

Appendix A

2018 YEAR-END OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION

Departments/Divisions	Page #	2017				2018				
		Annual Gross Budget	Annual Net Budget	Year End Surplus/ (Deficit)	YE % Var. Of Gross Bgt. Surplus/ (Deficit)	Annual Gross Budget	Annual Net Budget	Q3 (Aug 31) Projected Surplus / (Deficit)	Year End Surplus/ (Deficit)	YE % Var. Of Gross Bgt. Surplus/ (Deficit)
Representation										
Mayor's Office	2	504,157	504,157	9,687	1.9%	504,753	504,753	-	\$ 9,687	1.9%
Council Administrative Services	3	604,938	604,938	1,281	0.2%	597,657	597,657	-	\$ 28,205	4.7%
Total Representation		1,109,095	1,109,095	10,968	1.0%	1,102,410	1,102,410	-	\$ 37,892	3.4%
Office of the Chief Administrative Officer										
CAO's Office	4	1,333,810	1,176,539	172,228	12.9%	1,320,807	1,151,348	115,000	\$ 170,118	12.9%
Office of the City Solicitor										
Planning & Building	5	8,742,973	3,613,431	553,784	6.3%	9,743,666	3,881,662	435,400	\$ (42,184)	-0.4%
Legal	6-7	17,009,347	6,018,338	(1,522,981)	-9.0%	17,162,635	6,772,609	(487,000)	\$ (87,047)	-0.5%
Fire & Rescue Services	8	46,176,988	45,201,199	52,982	0.1%	46,493,654	45,502,965	(234,000)	\$ (457,162)	-1.0%
Total Office of the City Solicitor		71,929,308	54,832,968	(916,215)	-1.3%	73,399,955	56,157,236	(285,600)	\$ (586,393)	-0.8%
Office of the Chief Financial Officer										
Finance	9	9,445,098	6,229,178	877	0.0%	10,259,010	6,467,287	-	\$ 873	0.0%
Information Technology	10	7,744,735	6,469,296	88,104	1.1%	7,954,334	6,678,895	50,000	\$ 114,264	1.4%
Total Office of the Chief Financial Officer		17,189,833	12,698,474	88,981	0.5%	18,213,344	13,146,182	50,000	\$ 115,137	0.6%
Office of City Clerk										
Council Services	11	10,193,204	6,988,231	341,293	3.3%	10,483,425	7,150,594	110,000	\$ 182,128	1.7%
Human Resources	12	5,015,420	4,723,763	209,632	4.2%	5,364,825	4,988,419	-	\$ 4,268	0.1%
Windsor Public Library	13	9,173,305	8,109,957	175,824	1.9%	9,386,489	8,203,937	250,000	\$ 322,389	3.4%
Total Office of City Clerk		24,381,929	19,821,951	726,749	3.0%	25,234,739	20,342,950	360,000	\$ 508,785	2.0%
Office of Parks, Recreation, Culture and Facilities										
Parks	14-15	39,518,665	24,815,537	(401,766)	-1.0%	41,239,338	26,330,162	(99,200)	\$ (4,890)	0.0%
Recreation & Culture	16	23,789,014	11,953,684	38,751	0.2%	24,114,601	12,816,436	(100,000)	\$ 238,860	1.0%
Total Office of Parks, Recreation, Culture and Facilities		63,307,679	36,769,221	(363,015)	-0.6%	65,353,939	39,146,598	(199,200)	\$ 233,970	0.4%
Office of the City Engineer										
Engineering	17-18	31,517,465	7,712,486	323,829	1.0%	27,449,528	3,369,287	1,600	\$ (454,241)	-1.7%
Public Works Operations	19-21	54,304,502	26,900,403	(1,332,256)	-2.5%	54,455,439	27,342,112	583,000	\$ 2,391	0.0%
Transit Windsor	22-24	33,504,338	13,108,590	(133,396)	-0.4%	33,931,108	13,271,519	(1,118,700)	\$ (195,008)	-0.6%
Total Office of the City Engineer		119,326,305	47,721,479	(1,141,823)	-1.0%	115,836,075	43,982,918	(534,100)	\$ (646,858)	-0.6%
Community Development & Health										
Employment & Social Services	25	118,491,577	9,398,178	1,032,339	0.9%	118,666,766	7,887,381	623,500	\$ 691,753	0.6%
Housing & Children's Services/WECHC	26	103,721,182	22,841,372	641,991	0.6%	122,107,176	23,282,846	363,900	\$ 217,503	0.2%
Huron Lodge	27-28	22,883,479	7,283,223	(77,582)	-0.3%	23,427,040	7,317,503	(80,000)	\$ (131,868)	-0.6%
Total Community Development & Health		245,096,238	39,522,773	1,596,748	0.7%	264,200,982	38,487,730	907,400	\$ 777,388	0.3%
Corporate Accounts										
	29-32	220,184,625	(315,541,718)	1,245,869	0.6%	228,641,359	(316,872,705)	3,581,927	\$ 2,329,094	1.0%
Total City Departments Prior to Contingency & Additional Council-Approved Funding		763,858,822	(101,889,218)	1,420,490	0.2%	793,303,610	(103,355,333)	3,995,427	\$ 2,939,133	0.4%
Corporate Contingency Approved in 2018 Budget		1,500,000	1,500,000	0	0.0%	1,500,000	1,500,000	-	\$ -	0%
Surplus (Deficit) Subtotal		765,358,822	(100,389,218)	1,420,490	0.2%	794,803,610	(101,855,333)	3,995,427	\$ 2,939,133	0.4%
Agencies, Boards & Commissions										
Windsor Police Services	33	92,773,764	82,437,022	(148,382)	-0.2%	95,600,360	83,943,525	(425,000)	\$ (587,065)	-0.6%
Agency Grants	34	18,010,674	17,910,076	504,004	2.8%	20,195,286	19,369,688	-	\$ 429,914	2.1%
Committees of Council	35	42,120	42,120	39,159	93.0%	42,120	42,120	-	\$ 6,782	16.1%
Total Agencies, Boards & Commissions		110,826,558	100,389,218	394,781	0.4%	115,837,766	103,355,333	(425,000)	\$ (150,369)	-0.1%
2018 Net Operating Budget Surplus (Deficit)		876,185,380	0	1,815,271	0.2%	910,641,376	0	3,570,427	\$ 2,788,764	0.3%
				(175,824)				Less: Windsor Public Library	(250,000)	\$ (322,389)
				<u>\$ 1,639,447</u>					<u>\$ 3,320,427</u>	<u>\$ 2,466,375</u>

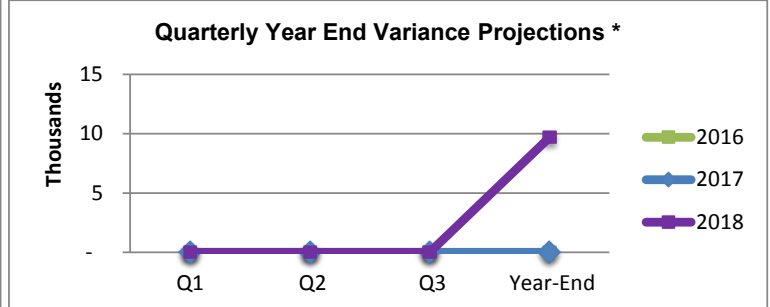
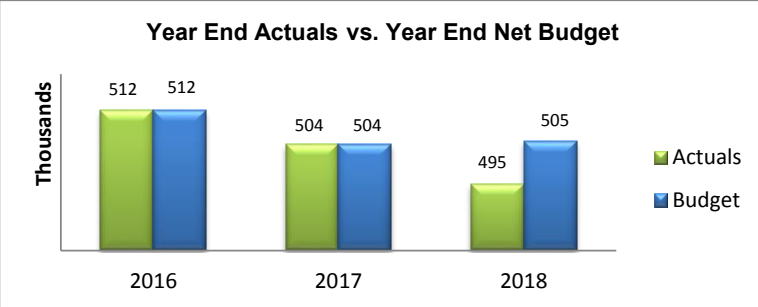
MAYOR'S OFFICE

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	511,809	504,157	504,753
Annual Net Budget	511,809	504,157	504,753
Annual Net Expenditures	511,809	504,157	495,066
Year End Variance	0	0	9,687
Variance as % of GB			1.9%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	-	-	9,687

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



Description

Prior to the budget carry-forward of \$914,491, the Mayor's Office budget for 2018 reflected a surplus of that amount that generally relates to the accumulated surplus carried forward from previous years based on Council approval. An adjustment related to fringe benefits was made following carry-forward approval, resulting in a small surplus remaining at year-end.

Summary of Description

Description	Category	Amount
1. Adjustment related to fringe benefits	Other Miscellaneous Expenditures	\$ 9,687
Net Year End Surplus/(Deficit)		\$ 9,687

Mitigating Steps

N/A

COUNCIL ADMINISTRATIVE SERVICES

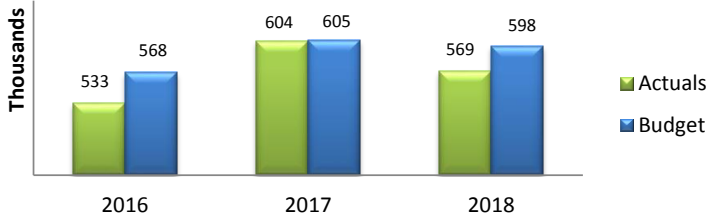
Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	567,767	604,938	597,657
Annual Net Budget	567,767	604,938	597,657
Annual Net Expenditures	532,732	603,657	569,452
Year End Variance	35,035	1,281	28,205
Variance as % of GB	5.8%	0.2%	4.7%

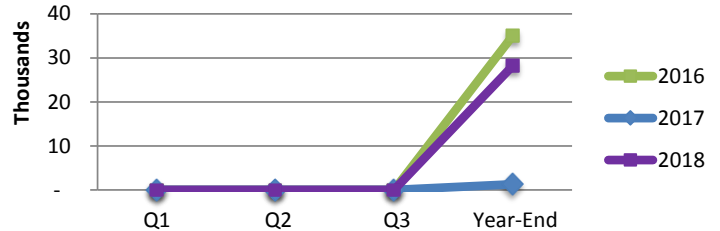
	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	-	-
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	35,035	1,281	28,205

* 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 surplus in Council Administrative Services is made up of small surplus amounts in several minor expense accounts such as computer IT charges, telephone expense, office supplies and travel expense.

Summary of Description

1. Miscellaneous line items

Category	Amount
Other Miscellaneous Expenditures	\$ 28,205

Net Year End Surplus/(Deficit)

\$ 28,205

Mitigating Steps

N/A

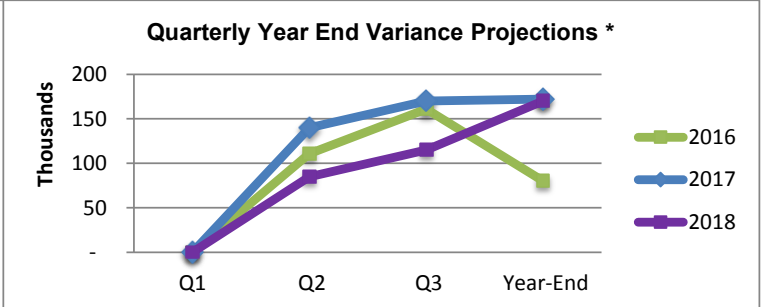
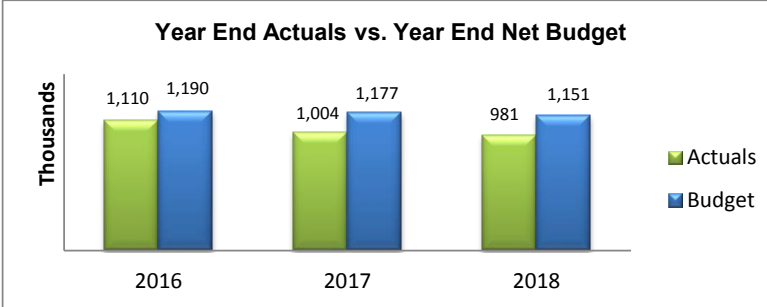
CAO'S OFFICE

Financial Summary

	2016	2017	2018
	Financials	Financials	Financials
Annual Gross Budget (GB)	1,190,282	1,333,810	1,320,807
Annual Net Budget	1,190,282	1,176,539	1,151,348
Annual Net Expenditures	1,110,038	1,004,311	981,230
Year End Variance	80,244	172,228	170,118
Variance as % of GB	6.0%	12.9%	12.9%

	2016	2017	2018
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	111,000	140,000	85,000
Third Quarter (Q3)	161,000	170,000	115,000
Year-End (Q4)*	80,244	172,228	170,118

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



Description

The CAO's Office budget also 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 2018, a surplus is reported after taking into account certain budget carry forwards to cover the payments for anticipated 2019 projects.

Summary of Description

Category	Amount
1 Salary Gapping	\$ 42,844
2 Corporate Consulting	\$ 50,270
3 Minor Variances in Various Accounts	\$ 77,004
Net Year End Surplus/(Deficit)	\$ 170,118

Mitigating Steps

N/A

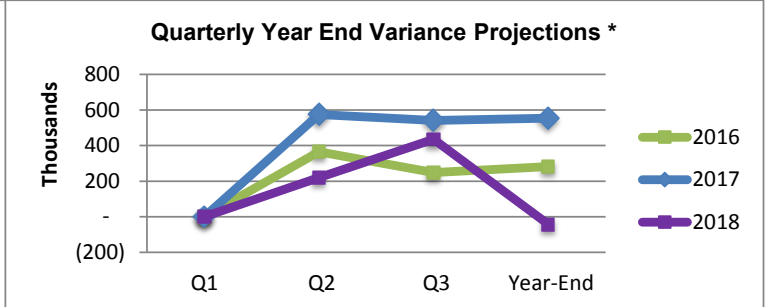
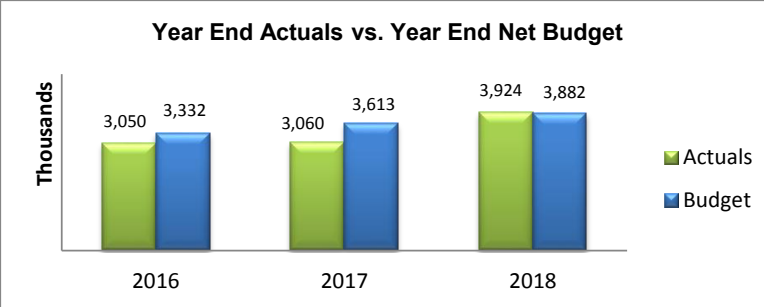
PLANNING AND BUILDING

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	8,076,714	8,742,973	9,743,666
Annual Net Budget	3,331,740	3,613,431	3,881,662
Annual Net Expenditures	3,049,654	3,059,647	3,923,846
Year End Variance	282,086	553,784	(42,184)
Variance as % of GB	3.2%	6.3%	-0.4%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	365,000	574,400	220,000
Third Quarter (Q3)	249,000	540,600	435,400
Year-End (Q4)*	282,086	553,784	(42,184)

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



Description

For the 2018 fiscal year, the Planning & Building department is reporting an overall operating deficit of (\$42,184) within the levy funded portion of their budget.

Salary Gapping: \$104,567

Savings of \$104,567 were realized due to staff turnover in Planning Services, as well as from the delayed start up of the newly approved vacant property and rental property enforcement programs.

Recovery of Staff Time from Alley Subsidy Program: \$116,981

An additional surplus of \$116,981 was incurred due to the recovery from the Alley Subsidy program for Planning staff time spent on that project.

User Fee Revenue: (\$186,306)

There was a net (\$186,306) revenue shortfall due to a lower than expected volume of administrative fees revenue being realized in the area of property standards and bylaw enforcement.

Miscellaneous Expense Accounts: (\$77,426)

There was a collective deficit in miscellaneous expense accounts of (\$77,426), mostly as a result of initial start-up costs for the 2 new pilot programs in vacant and rental property inspections. This included equipment purchases, training for the new hires and some additional training incurred for other staff in general across the department during 2018, in order to remain current with prevailing Ontario legislation requirements.

Summary of Description

Category	Amount
1. Salary Gapping	\$ 104,567
2. Recovery of Staff Time From Alley Subsidy Program	\$ 116,981
3. User Fee Revenue	\$ (186,306)
4. Miscellaneous Expense Accounts	\$ (77,426)
Net Year End Surplus/(Deficit)	\$ (42,184)

Mitigating Steps

Administration continuously seeks out opportunities for efficiencies in carrying out its operations and controlling costs. The department also pusues new technologies to assit with better service delivery while at the same time maintain a balance of resources adequate to meet the demands and volume of customer activity.

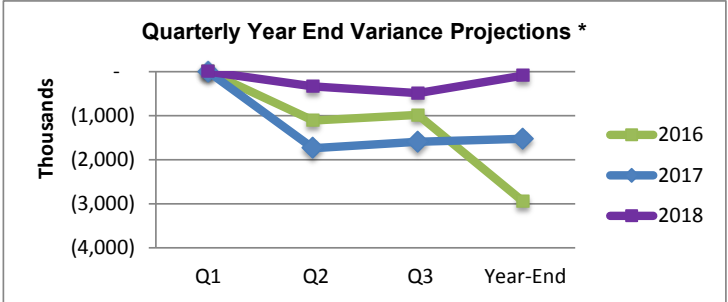
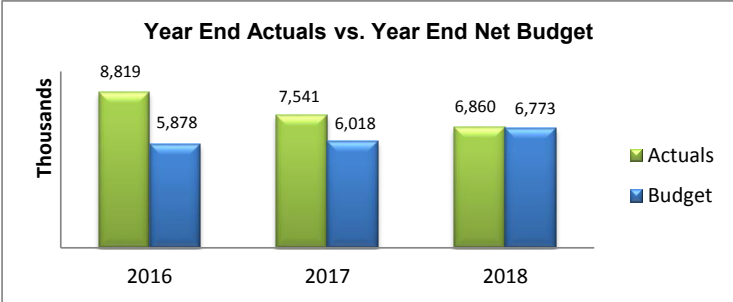
LEGAL

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	16,960,183	17,009,347	17,162,635
Annual Net Budget	5,877,591	6,018,338	6,772,609
Annual Net Expenditures	8,818,765	7,541,319	6,859,656
Year End Variance	(2,941,174)	(1,522,981)	(87,047)
Variance as % of GB	-17.3%	-9.0%	-0.5%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(1,110,000)	(1,738,000)	(333,000)
Third Quarter (Q3)	(981,000)	(1,589,740)	(487,000)
Year-End (Q4)*	(2,941,174)	(1,522,981)	(87,047)

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



Description

Overall, the Legal Department has a deficit of (\$87,047). The variance is comprised of the following:

Legal Services Cost: (\$561,255)

A budget increase of \$150,000 was approved for external legal expenditures in 2018. Despite this increase, the external legal services account has a deficit of (\$561,255) at year end, mainly due to costs incurred relating to various larger litigations. It should be stressed that external legal fees are very difficult to project as it is impossible to determine what actions will be brought against the City.

It should be noted that the Legal Department monitors all expenses and has restrained expenditures in those line items within its direct control to partially offset the largely uncontrollable expenditures for outside legal counsel. The department's deficit is driven by the largely uncontrollable costs for outside legal counsel and insurance claims for the reasons described above.

Real Estate Services: (\$199,276)

Timing related to the closing of the Canderel sale was extended in 2018. As a result of lease expenditures, sublease revenues, and the allocations required from the statement of adjustments on the closing date, a deficit of (\$199,276) has been realized.

Provincial Offences: (\$137,564)

The second and third quarterly variances reported that the Provincial Offences division projected a year-end variance of (\$244,000) and \$(50,000) respectively. After trending a deficit up to Q2, there was a large surge in revenues heading into Q3 variance reporting.

Expenses related to collections resulted in a surplus at year-end. Including salary surpluses, Provincial Offences has a (\$137,564) deficit at year-end after adjusting for the cost share payments to the County.

Claim Costs: \$556,379

There is a surplus of \$556,379 at year end for payments relating to claims made against the City. The claims budget was raised from \$2.362m to \$3.02m in 2018, based on an actuarial assessment of future claim costs. Settlements are difficult to predict in their amounts and timing due to their nature. It is expected that some years will result in a surplus and some years will result in a deficit.

Salary Gapping: \$112,112

There is a net surplus in the salary accounts of \$112,112 due to position vacancies and salary gapping across all other divisions except Provincial Offences.

Miscellaneous Expense Line Items: \$142,557

Overall miscellaneous line-by-line surplus variances of \$142,557 was realized for 2018.

Appendix A - 2018 Year-End Operating Budget Variance

Summary of Description

	Category	Amount
1. Legal Services Costs	Purchased Services	(561,255)
2. Real Estate Services	Recovery of Expenditures	(199,276)
3. Provincial Offences	Other Miscellaneous Expenditures	(137,564)
4. Claim Costs	Utilities, Insurance & Taxes	556,379
5. Position Vacancies & Salary Gapping	Recovery of Expenditures	112,112
6. Miscellaneous Line Items	Other Miscellaneous Revenue	142,557
Net Year End Surplus/(Deficit)		<u>\$ (87,047)</u>

Mitigating Steps

Due to the uncertain nature of the City's exposure to External Legal Fees, it is difficult to identify mitigating strategies. The Legal Department continues to exercise prudent oversight with respect to the conduct of external files and the management of claims, utilizing in-house resources whenever possible. The Provincial Offences division's active collection efforts on outstanding defaulted fines continues to be robust which will help mitigate this deficit. In addition, all efforts are being made to reduce expenditures through operational efficiencies (i.e. merging courts, closing court days when not required, reduced printing costs, etc) which will help bring the division more in line with budget by the end of the year.

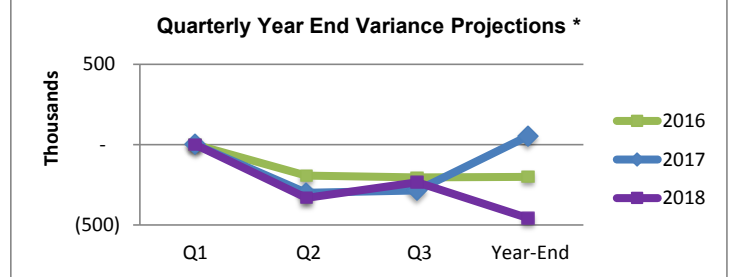
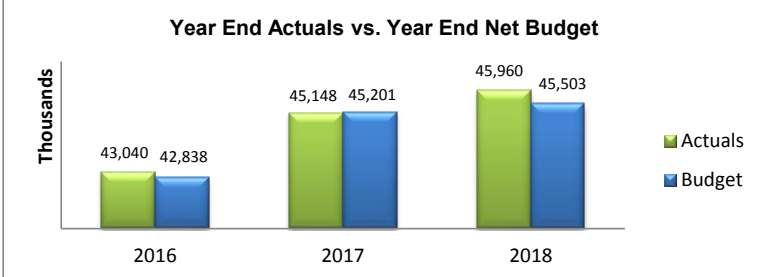
FIRE & RESCUE SERVICES

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	43,889,767	46,176,988	46,493,654
Annual Net Budget	42,838,231	45,201,199	45,502,965
Annual Net Expenditures	43,039,770	45,148,217	45,960,127
Year End Variance	(201,539)	52,982	(457,162)
Variance as % of GB	-0.4%	0.1%	-1.0%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(192,000)	(299,600)	(332,000)
Third Quarter (Q3)	(203,800)	(286,000)	(234,000)
Year-End (Q4)*	(201,539)	52,982	(457,162)

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



Description

Windsor Fire & Rescue Services has ended fiscal 2018 year-end with a deficit variance of (\$457,162), which consists of the following:

User Fee Revenue: \$52,361

The Firefighting Operations division has achieved a surplus of \$52,361 in User Fee revenue consisting of recoveries for attending Non-resident Motor Vehicle Accidents, and implementing Corrective Action fees (eg. Gas line strikes, Malicious fire alarm activation, etc.).

Operating equipment maintenance and supplies: \$12,895

The Fire and Rescue division has achieved a surplus of \$18,305 in the SCBA Equipment maintenance account. SCBA equipment has been replaced in late 2016 and after customizations took place, equipment is in good working condition and minimal maintenance was required. A small deficit of (\$5,410) was incurred in bunker gear cleaning account due to a rigorous cleaning and inspection program to ensure firefighters do not wear contaminated gear any longer than is necessary.

Motor Fuels: \$(32,791)

The Fire and Rescue division incurred a deficit of (\$32,791) in motor fuel cost due to higher than anticipated fuel pricing for the year 2018.

Fire Fleet Maintenance & Repair: (\$53,711)

The Apparatus division incurred a deficit in fleet maintenance account due to increased repairs of the Emergency Supply Unit (ESU). This piece of apparatus is highest used as it supports all emergency vehicles during fires. It is also three years behind the replacement schedule due to limited availability of vendors that met the required criteria prolonging the RFP process. New unit is soon scheduled to arrive and will be in service by April of 2019. A large number of tires were also purchased in 2018 as the division did not have an option to delay replacements in order to meet MTO and NFPA guidelines.

Net Salary Variance: (\$435,916)

A net deficit of (\$435,916) was incurred in the net salary accounts for the Windsor Fire and Rescue division.

The variance consists of Fire Operations department overtime deficit in the amount of (\$235,500). The department experienced increased number of long term absences as well as unexpected retirements, creating a greater number of vacancies than projected and therefore, overtime mitigation strategies were less effective. Emergency Communication department incurred an overtime deficit of (\$150,916) due to being short one FTE count for 9 months of the year as the recruitment process was longer than normal and the regular training process takes 3 to 4 months to complete. The impact on overtime in both departments is significant when it operates with minimum staff availability. Remainder of the deficit variance was due to retirement payouts creating a deficit of (\$49,500).

Summary of Description

	Category	Amount
1. User Fee Revenue	User Fees, Permits & Charges	\$ 52,361
2. Other Miscellaneous Expenses	Purchased Services	12,895
3. Motor Fuels	Purchased Services	(32,791)
4. Fire Fleet Maintenance & Repair	Purchased Services	(53,711)
5. Net Salary Variance	Salaries & Benefits	(435,916)
		-
Net Year End Surplus/(Deficit)		\$ (457,162)

Mitigating Steps

The Fire and Rescue Services division will continue to monitor variances and take reasonable steps to reduce or eliminate variances, while mitigating any negative impact on service levels.

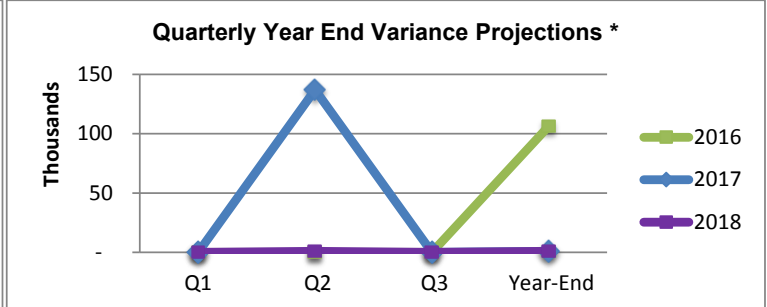
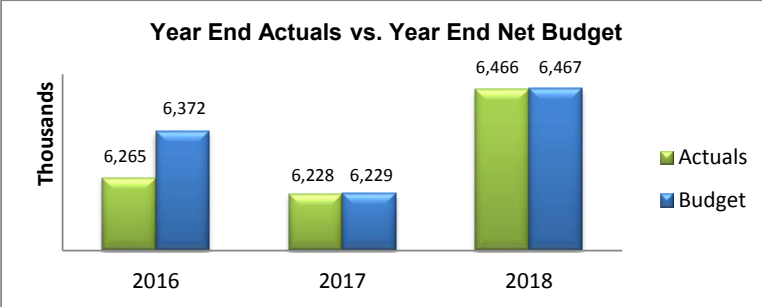
FINANCE

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	9,399,649	9,445,098	10,259,010
Annual Net Budget	6,371,531	6,229,178	6,467,287
Annual Net Expenditures	6,265,252	6,228,301	6,466,414
Year End Variance	106,279	877	873
Variance as % of GB	1.1%	0.0%	0.0%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	137,000	873
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	106,279	877	873

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



Description

The Finance department is ending the year with a slight surplus of \$873.

Salaries: \$122,805

Salaries and Benefits experienced a year-end surplus of \$122,805 due primarily to the timing of recruitment and vacancies of various positions in the Finance Department.

External Revenues: (\$125,241)

External revenues, which is a collection of various charges billed to external users has ended the year in a net (\$125,241) deficit position for 2018. This amount is comprised of a deficit of (\$96,300) in Tax Lien Registration Fees, a deficit of (\$28,620) in Ownership Changes, a deficit of (\$32,162) in Dial-Up Fees, and a net surplus of \$31,841 in other added charges and services. Many of these revenues are dependent upon external factors such as real estate sales, property standard complaints and property tax arrears activity which can fluctuate annually and can be difficult to predict with and certainty. Additionally, a period of high staff turnover, resulting in several rotating vacant positions in the collection area, did contribute to fewer charges being levied against properties in arrears.

Other Miscellaneous Expenditures: \$3,309

Other miscellaneous accounts ended the year with a net surplus of \$3,309.

Summary of Description

	Category	Amount
1. Salaries	Salaries & Benefits	\$ 122,805
2. External Revenues	Other Miscellaneous Revenue	\$ (125,241)
3. Minor Variances in Various Accounts	Other Miscellaneous Expenditures	\$ 3,309
Net Year End Surplus/(Deficit)		\$ 873

Mitigating Steps

N/A

INFORMATION TECHNOLOGY (I.T.)

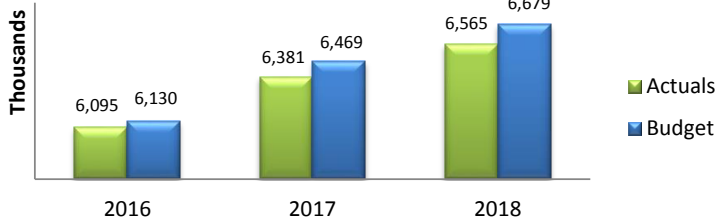
Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	7,410,626	7,744,735	7,954,334
Annual Net Budget	6,130,187	6,469,296	6,678,895
Annual Net Expenditures	6,094,731	6,381,192	6,564,631
Year End Variance	35,456	88,104	114,264
Variance as % of GB	0.5%	1.1%	1.4%

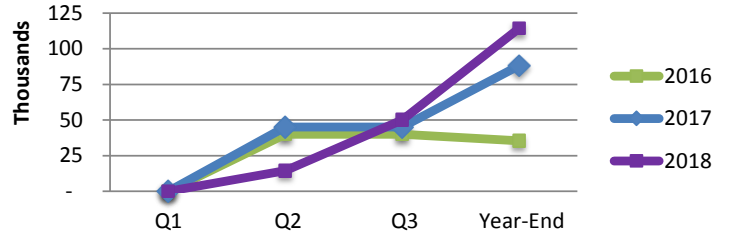
	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	40,000	45,000	14,500
Third Quarter (Q3)	40,000	45,000	50,000
Year-End (Q4)*	35,456	88,104	114,264

* 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 surplus is a result of salary gapping. Recruitments are under way to fill vacancies within the existing staff complement in an effort to bring the department up to full capacity.

Summary of Description

Category	Amount
1. Salary Gapping	\$ 114,264
Net Year End Surplus/(Deficit)	\$ 114,264

Mitigating Steps

N/A

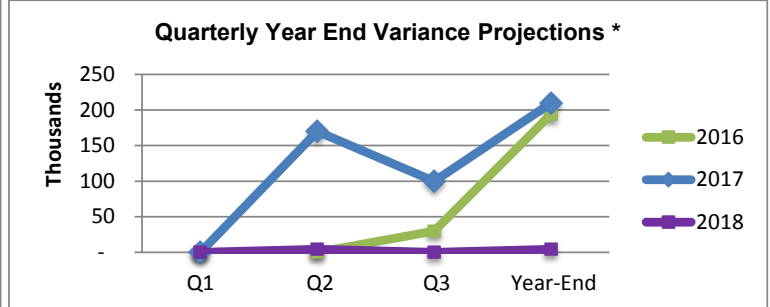
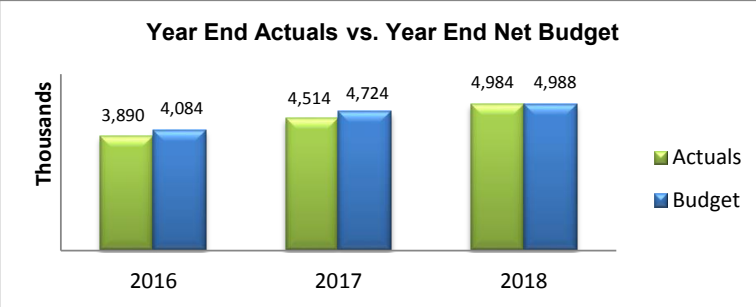
HUMAN RESOURCES

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	4,378,200	5,015,420	5,364,825
Annual Net Budget	4,084,062	4,723,763	4,988,419
Annual Net Expenditures	3,890,060	4,514,131	4,984,151
Year End Variance	194,002	209,632	4,268
Variance as % of GB	3.9%	4.2%	0.1%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	170,000	4,268
Third Quarter (Q3)	30,000	100,000	-
Year-End (Q4)*	194,002	209,632	4,268

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



Description

The Human Resources Department ended the 2018 year with a slight surplus of \$4,268.

Salaries: (\$100,637)

Salaries experienced a year-end deficit of (\$100,637) primarily due to the transitional roles as a direct result of the Payroll Process Project. These additional positions have approved one-time funding which would put Human Resources in a surplus position of \$190,000. As Human Resources is in an overall surplus position at the end of the year, the department will be absorbing a portion of these charges as opposed to recovering the full amount from the approved funding sources.

Benefits Management: \$26,112

The Benefits Management area experienced a surplus of \$26,112 due to lower than expected involvement with our Fringe Benefits Consultant in the 2018 year.

Other Miscellaneous Expenditures: \$78,793

Overall miscellaneous line items resulted in a surplus of \$78,793.

Summary of Description

Category	Amount
1. Salaries	Salaries & Benefits (100,637)
2. Benefits Management	Purchased Services 26,112
3. Minor Variances in Various Accounts	Other Miscellaneous Expenditures 78,793
Net Year End Surplus/(Deficit)	\$ 4,268

Mitigating Steps

N/A

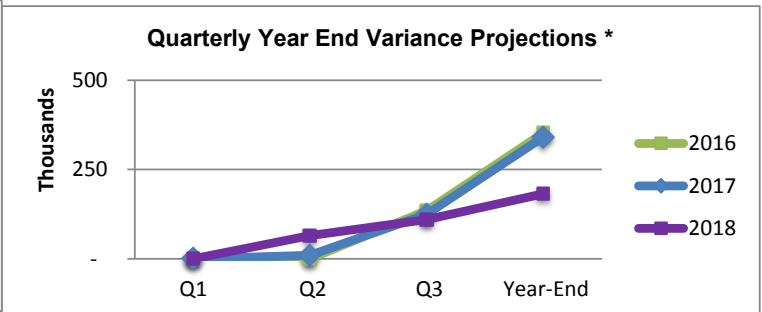
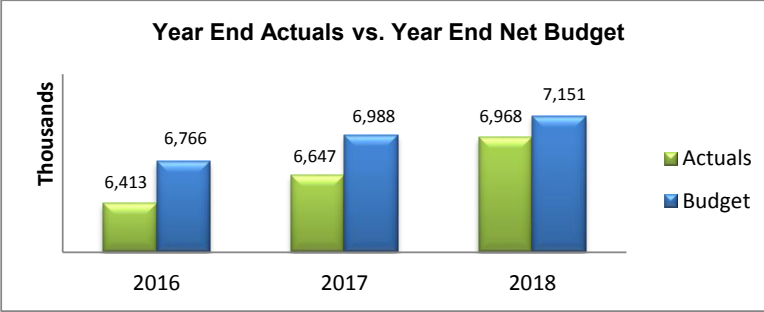
COUNCIL SERVICES

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	9,853,887	10,193,204	10,483,425
Annual Net Budget	6,765,674	6,988,231	7,150,594
Annual Net Expenditures	6,412,945	6,646,938	6,968,466
Year End Variance	352,729	341,293	182,128
Variance as % of GB	3.5%	3.3%	1.7%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	10,000	65,000
Third Quarter (Q3)	135,100	125,000	110,000
Year-End (Q4)*	352,729	341,293	182,128

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



Description

The Council Services Department, comprised of the Policy, Gaming, Licensing and By Law Enforcement, Communications and Customer Service, Employee Relations and Council Services divisions, ended the year with an overall surplus of \$182,128 in 2018, as outlined below.

Licensing and Gaming Program: \$128,280

The Policy, Gaming, Licensing and Enforcement division is reporting a higher than expected revenue at the end of 2018. The revenue surplus of \$128,280 consists of \$86,538 in the Gaming revenue, \$19,696 in Dog Licensing revenue, \$13,705 in Property Inspection revenue and \$8,341 in Business Licensing revenue.

Salary Gapping: (\$2,269)

The BSR funding for the Marketing and Communication Officer approved in the 2018 budget was not drawn at the end of the year due to overall surplus in Council Services. The resulting deficit of (\$109,270) was largely offset by salary gapping surplus of \$33,264 in Employee Relations division, \$38,645 in the Call Centres and \$35,092 in the Policy, Gaming, Licensing and Enforcement division at the end of the year.

Other Miscellaneous Expenditures: \$56,117

The remaining surplus balance is made up of several expenditure accounts being under spent, most notably, conferences, related travel expenses and Pound and Board Fees.

Summary of Description

Category	Amount
1. Gaming Revenue	128,280
2. Salary Gapping	\$ (2,269)
3. Other Miscellaneous Expenditures	56,117
Net Year End Surplus/(Deficit)	\$ 182,128

Mitigating Steps

N/A

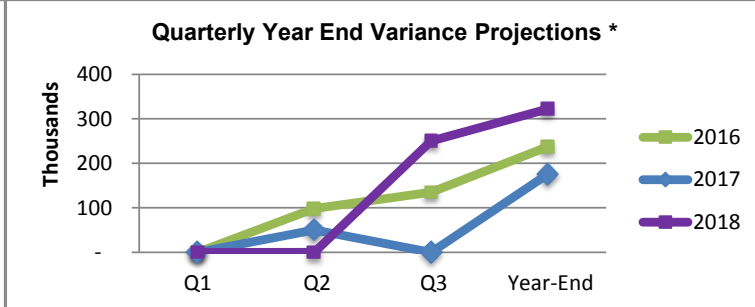
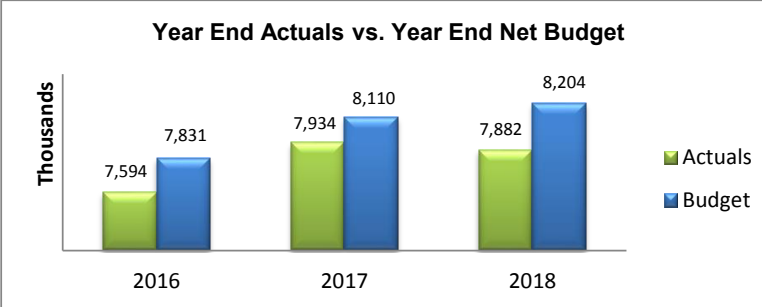
WINDSOR PUBLIC LIBRARY

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	8,847,365	9,173,305	9,386,489
Annual Net Budget	7,831,216	8,109,957	8,203,937
Annual Net Expenditures	7,593,731	7,934,133	7,881,548
Year End Variance	237,485	175,824	322,389
Variance as % of GB	2.6%	1.9%	3.4%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	98,530	50,000	-
Third Quarter (Q3)	135,000	-	250,000
Year-End (Q4)*	237,485	175,824	322,389

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



Description

Staff Gapping \$308,135

Some budgeted positions were vacant at the beginning of 2018, resulting in a surplus of \$308,135 in salaries and benefits. Administration has filled the majority of these vacancies as of August 31, 2018.

WPL Financial Reporting

It should be noted that the WPL's financial position at the end of each fiscal year is not included with all other City departments to calculate the final City surplus/deficit. Although the WPL's financial statements are consolidated with the City's, the WPL, as per the Libraries Act, is a stand alone entity with its own audited financial statement, which includes an accumulated surplus or deficit. Although the City provides the WPL with operational support consistent with other departments, the overall surplus or deficit is reported within the financial results of the WPL and is not reported in the overall position of the City at year end. However, it is being provided here for information purposes.

Summary of Description

Category	Amount
1. Staff Gapping	\$ 308,135
2. Other Miscellaneous Expenditures	\$ 14,254
Net Year End Surplus/(Deficit)	\$ 322,389

Mitigating Steps

N/A

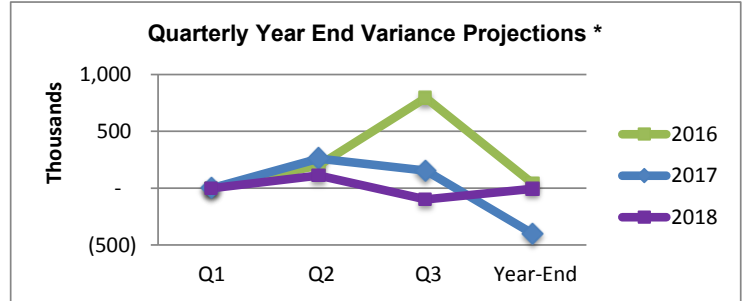
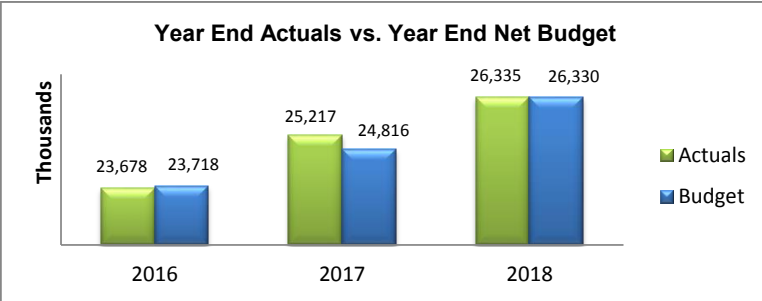
PARKS & FACILITIES

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	38,207,301	39,518,665	41,239,338
Annual Net Budget	23,717,516	24,815,537	26,330,162
Annual Net Expenditures	23,677,598	25,217,303	26,335,052
Year End Variance	39,918	(401,766)	(4,890)
Variance as % of GB	0.1%	-1.0%	0.0%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	200,000	259,800	111,000
Third Quarter (Q3)	795,000	153,500	(99,200)
Year-End (Q4)*	39,918	(401,766)	(4,890)

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



Description

As a result of the variances in both Parks and Facility Operations, the Department is reporting a year-end deficit of (\$4,890).

Parks

The Parks division is reporting a deficit of (\$261,431) for the year ended December 31st, 2018. This deficit position is a result of the variances from forecasted levels in assumption of salary recovery from capital projects for the Parks Design and Development division. The Parks department also experienced increased level of vandalism within parkland, natural areas and the greenhouse locations which required additional repairs and restoration beyond historical levels. During the year there were issues in Parks that required immediate resolution that were not within the operating budget. The Department worked diligently to mitigate expenditures to reduce the budget deficit to stay within the approved budget for 2018. The following budget variances are detailed for the year within the department.

Salary Recovery from Capital (\$266,275)

The Parks Design and Development division was expected in the 2018 budget to recover 100% of the salary costs from Capital. This division also works on the completion of ward funded projects and operational support for amenities within parkland. The allocation of salary recovered from capital projects amounted to 70% in 2018 based upon time allocation worksheets. Therefore, there is a variance for the salary expenditures that remain in the operating costs for Parks which were not recovered from capital projects.

Insurance Deductible For Ojibway Fire Shed (\$100,000):

A fire occurred in 2017 at the Ojibway Nature Centre that resulted in damage to storage shed structure and contents. The reconstruction of the shed occurred in 2018 where the damages were reimbursed by the insurance provider however there was a deductible of \$100,000 that was charged to the department.

Parks Vandalism: (\$39,749)

The volume of vandalism that has been experienced in parks and natural areas is well above prior year levels. For the 2018 year actual costs related to Vandalism totalled \$116,570 which is 54% higher than the previous year to date, which has resulted in a budget variance of (\$39,749). Restoration costs related to the Black Oak Heritage Park for repairs to fencing and other security as the natural area which would not be normally included within the annual Parks operating budget.

Parks Equipment Repairs and Maintenance: \$115,436

The costs in this area are significantly lower than forecasted levels. These expenditure have been reduced as a result of the identification and replacement of older parks equipment where the level of materials required to repair machinery no longer added value to the asset. As older equipment is retired and disposed of, the Parks Yard maintenance staffing can allocate greater resources to ensure downtime of machinery is mitigated and improving the efficiencies of the level of service provided by Parks.

Appendix A - 2018 Year-End Operating Budget Variance

Parks Operating Tool Maintenance: \$29,157

The costs in this area are below the budgeted levels as management continues to enhance internal controls and procedures to mitigate expenditures through training of maintenance activities to extend the useful life of existing small tools used in daily maintenance of parkland by Parks Operational staff.

Facility Operations

The Facilities division is reporting a surplus of \$256,541 for the year ended December 31, 2018. The following significant budget variances are detailed for the year within the department.

Salaries/Benefits: \$152,959

Salaries/benefits ended the year with a surplus due to timing of filling various vacant maintenance positions in the Facility Operations division.

Fleet: \$36,308

Due to some vacant maintenance positions, the corresponding fleet vehicles were not required in 2018, resulting in a surplus.

Maintenance: \$63,199

The funds allocated in this area for roof repair work at the Capri Pizzeria Complex were not required as the work was able to be completed through additional revenues received in 2018.

Miscellaneous Line Items: \$4,075

Other miscellaneous line item variances contributed to the remaining surplus of \$4,075.

Summary of Description

<i>Parks</i>	Category	Amount
Salary Recovery From Capital	Recovery of Expenditures	\$ (266,275)
Ojibway Shed Fire Deductible Costs	Utilities, Insurance & Taxes	\$ (100,000)
Tool Maintenance	Operating & Maintenance Supplies	\$ 29,157
Maintenance Parts and Materials	Operating & Maintenance Supplies	\$ 115,436
Parks Vandalism	Operating & Maintenance Supplies	<u>\$ (39,749)</u>
		<u>\$ (261,431)</u>
 <i>Facility Operations</i>		
Salary Gapping	Salaries & Benefits	\$ 152,959
Fleet	Purchased Services	\$ 36,308
Maintenance Parts and Materials	Operating & Maintenance Supplies	\$ 63,199
Minor Variances in Various Accounts	Other Miscellaneous Expenditures	<u>\$ 4,075</u>
		<u>\$ 256,541</u>
 Net Year End Surplus/(Deficit)		 <u><u>\$ (4,890)</u></u>

Mitigating Steps

The Parks & Facility Operations department will continue to monitor variances throughout 2019 and take any reasonable steps to reduce or eliminate variances, while mitigating any negative impact on service levels.

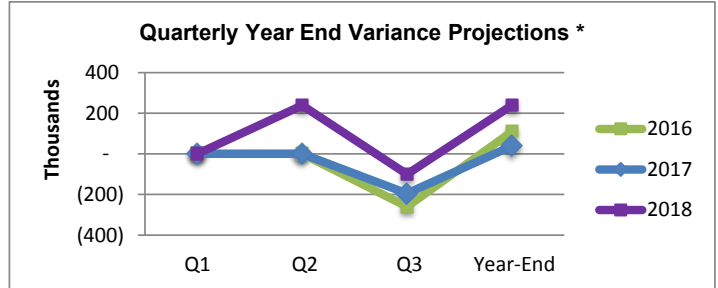
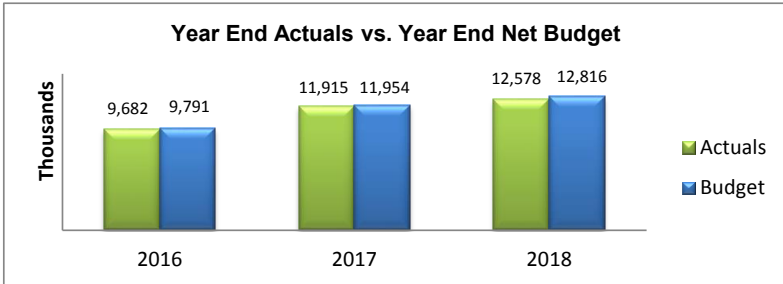
RECREATION & CULTURE

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	21,617,445	23,789,014	24,114,601
Annual Net Budget	9,790,967	11,953,684	12,816,436
Annual Net Expenditures	9,682,028	11,914,933	12,577,576
Year End Variance	108,939	38,751	238,860
Variance as % of GB	0.5%	0.2%	1.0%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	-	238,860
Third Quarter (Q3)	(260,000)	(195,000)	(100,000)
Year-End (Q4)*	108,939	38,751	238,860

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



Description

The Recreation and Culture department has ended 2018 with a surplus of \$238,860. Although there are some variances within the various Recreation and Culture operating divisions, the Department worked diligently to stay within the approved budget for 2018. Even though Recreation and Culture was able to reduce spending in 2018 the budget dollars are still required in 2019 for expenses required within the operating facilities. In summary, the 2018 year end surplus position of the department was attributed to the following:

Salary and Wages: \$182,339

Bill 148 made significant changes to the personal emergency leave provisions of the ESA in 2018. Of significant concern to the department was the new provision that the first 2 days of the 10-day emergency leave entitlement is to be a paid leave. Although there was a qualifying period for the paid portion of the leave (an employee must have been employed for one week before becoming entitled to the 2 paid days), the Recreation and Culture operating budget had been impacted and resulted in deficit variance of (\$37,363), due to the personal emergency leave provisions. This shortfall is completely offset by the provision for Bill 148 within Corporate Accounts.

Recreation and Culture realized an overall savings of \$219,702 in regular full time salary across the department due to some shifting of staff, vacancies and gapping.

Non-OHL Events: \$56,521

Spectra Venue Management ended the year in a minimal deficit of (\$33,479) which was better than the original operating budget of (\$90,000) within the Recreation Facilities financials. This resulted in a City of Windsor operating budget surplus for Non-OHL events in the amount of \$56,521.

Summary of Description

	Category	Amount
1. Salary and Wages	Salaries & Benefits	182,339
2. Non-OHL Events	Other Miscellaneous Expenditures	56,521
Net Year End Surplus/(Deficit)		\$ 238,860

Mitigating Steps

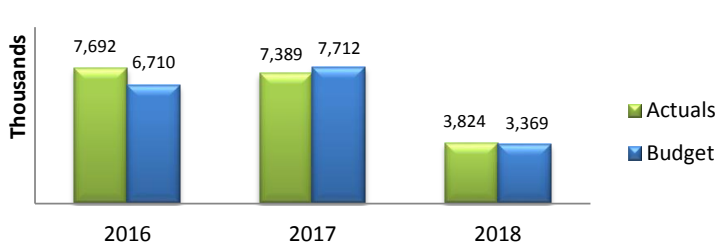
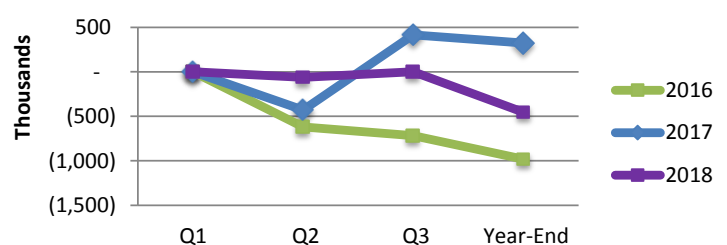
The department will continue to monitor variances throughout 2019 and take any reasonable steps to reduce or eliminate variances while mitigating any negative impact on service levels.

ENGINEERING**Financial Summary**

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	29,413,044	31,517,465	27,449,528
Annual Net Budget	6,710,221	7,712,486	3,369,287
Annual Net Expenditures	7,691,652	7,388,657	3,823,528
Year End Variance	(981,431)	323,829	(454,241)
Variance as % of GB	-3.3%	1.0%	-1.7%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(620,000)	(428,700)	(61,500)
Third Quarter (Q3)	(717,400)	415,900	1,600
Year-End (Q4)*	(981,431)	323,829	(454,241)

* 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 Engineering department is reporting an overall deficit of (\$454,241). A surplus of \$19,845 in Pollution Control was entirely offset by deficits of (\$180,076) and (\$294,010) seen in Infrastructure and Development, Projects & Right-of-Way, respectively.

Pollution Control

The Pollution Control division, specifically the Environmental Master Plan area, finished the year with a \$19,845 surplus, due to minor miscellaneous line item variances.

Infrastructure & Geomatics

The Infrastructure & Geomatics division finished the year with a deficit of (\$180,076), comprised of:

Salaries / Work Auth Recoveries – Surplus of \$70,103

Infrastructure & Geomatics is reporting a surplus of \$70,103 due to salaries and work auth recoveries. Earlier this year, an adjustment was made to salary budgets across the Corporation, however budgeted recoveries from Capital were not. Infrastructure Services staff, for the most part, recover 100% of their salaries and benefits from the various capital projects that they work on, while Geomatics staff recover a smaller portion of their time. This has been corrected in the 2019 budget. This, combined with gapping of several positions, make up the surplus for the area.

User Fees / Other General Revenue – Surplus of \$26,539

User fees received from Building for permit revenues were \$41,539 better than planned. This surplus was partially offset by a (\$15,000) shortfall in other revenues received in Geomatics, as several items are now available online for free.

Miscellaneous Line Items – Surplus of \$39,072

Miscellaneous line items contributed a \$39,072 surplus for the area.

Utilities (Streetlights) – Deficit of (\$315,790)

Offsetting the surpluses identified above for the area is a deficit of (\$315,790), due to maintenance costs paid to EnWin for the City's streetlight infrastructure which were incurred for the year. These overages are largely due to circuitry and other electrical components that require updating.

Development, Projects & Right-of-Way

The Development, Projects & Right-of-Way (ROW) division finished the year with a deficit of (\$294,010), made up of the following:

Miscellaneous Line Items – Deficit of (\$49,579)

Increased usage of the debit / credit card processing terminals in the Engineering department, related to permit activity and payments received from other departments contributed a deficit of (\$15,193) in Bank Charges. Other miscellaneous line item variance, such as equipment maintenance, make up the remaining (\$34,386) deficit.

Appendix A - 2018 Year-End Operating Budget Variance

Salaries / Work Auth Recoveries – Deficit of (\$74,368)

In the Projects area, time spent on non-recoverable work such as the Airport, Herb Grey Parkway and Ambassador Bridge contributed a deficit of (\$59,935). Other miscellaneous deficits totalling (\$14,433) make up the balance.

Licenses and Permits / User Fees / Other General Revenue – Deficit of (\$170,063)

Permit fees collected were (\$170,063) less than plan, driven by declines in higher-yielding moving and hoarding permits, which are received sporadically and cannot be relied upon indefinitely. Declines in driveway and sewer connection permits also contributed to the deficit.

<u>Summary of Description</u>	<u>Category</u>	<u>Amount</u>
<i>Pollution Control</i>		
1 Miscellaneous Line Items	Other Miscellaneous Revenue	19,845
<i>Total Infrastructure & Geomatics</i>		<u>19,845</u>
<i>Infrastructure & Geomatics</i>		
1. Salaries	Salaries & Benefits	70,103
2 User Fees / Other General Revenue	User Fees, Permits & Charges	26,539
3 Miscellaneous Line Items	Other Miscellaneous Revenue	39,072
4 Streetlight Maintenance Costs	Purchased Services	(315,790)
<i>Total Development, Projects & Right-of-Way (ROW)</i>		<u>(180,076)</u>
<i>Development, Projects & Right-of-Way (ROW)</i>		
1 Miscellaneous Line Items	Other Miscellaneous Expenditures	(49,579)
2 Salaries / Work Auth Recoveries	Salaries & Benefits	(74,368)
3 Licenses and Permits / User Fees / Oth. Gen. Rev.	User Fees, Permits & Charges	(170,063)
<i>Total Development, Projects & Right-of-Way (ROW)</i>		<u>(294,010)</u>
Net Year End Surplus/(Deficit)		<u>\$ (454,241)</u>

Mitigating Steps

The department will continue to work closely with EnWin to contain Streetlight maintenance costs going forward. Additionally, permit fees will be monitored and consideration may be given to reducing future years' budgets, should budget deficits continue into 2019.

PUBLIC WORKS OPERATIONS

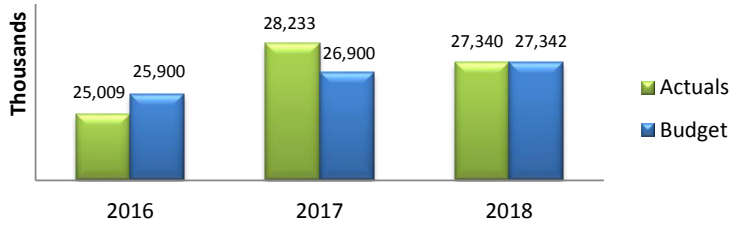
Financial Summary

	2016	2017	2018
	Financials	Financials	Financials
Annual Gross Budget (GB)	51,713,792	54,304,502	54,455,439
Annual Net Budget	25,900,040	26,900,403	27,342,112
Annual Net Expenditures	25,009,052	28,232,659	27,339,721
Year End Variance	890,988	(1,332,256)	2,391
Variance as % of GB	1.6%	-2.5%	0.0%

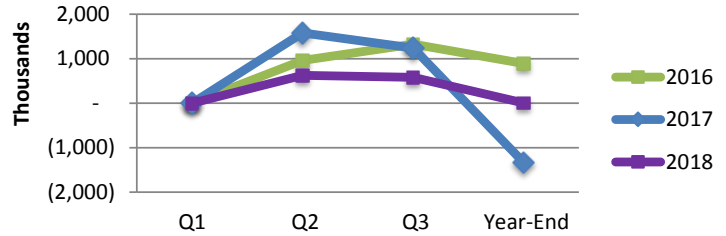
	2016	2017	2018
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	960,000	1,578,900	625,500
Third Quarter (Q3)	1,326,086	1,241,000	583,000
Year-End (Q4)*	890,988	(1,332,256)	2,391

* 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 Public Works Operations Department has finished 2018 with an overall surplus \$2,391 related to their levy funded operations. The material causes of this variance are outlined below.

Salary and Wage: \$881,835

PW Operations has finished 2018 with an overall surplus of \$881,835 related to salary and wage costs. The surplus salary and wage cost is the net total of the surpluses and deficits related to salary and wage gapping due to a number of vacancies across the department resulting from retirements, long term disability, and staff appointments into new positions and the hiring of extra staff to accommodate heavy work load situations where required.

Revenue / Recoverable Work: \$494,353

PW Operation has finished 2018 with an overall net surplus of \$494,353 related to various recoveries and non-recoverable work for the Traffic Operations, Parking Enforcement, Fleet, and ROW Maintenance Divisions. Revenue surpluses include surpluses related to prior year billings completed in 2018 for Traffic Operations, residential parking permits in Parking Enforcement, and higher than anticipated billings for repairs and seasonal usage equipment for Fleet. Offset by the surplus revenues collected in other Divisions, the ROW Maintenance Division finished 2018 with a deficit of (\$27,489) related to unrecoverable work performed for various corporate events through the year.

Parts: \$101,251

The Fleet Division has finished 2018 with a net surplus of \$101,251 related to vehicle parts due to lower than anticipated volumes and pricing for the year.

Vehicle Rentals: \$69,231

PW Operations has finished 2018 with an overall net surplus of \$69,231 related to vehicle rental budgets in the Fleet and Environmental Divisions. Costs for rentals in the two Divisions were lower than anticipated for the year overall.

Immaterial Line-By-Line: \$32,693

Overall immaterial line-by-line variances result in a surplus of \$32,693 for 2018.

Landfill Tipping Fees: \$23,346

The Environmental Division has finished 2018 with an overall net surplus of \$23,346 related to landfill tipping fees which is a lower surplus than was anticipated in the 3rd quarter variance projection. Tonnage realized was higher than original anticipated for the year.

Appendix A - 2018 Year-End Operating Budget Variance

Paint: (\$43,102)

The Traffic Markings Division has finished 2018 with an overall net deficit of (\$43,102) related to paint due to increased pricing and consumption related to the painting of additional bike lane lines and symbols, which is a slightly larger deficit than was projected on the 3rd quarter variance projection.

Building Maintenance: (\$54,298)

The Environmental Services Division has finished 2018 with an overall net deficit of (\$54,298) related to a large repair done inside the building related to a water pipe breakage.

EWSWA - Fixed Costs: (\$59,345)

The Environmental Services Division has finished 2018 with an overall net deficit of (\$59,345) related to EWSWA fixed costs associated with landfill perpetual care and waste disposal accounts. This variance is a result of the timing of approval of both the EWSWA and City budgets in 2018.

Overtime: (\$66,492)

PW Operations has finished 2018 with an overall net deficit of (\$66,492) related to the overtime costs in the ROW Maintenance and Environmental Services Divisions related to additional overtime required by staff to cover for vacant positions throughout the year.

Contracted Services: (\$82,667)

PW Operations has finished 2018 with an overall net deficit of (\$82,667) related to contracted services in the ROW Maintenance and Environmental Services Divisions. A deficit of (\$482,699) in the ROW Maintenance Division related to higher than anticipated road, alley, gravel, and concrete maintenance was offset with a surplus of \$400,032 in the Environmental Services Division related to lower than anticipated services provided for waste collection, clean the city, and leachate treatment at Landfill #3.

Fuel: (\$183,913)

The Fleet Division has finished 2018 with a net deficit of (\$183,913) related to all fuel types. Pricing for fuel in 2018 was higher than anticipated in addition to increased consumption related to the introduction of Police Department usage of corporate fuel.

Damage / Accidents: (\$213,765)

PW Operations has finished 2018 with a net deficit of (\$213,765) related to damage and accidents repairs required on the ROW related to signals, signage, and vehicular protection equipment.

Winter Control: (\$382,232)

PW Operations has finished 2018 with an overall deficit of (\$382,232) related to the winter control service. Despite a milder than average winter during the last quarter of 2018, Windsor did experience several winter events in the first part of 2018 resulting in full residential roll outs.

Parking Tickets: (\$514,504)

The Parking Enforcement Division has finished 2018 with a net deficit of (\$514,504) related to parking ticket revenue and associated costs. While additional fees are collected under the new Administrative Penalty System implemented in November 2014, offsetting the surpluses related to fees in 2018 are deficits related to lower ticket issuance and registered owner requests. Administration anticipated some decrease in ticket issuance as a result of the new PassPort parking payment APP introduced in 2017, and expects there may be additional reductions as more parkers begin using the APP.

Appendix A - 2018 Year-End Operating Budget Variance

Summary of Description

	Category	Amount
Salary and Wage	Salaries & Benefits	881,835
Revenue / Recoverable Work	User Fees, Permits & Charges	494,353
Parts	Operating & Maintenance Supplies	101,251
Vehicle Rentals	Purchased Services	69,231
Immaterial Line-By-Line	Other Miscellaneous Expenditures	32,693
Landfill Tipping Fees	Purchased Services	23,346
Roadway Paint	Operating & Maintenance Supplies	(43,102)
Building Maintenance	Operating & Maintenance Supplies	(54,298)
EWSWA Fixed Costs	Operating & Maintenance Supplies	(59,345)
Overtime	Salaries & Benefits	(66,492)
Contracted Services	Purchased Services	(82,667)
Fuel	Operating & Maintenance Supplies	(183,913)
Damage / Accidents	Recovery of Expenditures	(213,765)
Winter Control	Purchased Services	(382,232)
Parking Ticket Revenue	User Fees, Permits & Charges	(514,504)
Net Year End Surplus/(Deficit)		<u>\$ 2,391</u>

Mitigating Steps

The department will assess all variances for 2018 and determine if budget adjustment requests will be submitted in future years where variances are expected to be ongoing without mitigation possibilities. The department will continue to monitor operations and mitigate variances expected in 2019 where possible.

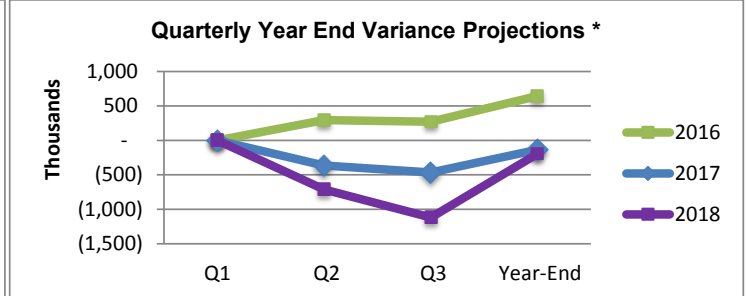
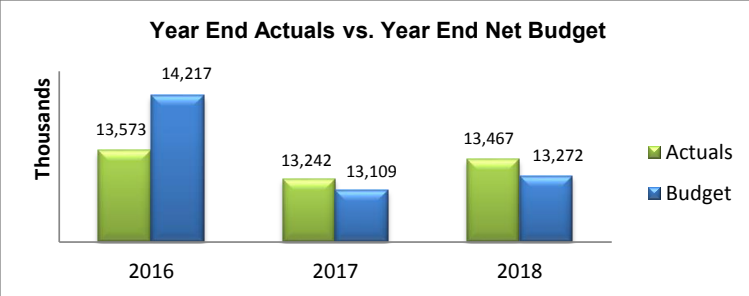
TRANSIT WINDSOR

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	33,005,763	33,504,338	33,931,108
Annual Net Budget	14,216,829	13,108,590	13,271,519
Annual Net Expenditures	13,572,503	13,241,986	13,466,527
Year End Variance	644,326	(133,396)	(195,008)
Variance as % of GB	1.9%	-0.4%	-0.6%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	296,000	(363,000)	(710,000)
Third Quarter (Q3)	270,000	(465,000)	(1,118,700)
Year-End (Q4)*	644,326	(133,396)	(195,008)

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



Description

Transit Windsor is reporting a year end deficit of (\$195,008).

Transit Revenue: \$809,296

Transit Windsor realized a \$809,296 surplus in Transit Revenue. Overall, Transit Windsor saw a 22% increase in its ridership statistics over 2017. The increase was primarily in the student passes category which coincided with the implementation of the U-Pass program. An influx of St. Clair College students also impacted the number of student passes sold during the year. Transit Windsor also realized higher than projected revenues from Employment & Social Services in relation to social assistance transportation passes. This added \$322,650 to Transit Windsor's overall revenue.

Pension-Contributory: \$169,036

Transit Windsor experienced a \$169,036 surplus in the Pension Contributions account due to a decrease in the minimum employer contribution requirements for 2017 and the use of a Letter of Credit for making the required contribution payments for the Pension Plan for Employees of Transit Windsor.

Advertising: \$52,178

Transit Windsor ended 2018 with a \$52,178 surplus in the Advertising account. Expected advertising costs were not utilized fully during the year due to the delay of implementation of new transit initiatives. This account is expected to return to normal spending levels in 2019.

Miscellaneous: \$94,037

Transit experienced a net \$94,037 surplus in various Transit Windsor accounts. This overall surplus was used to mitigate the negative variance for Transit Windsor and was gained through minimizing expenses in other areas throughout the year. Each individual account in this area did not exceed \$50,000 in either a surplus or deficit. Property taxes also decreased in 2018 as Transit properties were reassessed in prior years, which lead to a decrease in property value.

Maintenance Parts & Materials: \$31,058

The Maintenance Parts and Materials account realized a \$31,058 surplus. This account was used to mitigate Transit's projected deficit. Also, the renovations at Transit Windsor were not completed during 2018. This funding would have been used to cover miscellaneous costs during the renovation however since the renovation will be completed in 2019, the expenditures will be processed through the 2019 operating budget as they are incurred.

Contracted Services: \$27,951

The Contracted Services account experienced a 27,951 surplus in 2018. Funding in this account was allocated for electricity for shelters however the electricity was discontinued and therefore no electricity expenses were incurred. An adjustment for the electricity funding has been addressed in the 2019 Operating budget.

Legal Services: \$26,619

The Legal Services account realized a \$26,619 surplus for Transit Windsor. This variance is attributed to the shift in using the City Legal Department more, with little outside resources required.

Commissions: (\$41,382)

Transit experienced a (\$41,382) deficit in the Commissions revenue account for 2018. These revenues are generated primarily through sales made at the Windsor International Transit Terminal for Greyhound customers. Commissions were lower than budgeted due to fewer sales of Greyhound customers. These commissions were affected by the notification made during 2018 of the change in Greyhound service throughout Canada. This decrease in revenue has been addressed in the 2019 operating budget request.

Facility Operations- Labour Internal: (\$75,523)

Transit Windsor experienced a (\$75,253) deficit in the Facility Operations and Labour- Internal account during 2018. The Windsor International Transit Terminal uses internal City of Windsor services for facility maintenance services. During the year, the required facilities maintenance in order to maintain the downtown terminal exceeded the budget due to high costs for required door repairs as well as other required maintenance.

Program Supplies: (\$111,088)

Transit experienced a (\$111,088) deficit in the Program Supplies Account for 2018. During 2018, a high volume of bus passes containing a magnetic strip along with new technology passes containing electronic tap capabilities called Smart Card passes were purchased. As the magnetic strip passes require plastic cases and the Smart Card passes require electronic files to be purchases along with the cards, additional expenses were incurred to match the volume of passes purchased during 2018 in order to provide necessary passes for customers.

Salaries and Wages: (\$222,331)

Transit Windsor ended 2018 with a (\$222,331) deficit in Salary and Wages for 2018. During 2018, Transit Windsor experienced extreme growth in ridership due to the increase in international students in the Windsor area. In order to accommodate the demand for transit service throughout the Windsor region for both students and the general public, an increase to bus service was required. In order to provide the service, additional hours were allocated to fill work, which led to a significant increase in temporary and overtime hours. With this unbudgeted increased service, buses were also on the road for longer periods of time, which incurred higher kilometres on each bus, leading to maintenance requirements more quickly. This maintenance also increased work hours needed to meet the demand, leading to more overtime hours in the fleet maintenance department.

Motor Fuels: (\$436,553)

Transit Windsor experienced a (\$436,553) deficit in Motor Fuel for 2018. The budgeted rate for 2018 was set at \$0.8509 per litre. The year end average rate for 2018 per litre for diesel fuel was \$1.0358. This represents a \$0.1849 increase per litre used for 2018. Due to the increased service required to meet the demands of the public, Transit buses also experienced more kilometers driven, resulting in higher fuel volume consumption for Transit Windsor throughout 2018 which also impacted the overall fuel expense for Transit.

Vehicle Maintenance Parts and Materials: (\$518,577)

Transit Windsor realized a (\$518,577) deficit in the Vehicle Maintenance Parts and Materials account. This deficit was due to the on-going maintenance required for the aging fleet and due to the increased cost of replacement parts related to bus technology. Transit purchased and received 24 new buses during 2018 which allowed for the retirement of 19 older buses which were incurring higher maintenance costs. The new buses reduced the age of Transit Windsor's fleet and therefore will assist in lowering maintenance costs in future years as the new buses will be under warranty and should require less maintenance. In order to meet high service demands due to increased ridership associated with St. Clair College, a number of older buses were kept on the road which led to higher maintenance costs as the cost to service older buses is higher.

Appendix A - 2018 Year-End Operating Budget Variance

Summary of Description

	Category	Amount
1. Transit Revenue	User Fees, Permits & Charges	\$ 809,296
2. Pensions - Contributions	Other Miscellaneous Expenditures	\$ 169,036
3. Other Miscellaneous accounts	Other Miscellaneous Expenditures	\$ 94,038
4. Advertising	Purchased Services	\$ 52,178
5. Maintenance Parts & Materials	Operating & Maintenance Supplies	\$ 31,058
6. Contracted Services	Purchased Services	\$ 27,951
7. Legal Services	Purchased Services	\$ 26,619
8. Commissions	User Fees, Permits & Charges	\$ (41,382)
9. Facilities Operations Labour- Internal	Operating & Maintenance Supplies	\$ (75,253)
10. Program Supplies	Operating & Maintenance Supplies	\$ (111,088)
11. Salary and Wages	Salaries & Benefits	\$ (222,331)
12. Motor Fuel	Operating & Maintenance Supplies	\$ (436,553)
13. Vehicle Maintenance Parts and Materials Account	Operating & Maintenance Supplies	\$ (518,577)
Net Year End Surplus/(Deficit)		<u>\$ (195,008)</u>

Mitigating Steps

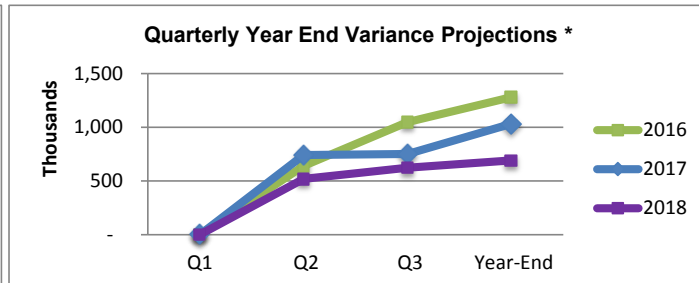
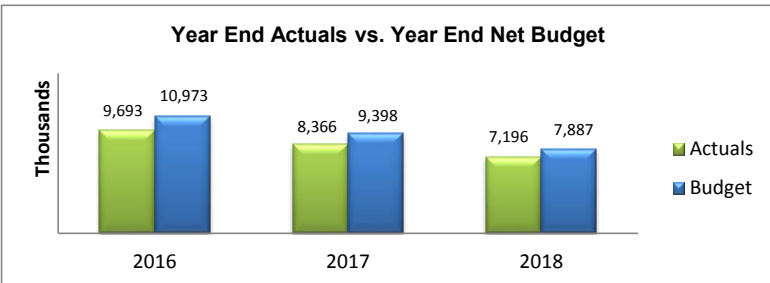
N/A

EMPLOYMENT & SOCIAL SERVICES

<u>Financial Summary</u>	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	119,968,687	118,491,577	118,666,766
Annual Net Budget	10,972,614	9,398,178	7,887,381
Annual Net Expenditures	9,692,583	8,365,839	7,195,628
Year End Variance	1,280,031	1,032,339	691,753
Variance as % of GB	1.1%	0.9%	0.6%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	640,000	741,000	520,500
Third Quarter (Q3)	1,048,500	751,000	623,500
Year-End (Q4)*	1,280,031	1,032,339	691,753

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



Description

As of December 31st 2018, the Employment and Social Services Department realized a net year end City surplus of \$691,753.

Community Development and Health Office & Social Policy & Planning - \$46,968

The Community Development and Health Office and Social Policy & Planning ended the year with a net City surplus of \$46,968 as a result of additional one-time cost recoveries and revenues.

Ontario Works Program Delivery: \$656,614

Ontario Works Program Delivery & Other Employment Services ended the year with a net City surplus of \$656,614 comprised of the following: Salary and Benefit accounts were lower than budget by \$472,688 mainly due to gapping. The Ontario Works caseload trended lower than the prior year's average, with the 2018 year end average at 8,115 cases/month. This lowered the need of Employment Related Assistance, which in turn added \$190,060 to the net City surplus. These surpluses are partially offset by a deficit of (\$6,134) in Other Miscellaneous operating costs.

100% Municipal Assistance & OW Financial Assistance: (\$11,828)

A small surplus of \$2,124 was realized in 100% Municipal Assistance which includes funerals and burials, dental, and other health related assistance for low income residents. A net City deficit of (\$13,952) in OW Financial Assistance resulted from a prior year revenue adjustment, and one-time, in-year expenses.

Summary of Description

<i>Total CDO Office</i>	Category	Amount
	Recovery of Expenditures	\$ 46,968
<i>Ontario Works Program Delivery</i>		
Salary & Benefits	Salaries & Benefits	\$ 472,688
Other Miscellaneous	Other Miscellaneous Expenditures	\$ (6,134)
Employment Related Expense	Purchased Services	\$ 190,060
<i>Total Ontario Works Program Delivery</i>		\$ 656,614
<i>100% Municipal Assistance</i>	Grants & Subsidies	\$ (11,828)
Net Year End Surplus/(Deficit)		\$ 691,753

Mitigating Steps

N/A

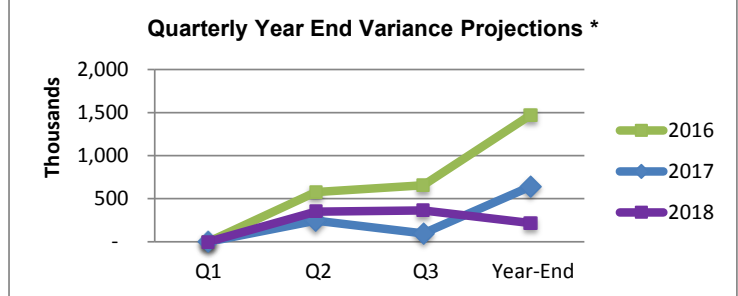
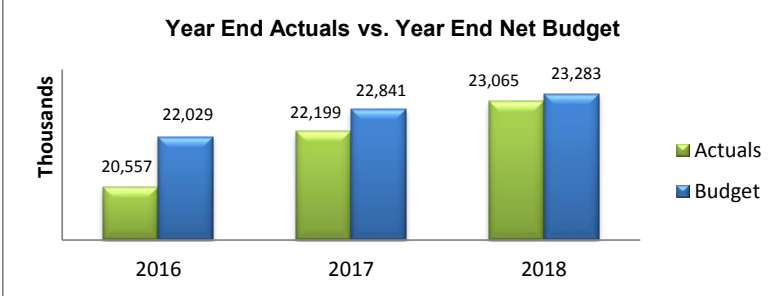
HOUSING & CHILDREN'S SERVICES

Financial Summary

	2016	2017	2018
	Financials	Financials	Financials
Annual Gross Budget (GB)	95,986,699	103,721,182	122,107,176
Annual Net Budget	22,029,359	22,841,372	23,282,846
Annual Net Expenditures	20,557,335	22,199,381	23,065,343
Year End Variance	1,472,024	641,991	217,503
Variance as % of GB	1.4%	0.6%	0.2%

	2016	2017	2018
	Est. Variance	Est. Variance	Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	578,000	246,000	350,600
Third Quarter (Q3)	657,000	96,100	363,900
Year-End (Q4)*	1,472,024	641,991	217,503

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



Description

Housing and Children's Services and Windsor Essex Community Housing Corporation (WECHC) combined has ended the year with a net City surplus of \$217,503 detailed as follows:

Housing Services, inclusive of Windsor Essex Community Housing Corporation, realized a city surplus of \$1,604,599. Of this amount, \$1,503,599 (net city) is primarily due to lower mandated subsidy payments required by WECHC and other service providers in 2018, as well as from the reconciliation of service providers 2016-2018 fiscal year-end reports. Higher than budgeted County revenue of \$101,000 was also realized due to the shift in weighted assessment rates after the budget was set. After transferring \$1 million to the City Housing Reserve as noted within the body of this Council Report, the Housing Services surplus is \$604,599.

The Consolidated Homelessness Prevention Initiative (CHPI) program has realized a deficit of (\$503,827) for 2018 due to a significant increase in demand in the Emergency Shelter system. Finding affordable housing is becoming more difficult due to near record low rental vacancy rates (3% in 2018) and a record high number of households on the Central Housing Registry waitlist for social housing (over 5,000 as of December 31, 2018).

Children's Services has realized a City surplus of \$116,731 of which \$47,278 net city surplus is due to Children's Service staying within the Province's Municipal contribution requirement for Child Care programs. An additional \$9,576 net city surplus was realized for county revenue being higher than budgeted. A Pathway to Potential city surplus of \$59,877 has added to the overall surplus primarily due to salary gapping.

Summary of Description

	Category	Amount
<i>Housing and Children Services/WECHC</i>		
1. Housing Services/WECHC Surplus	Grants & Subsidies	\$ 604,599
2 Consolidated Homelessness Prevention Initiative	Other Miscellaneous Expenditures	\$ (503,827)
3 Children Services	Other Miscellaneous Expenditures	\$ 56,854
4 Pathway to Potential	Other Miscellaneous Expenditures	\$ 59,877
Net Year End Surplus/(Deficit)		\$ 217,503

Mitigating Steps

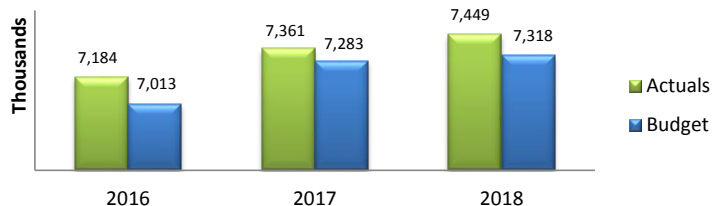
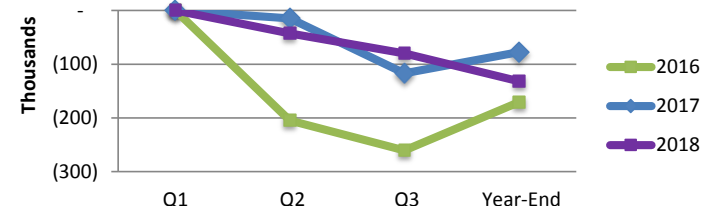
In 2019, staff in Housing and Children's Services will review costs in the emergency shelter program and work with emergency shelter providers to increase diversion activities and increasing supports for households in accessing housing. In addition, a review of the emergency shelter system will be launched this year. This review will align with strategies identified by the Windsor Essex 10 Year Housing and Homelessness Master Plan expected to be completed by June of 2019. Housing and Children's Services is waiting for confirmation from the Ministry of Municipal Affairs and Housing on a funding increase to the Community Homelessness Prevention Initiative budget for the 2019-20 fiscal year that will assist in mitigating the projected deficit. Based on current need it is projected that, without mitigating measures, the 2019 Budget will incur a deficit. More detailed information will be provided to Council in the 2019 Budget.

HURON LODGE**Financial Summary**

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	22,493,152	22,883,479	23,427,040
Annual Net Budget	7,012,896	7,283,223	7,317,503
Annual Net Expenditures	7,183,507	7,360,805	7,449,371
Year End Variance	(170,611)	(77,582)	(131,868)
Variance as % of GB	-0.7%	-0.3%	-0.6%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(205,000)	(15,000)	(43,000)
Third Quarter (Q3)	(260,600)	(117,000)	(80,000)
Year-End (Q4)*	(170,611)	(77,582)	(131,868)

* 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**

Huron Lodge ended the year in a deficit position of (\$131,868).

Provincial Funding: \$238,559

The Ministry of Health and Long Term Care (MOHLTC) announced increases in level of care per diems. It is important to note that the nursing and personal care per diem is directly related to the home's Case Mix Index (CMI). Huron Lodge's CMI increased slightly in April of this year, which adds to the per diem increase Huron Lodge receives in the nursing category.

Other Miscellaneous Expenses: (\$7,746)

Other miscellaneous expenses end the year unfavourably primarily due to the department's contractual obligations to pay professional dues for employees and additional cell phone deployment for managers and supervisors in the 24/7 operations. Historical trends indicate a slight cost increase year over year in the professional dues although the department's budget has remained constant.

Health and Safety Training: (\$24,992)

All City of Windsor employees were required to complete the mandatory WHIMIs training in 2018. Approximately 90% staff of Huron Lodge staff had to be re-trained which contributed to an overage in the training salary budget. This Ministry of Labour requirement added unplanned training costs to the budget. Historically, facilitation costs and staff wages for training were managed within the existing budget.

Resident (Accommodation) Revenue: (\$31,346)

The department experienced a shortfall in Resident Revenue of approximately (\$31,346). The 2018 budget was increased based on the historical 5 year average increase. Due to the acuity of residents coming in, more frequent discharges take place annually. These discharges lead to a higher number of vacant bed days. Approximately half of this deficit is attributed to the resident turnover increase resulting in more vacant days. Accommodation rates are set by the MOHLTC and have increased slightly year over year. Some residents qualify for an accommodation rate reduction. Although the number of residents who qualify for a rate reduction remains constant, the amount of reduction has increased which also contributes to the variance. The MOHLTC adjusts the provincial funding for this and is offset in the surplus in the provincial funding category. The department monitors this account closely and bases future budgets on relevant information at the time.

Software and Technology: (\$33,220)

The department is phasing in wireless point of care with an operational impact for the new clinical and financial software and increased WIFI access points for the building. Additionally, in order to meet and maintain legislative compliance with respect to mandatory educational & training requirements for staff, a software program was selected to track mandatory requirements and has been implemented.

Equipment Replacements: (\$34,186)

This year the home acquired some nursing equipment pieces such as tub/shower chairs and floor lifts and some resident home area furniture, which were beyond repair. With a total department annual budget for equipment of only \$11,000 to cover these types of items it is not sufficient to cover these equipment pieces. The department continues to review, identify needs and prioritize capital budget items accordingly. At times, immediate replacement is required and this is done through the operating accounts.

Appendix A - 2018 Year-End Operating Budget Variance

Equipment Repairs: (\$41,562)

Equipment such as nursing lifts and tub/shower chairs, kitchen and refrigeration equipment require ongoing repairs for the health and safety of residents and staff members and continuous operation in order to serve the needs of the residents. It is mandated to have maintenance programs in place as per the Long Term Care Act 2007, which identifies required repairs. Historically, Huron Lodge has reported a deficit in this category on an annual basis. With capital funding becoming available for equipment replacements subject to council approval in 2019, it is hopeful that the repairs expense will show smaller variances in the future.

Salary Accounts: (\$61,418)

Salary Accounts for nursing, dietary, administration, resident services ended with an unfavourable variance of (\$61,418). This is primarily due to nursing salaries obligations such as vacation payouts and shift premiums in the other pay category and wages paid to staff for training. As part of the 2017 budget process, the need for approximately \$330,000 additional budget dollars were identified and council approved a budget increase of \$110,000 in 2017 and 2018 for other pay. At this time, analysis indicates an additional \$110,000 will be required to bring the budget to the level required and the department has brought forward the appropriate budget issue for the 2019 budget which is subject to council approval. Due to salary gapping in the resident services, administration and nursing areas, Huron Lodge was able to mitigate the possible (\$110,000) deficit in 2018. The department will continue to monitor salary accounts closely and bring forward budget increases/decreases to revise the budgets based on trends.

Facilities Services: (\$64,350)

The facilities department manages the housekeeping, laundry and building and equipment repairs and preventative maintenance programs for the home. The variance is primarily due to unexpected contract services work in the building which attributes (\$42,685) to the overall deficit. The Ministry of Health and Long-Term Care inspections in 2017/2018 had an increased focus on maintaining of environmental assets such as walls and doors, which resulted in additional spending to drywall and painting repairs. There is also an increase expense in contracted services such as plumbing and electrical work. The facility contracts out the laundry services for linens which contributes (\$22,679) to the deficit. The department is experiencing an increasing number of residents with health conditions with frequent episodes of incontinence which leads to more frequent changes of linens. Equipment replacements contributes (\$12,973) to the shortfall while salaries ended in a surplus position of \$13,987 due to staff gapping. The facilities department uses capital funding where applicable which has been carefully planned for building and equipment maintenance and replacements in order to avoid large variances in the operating budget.

Security Services: (\$71,607)

The professional services account ended the year in a deficit position of (\$71,607). Historically, the department has experienced a shortfall in this account due to higher than budgeted costs for security services. As communicated in CAO-4400 in February of 2018, the hourly rate increased for security services. Of this shortfall, one-third is attributed to the increased hourly cost. An outside agency provides security services and have proven to be valuable to the department. As the building never closes, these services play a vital role in the safety of all who attend Huron Lodge. As part of the 2019 operating budget, a budget issue has been brought forward subject to council approval to align the budget with expected expenditures taking into consideration the hourly rate increase and historical deficit that Huron Lodge has experienced.

Summary of Description

	Category	Amount
1. Provincial Funding	Grants & Subsidies	\$ 238,559
2. Other Miscellaneous Expenses	Other Miscellaneous Expenditures	(7,746)
3. Health and Safety Training	Other Miscellaneous Expenditures	(24,992)
4. Resident (Accommodation) Revenue	Other Miscellaneous Revenue	(31,346)
5. Software and Technology	Operating & Maintenance Supplies	(33,220)
6. Equipment Replacements	Minor Capital	(34,186)
7. Equipment Repairs	Minor Capital	(41,562)
8. Salary Accounts	Salaries & Benefits	(61,418)
9. Facilities Services	Operating & Maintenance Supplies	(64,350)
10. Security Services	Purchased Services	(71,607)
Net Year End Surplus/(Deficit)		<u>\$ (131,868)</u>

Mitigating Steps

The department is dedicated to reviewing salary accounts in detail so budgets are adjusted based on historical data. Budget issues related to contractual obligations relating to other pay such as vacation payouts and shift premiums have been addressed through the budget process and continue to be monitored and brought forward.

In addition, as part of the annual budget process, other expense line items identified above will be brought forward for discussion to bring budgets to the appropriate levels.

CORPORATE ACCOUNTS

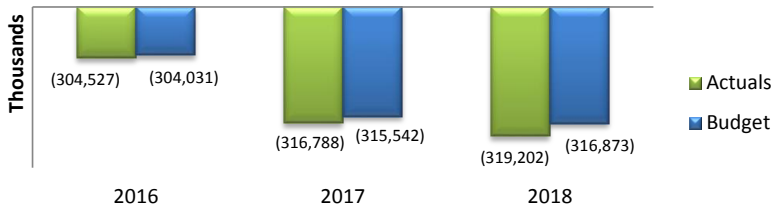
Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	212,194,691	220,184,625	228,641,359
Annual Net Budget	(304,030,795)	(315,541,718)	(316,872,705)
Annual Net Expenditures	(304,526,506)	(316,787,587)	(319,201,799)
Year End Variance	495,711	1,245,869	2,329,094
Variance as % of GB	0.2%	0.6%	1.0%

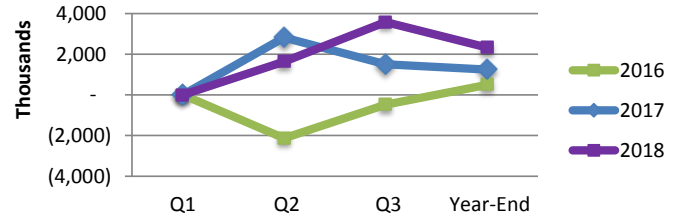
	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(2,131,616)	2,818,972	1,638,927
Third Quarter (Q3)	(477,516)	1,502,120	3,581,927
Year-End (Q4)*	495,711	1,245,869	2,329,094

* 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

Fund Transfers

Sewer Surcharge Recovery: \$47,036

Due to the early timing of getting an approved 2018 budget, the sewer surcharge recovery was later found to be higher than the original preliminary projections, creating a surplus of \$47,036.

Interest and Bank Charges

Capital Interest Income: \$738,062

The projected rate for 2018 was 1.65% consistently for the year. In 2018, the actual rate increased to 2.74% by May and by end of year to 2.81%. This is the main reason for the significant surplus. It should be noted that actual spending was also slightly higher than projected, however the majority of the driver is the rate increase.

Net Interest on Investments: \$158,432

Interest rate yields were higher than projected due to an increase in prime rates by the Bank of Canada which resulted in a surplus of \$1,048,734 for interest on investments. The higher yields are then transferred to our reserves which is where the majority of our cash balances are maintained creating a (\$890,302) deficit when compared against budget.

Interest and Penalties on Receivables: (\$27,978)

An upward trend of customers remitting payment against invoices in a timely manner combined with enhanced collection efforts and the improving economy resulted in fewer late payment charges creating a deficit of (\$27,978) in Interest and Penalties on Receivables.

Interest and Penalties on Taxes: (\$168,758)

A downward trend of the property taxes in arrears as a result of enhanced collection efforts and an improved economy has resulted in a deficit of (\$168,758) in the Penalty and Interest on Taxes.

General Expense Accounts

General Provisions: \$2,077,562

The General Provision account ended the year with a surplus of \$2,077,562. This budget contains corporate provisions for JJE, unanticipated WSIB Costs, an overtime provision for eligible non-union members, Bill 148 contingency and a general contingency provision. This account also contains provisions and accruals for various collective agreements that have been updated to reflect expected costs for 2018. It is noted that the surplus contingency amount is offset by various deficit amounts experienced across various line items in the budget.

Waiver of Fees: (\$83,383)

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 waiver of fees. Fees approved and transferred in 2018 amounted to (\$83,383).

Community Improvement Plan Tax Rebate: (\$176,182)

Additional properties, which were not previously identified within the budgeted expenditure as being eligible for the municipal tax incentive grant payments, received payments in accordance with their fully executed Economic Revitalization Community Improvement agreements. These additional payments resulted in a deficit of (\$176,182).

Miscellaneous Accounts: (\$963)

Other miscellaneous corporate accounts net to a slight deficit of (\$963) in 2018.

General Corporate Revenues

Program Support Recoveries: \$225,615

Additional internal program support recoveries were realized in relation to Children's Services and Ontario Works programs, resulting in a surplus of \$225,615.

Casino Hosting Fee: \$8,122

Revenues from OLG in 2018 resulted in a deficit of (\$1,261,805) as a direct result of the labour disruptions at Caesars Windsor during 2018. Given this shortfall in revenues for 2018 the annual contribution to the Assessment Appeals Reserve (\$4.3 million) which is traditionally funded from this funding source has been reduced by approximate equivalent amount.

Corporate Fringe Benefits

Long-Term and Short-Term Disability Program: \$369,593

The Long-Term and Short Term Disability program experienced an overall surplus of \$369,593 based on the claim activity experienced in 2018.

Green Shield Program: \$61,797

The actual Green Shield claim activity for 2017/2018 experienced a positive trend primarily due to the OHIP+ drug coverage for youth 24 and under in Ontario. This resulted in the issuance of a surplus cheque of which \$1,100,000 was transferred to the Fringe Rate Stabilization Reserve Fund, as per normal practice.

OMERS: \$57,748

The OMERS program ended the year in a \$57,748 surplus position reflecting actual program activity based on the 2018 salary costs.

Canada Pension Plan: \$48,728

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 2018, total CPP contributions ended the year with a surplus of \$48,728.

Group Life Insurance: \$5,342

The Group Life Insurance surplus of \$5,342 is attributed to the claim activity experienced in 2018.

Employment Income (EI): (\$18,351)

Employment Income (EI) experienced a deficit of (\$18,351) at the end of the year primarily due to retro payments issued to terminated employees. This account is also largely driven by the timing of employment decisions across the corporation and as such is difficult to predict.

Employer Health Tax (EHT): (\$141,539)

Employer Health Taxes are driven by the timing of employment decisions and as such are difficult to predict. The accruals were underestimated for retro payments issued as a result of the negotiated Fire contract and Non-Union Salary Market Review which also attributed to this deficit by (\$27,125). Employer Health Tax (EHT) ended the year with a deficit of (\$141,539).

Sick Leave Gratuity: (\$895,651)

The Sick Leave Gratuity account is often difficult to predict as the timing of retirements is uncertain. In addition, there was a significant payout of funds held on account for those employees who in previous years have opted to defer their sick leave gratuity payments. A deficit of (\$895,651) has resulted in 2018. It should be noted that this deficit is primarily offset by the General Provision surplus as several retroactive sick leave adjustments were paid out in 2018 based on provisions of the contract settlements.

Fringe Benefit Recovery: (\$701,140)

The Fringe Benefit Recovery account ended the year with a deficit of (\$3,435,189) and is offset by the cumulative surpluses in the fringe benefit allocation accounts in the operating departments of \$2,734,049. This represents a deficit for accounting purposes only.

Other Municipal Taxes

Payments in Lieu-Other: \$56,695

Additional revenue, which had not previously been budgeted for, as a result of an increase in assessment value for 2018 on a specific identified property was received during the year. Payment in Lieu of Property Taxes are a voluntary remittance received from senior levels of government and can fluctuate.

Payments in Lieu-Municipal Share of Education: (\$11,742)

For certain specific government owned properties, the City is entitled to retain the taxes which would otherwise be remitted to the Province for education tax. A deficit of (\$11,742) was realized as a result of lower assessment values used in the overall calculation of property taxes for these properties.

Heads and Beds: \$65,600

An annual set fee of \$75 is remitted to the City based upon head counts. A surplus of \$65,600 was realized due to largely an increase student enrollment at the University & Colleges.

Railway & Hydro: \$13,079

An annual set fee per acre is levied on railway and hydro corridors. A surplus of \$13,049 was realized due to an increase, as prescribed by the Province, in the allowable fee charged.

Corporate Utilities

Electricity: \$726,770

The municipal tax levy surplus related to Electricity is \$726,770, along with a surplus in sewer surcharge and parking levy funded areas of \$1,029,673, resulting in an overall City wide Electricity surplus total of \$1,756,443

The decrease in actual costs compared to budget is a function of a number of variables which in part includes the following:

- Unused capital transfer savings related to the Combined Heat and Power (CHP) systems of \$449,667
- Differential of 2018 budget kWh rate compared to the actual kWh costs of \$1,032,934
- Provincial rate reduction impact of the Industrial Conservation Initiative (ICI) program of approximately \$214,000
- Lower than budgeted maintenance of the CHP systems at Huron Lodge, WFCU Centre and Windsor International Aquatic Training Centre resulted in a surplus of \$59,842

The total City wide electricity surplus of \$1,756,443 is reflected as follows:

- Net levy electricity surplus of \$217,261 in Corporate Accounts
- Unused capital transfer savings of \$449,667 as a result of the CHP systems not being fully operational in 2018
- Lower than budgeted maintenance of the CHP systems at Huron Lodge, WFCU Centre and Windsor International Aquatic Training Centre resulted in a surplus of \$59,842.
- Sewer surcharge and parking levy surplus of \$1,029,673

Efforts to reduce consumption through various energy efficiency projects are critical to being able to offset as much of the variables associated with electricity costs as possible. Reducing energy costs continues to be a focus of the Corporate Energy Initiatives Division of Finance.

Natural Gas: \$661,989

The municipal tax levy surplus related to Natural Gas is \$661,989, along with a surplus in sewer surcharge and parking levy funded areas of \$27,127, resulting in an overall City wide Natural Gas surplus of \$689,116.

The surplus is primarily the result of lower than expected rates coupled with less than projected consumption associated with one of the CHP systems not being fully operational in 2018. The surplus of \$661,989 as noted above will be reflected in Corporate Accounts and the balance of \$27,127 in the sewer surcharge and parking levy.

Appendix A - 2018 Year-End Operating Budget Variance

Water: (\$204,480)

The municipal tax levy deficit related to Water is (\$204,480), along with a deficit in the sewer surcharge and parking levy funded areas of (\$111,938), resulting in an overall City-wide Water deficit of (\$316,418).

The deficit is primarily the result of a higher than projected consumption. In addition, a number of anomalies associated with equipment malfunctions at the Lou Romano Water Reclamation Plant (LRWRP) and Capri Pizzeria Recreation Complex (which have since been corrected) also contributed to the consumption increase.

District Energy: (\$562,909)

The DE costs associated with the new 350 City Hall were unknown during the 2018 budget preparation and therefore difficult to project one year prior to the building being occupied. In addition, there was the discovery of an incorrect 2018 budget issue of \$145,000, which also contributed to the deficit, along with a variance of \$404,740 related to a Facility Operations one-time adjustment.

	Category	Amount
<i>Corporate Accounts</i>		
1. Sewer Surcharge Recovery	Recovery of Expenditures	47,036
2. Capital Interest Income	Investment Income & Dividends	738,062
3. Interest Earned on Investments	Investment Income & Dividends	1,048,734
4. Interest Paid to Reserves	Investment Income & Dividends	(890,302)
5. Interest and Penalties on Receivables	Other Miscellaneous Revenue	(27,978)
6. Interest and Penalties on Taxes	Other Miscellaneous Revenue	(168,758)
7. Corporate Salary Provision	Salaries & Benefits	2,077,562
8. Waiver of Fees	Financial Expenses	(83,383)
9. Community Improvement Plan Tax Rebate	Taxes - Municipal	(176,182)
10. Miscellaneous Accounts	Other Miscellaneous Expenditures	(963)
11. Program Support Recoveries	Grants & Subsidies	225,615
12. Casino Hosting Fee	User Fees, Permits & Charges	8,122
13. Long-Term and Short-Term Disability Program	Taxes - Municipal	369,593
14. Green Shield Benefits	Salaries & Benefits	61,797
15. OMERS	Salaries & Benefits	57,748
16. Canada Pension Plan	Salaries & Benefits	48,728
17. Group Life Insurance	Salaries & Benefits	5,342
18. Employment Income	Salaries & Benefits	(18,351)
19. Employer Health Tax	Salaries & Benefits	(141,539)
20. Sick Leave Gratuity	Salaries & Benefits	(895,651)
21. Fringe Benefit Recovery	Salaries & Benefits	(701,140)
22. Payments in Lieu-Other	Taxes - Municipal	56,695
23. Payments in Lieu-Municipal Share of Education	Taxes - Municipal	(11,742)
24. Heads and Beds	Taxes - Municipal	65,600
25. Railway and Hydro	Taxes - Municipal	13,079
Total Corporate Accounts		<u>\$ 1,707,724</u>
<i>Corporate Utilities</i>		
26. Hydro	Utilities, Insurance & Taxes	726,770
27. Natural Gas	Utilities, Insurance & Taxes	661,989
28. Water	Utilities, Insurance & Taxes	(204,480)
29. District Energy	Utilities, Insurance & Taxes	<u>\$ (562,909)</u>
Total Corporate Utilities		<u>\$ 621,370</u>
Net Year End Surplus/(Deficit)		<u><u>\$ 2,329,094</u></u>

Mitigating Steps

N/A

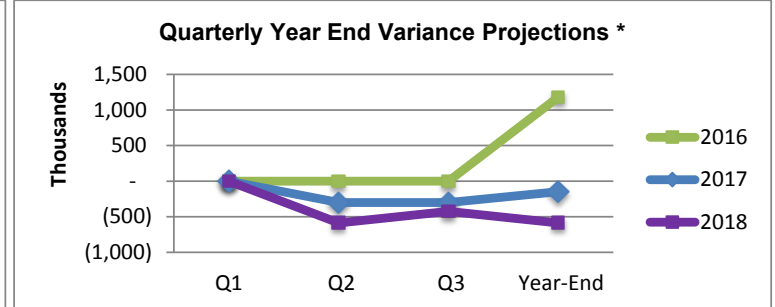
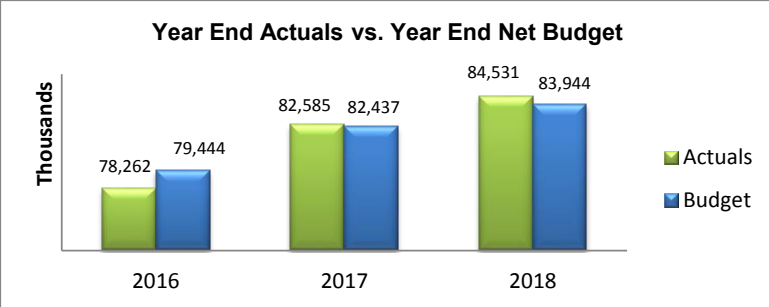
WINDSOR POLICE SERVICES

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	88,950,982	92,773,764	95,600,360
Annual Net Budget	79,444,014	82,437,022	83,943,525
Annual Net Expenditures	78,262,481	82,585,404	84,530,590
Year End Variance	1,181,533	(148,382)	(587,065)
Variance as % of GB	1.3%	-0.2%	-0.6%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	(300,000)	(587,065)
Third Quarter (Q3)	-	(300,000)	(425,000)
Year-End (Q4)*	1,181,533	(148,382)	(587,065)

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



Description

NOTE: The financial detail below was provided by Windsor Police Services (WPS) administration, as the Finance Dept. does not provide financial support to WPS.

The Windsor Police Service (WPS) year end deficit was largely due to an unanticipated 19% increase in overall crime. Overtime is directly related the occurrence of major incidents. An increase in these events, results in a corresponding increase in investigation and court overtime.

Summary of Description

Category	Amount
1. Overtime	\$ (587,065)
Net Year End Surplus/(Deficit)	\$ (587,065)

Mitigating Steps

The WPS continues to aggressively monitor and control overtime costs. In 2018, the WPS was faced with a 125% increase in homicides, which are highly resource intensive. Major incidents are a cost driver of organizational overtime. The WPS strategically deploys resources to minimize overtime costs whenever possible.

AGENCY GRANTS

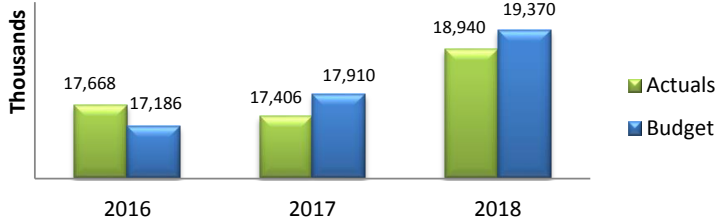
Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	17,286,927	18,010,674	20,195,286
Annual Net Budget	17,186,329	17,910,076	19,369,688
Annual Net Expenditures	17,668,299	17,406,072	18,939,774
Year End Variance	(481,970)	504,004	429,914
Variance as % of GB	-2.7%	2.8%	2.1%

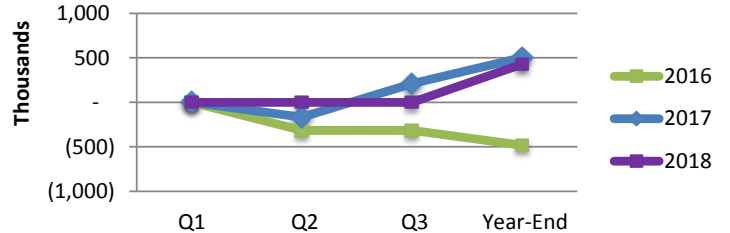
	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	(314,000)	(166,870)	-
Third Quarter (Q3)	(314,000)	209,044	-
Year-End (Q4)*	(481,970)	504,004	429,914

* 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

Land Ambulance: \$45,130

The County is projecting a year-end surplus of \$45,130 for the City's share of costs primarily due to an increase in Provincial funding.

Windsor-Essex County Health Unit (WECHU): \$384,784

The approved Health Unit budget for the City's share of costs was \$1,701 lower than the City's budget which was approved in January 2018. Due to the timing of when the budgets were approved, this resulted in a surplus of \$1,701. In addition, the Windsor-Essex County Health Unit has communicated an overall surplus of \$383,083 for the 2017 year, which is presently under review with the Ministry and will be returned to the City once approved. This amount has been accrued in the City's books for 2018.

Summary of Description

Category	Amount
1. Land Ambulance	\$ 45,130
2. Windsor-Essex County Health Unit	\$ 384,784
Net Year End Surplus/(Deficit)	\$ 429,914

Mitigating Steps

N/A

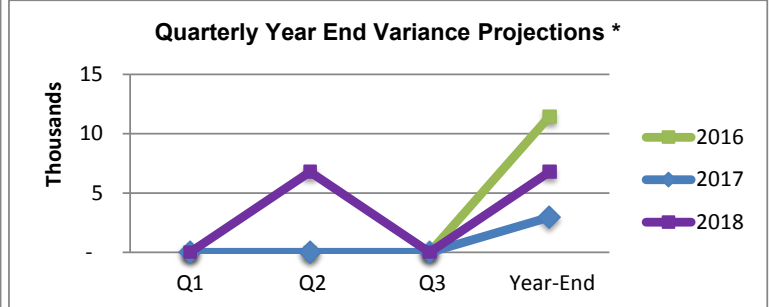
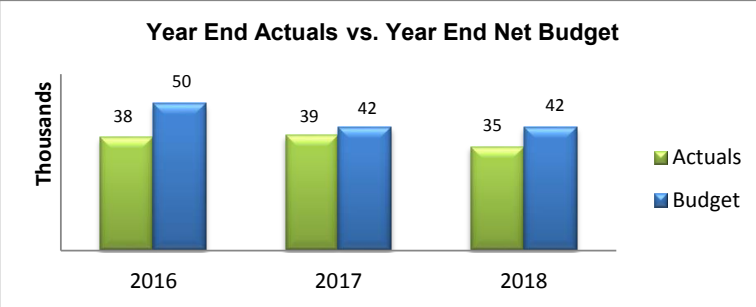
COMMITTEES OF COUNCIL

Financial Summary

	2016 Financials	2017 Financials	2018 Financials
Annual Gross Budget (GB)	49,920	42,120	42,120
Annual Net Budget	49,920	42,120	42,120
Annual Net Expenditures	38,460	39,159	35,338
Year End Variance	11,460	2,961	6,782
Variance as % of GB	27.2%	7.0%	16.1%

	2016 Est. Variance	2017 Est. Variance	2018 Est. Variance
First Quarter (Q1)	-	-	-
Second Quarter (Q2)	-	-	6,782
Third Quarter (Q3)	-	-	-
Year-End (Q4)*	11,460	2,961	6,782

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



Description

The Bicycling, Property Standards, Seniors' Advisory and Town and Gown Committee's all ended the year with minor surpluses. The Diversity, International Relations, Windsor-Essex Environmental and Windsor Accessibility Committee's received approval for a budget carry-forward to undertake initiatives in 2019.

Summary of Description

1. Miscellaneous Line Items

Category	Amount
Other Miscellaneous Expenditures	\$ 6,782
Net Year End Surplus/(Deficit)	\$ 6,782

Mitigating Steps

N/A