October 1, 2014, Transportation Planning began reporting through Traffic Operations; however, it is included here to maintain consistency and comparability with previous variance reports.

The departmental year end surplus of \$415,055 is made up of:

Licences & Permits: \$495,967

Revenues for Licences and Permits were significantly higher than budget, mainly due to the issuance of moving permits associated with construction of the Herb Gray Parkway. This trend is not expected to continue.

Salary Gapping / Temporary Staff: \$729

Salary & Benefit charges are marginally under budget mainly due to gapping savings.

Other Miscellaneous Expenditures: (\$6,333)

Various expense line items net to a shortfall of (\$6,333). This shortfall is mainly related to the recruitment of various senior-level positions costing approximately \$42,000. This was offset by lower than budget expenses in other areas.

Hydro Maintenance Costs: (\$75,308)

The 2014 budget for Hydro - Maintenance was built on the assumption that the LED Streetlight Conversion project would have been substantially completed early in the year and a full year's worth of savings would be realized by the City in 2014. The unrealized maintenance savings for 2014 ended up at \$75,308, which has been offset by Budget Stabilization Reserve funding of \$500,000 as reported to Council in third quarter. A successful proponent has been engaged for the conversion contract and implementation is anticipated to begin in mid-2015.

**Summary of Description**

	Category	Amount
1. Licences & Permits, User Fees & such Revenues	User Fees, Permits & Charges	\$ 495,967
2. Salary and Benefits, net of Recoveries	Salaries & Benefits	729
3. Other Misc Expenses	Other Miscellaneous Expenditures	(6,333)
4. Hydro Maintenance	Utilities, Insurance & Taxes	(75,308)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 415,055</b>

**Mitigating Steps**

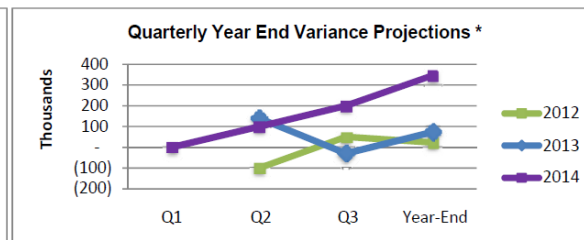
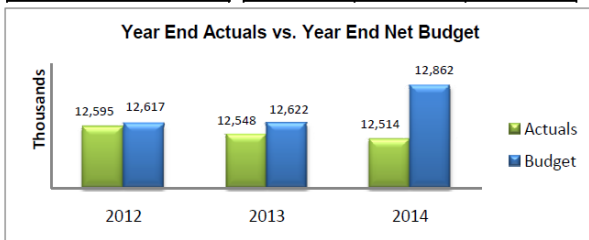
**ENVIRONMENTAL**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	33,317,209	35,177,037	35,678,096
Annual Net Budget	12,617,291	12,621,610	12,861,724
Annual Net Expenditures	12,594,601	12,547,529	12,513,527
<b>Year End Variance</b>	<b>22,690</b>	<b>74,081</b>	<b>348,197</b>
Variance as % of GB	0.1%	0.2%	1.0%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	(100,000)	140,000	100,000
Third Quarter (Q3)	50,000	(30,000)	200,000
<b>Year-End (Q4)*</b>	<b>22,690</b>	<b>74,081</b>	<b>348,197</b>

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



**Description**

The Environmental Services area ended the year with a surplus of \$348,197. The major variances contributing to this surplus are outlined below:

Transfers from Reserve Fund / Account: \$285,276

Effective July 2014, the City enacted the Hard Sided Container By-law. To advertise this change, along with other miscellaneous charges, Council provided a maximum of \$50,000 in funding. Secondly, due to the harsh 2014 winter, Council provided a maximum of \$250,000 in additional funds to Public Works to clean up the streets and parks, of which \$63,452 was used by Environmental Services. Additionally, \$18,171 was transferred from the Landfill #3 Perpetual Cost reserve account to fund an operating shortfall in the Landfill Perpetual Care account. Lastly, a budget carry forward of \$153,653 was placed in the 2014 budget to provide additional funding for a skunk removal program which was subsequently discontinued in July of 2014.

Tipping Fees: \$122,364

Total waste tonnage (residential & Front End Loader) came in 4,812 tonnes below the EWSWA budget of 53,925, resulting in a surplus of \$137,765. Yard waste tonnage was 420 tonnes above the EWSWA budget of 7,000, resulting in a deficit of (\$26,034).

Labour / Benefits: \$109,557

This favourable variance is largely due to gapping in Hourly Regular Full Time staff. Multiple positions in Environmental Services, for various reasons, remained vacant for several months in 2014. Additionally, some Hourly Regular Full Time staff were temporarily placed in Supervisor positions to cover for vacations and other absences, which led to surpluses in Hourly Regular Full Time accounts that were more than offset by deficits in Salary Regular Full Time accounts.

Maintenance Contracts: \$93,080

Leachate costs associated with Landfill #3 were lower than anticipated, and contributed a surplus of \$76,736. Secondly, because total tonnage was less than anticipated, the City's costs with its' contractor were also less than expected.

Miscellaneous Accounts: (\$36,209)

Other miscellaneous accounts net to a deficit of (\$36,209) in 2014.

Recovery of Expenses: (\$44,606)

The amended year-end reconciliation of the costs paid by EWSWA to the City for operation of the Transfer Depot, Public Drop Off and Recycling facilities for 2013 resulted in the City reducing the amount owing by EWSWA by (\$44,606) in mid-2014.

Vehicle Rental - Internal: (\$54,570)

Environmental Services was charged for four vehicles in addition to what was approved as part of the 2014 Budget. Two 1/2 tonne pickups and a 17 Yard Packer were used on a seasonal basis. Another 1/2 tonne pickup was added and a large pickup will be returned in early 2015, after the winter.

Other Professional - External: (\$126,695)

Over half of this variance is due to contractor costs paid for the skunk and rodent removal programs operated by the City, and another \$25,174 was paid out to vendors as a result of the winter clean up initiative. These expenses were fully recovered through reserves. Another \$45,001 was paid out for waste collection services at City facilities which was partially recovered.

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
1. Transfers from Reserve Fund / Account	Transfers from Other Funds	\$ 285,276
2. Tipping Fees	Operating & Maintenance Supplies	122,364
3. Labour / Benefits	Salaries & Benefits	109,557
4. Maintenance Contracts	Operating & Maintenance Supplies	93,080
5. Miscellaneous	Other Miscellaneous Expenditures	(36,209)
6. Recovery of Expenses	Recovery of Expenditures	(44,606)
7. Vehicle Rental - Internal	Operating & Maintenance Supplies	(54,570)
8. Other Professional - External	Purchased Services	(126,695)
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ 348,197</u></b>

Mitigating Steps

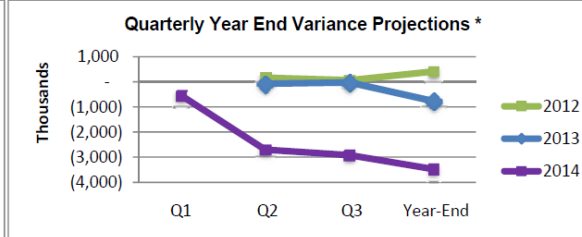
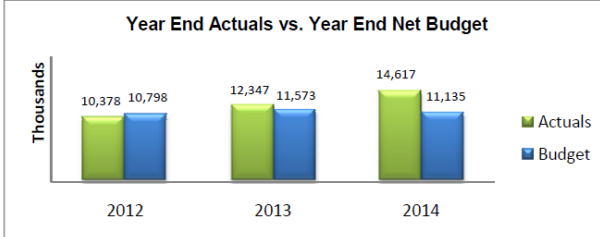
**PUBLIC WORKS OPERATIONS**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	26,973,162	27,388,577	27,397,837
Annual Net Budget	10,797,703	11,573,484	11,135,228
Annual Net Expenditures	10,378,190	12,347,155	14,617,160
<b>Year End Variance</b>	<b>419,513</b>	<b>(773,671)</b>	<b>(3,481,932)</b>
Variance as % of GB	1.6%	-2.8%	-12.7%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			(530,000)
Second Quarter (Q2)	162,000	(77,000)	(2,704,000)
Third Quarter (Q3)	63,000	(25,000)	(2,924,500)
<b>Year-End (Q4)*</b>	<b>419,513</b>	<b>(773,671)</b>	<b>(3,481,932)</b>

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



**Description**

The PW Operations Department has finished 2014 with an overall deficit of (\$3,298,480) resulting from several variances related to winter control, parking ticket revenue, parking information requests, road maintenance, salaries, non-recoverable work, depreciation, PIC revenue, fleet recoveries, and fuel across all Divisions of the department.

**Fleet Division:**

Depreciation: \$408,625

A final surplus of \$408,625 has been realized for depreciation due to variations in the fleet replacement plan in 2014 compared to the set depreciation budget based on 10-year depreciation averages.

Recovery Revenue: \$195,141

Fleet has realized \$195,141 in additional recovery revenue related to seasonal vehicle rentals, surplus dedicated unit revenue related to April 1 annual rental rate adjustments for the year April 1/14 - April 1/15, and additional repairs performed for customers with vehicles outside of the dedicated fleet (actual cost repairs).

Salary Gapping: \$131,582

Fleet had vacancies throughout the year related to long term disability and backfilling situations which has resulted in an overall salary and fringe surplus related to local 82 wages and fringes of \$131,582.

Miscellaneous Accounts: \$32,083

Other Miscellaneous Accounts for the year for the Fleet Division net to an overall surplus of \$32,083.

Fuel: \$17,534

Fleet ended the year with a surplus related to fuel resulting from decreased pricing per litre and decreased overall consumption of fuel.

Winter Control: (\$57,621)

The final deficit for Fleet related to extra fuel and parts used for the winter control fleet in 2014 is a deficit of (\$57,621).

**Technical Support Division**

Miscellaneous Accounts: \$11,200

Other Miscellaneous Accounts for the year for the Technical Support Division net to an overall surplus of \$11,200.

**Traffic Division:**

Miscellaneous Accounts: \$75,977

Other Miscellaneous Accounts for the year for the Traffic Division net to an overall surplus of \$75,977.

PIC Revenue: \$62,417

The Traffic Division has finished 2014 with a surplus of \$62,417 in recovery revenue related to billings for work performed on the parkway for PIC.



Court By-Law Fines Revenue: (\$76,870)

The Traffic Division has finished 2014 with a deficit of (\$76,870) related to a reduction in fine revenue collected by the Courts. Unpaid tickets issued in May of 2014 and later no longer go to the Courts for prosecution, these unpaid tickets are now administered through the AMP system in Parking Enforcement. Court fine revenues will be monitored on an ongoing basis.

Parking Ticket Revenue: (\$365,178)

The Traffic Division has finished 2014 with an overall deficit of (\$365,178) related to parking ticket issuance and the fees related to the implementation of the new Administrative Penalty System (AMPS) in 2014. Overall, Parking Enforcement has experienced a decrease in the number of tickets issued in 2014. It should also be noted that while the AMPS went into effect in November of 2013, full implementation of the system and associated fees did not begin until May of 2014. Fees paid to the Ministry of Transportation (MTO) for registered owner requests under the new AMPS are offset by revenue collected back from the ticket holder and we expect to see the overall AMPS process smooth out in 2015 and beyond once we have a full year of experience with the new system and related financial transactions.

***Maintenance Division:***

Miscellaneous Accounts: \$35,983

Other Miscellaneous Accounts for the year for the Maintenance Division net to an overall surplus of \$35,983.

Non-Recoverable Expenses: (\$174,384)

The Maintenance Division, including Contracts, Field Services, and ROW Maintenance, provided non-recoverable services throughout the year related to fireworks, subrogation claims, Police calls, 311 calls, and development which contributed to the overall deficit for 2014. Offsetting the overall deficit was a revenue surplus related to the utility restoration by permit program.

Supervision Salary and Fringe: (\$177,109)

The Maintenance Division has ended 2014 with an overall deficit of (\$177,109) related to salary and fringe costs for non-union supervisory staff. Additional supervisors were required in 2014 to cover for extended time off related to vacations and banked overtime accumulated during the winter season. This is a residual cost of the above-average winter conditions experienced during the 2013/2014 winter season.

Road Maintenance: (\$322,786)

The Maintenance Division has ended 2014 with a deficit of (\$322,786) related to additional road maintenance required as a result of the extreme winter conditions, i.e. frost damage during the 2013/2014 season as well as cold conditions experienced in the latter part of 2014. Additional road maintenance done in 2014 included repairs for potholes, heaving, cracking, and roadway repairs around manholes. Additional road maintenance is expected to continue into 2015 as required.

Winter Control: (\$3,278,526)

The City of Windsor experienced record-setting winter conditions in the 1st quarter of 2014, which has resulted in an overall deficit in 2014 for the Maintenance Division of PW Operations. The final deficit of (\$3,278,526) has been partially offset by Council-approved funding from the budget stabilization reserve of \$1,066,548. It should also be noted that there was a significant increase in the number of snow plow damage complaints received through 311 in 2014, 167 in 2014 versus 43 in 2013 and 17 in 2012. The volume of complaints has resulted in higher damage repair costs for 2014 paid for by the Maintenance Division winter control budget.

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**Summary of Description**

<b><i>Fleet Division</i></b>	<b>Category</b>		
1. Depreciation	Transfers to Reserves & Capital Funds	\$	408,625
2. Recovery Revenue	User Fees, Permits & Charges		195,141
3. Salary Gapping	Salaries & Benefits		131,582
4. Miscellaneous Accounts	Other Miscellaneous Expenditures		32,083
5. Fuel	Operating & Maintenance Supplies		17,534
6. Winter Control	Operating & Maintenance Supplies		(57,621)
Total Fleet Division		\$	<u>727,344</u>
<b><i>Technical Support Division</i></b>			
7. Miscellaneous Accounts	Other Miscellaneous Expenditures	\$	11,200
Total Traffic Division		\$	<u>11,200</u>

**Traffic Division**

8. Miscellaneous Accounts	Other Miscellaneous Expenditures	\$ 75,977
9. PIC Revenue	User Fees, Permits & Charges	62,417
10. Court By-Law Fines Revenue	User Fees, Permits & Charges	(76,870)
11. Parking Ticket Revenue	User Fees, Permits & Charges	(365,178)
Total Traffic Division		<u>\$ (303,654)</u>

**Maintenance Division**

12. Miscellaneous Accounts	Other Miscellaneous Expenditures	\$ 35,983
13. Non-Recoverable Work	Recovery of Expenditures	(174,384)
14. Supervision Salary and Fringe	Salaries & Benefits	(177,109)
15. Road Maintenance	Operating & Maintenance Supplies	(322,786)
16. Winter Control (Maintenance Division only)	Purchased Services	(3,278,526)
Total Maintenance Division		<u>\$ (3,916,822)</u>

**Net Year End Surplus/(Deficit)** \$ (3,481,932)

**Mitigating Steps**

Several 2015 budget issues have been approved by Council which will minimize future variance issues in several accounts.

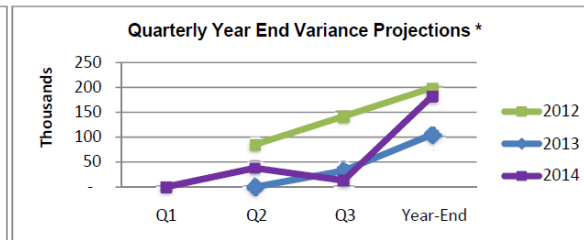
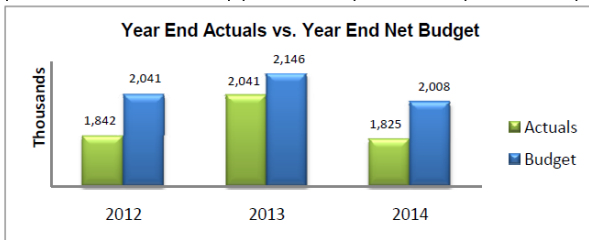
**BUILDING**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	5,874,107	5,884,847	5,760,682
Annual Net Budget	2,041,106	2,146,385	2,008,371
Annual Net Expenditures	1,841,600	2,040,909	1,825,493
<b>Year End Variance</b>	<b>199,506</b>	<b>105,476</b>	<b>182,878</b>
Variance as % of GB	3.4%	1.8%	3.2%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	85,000	-	38,200
Third Quarter (Q3)	142,000	32,300	13,000
<b>Year-End (Q4)*</b>	<b>199,506</b>	<b>105,476</b>	<b>182,878</b>

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



**Description**

Tax Levy Funded Portion of Operating Budget

Building is reporting a net operating surplus of \$182,878 for year 2014.

Salary Gapping: \$131,378

Realized savings from unanticipated attrition (retirements and staff turn over) during the year amounted to \$131,378.

Revenue From Fees Earned: \$33,781

The Department saw a revenue surplus due in part to fees earned from offering in-house training (Building Code and Property Standards related) to regional participants. This is a cost saving measure to the Corporation as well in that our own staff also attend these classes and hence avoid expensive travel else where to get the same training. Also contributing to the revenue surplus were unbudgeted inspection fees earned through the Basement Flooding Abatement Program. Building Inspectors visited homes to help facilitate delivery of sewer back up valves and sump pumps. The combined total from these additional revenue sources amounted to approximately \$33,781.

Vehicle Rental Savings: \$17,719

Directly related to some of the incurred staff vacancies & retirements during 2014 were savings in vehicles expense which amounted to \$17,719.

Legislated Permits Portion of Operating Budget

Building Permits and Ontario Building Code Enforcement is primarily funded from permit related fees collected by the Building Department. Any shortfall in revenue required to fund expenses is drawn from the Building Permit Fee Reserve. The Department did make a net draw on reserve in 2014 in the amount of \$512,509. This is a slight improvement in comparison to the 2014 budgeted draw of \$523,404 and far better than reserve draws in past recessionary years where the draw was once as high as in excess of \$1 million. An action plan to address the Legislated Permits operating deficits was passed in the 2012 budget and was completed in 2014. Reductions and efficiency improvements were implemented and further permit fee increases adopted by City Council in the 2015 budget. It is expected that these combined efforts will help further reduce the required draw on reserve in future fiscal years with the ultimate goal of little to no draw on reserve. With the inclusion of the 2014 draw of \$512,509 on reserve, the current balance in the Building Permit Fee Reserve (BPFR) sits at (\$10,227,940) deficit. As part of the reduction action plan, an offsetting contra reserve was also set up to help offset the recorded deficit in the BPFR. The contra reserve at the end of 2014 had a balance of \$9.6 million.

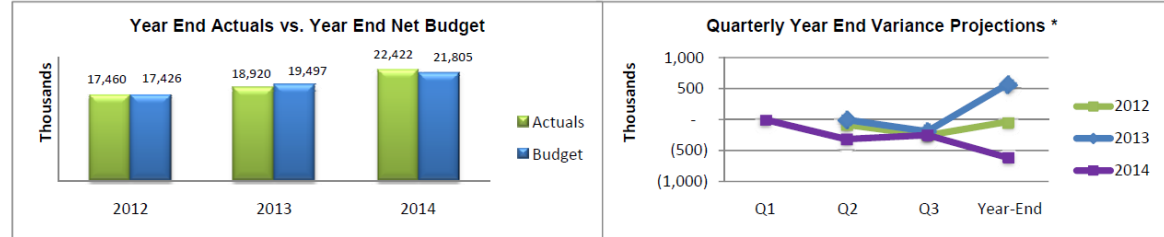
**Summary of Description**

	Category	Amount
1. Salary Gapping	Salaries & Benefits	\$ 131,378
2. Revenue From Fees	User Fees, Permits & Charges	33,781
3. Fleet Vehicle Rental	Other Miscellaneous Expenditures	17,719
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 182,878</b>

**Mitigating Steps**

**PARKS & FACILITY OPERATIONS**

<u>Financial Summary</u>	2012	2013	2014		2012	2013	2014
	Financials	Financials	Financials		Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	26,191,801	28,715,531	34,567,496	First Quarter (Q1)			-
Annual Net Budget	17,425,825	19,497,415	21,804,641	Second Quarter (Q2)	(81,000)	-	(315,000)
Annual Net Expenditures	17,460,109	18,919,841	22,421,867	Third Quarter (Q3)	(255,000)	(191,000)	(249,500)
<b>Year End Variance</b>	<b>(34,284)</b>	<b>577,574</b>	<b>(617,226)</b>	Year-End (Q4)*	(34,284)	577,574	(617,226)
Variance as % of GB	-0.1%	2.0%	-1.8%	* Note: Year-end numbers are based on actual results, not projections.			



**Description**  
Overall, Parks & Facility Operations is reporting a (\$617,226) year-end deficit.

**Parks Operations:**  
The Parks, Forestry & Horticulture, and Ojibway Nature Centre have a combined year-end variance of (\$232,809).

**Revenue Variance: \$483,388**  
The revenue surplus is attributed to increased recoveries in tree trimming, the annual plant sale, Council approved funding for median work and recoveries from vacant lot seasonal work such as snow removal and grass cutting. Parks completed several Ward Fund projects and these additional recoveries helped offset those costs included and described below. Parks staff also worked with the Public Works department on winter clean-up initiatives which resulted in an unbudgeted recovery of \$90,000.

**Maintenance Contracts, Security & Other Purchased Services: \$188,928**  
The department looks for fiscally responsible ways to provide alternative service delivery where possible. Work such as festival lighting, hanging basket maintenance, baseball diamond resurfacing, fence removals and picnic table repairs that was previously done by contractors was done by Parks' staff this year.

**Fuel & Lubricants: (\$23,815)**  
The Fuel & Lubrication (\$23,815) deficit is attributed to the increased costs of lubricants and the increased usage of fuel, due to an increase in vehicle & equipment usage throughout the winter.

**Miscellaneous Operating Supplies: (\$36,936)**  
Various line items in the Parks Department netted to a small, overall deficit of (\$36,936).

**Equipment & Infrastructure Repairs and Materials: (\$398,617)**  
There were several Ward Fund projects that Parks completed such as rubber mulching, and additional hanging baskets throughout the City. Although these projects contributed to a (\$153,415) deficit in the area of Infrastructure Maintenance Materials, this was offset with the surplus in recoveries. The rubber mulch program was expanded this year, with a materials cost of \$178,775. The rubber mulching program is expected to reduce maintenance requirements for years to come. With aging infrastructure and equipment, the department continues to be diligent with budget dollars while providing facilities, playfields and park areas that are safe, clean, and operating at a service-level that the citizens and stakeholders are accustomed and have come to expect.

Parks experienced a (\$235,015) deficit in Fleet Rentals due to the use of additional seasonal vehicles throughout the course of the year, which included summer student vehicles and additional trucks and plows for winter control.

Other miscellaneous variances in the Equipment & Infrastructure Repairs and Materials accounts netted to a miscellaneous deficit of (\$10,187).

**Salary Gapping, Overtime & WSIB: (\$445,757)**  
The (\$428,442) overtime variance makes up a large portion of the Salaries & Benefits deficit. We had record-breaking snowfalls this year which resulted in accumulated overtime of \$243,425 and the harsh winter had an effect on Spring clean-up overtime costs of \$180,155 as well. The expectations of the general public and the user groups are high as the temperatures begin to climb. The parks staff work long hours in the Spring

in an effort to clean-up parks, trails, and sportsfields from the winter and to combat the fast grass growth. The decreasing Local 82 Transition staff numbers has an effect on overtime as well.

In summary, the Parks Operations Division variance for this year is mainly attributed to Winter Control activities. Parks' Winter Control budget is \$247,645. Winter Control costs totalled \$701,600, which were partially offset by the parks revenue surplus. The Parks staff clear and salt sidewalks and parking lots at City facilities such as City Hall area, Fire halls, recreation facilities, traffic lots, third party facilities such as DND and Joint Justice Facility, Park sidewalk and parking lots, trails, and city-owned vacant lots and transition properties. While there were variances in some operating accounts, these largely offset each other, with Winter Control being the largest uncontrollable variance faced by the department this year.

**Facility Operations:**

Facility Operations underwent many challenges in 2014, including the transfer in of the Skilled Trades staff from Parks, the transfer of responsibilities for the Huron Lodge Environmental Services division, and the adoption of the caretaking and maintenance budgets for all of the parks and recreation facilities. For the year 2014, Facility Operations is reporting a year-end variance of (\$384,417).

Operating Expenses - Art Gallery of Windsor: \$116,738

The expenditures for the operating and maintenance for the Art Gallery were \$116,738 under budget. This amount is less than what was forecasted after the third quarter of 2014 due to deficiencies identified near the end of the year with respect to the fire protection system and controls on the HVAC system. These issues were fixed immediately due to the construction of the new museum currently underway in the Art Gallery. The excess budget dollars have already been approved in the 2015 operating budget to fund two new positions.

Maintenance Wages and Contracts: \$64,582

Facility Operations spent \$181,098 less than budget in 2014 on maintenance staff wage costs due to certain positions remaining vacant for all or part of the year. This was due to retirement, staff filling other temporary positions, and unsuccessful recruitments. Due to the vacancies in our internal staff, external contractors were used to perform the maintenance duties. These costs, together with other maintenance costs, were in excess of the budget by (\$116,516).

Operating Expenses - Capitol Theatre: \$23,273

The operating costs came in \$23,273 under-budget in 2014, after transferring the ticket surcharge revenue and the unspent balance in the equipment repairs account for the year to the capital maintenance reserve account.

Thermal Energy - Art Gallery and City Hall Campus: (\$167,867)

District Energy charges for chilled and heated water for these three facilities cost (\$167,867) higher than originally forecast for 2014.

Maintenance Expenses: (\$197,032)

This variance relates to the WIATC/AB. As 2014 was the first year of operation for this complex and unique facility, some costs were incurred that were either not anticipated in the initial budget, or budgeted at lower amounts that ended up being required. Examples of the foregoing are higher chlorine costs, power washing requirements, more frequent inspections and related costs, etc.

Caretaking Costs: (\$224,111)

Of the total variance of (\$224,111), wage costs of (\$120,576) relate to the WIATC/AB facility. The original budget for the WIATC/AB caretaking costs has proven to be insufficient to keep the facility in optimal appearance. The department is committed to looking for efficiencies across all its operations to help address this issue.

Caretaking costs for the recreation centres were over-budget by (\$83,104). Temporary employee(s) were used to clean at Oakwood Community Centre however there is no longer a budget for Oakwood since this facility will be amalgamated with South Windsor Arena. The regular caretaker at Forest Glade Community Centre was on modified duties for the entire 2014 year, so this centre incurred expenses for two caretakers.

Overtime costs were also over-budget by (\$20,431) relative to various facilities.

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**Summary of Description**

	Category	Amount
<i>Parks Operations Division</i>		
1. Revenue Variance	Recovery of Expenditures	\$ 483,388
2. Maintenance Contracts & Other Purchased Services	Purchased Services	188,928

3. Fuel & Lubricants	Operating & Maintenance Supplies	(23,815)
4. Miscellaneous Operating Supplies	Operating & Maintenance Supplies	(36,936)
5. Equipment & Infrastructure Repairs and Materials	Purchased Services	(398,617)
6. Salary gapping, Overtime, WSIB	Salaries & Benefits	(445,757)
Total Parks Operations Division		<u>\$ (232,809)</u>
<i>Facility Operations Division</i>		
5. Operating Expense Surplus - AGW	Operating & Maintenance Supplies	\$ 116,738
6. Maintenance wage costs	Salaries & Benefits	64,582
7. Operating Expense Surplus - Capitol Theatre	Operating & Maintenance Supplies	23,273
8. Thermal Energy - Art Gallery and City Hall Square Campus	Utilities, Insurance & Taxes	(167,867)
9. Maintenance Expenses - WIATC/AB	Operating & Maintenance Supplies	(197,032)
10. Caretaking Costs	Salaries & Benefits	(224,111)
Total Facility Operations Division		<u>\$ (384,417)</u>
<b>Net Year End Surplus/(Deficit)</b>		<u><b>\$ (617,226)</b></u>

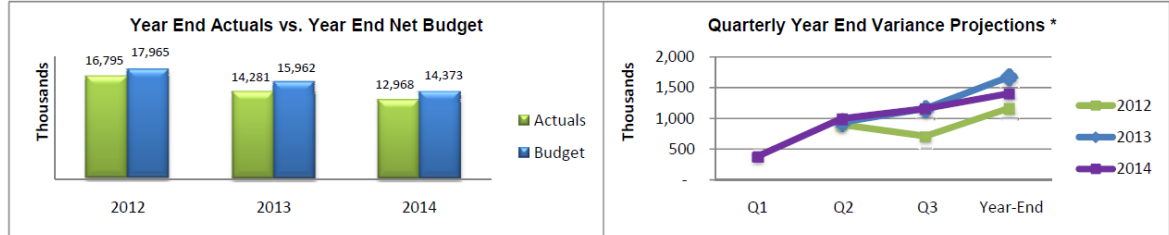
**Mitigating Steps**

Parks will continue their efforts to be budget conscientious and to mitigate costs where possible.

Facility Operations will continue to monitor all expenses, finding efficiencies wherever possible. Going into year two of operation, close attention will be paid with respect to the operating and labour costs of the WIATC/AB. Many of the causes for the elements that make up the overall variance for Facility Operations have been addressed and recommendations approved in the 2015 Operating Budget.

**EMPLOYMENT & SOCIAL SERVICES**

<u>Financial Summary</u>	2012	2013	2014	2012	2013	2014
	Financials	Financials	Financials			
Annual Gross Budget (GB)	119,581,320	117,309,462	117,277,254	First Quarter (Q1)		380,000
Annual Net Budget	17,964,834	15,961,894	14,373,133	Second Quarter (Q2)	898,000	937,000
Annual Net Expenditures	16,794,647	14,281,407	12,967,616	Third Quarter (Q3)	711,000	1,160,000
<b>Year End Variance</b>	<b>1,170,187</b>	<b>1,680,487</b>	<b>1,405,517</b>	Year-End (Q4)*	1,170,187	1,405,517
Variance as % of GB	1.0%	1.4%	1.2%	* Note: Year-end numbers are based on actual results, not projections.		



**Description**

The Employment and Social Services Department ended the year with a net city surplus of \$1,405,517.

Community Development and Health Office: \$656

The Community Development and Health Office experienced no significant variance at year end.

Ontario Works Program Delivery: \$949,870

The surplus in OW Program Delivery was due in part to actual average OW monthly caseloads for January to October (9,420) being lower than budgeted average caseload (9,600). As a result of the implementation of the new Social Assistance Management System (SAMS) in November, the caseload averages for the last two months of the year are not yet available.

Lower caseloads for the majority of the year lead to savings of \$43,563 for general operating expenses, \$79,799 savings for internal program support costs, and \$336,688 was due to lower than budgeted employment related expenses and employment initiatives. Salary gapping in the first three quarters of the year, along with the in year receipt of additional one time funding to offset the cost of implementing SAMS, contributed \$489,819 to the overall surplus. As a result there has been the need to accelerate the recruitment process which is anticipated to reduce future surpluses related to gapping in hiring.

Ontario Works Financial Assistance: \$383,595

Ontario Works Financial Assistance is estimated to end the year with net City surplus of approximately \$383,595. The January to October monthly average caseload trended lower than budget (9,420 vs. 9,600). As a result of the implementation of SAMS in November, caseload data and OW expenditure reports for November and December were delayed and could not be validated before the year closed.

Expenditure estimates for these two months were calculated by using the Provincial report that contained the highest expenditure level. Where specific expenditure lines appeared to be abnormally low, historical averages were used instead. The reports also did not accurately separate expenditures for County cost sharing purposes. The allocation of expenses between City and County was based on year to date expenditures trends. The Provincial reports still need to be vetted through a reconciliation process and therefore it is cautioned that the actual year end variance may change as a result. The steps taken by the department to date include keeping the County clients serviced at 400 City Hall Square with specific case workers and manual reconciling of inappropriately assigned cases are being manually identified by way of postal code.

100% Municipal Assistance: \$69,630

100% Municipal Assistance ends the year with a net City surplus of approx \$69,630. This surplus is attributed to funeral and burial recoveries. Approximately 34% of this funeral and burial recovery surplus is due to prior year recoveries and as a result this trend is not expected to carryover to 2015.

Other Employment Initiatives: \$1,766

A prior year adjustment resulted in a minor \$1,766

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
Community Development & Health Office		
1. Community Development Office	Recovery of Expenditures	\$ 656

*OW Program Delivery*

2. OW Program Delivery- Salaries & Benefits	Salaries & Benefits	\$ 489,819
3. OW Program Delivery- Employment Related Expenses	Grants & Subsidies	336,688
4. OW Program Delivery- Internal Support Costs	Salaries & Benefits	79,799
5. OW Program Delivery- General Expenses	Other Miscellaneous Expenditures	43,563
Total OW Program Delivery		<u>\$ 949,870</u>

*Financial Assistance*

6. OW Financial Assistance	Grants & Subsidies	\$ 383,595
7. 100% Municipal Assistance	Purchased Services	69,630
Total Financial Assistance		<u>\$ 453,225</u>

8. <i>Other Employment Initiatives</i>	Grants & Subsidies	\$ 1,766
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<b>Net Year End Surplus/(Deficit)</b>		<u><u>\$ 1,405,517</u></u>
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Mitigating Steps

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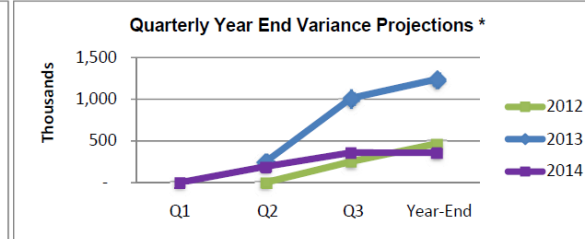
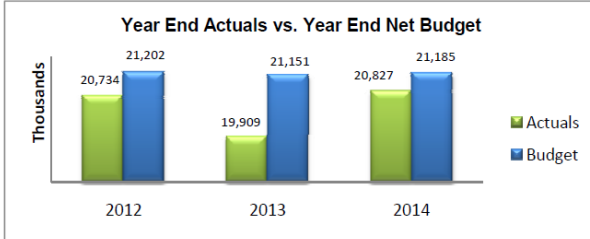
**HOUSING & CHILDREN SERVICES**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	90,747,778	89,197,605	87,388,448
Annual Net Budget	21,201,530	21,150,846	21,184,758
Annual Net Expenditures	20,733,981	19,909,307	20,826,858
<b>Year End Variance</b>	<b>467,549</b>	<b>1,241,539</b>	<b>357,900</b>
Variance as % of GB	0.5%	1.4%	0.4%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	247,000	191,000
Third Quarter (Q3)	251,000	1,013,000	359,000
<b>Year-End (Q4)*</b>	<b>467,549</b>	<b>1,241,539</b>	<b>357,900</b>

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



**Description**

Overall, Housing and Children Services has realized a 2014 year end surplus of \$357,900, broken down by program, as follows:

Housing Subsidy Surplus: \$795,450

Housing has a net city surplus of \$795,450. Of this surplus, \$386,679 (net city) is due to lower mandated subsidy payments required by service providers. Service provider 2013-2014 year end subsidy reconciliation added \$396,561 (net city) to the surplus on a one-time basis. In addition there was a surplus of \$12,210 related to salary gapping.

Children Services: \$293,078

Children Services realized a \$293,078 city surplus. In 2014, over \$1,000,000 in additional funding from the province was received for the childcare envelope thereby reducing the need for municipal contribution above the provincial requirement. The additional municipal contribution was removed from the 2015 Budget.

Windsor Essex Community Housing Corporation (WEHC): (\$730,628)

WEHC incurred a net city deficit of (\$730,628). The 2012 MPAC reassessment of the Public Housing portfolio resulted in increased property tax expense for 2013. This in addition to other cost pressures increased the 2013 deficit by (\$378,325). On March 27, 2014 WEHC submitted a request for reconsideration ("R4R") to the Municipal Property Tax Assessment Corporation ("MPAC") for the 2014 taxation year. WEHC reported that the responses received were favourable and as such the impact on the budget was reduced. A net City deficit of (\$698,110) was incurred as a result of higher legal fees, utilities, property taxes and building maintenance cost. This deficit is offset by a net city savings of \$345,807 as a result of a 2013-2014 YE subsidy reconciliation surplus (\$180,728 for 2013 and \$165,079 for 2014) related to lower rent geared to income subsidy requirement and tax savings in the Non-Profit Families program.

**Summary of Description**

	Category	Amount
1. Housing Subsidy Surplus	Grants & Subsidies	\$ 795,450
2. Children Services	Grants & Subsidies	\$ 293,078
<i>Windsor Essex Community Housing Corporation (WEHC)</i>		
3. WEHC Family Housing	Grants & Subsidies	\$ 345,807
4. WEHC Public Housing	Grants & Subsidies	(1,076,435)
Total Windsor Essex Community Housing Corporation (WEHC)		\$ (730,628)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 357,900</b>

**Mitigating Steps**

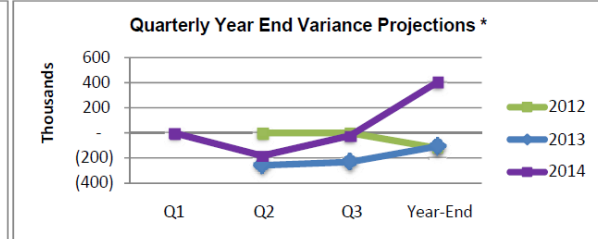
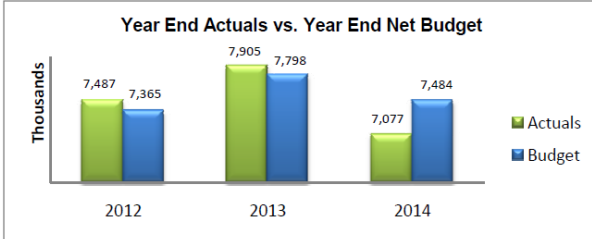
**HURON LODGE**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	20,720,557	21,713,302	21,876,229
Annual Net Budget	7,365,162	7,797,907	7,483,874
Annual Net Expenditures	7,486,921	7,904,764	7,077,156
<b>Year End Variance</b>	<b>(121,759)</b>	<b>(106,857)</b>	<b>406,718</b>
Variance as % of GB	-0.6%	-0.5%	1.9%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	(258,000)	(182,000)
Third Quarter (Q3)	-	(233,000)	(23,000)
<b>Year-End (Q4)*</b>	<b>(121,759)</b>	<b>(106,857)</b>	<b>406,718</b>

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



**Description**

Huron Lodge has ended the year with a surplus of \$406,718.

Increase in Funding: \$649,744

During the year, the MOHLTC announced an increase to the CMI as well as an increase in the funding allocation to the nursing and personal care funding envelope. Huron Lodge received an additional \$179,000 related to the CMI increase and an additional \$289,000 in funding related to the increase in the nursing and personal care envelope. Huron Lodge was also successful at acquiring accreditation through CARF. This allowed Huron Lodge to receive an additional \$14,800 in funding for 2014. In September, the resident accommodation rates were also increased by the MOHLTC which yielded an additional \$50,400 in revenue for 2014 as well. The additional revenue of \$166,000 is related to reversals of payables to the Ministry set up in prior years that never materialized.

Salary Accounts: \$101,783

Although at 3rd quarter we were projecting a deficit in the salary and benefit accounts, due to a delay in filling vacant positions, as a result of gapping, Huron Lodge ended the year with a surplus of \$101,783 in the salary and fringe accounts.

Other Miscellaneous Accounts: (\$56,714)

Other miscellaneous accounts are projected to end the year with an unfavourable variance of approximately (\$56,714) primarily due to building maintenance services. As the building operates on a 24 hour, 7 days a week basis, the cost of the repairs to both the building and equipment is at risk for a budget shortfall. The department continues to review these accounts monthly to minimize any deficits by year end.

WSIB: (\$57,314)

The department continues to have obligations to pay WSIB expenses. This year Huron Lodge ended the year in a budget shortfall of (\$57,314) in this area. Through diligent processes and assistance with Human Resources, Huron Lodge has been able to effectively mitigate WSIB costs throughout the year. However, it should be noted that costs to replace staff who are off sick and on modified duties due to non-occupational injuries continues to increase. This variance is included in with Salary Accounts.

Nursing Supplies and Incontinence Products: (\$230,781)

With the increasing acuity of residents, nursing supplies and incontinence products ended the year with an unfavourable variance of (\$230,781) primarily due to the increased costs of linen services. As previously communicated, the contract for linen services had expired at the end of 2013. Until recently, Huron Lodge had negotiated with the current provider for a month to month agreement until an RFP could be completed. In August of 2014 the RFP was completed with the successful proponent being Brit-Linen, the current vendor. However, as a result of the RFP the current rate per pound of linen cleaned will increase from \$0.45/lb to \$0.49/lb effective December 1st. A budget increase was approved in the Facilities budget as part of the 2015 Budget Process to accommodate this increase.

**Summary of Description**

	Category	Amount
1. Increase in Funding	Grants & Subsidies	\$ 649,744
2. Salary Accounts	Salaries & Benefits	101,783

3. Other Miscellaneous Accounts	Other Miscellaneous Expenditures	(56,714)
4. WSIB	Salaries & Benefits	(57,314)
5. Nursing Supplies and Incontinence Products	Operating & Maintenance Supplies	(230,781)
<b>Net Year End Surplus/(Deficit)</b>		<b><u>\$ 406,718</u></b>

**Mitigating Steps**

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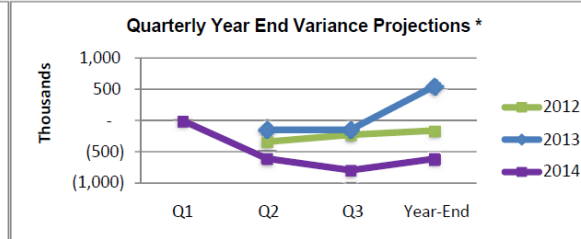
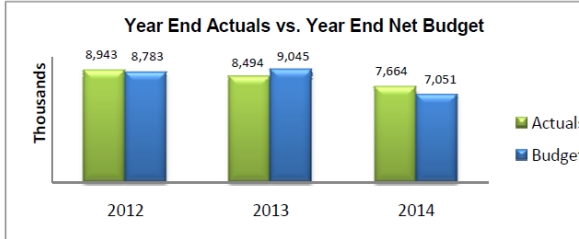
**RECREATION & CULTURE**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	17,550,521	17,633,739	18,919,303
Annual Net Budget	8,782,731	9,044,667	7,051,073
Annual Net Expenditures	8,943,328	8,494,214	7,664,339
<b>Year End Variance</b>	<b>(160,597)</b>	<b>550,453</b>	<b>(613,266)</b>
Variance as % of GB	-0.9%	3.1%	-3.2%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	(340,000)	(150,000)	(610,000)
Third Quarter (Q3)	(230,000)	(150,000)	(795,000)
Year-End (Q4)*	(160,597)	550,453	(613,266)

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



**Description**

The Recreation and Culture department has an overall year end variance of (\$613,266). The majority of revenue for Recreation and Culture is realized in the fourth quarter of the year. These revenue patterns make it difficult to accurately project year end variances. The overall variance can be broken down as follows:

Non-OHL Events: (\$152,889)

Global Spectrum had a deficit operating budget within the WFCU Centre financials of (\$152,889). Global removed several events from the 2014 schedule as they were either moved to 2015 or were not able to secure what they had anticipated for events in 2014.

WFCU Centre: (\$227,680)

The WFCU Centre has a deficit of (\$227,680) mainly due to revenue shortfalls in concessions, programming and ticket surcharges. The Spitfire attendance figures have been lower than in previous years along with less playoff games, which have resulted in lower revenue from ticket surcharges and concessions. Additionally, as approved on October 7, 2013, the revised agreement with the Windsor Express Basketball team has also negatively impacted the variance for the beginning of the year and the current agreement that was approved by Council on August 25, 2014 (CR224/2014) will continue to negatively impact the variance. The impact of the Windsor Express agreement reduced games day costs recoveries, sales on concessions, and ticket surcharge revenue. Recreation and Culture received a budget change in 2015 to reflect the revenue shortfall at the WFCU Centre (2015 change request 2015-0385).

Windsor International Aquatics & Training Centre (WIATC)/Adventure Bay (AB): (\$998,545)

The WIATC/AB facility has overall unfavourable budget variance of (\$2,211,548) in 2014. In addition to the above noted (\$998,545), this includes a negative variance of (\$895,395) for utilities (which is reported in the Corporate Finance utility variance and consistent with how all facilities are reported) as well as an unfavourable variance of (\$317,608) reported in the Facility Operations budget.

Of the (\$895,395) projected variance for utilities, (\$573,000) is attributable to hydro costs. Provincial hydro rates have increased 50% from the October/November 2011 rates prevalent when the budget was developed. In addition, consumption has been higher than originally projected. While rates will continue to fluctuate based on market demand, consumption can be better managed going forward due to a planned energy audit and by consolidating the use of the facility by taking in to account usage patterns and operating hours. Other reductions strategies include exploring the efficiency gained by the addition a cogeneration plant for electricity and heating.

As part of the reported (\$998,545) variance for Recreation and Culture, wages make up approximately (\$272,860) of the projected facility variance. This is as a result of increasing staffing levels from the originally budgeted 27 lifeguards to 32 based on actual experience with the new facility and equipment. These 5 additional lifeguards were added to improve safety as per established guidelines from the Life Saving Society and TSSA and to allow for proper operational logistics. An additional 3 temporary lifeguards were required for part of the year due to a TSSA requirement for coverage until an electronic solution was implemented. The addition of a coordination position was also required in order to better manage the significant number of lifeguards. Furthermore, once the facility opened it became apparent that in order to provide better service and safety, an additional facility attendant position was required on the second floor to oversee the canon cove playing area and fitness centre. The costs for these additional positions have been partially offset by gapping in the non-union are and by lower than budgeted lifeguard hourly wages rates.

The remaining deficit is a result of miscellaneous lines items for less than anticipated revenues, TSSA inspections and operational supplies.

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

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

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

Other Facilities: \$765,848

Recreation's other facilities had an overall surplus of \$765,848. The majority of the surplus is from wages due to positions being left unfilled over the course of the year which created gapping of \$690,232. The revenue had a slight surplus of \$10,773 due to many facilities being on or above target for the year. Oakwood Community Centre had a surplus of \$48,266 in facility rentals resulting from the change in relationship with the Public School Board. In place of the school board, City facility caretakers are now maintaining the community centre. There were also savings of \$17,315 for Indoor Tennis Facility building repairs and a deficit of (\$738) in other miscellaneous expenditures.

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
1. Non-OHL Events	Other Miscellaneous Revenue	\$ (152,889)
2. WFCU Centre	Transfers from Other Funds	\$ (227,680)
<i>WIATC/Adventure Bay</i>		
3. WIATC/Adventure Bay	Salaries & Benefits	(272,860)
4. WIATC/Adventure Bay	User Fees, Permits & Charges	(725,685)
Total WIATC/Adventure Bay		\$ (998,545)
<i>Other Facilities</i>		
5. Salaries & benefits	Salaries & Benefits	\$ 690,232
6. Oakwood Comm Centre	Other Miscellaneous Expenditures	48,266
7. Indoor Tennis Facilities	Other Miscellaneous Expenditures	17,315
8. Revenues	User Fees, Permits & Charges	10,773
9. Miscellaneous Expenses	Other Miscellaneous Expenditures	(738)
Total Other Facilities		\$ 765,848
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (613,266)</b>

Mitigating Steps

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

- Marketing plan for the WIATC/AB has been approved and is being implemented
- Energy audit & hydro cost optimization at the WIATC/AB
- Give consideration to refine/consolidate program delivery to achieve synergies aimed at cost reductions at WIATC/AB based on attendance levels and daily/hourly attendance patterns experienced to date
- Reduce 3 temporary lifeguards put to place due to TSSA requirements
- Undergo an audit with the Life Saving Society regarding lifeguard positions and rotations to determine if staff level can be further reduced
- Adjust concession price to reflect market/industry rates
- Optimize concession and facility attendant staffing schedules to reflect attendance demand
- A working group committee has been established to regularly monitor and make recommendations on all aspects of the WIATC/AB operations

- Operating review of the WFCU Centre is currently being undertaken by the newly appointed facility manager. It is expected that recommendations will be made that will improve efficiencies and reduce operating costs.
- Recreation and Culture has brought forward in the 2015 budget increase to the user fees which will assist in offsetting some of the inflationary costs associated with the day-to-day operations.
- Recreation and Culture has requested a budget change in 2015 to reflect the actual operations of the WFCU Centre (change request 2015-0385) and WIATC/AB (change request 2015-0185) which will assist in mitigating future variances.

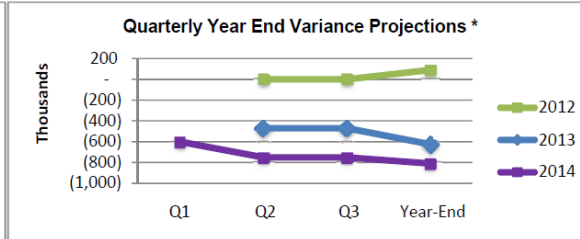
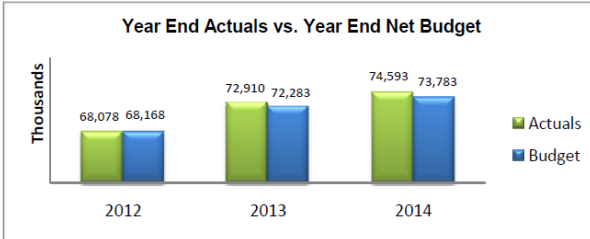
**WINDSOR POLICE SERVICES**

**Financial Summary**

	2012 Financials	2013 Financials	2014 Financials
Annual Gross Budget (GB)	76,704,906	80,140,114	82,830,647
Annual Net Budget	68,168,086	72,282,957	73,782,958
Annual Net Expenditures	68,078,115	72,909,629	74,593,332
<b>Year End Variance</b>	<b>89,971</b>	<b>(626,672)</b>	<b>(810,374)</b>
Variance as % of GB	0.1%	-0.8%	-1.0%

	2012 Est. Variance	2013 Est. Variance	2014 Est. Variance
First Quarter (Q1)			(600,000)
Second Quarter (Q2)	-	(470,000)	(750,000)
Third Quarter (Q3)	-	(470,000)	(750,000)
<b>Year-End (Q4)*</b>	<b>89,971</b>	<b>(626,672)</b>	<b>(810,374)</b>

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



**Description**

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

**Summary of Description**

	Category	Amount
1. Miscellaneous expenditures	Other Miscellaneous Expenditures	\$ 20,100
2. Minor Equipment, repairs and maintenance	Minor Capital	(95,309)
3. Legal and consulting costs	Purchased Services	(329,957)
4. Unachievable revenue targets - fees, recoveries	User Fees, Permits & Charges	(405,208)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (810,374)</b>

**Mitigating Steps**

- 1) The WPS continues to monitor and control overtime costs which have slowly been decreasing over the past few years. For 2014, with the occurrence of unforeseen events, major crimes, investigation and corresponding court attendance, overtime costs were approx. \$300,000 higher than 2013 however, these increased costs were able to be offset by salary gapping savings.
- 2) The WPS has also been diligent in delaying the replacement of equipment and trying to extend the life through repairs and maintenance. Unfortunately, we have begun to reach the point where equipment has become obsolete with service and parts no longer available, forcing the resulting costs in order to continue to provide service and to ensure the health and safety of our employees.
- 3) Higher legal and consulting costs due to a number of hearings and court cases involving external legal and adjudicator services.
- 4) Revenue targets were not achieved, despite higher revenues over 2013 as a result of fee increases and various one-time funding opportunities.

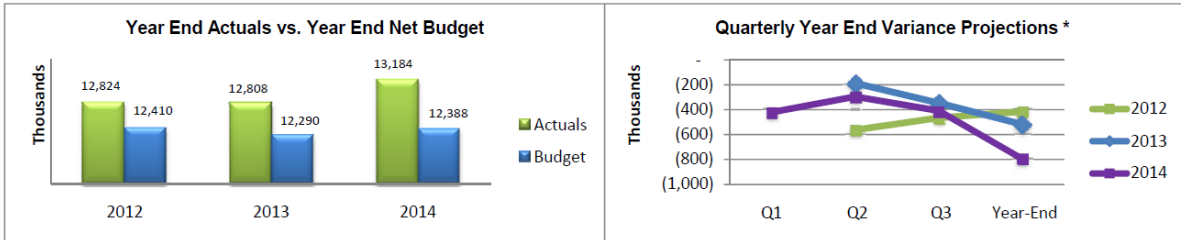
**TRANSIT WINDSOR**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	29,855,258	28,245,389	29,843,504
Annual Net Budget	12,409,811	12,289,811	12,387,926
Annual Net Expenditures	12,823,749	12,808,089	13,184,008
<b>Year End Variance</b>	<b>(413,938)</b>	<b>(518,278)</b>	<b>(796,082)</b>
Variance as % of GB	-1.4%	-1.8%	-2.7%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			(420,000)
Second Quarter (Q2)	(562,000)	(186,000)	(294,000)
Third Quarter (Q3)	(464,000)	(347,000)	(408,000)
<b>Year-End (Q4)*</b>	<b>(413,938)</b>	<b>(518,278)</b>	<b>(796,082)</b>

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



**Description**

Transit Windsor ended the year with a deficit of (\$796,082). Although Transit Windsor exceeded its revenue targets in 2014, there were emergency repairs and other over expenditures in accounts that resulted in an overall net deficit. In summary, the 2014 year end deficit position of the department was attributed to the following:

Transit Revenue: \$233,922

Transit Windsor revenues exceeded budget estimates by \$233,922. When a fare increase is implemented, Transit Windsor factors in a projected decline in ridership. The decline in ridership was below budget estimates.

Recovery of expenses: \$81,015

Recovery of expenses surplus of \$81,015 includes a recovery for expenses incurred for the Ontario 55+ Summer Games and the Ontario Summer Games.

Advertising Expense: \$42,622

As an offset, Transit Windsor realized a surplus of \$42,622 in its Advertising account.

Disposal of TCA's: \$36,564

Transit Windsor realized \$36,564 in revenues as a result of the disposal of some Tangible Capital Assets in 2014.

Legal and Consulting Fees: \$34,994

Legal and Consulting Fees realized a surplus of approximately \$34,994.

Facilities: (\$29,909)

A deficit of (\$29,909) was incurred at the Windsor International Transit Terminal (WITT) in the charges from Facilities Services. This variance has been identified as a variance in the Thermal Energy account and a budget adjustment from Facilities Operations is anticipated for 2014 to eliminate this variance.

In addition, Transit was faced with implementing a fuel storage system software upgrade and upgrades to fuel tanks and dispensers totalling \$20,706. A fuel dispensing software upgrade was also required to ensure compatibility with windows totalling \$15,375.

Commission Revenue Account: (\$107,128)

Transit commission revenue, realized primarily through sales made at the Windsor International Transit Terminal for Greyhound customers, were below budget estimates by (\$107,128). Discussions are ongoing with representatives from Greyhound to address this.

Vehicle Maintenance Materials Account: (\$165,131)

Vehicle Maintenance Materials were over budget (\$165,131), which is largely attributable to the on-going maintenance required for the aging fleet and due to the increased costs of replacement parts related to bus technology such as air conditioning ramps, etc. MTO audits conducted in 2014 also resulted in increased maintenance requirements to fleet and having a negative impact on the variance.



Fringe Benefits Variance: (\$238,973)

Transit Windsor experienced a deficit of (\$238,973) in the fringe benefit accounts. Approximately (\$118,000) is related to the variance in the salary and wages accounts, with the remainder attributed to higher than anticipated benefit premiums.

Motor Fuel and Lubricants Variance: (\$289,182)

The Motor Fuel and Lubricants account was also impacted by the number of overloaded buses on the main lines and special events, and experienced a deficit of (\$289,182). The total approved 2014 budget for fuel and lubricants was \$3,069,971, comprised of \$2,865,171 for diesel, \$22,500 for gas and \$182,300 for lubricants. Based on approximately 3,000,000 litres of diesel consumed annually, the budget for diesel alone was \$0.95 per litre (the budget estimate of \$1.00 per litre includes the costs for lubricants). Every \$0.01 increase above the budget figure of \$0.95 per litre translates to a cost of approximately \$30,000. The average cost of diesel for 2014 was \$1.05, resulting in a variance of \$0.10 per litre, or approximately \$300,000.

Salary and Wages Variance: (\$394,881)

Transit Windsor realized a deficit of (\$394,881) in salaries and wages largely due the need to react to overloaded buses on the main lines in the first three quarters of the year, and the need to provide unbudgeted service for special events (such as the Ontario 55+ Summer Games and special events on the tunnel route). While some of the costs for these events were recovered, there was still a net over expenditure incurred by the department.

Summary of Description

	Category	Amount
1. Surplus in Transit Revenue	User Fees, Permits & Charges	\$ 233,922
2. Recovery of Expenses	Recovery of Expenditures	81,015
3. Savings in Advertising Account	Operating & Maintenance Supplies	42,622
4. Disposal of TCA's	Other Miscellaneous Revenue	36,564
5. Savings in Legal and Consulting Fees	Operating & Maintenance Supplies	34,994
6. Deficit in Facilities Services Charges - WITT	Operating & Maintenance Supplies	(29,904)
7. Deficit in Commission Revenue	User Fees, Permits & Charges	(107,128)
8. Vehicle Maintenance Account	Operating & Maintenance Supplies	(165,131)
9. Fringe Benefits	Salaries & Benefits	(238,973)
10. Motor Fuel & Lubricants	Operating & Maintenance Supplies	(289,182)
11. Salary and Wages	Salaries & Benefits	(394,881)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (796,082)</b>

Mitigating Steps

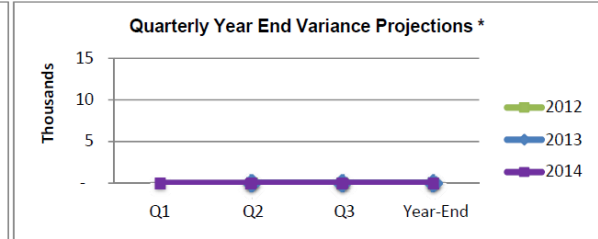
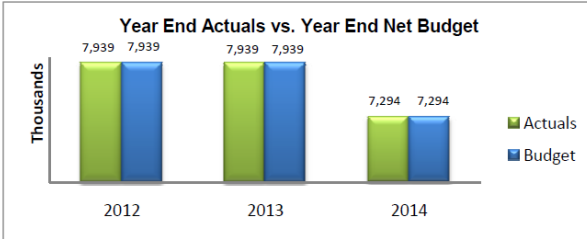
**WINDSOR PUBLIC LIBRARY GRANT**

**Financial Summary**

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

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

\* 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 (\$7.3 M), four equal quarterly payments are made to the WPL. Therefore, there are no variances within this line item. Should there be a variance within the WPL's operating budget, it will be reported through the Board and addressed as such.

**Summary of Description**

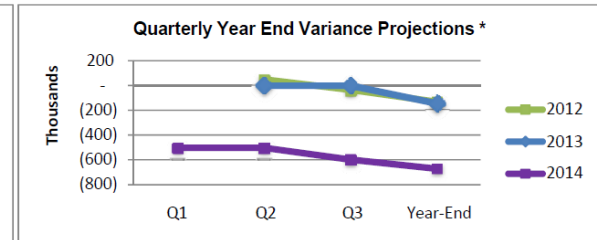
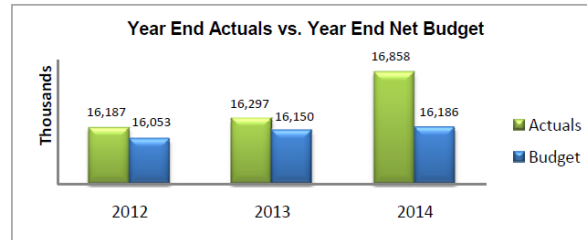
Category	Amount
1. Annual Grant Funding	\$ -
<b>Net Year End Surplus/(Deficit)</b>	<b>\$ -</b>

**Mitigating Steps**

**AGENCY GRANTS**

<u>Financial Summary</u>	2012		2013		2014		
	Financials	Financials	Financials	Financials	Est. Variance	Est. Variance	Est. Variance
Annual Gross Budget (GB)	16,053,391	16,150,454	16,287,054				(501,720)
Annual Net Budget	16,053,391	16,150,454	16,186,455		50,000	-	(501,720)
Annual Net Expenditures	16,186,600	16,296,974	16,857,599		(34,000)	-	(598,120)
<b>Year End Variance</b>	<b>(133,209)</b>	<b>(146,520)</b>	<b>(671,144)</b>		<b>(133,209)</b>	<b>(146,520)</b>	<b>(671,144)</b>
Variance as % of GB	-0.8%	-0.9%	-4.1%				

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



**Description**

Essex Region Conservation Authority (ERCA): \$3,618

Due to timing of budget approvals, the City budget ended the year with a small surplus of \$3,618.

Windsor-Essex County Health Unit (WECHU): (\$81,658)

The City's share of the Windsor-Essex County Health Unit's 2014 budget was \$2,619,862 along with a one-time request of \$13,561 for a total of \$2,633,423. Due to the timing of the City's budget approval, this resulted in a budget deficit of (\$196,720). This was partially offset by a surplus of funding provided by the City to the Health Unit totalling \$115,062 from 2012 and prior years, which was returned to the City in 2014.

Land Ambulance: (\$593,104)

The Land Ambulance budget was not available from the County when the City's budget was approved, and a status quo budget estimate was made for the City's share of costs. Due to timing of budget approvals, the City's share was \$303,800 higher than budgeted by the City. In addition, a \$289,304 operational variance occurred largely due to salary and benefits, vehicle repair and maintenance, medical supplies and equipment, as well as legal fees. Overall, this resulted in a budget deficit to the City of (\$593,104).

**Summary of Description**

	Category	Amount
1. Essex Region Conservation Authority	Transfers to External Agencies	\$ 3,618
2. Windsor-Essex County Health Unit	Transfers to External Agencies	(81,658)
3. Land Ambulance	Transfers to External Agencies	(593,104)
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ (671,144)</b>

**Mitigating Steps**

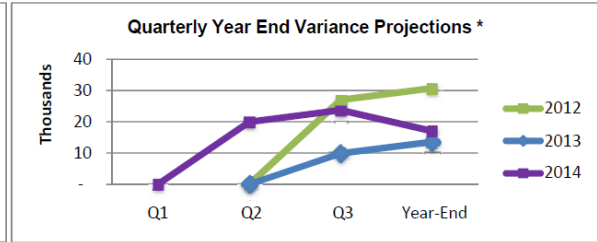
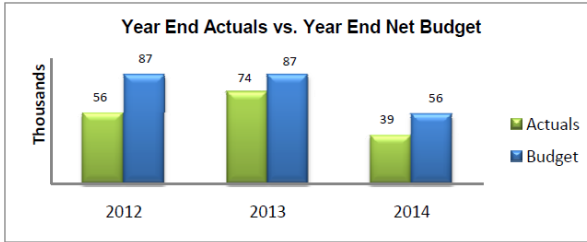
**COMMITTEES OF COUNCIL**

**Financial Summary**

	2012	2013	2014
	Financials	Financials	Financials
Annual Gross Budget (GB)	87,170	87,170	55,920
Annual Net Budget	87,170	87,170	55,920
Annual Net Expenditures	56,394	73,598	38,917
<b>Year End Variance</b>	<b>30,776</b>	<b>13,572</b>	<b>17,003</b>
Variance as % of GB	35.3%	15.6%	30.4%

	2012	2013	2014
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)			-
Second Quarter (Q2)	-	-	20,000
Third Quarter (Q3)	27,000	9,900	23,700
<b>Year-End (Q4)*</b>	<b>30,776</b>	<b>13,572</b>	<b>17,003</b>

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



**Description**

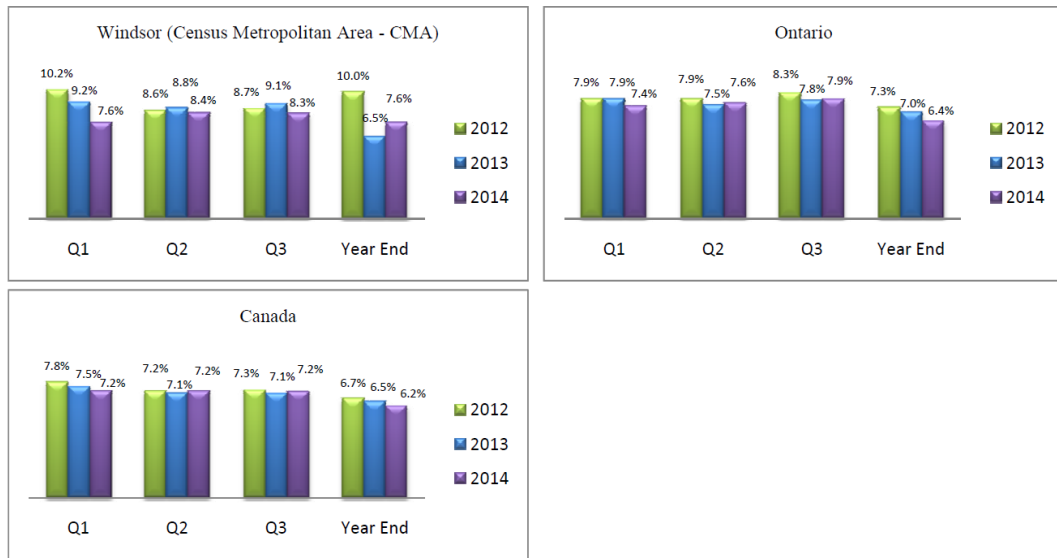
Slight surpluses in various Committees of Council resulted in a yearend surplus of \$17,003.

**Summary of Description**

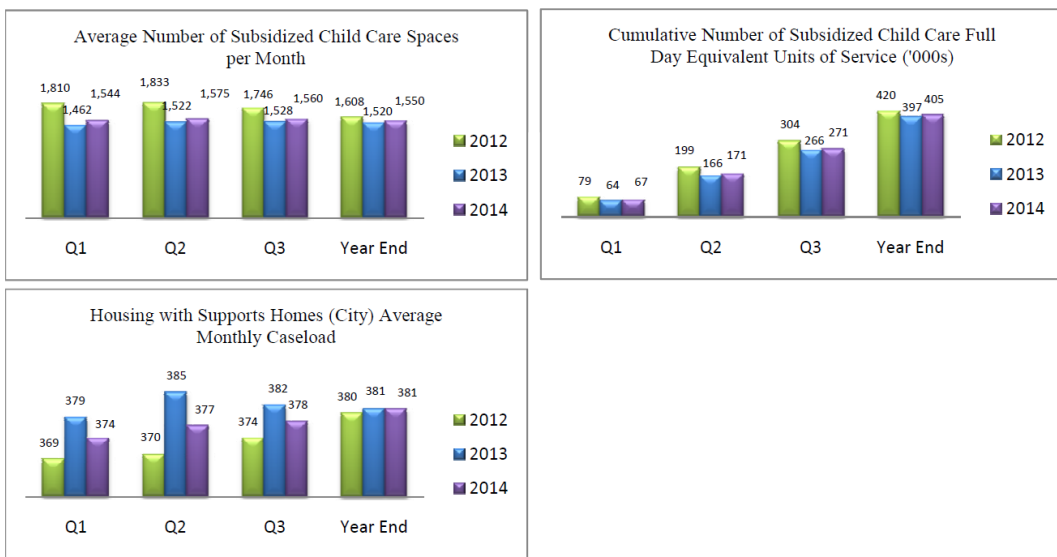
	Category	Amount
1. Various Committees of Council	Other Miscellaneous Expenditures	\$ 17,003
<b>Net Year End Surplus/(Deficit)</b>		<b>\$ 17,003</b>

**Mitigating Steps**

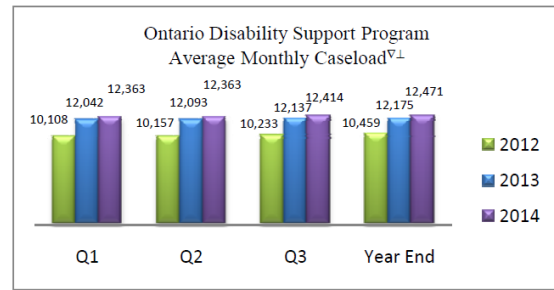
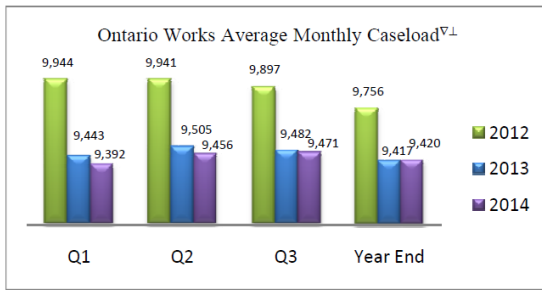
Unemployment Rates (3-month Moving Average, unadjusted)



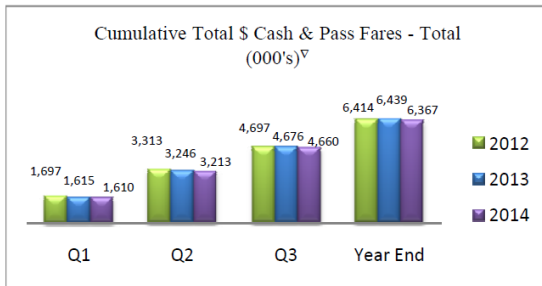
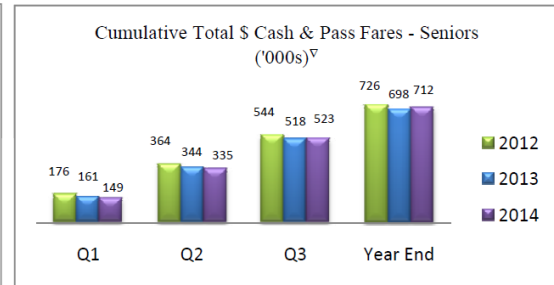
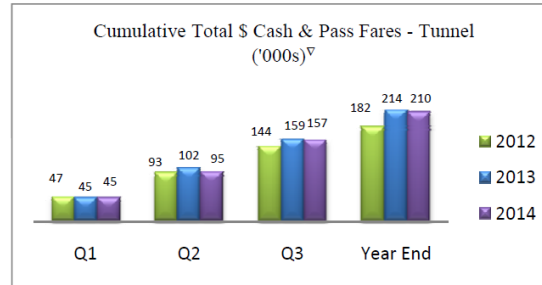
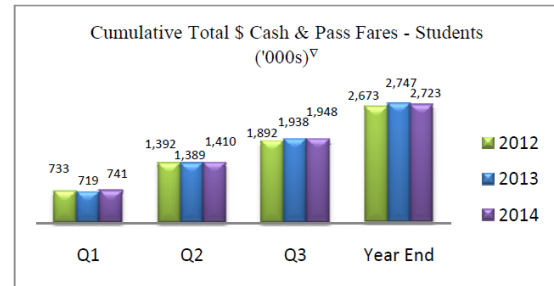
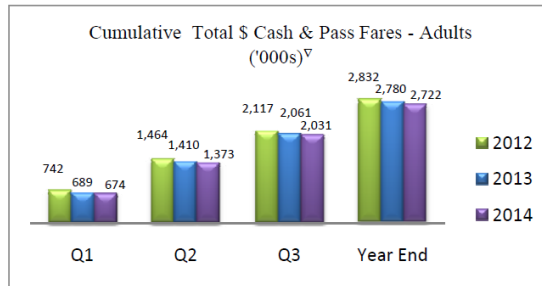
Housing & Children Services



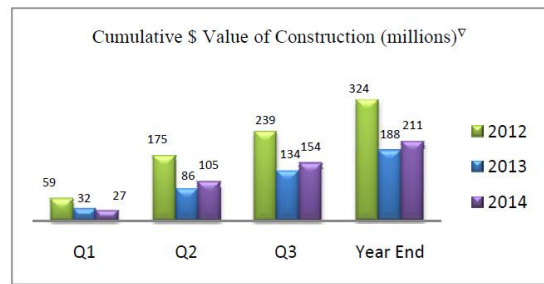
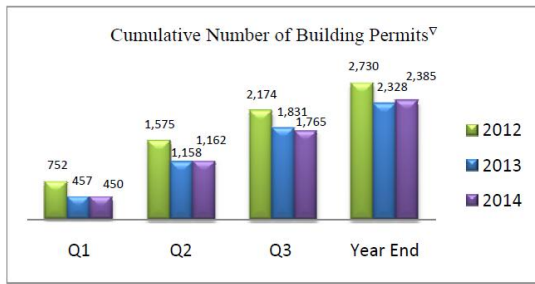
Employment & Social Services



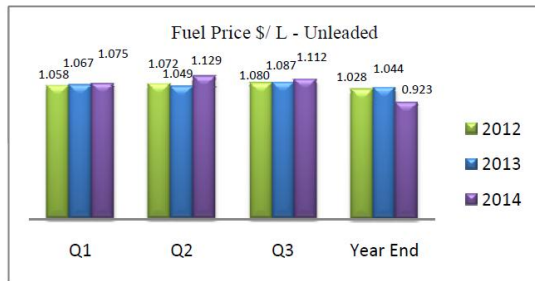
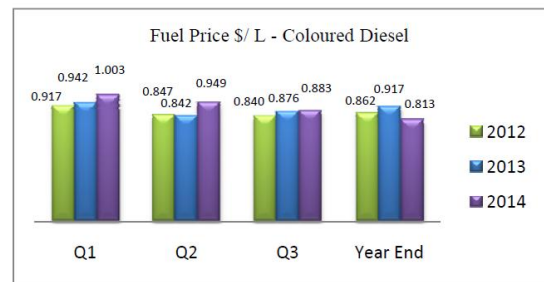
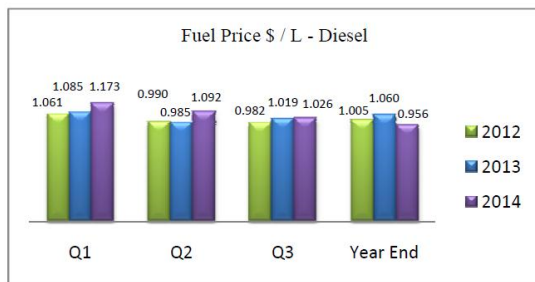
Transit Windsor



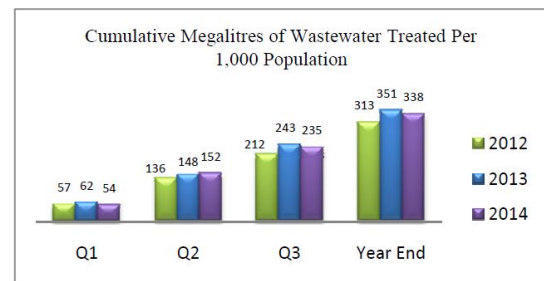
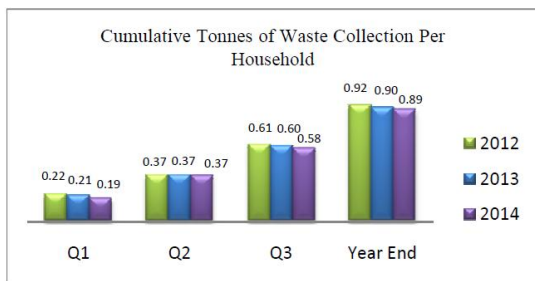
**Building**



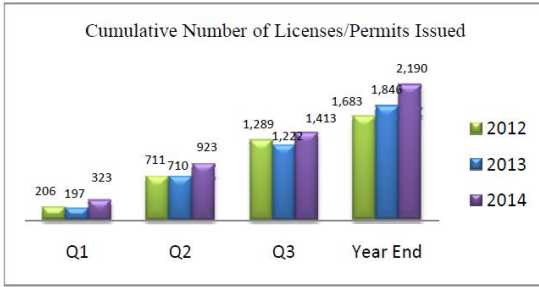
**Public Works - Operations**



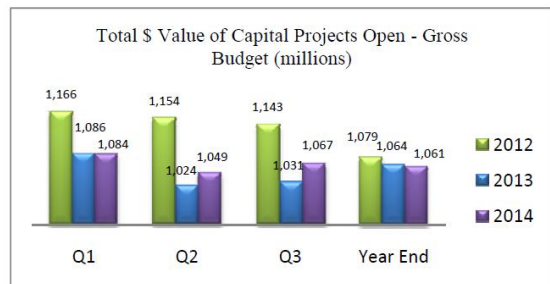
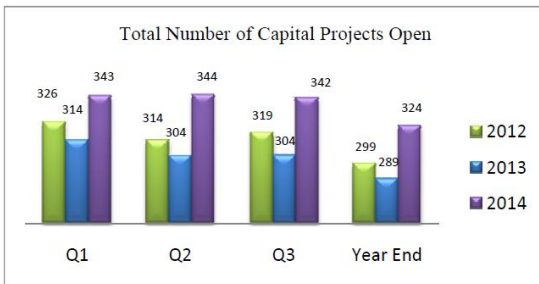
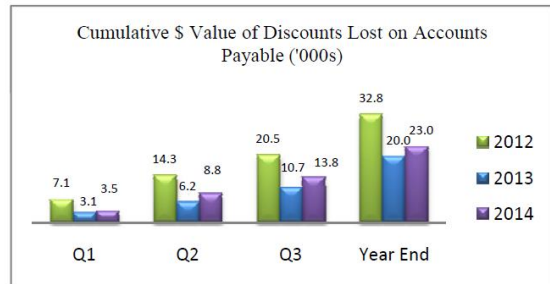
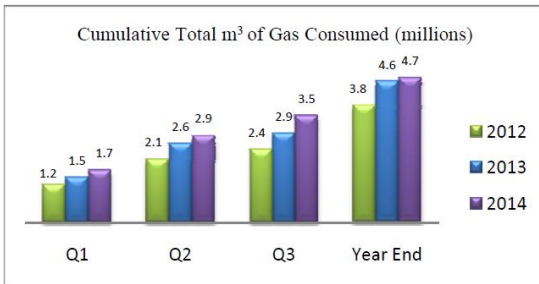
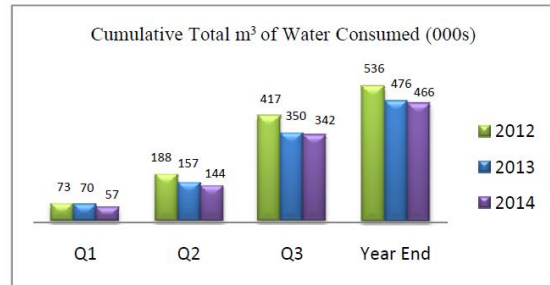
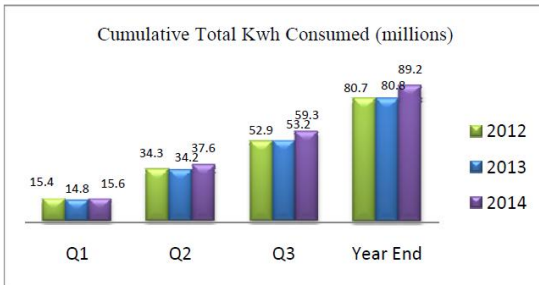
**Public Works - Environmental**



Engineering

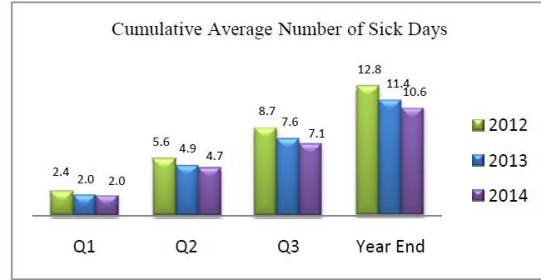
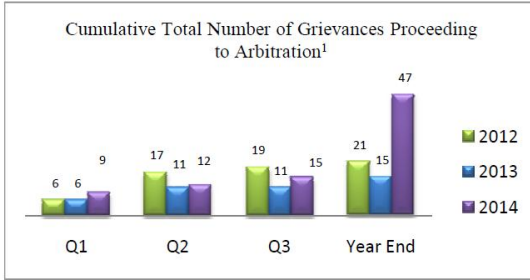


Finance

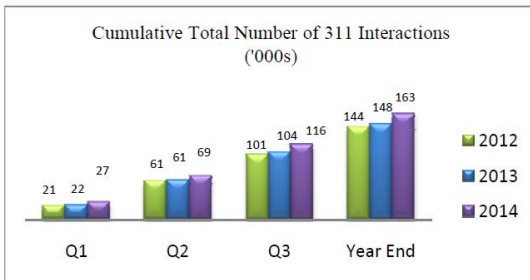




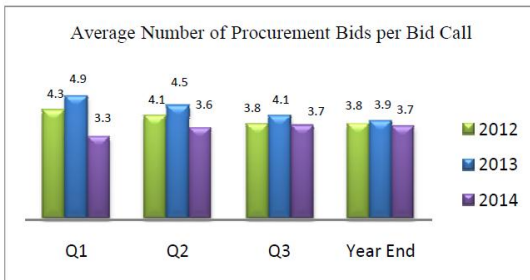
Human Resources



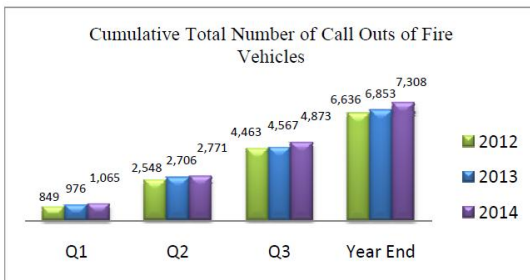
Council Services



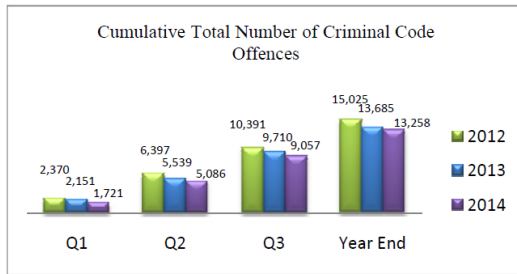
Legal



Windsor Fire & Rescue Services



Windsor Police Services



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

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

⊥ Current quarter statistics not yet available. OW average caseload YE figure as at Oct 31st; ODSP average caseload YE figure as at Sept 30th.

Notes:

1. The increase in the number of grievances that proceeded to Arbitration in this quarter is attributed to the fact that there was an increase in grievance activity by the WPPFA. In addition, these grievances proceeded to be reviewed by Arbitrator Kevin Burkett, who reviewed and provided an award on them, as well as an award in his previous Interest Arbitration Award

## 2014 Budget Carry-Forwards

Department	Description	Total
City Council	Ward Funds	645,182
Mayor's Office	Mayor's Office Year End Balances	425,391
CAO's Office	Corporate Consulting	18,720
Finance (Corporate)	Heavy workload position re: encroachment fee revenue	18,683
Finance (Corporate)	Outsourced Internal Audit	18,130
Engineering	Open Street Events for 2015 (Council Motion M179-2014, Report 16995)	5,000
Engineering	Collision Database - Transportation Planning	24,000
Engineering	Traffic Calming Policy & new School Area Policy	185,013
Employment & Social Services	Ongoing Physician Recruitment & Retention Program	56,452
Employment & Social Services	Implementation of the Social Assistance Management System (SAMS)	65,542
Huron Lodge	Gentle Persuasion Approach (GPA) Training	10,400
Recreation & Culture	Adventure Bay Marketing Budget	33,574
Transit Windsor	Engine refurb planned for 2014 but not completed	289,219
Committees	International Relations Committee	45,693
<b>TOTAL BUDGET CARRYFORWARD</b>		<b>1,840,999</b>

**Summary of Capital Projects Closed (for 2014)**  
As at December 31, 2014

Item #	Project ID	Department/Program	Project Name	Surplus/ (Deficit)	Funding Source/Transfer	Project Variance Comments
<b>Section A: Projects Balanced &amp; Closed via Transfer to Other Projects/Chartfield</b>						
1	7082023	Engineering	Princess Avenue - Joineville/Grand	(59,119.58)	Westcott Road - Metcalf/Alice	The resulting over expenditure in this project is attributed to approximately \$90,000 of extra work, i.e. rewiring of street lights and replacement of wires to Enwin poles, supply and installation of sod, and winter protection. Administration has recommended the transfer of surplus funds from 7111017 - Westcott Rd - Metcalf/Alice to mitigate the over expenditure.
2	7082025	Engineering	Dawson Road - Wyandotte E. to CNR	(173,466.36)	Belle Isle View - Edgar/Tranby	The project was completed with a deficit mainly due to significant amount of concrete repair and restoration, some of which were attributed to the contractor and some of which the City paid for. This additional work was realized after an initial anticipated surplus was redirected to project #7035110 (Coventry Gardens) per B10/2011.
3	7111001	Operations	2011 City Wide Road Rehabilitation	464,371.53	2012 City Wide Road Rehabilitation 2013 City Wide Road Rehabilitation	The 2011 City Wide Road Rehabilitation project was completed below originally estimated expenditures. The surplus funds were transferred accordingly to balance and close the 2012 City Wide Road Rehabilitation project, and the remaining funds to the ongoing 2013 City Wide Road Rehabilitation project.
4	7111022	Operations	2011 Sidewalk Rehabilitation	(15,786.38)	2014 Sidewalk Rehabilitation	Additional transactions for a holdback correction and a charge at year end for Technical Support costs resulted in a deficit of (\$15,786) in the 2011 Sidewalk Rehabilitation project. Available fund in the 2014 Sidewalk Rehabilitation project were transferred to cover this deficit.
5	7121001	Operations	2012 City Wide Road Rehabilitation	(198,560.76)	2011 City Wide Road Rehabilitation	Surplus funds from 2011 City Wide Road Rehabilitation project were transferred to balance and close this project.
6	7121007	Operations	2012 Sidewalk Rehabilitation	(259,750.52)	2014 Sidewalk Rehabilitation	This project had been expected to be on budget however, the allocation of actual tender costs assigned to this project resulted in an unfavourable funding variance for tender 81-13. Funds are available in the 2014 Sidewalk Rehab project and will be transferred to cover this deficit of (\$259,751).
7	7121014	Planning	Development Permit System	75,000.00	Comprehensive Zoning By-Law	Administration recommended that the remaining balance of this project be transferred to 7092002 - Comprehensive Zoning By-Law. This will supplement funding to implement recommendations coming from the current Property Development Approval "One Stop" Business Process Review Project in 2014.
8	7121025	Engineering	District Energy Chiller-FAC	0.00	Family Aquatic Complex	n/a
9	7129012	Parks & Facilities	Trails	0.00	n/a	All activities have been charged to the project and the project has been completed with a zero variance.
<b>Total: Fund 007</b>						
<b>Section B: Projects Balanced &amp; Closed via Transfer to/from Original Funding Sources</b>						
1	7122001	Engineering	RTB Optimization Study	173.40	West Windsor Poll. Ctrl. Plant	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
2	7051017	Engineering	Little River PCP Final Clarifier	11,014.27	Little River Poll. Ctrl. Plant	The project's ending variance is due to a small surplus in the contract contingency and a small surplus in the contract administration and inspection contingency.
3	7131009	Environmental	Combined Sewer Overflow Reporting	3,546.68	Pumping Stations	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
4	7141003	Operations	2014 Fleet Equipment Additions	11,410.51	Fleet Replacement	Project budget was a best estimate at the time the project was approved. The surplus is mainly a result of the actual price of the purchased unit being less than the original quote.
5	7071121	Engineering	Elm - College to Giles West	(81,874.64)	Sanitary Sewer Surcharge	The project was initially projected to be completed with surplus funds. In 2012, \$260,000 was transferred to fund project 7032060 - Ojibway Sanitary Sewer. Actual expenditures were, however, underestimated causing the project to fall into a deficit.
6	7082013	Engineering	Sunset Avenue - University to Riverside	(68,882.32)	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. The project deficit was due to higher than expected tender costs and unforeseen extras on the project.
7	7082017	Engineering	Alley West of Kildare - Ypres to Memorial	(73,695.16)	Sanitary Sewer Surcharge	As per the March 2014 variance report, this project was anticipated to be in a deficit of approximately \$80,000 due to an extended scope of work to the storm sewer lateral replacements and unexpected connection variations.
8	7082019	Engineering	Norman Road - Joineville/S. Haig	5,217.98	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
9	7082026	Engineering	Westminster Blvd. - Joineville/Iris Place	10,009.58	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.

**Summary of Capital Projects Closed (for 2014)**  
As at December 31, 2014

Item #	Project ID	Department/Program	Project Name	Surplus/ (Deficit)	Funding Source/Transfer	Project Variance Comments
10	7094001	Engineering	Sunset - University to Wyandotte	87,176.11	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. The surplus is a result of better than expected tender prices, as well as effective project management.
11	7103006	Engineering	Fairview - Wyandotte/Riverdale	93,940.34	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. The surplus is a result of better than expected tender prices, as well as unused contingency funds.
12	7103007	Engineering	Queen St. - Prince /South	50,000.00	Sanitary Sewer Surcharge	This project was duplicated by a subsequent approval to proceed with the project in 2014 under project ID 7144001. The approved funding of \$50,000 for pre-engineering in 2010 was transferred back to reserve fund 153.
13	7112001	Engineering	Francois Court - Ellrose/ Wyandotte	211,202.36	Sanitary Sewer Surcharge	Project budget was a best estimate at the time the project was approved. The surplus is a result of better than expected tender prices, as well as a recovery of expenses from Windsor Utilities Commission received but not budgeted.
14	7081012	Recreation and Culture	Museum Feasibility/Location Study	26.76	Capital Expenditure Reserve	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
15	7081013	Recreation and Culture	Miscellaneous Cultural Project	7.78	Capital Expenditure Reserve	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
16	7111010	Engineering	Upgrade EIS Internal Application System	731.12	Capital Expenditure Reserve	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
17	7111041	Parks and Facility Operations	350 CHS Appraisals/Reports	38,789.73	Capital Expenditure Reserve	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
18	7101014	Fire and Rescue	2010 Fire Truck Replacement	48,917.17	Fire Major Equipment	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and the surplus is attributable to lower than budgeted costs of the two rear mount pumper/rescue trucks (#4003 & 4004 replacements).
19	7131007	Fire and Rescue	2013 Fire Truck Replacement	15,423.75	Fire Major Equipment	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
20	7029066	Taxation Finance Project	Boundary Adjustment	24,313.81	Pay As You Go - Capital Reserv	The slight surplus (approximately .5% of the total expenditures) is primarily due to the timing of funding allocations and related financing charges.
21	7033139	PW Operations	Operations' Facility Improvements	0.96	Pay As You Go - Capital Reserv	Project came in on budget.
22	7051020	Planning/Building	4th Floor Renovation/Equipment	211.03	Pay As You Go - Capital Reserv	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
23	7059002	Planning	Civic Image Features - Walker Rd.	22,775.05	Pay As You Go - Capital Reserv	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
24	7071189	Transit Windsor	TW Master Plan - Software Application	0.00	Pay As You Go - Capital Reserv	n/a
25	7102001	Engineering	Lloyd George Blvd - Rose/Grand	30,592.51	Pay As You Go - Capital Reserv	Project budget was a best estimate at the time the project was approved. The surplus is a result of better than expected tender prices, as well as effective project management.
26	7111029	Transit Windsor	2011 TW Fleet Replacement/Refurbishment	28,542.45	Pay As You Go - Capital Reserv	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
27	7121010	Operations	Parking Enforcement - Handheld Replacement	30,765.00	Pay As You Go - Capital Reserv	The surplus in the project was a result of lower pricing then estimated and the acquisition of less units than originally put forward. The number of units ordered was reduced as the supplier has provided temporary units to replace those requiring service and the frequency of incidents requiring the units to be returned for service has decreased.
28	7121027	Financial Planning	FINA World Swim Championship Bid	0.00	Pay As You Go - Capital Reserv	All activities to be charged to the project have been processed. The project was completed and closed with a zero variance.
29	7129014	Parks and Facility Operations	Parkland Acquisitions	(8,840.49)	Pay As You Go - Capital Reserv	This project partially funded related parkland acquisition costs. Project now to be closed as funding has been eliminated in the 5 year capital plan.
30	7131024	Transit Windsor	TW Fleet Procurement TW93/2013	581.62	Pay As You Go - Capital Reserv	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.

**Summary of Capital Projects Closed (for 2014)**  
As at December 31, 2014

Item #	Project ID	Department/Program	Project Name	Surplus/ (Deficit)	Funding Source/Transfer	Project Variance Comments
31	7141045	Taxation Finance Project	2014 Ontario Summer Games	71,238.46	Pay As You Go - Capital Reserv	Operational savings are achieved due to only 19 events taking place instead of 22 originally budgeted. We were able to host events at City owned facilities as opposed to rental of other facilities. Large # of volunteers also helped in achieving lower costs. Over all, this was City's first year of hosting an event of this magnitude and budget was based on estimates that also included a contingency amount which was not required.
32	798125M	Legal	98 Norwich Block	12,240.32	Pay As You Go - Capital Reserv	The slight surplus (approximately .03% of the total expenditures) is primarily due to the timing of funding allocations and related financing charges.
33	7131006	Fire and Rescue	2013 Crisis System Upgrade	8,366.53	Pay As You Go - Leasing Reserv	Project budget was a best estimate at the time the project was approved. All activities to be charged to the project have been processed and actual expenses came in less than what was estimated.
34	7131018	Police Services	Police Early Intervention	0.00	Police Fleet	n/a
35	7031188	Police Services	Electronic Backup Data Facility	0.00	Police Equipment Replacement	n/a
36	7141008	Police Services	WPS Firearm Pistol Replacement	0.00	Police Equipment Replacement	n/a
37	7141009	Police Services	WPS E911 Workstation Replacement	0.00	Police Equipment Replacement	n/a
38	7141012	Police Services	Explosive Robot Replacement	0.00	Police Equipment Replacement	n/a
<b>Total: To Various Reserves</b>				<b>583,922.67</b>		

**CITY OF WINDSOR  
DEVELOPMENT CHARGE RESERVE FUNDS  
INCOME STATEMENT  
For the Year Ending December 31, 2014**

ACCOUNT #	ACCOUNT DESCRIPTION	FUND #115	FUND #116	FUND #117	FUND #118	FUND #121	FUND #122	FUND #123	FUND #124	FUND #125	FUND #126	FUND #127	FUND #128	TOTAL
		DEV. CHGS. - ROADS & RELATED	DEV. CHGS. - SANITARY/ POLLUTION	DEV. CHGS. - STORM & DRAINS	DEV. CHGS. - WATER/ WUC	DEV. CHGS. - GENERAL GOV'T	DEV. CHGS. - LIBRARY	DEV. CHGS. - FIRE	DEV. CHGS. - POLICE	DEV. CHARGES - INDOOR RECREATION	DEV. CHGS. - PARK DEVEL.	DEV. CHGS. - TRANSIT	DEV. CHGS. - PW/ BUILD/ EQUIP/ FLEET	DEVELOPMENT CHARGE RESERVE FUNDS
AVAILABLE AT BEGINNING OF YEAR SURPLUS (DEFICIT)		2,616,900	797,979	664,353	582,245	247,793	1,030,151	(414,723)	(328,483)	1,310,932	584,520	27,268	147,946	7,266,881
<b>REVENUES:</b>														
6540	Investment Income - Other	39,193	13,303	10,643	4,827	3,037	12,563	(4,563)	(3,770)	14,268	9,512	291	1,964	101,268
6660	Developer Contributions	2,223,364	586,936	419,007	404,192	76,781	177,777	86,290	43,923	327,472	418,333	39,646	28,282	4,832,003
7052	Transfer from Capital Projects													-
7054	Transfer from Reserve Funds													-
7055	Transfer From Revenue Funds													-
TOTAL REVENUE		2,262,557	600,239	429,650	409,019	79,818	190,340	81,727	40,153	341,740	427,845	39,937	30,246	4,933,271
<b>EXPENSES:</b>														
4010	Administrative Services	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
n/a	Transfer to WUC				582,245									-
4240	Transfer to Current	18,350	4,723	3,371	3,246	636	1,469	711	363	2,702	3,445	261	237	39,514
4250	Transfer to Reserve Fund													-
4245	Transfer to Capital Fund	575,000				40,000	100,000			337,430	17,532	20,000		1,089,962
4248	Transfer to Reserve Account													-
TOTAL EXPENSES		595,850	7,223	5,871	587,991	43,136	103,969	3,211	2,863	342,632	23,477	22,761	2,737	1,159,476
AVAILABLE AT YEAR END SURPLUS (DEFICIT)		4,283,607	1,390,995	1,088,132	403,273	284,475	1,116,522	(336,207)	(291,193)	1,310,040	988,888	44,444	175,455	11,040,676
A/C #4245	TRANSFER TO CAPITAL, BY PROJECT DETAIL:													
Project #	Project Description													
7141017		375,000												375,000
7144007		200,000												200,000
7142002						40,000								40,000
7145000							100,000							100,000
7069034	Municipal Pool Refurbishment									290,000				290,000
7069035	Recreation Facility Refurbishm									20,430				20,430
7069036	Municipal Arena Refurbishments									27,000				27,000
7129011											17,532			17,532
7045018	TW Customer Service Requiremts											20,000		20,000
TOTAL TRANSFER TO CAPITAL, BY PROJECT DE		575,000	0	0	0	40,000	100,000	0	0	337,430	17,532	20,000	0	1,089,962