

Document 2 – Variance Analysis – 2012 Operating Results

2012 Operating Budget Corporate Summary - Elected Officials and Office of the Auditor General									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Elected Officials	10,444	-	10,444	10,330	-	10,330	114	-	114
Office of the City Auditor General	1,616	-	1,616	1,616	-	1,616	-	-	-
Total Elected Officials and Office of the Auditor General	12,060	-	12,060	11,946	-	11,946	114	-	114

Government & Political Support (Elected Officials)

Savings primarily in compensation related accounts

2012 Operating Budget Corporate Summary - City Manager's Office									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
City Manager's Office	489	-	489	487	-	487	2	-	2
Corporate Programs & Business Services	5,921	(300)	5,621	5,875	(255)	5,620	46	(45)	1
Finance	33,548	(5,735)	27,813	33,113	(5,831)	27,282	435	96	531
City Clerk & Solicitor	21,116	(440)	20,676	21,130	(240)	20,890	(14)	(200)	(214)
Corporate Communications	4,403	-	4,403	4,399	(8)	4,391	4	8	12
Economic Development and Innovation	5,581	-	5,581	5,399	-	5,399	182	-	182
Total City Manager's Office	71,058	(6,475)	64,583	70,403	(6,334)	64,069	655	(141)	514

Finance

Savings in compensation due to high staff turnover.

City Clerk & Solicitor

Funding from the Election Reserve was not fully utilized which resulted in a surplus that was returned to the Election Reserve.

2012 Operating Budget Corporate Summary - City Operations - Administrative Support									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
DCM's Office, City Operations	1,265	-	1,265	1,240	-	1,240	25	-	25
Service Ottawa	9,993	(1,469)	8,524	10,001	(1,477)	8,524	(8)	8	-
Human Resources	15,090	-	15,090	15,083	-	15,083	7	-	7
Information Technology Services	48,556	-	48,556	48,396	(1)	48,395	160	1	161
Total City Operations - Administrative Support	74,904	(1,469)	73,435	74,720	(1,478)	73,242	184	9	193

No major variances to report.

2012 Operating Budget Corporate Summary - Emergency & Protective Services									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
General Manager of Emergency & Protective Services	724	-	724	739	-	739	(15)	-	(15)
Security and Emergency Management	4,554	(170)	4,384	4,383	(257)	4,126	171	87	258
Fire Services	139,480	(788)	138,692	138,625	(903)	137,722	855	115	970
Paramedic Service	73,287	(42,909)	30,378	78,311	(45,770)	32,541	(5,024)	2,861	(2,163)
By-Law & Regulator Services	18,722	(24,805)	(6,083)	18,711	(25,513)	(6,802)	11	708	719
Total Emergency & Protective Services	236,767	(68,672)	168,095	240,769	(72,443)	168,326	(4,002)	3,771	(231)

Fire Services

Compensation savings mainly due to vacancies and higher staff retirements resulting in an increased number of recruit fire fighters along with reduced overtime.

Paramedic Service

Increased cost resulting from retroactivity costs for the reclassification of Paramedic positions, arbitration settlements and one time initiatives. Higher revenues were received as a result of Provincial funding announcement in June along with funding for one-time initiatives.

By-Law & Regulatory Services

Higher revenues from increased parking fines.

2012 Operating Budget Corporate Summary - Community & Social Services, and Parks, Recreation & Cultural Services									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
General Manager of Community & Social Services	566	-	566	570	(27)	543	(4)	27	23
Social Services	211,770	(155,942)	55,828	212,207	(154,960)	57,247	(437)	(982)	(1,419)
Child Care Services	99,106	(76,873)	22,233	97,412	(77,250)	20,162	1,694	377	2,071
Long Term Care	55,268	(44,946)	10,322	56,519	(45,642)	10,877	(1,251)	696	(555)
Housing Services	158,585	(60,843)	97,742	158,556	(62,258)	96,298	29	1,415	1,444
Community Development & Funding	23,524	(467)	23,057	22,995	(514)	22,481	529	47	576
Parks, Recreation & Cultural Services	135,862	(60,474)	75,388	135,142	(56,240)	78,902	720	(4,234)	(3,514)
Total Community & Social Services, and Parks, Recreation & Cultural Services	684,681	(399,545)	285,136	683,401	(396,891)	286,510	1,280	(2,654)	(1,374)

Social Services

Increased costs as a result of additional users of the ODSP Community Bus Pass and reduced revenue as a result of the Provincial Budget announcement to cap the Ontario Works Discretionary Benefits as of July 1st, and Council's decision to maintain them for the balance of 2012. The 2013 budget was adjusted to account for the additional Community bus pass users and to maintain the majority of discretionary benefits.

Child Care Services

Decreased costs as a result of the inflationary increase on fee subsidy rates that were not implemented by all purchase of service agencies and agency uncertainty related to the implementation of Full Day Kindergarten. The 2013 budget was adjusted to account for the inflationary increase on fee subsidy rates which were not implemented.

Long Term Care

Increased compensation costs attributable to additional staff hours required as a result of resident outbreaks.

Housing Services

Decreased costs within the Housing & Homelessness Investment Plan primarily as a result of the implementation timeframe required after Council approved the Housing Allowance Program (Short Term Rent Support Program-Ottawa Extension) Policy Framework on January 25, 2012. As per the approved Council report on the Housing & Homelessness Investment Plan the operating surplus will be transferred to capital for Social Housing repairs / renewals.

Community Development & Funding

Decreased costs as a result of the Older Adult Plan approved by Council on October 24th, 2012. As per the Council report the unspent funds are to be used in 2013 to complete the 2012 initiatives.

Parks, Recreation & Cultural Services

The deficit was due to revenue shortfalls in the Service Ottawa Sponsorship & Advertising initiative, Hall Rentals and Fitness Memberships and in Admissions as a result of facility closures and construction which were partially offset by expenditure savings.

2012 Operating Budget Corporate Summary - Public Works									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
General Manager Public Works	146	-	146	105	-	105	41	-	41
Business Services Branch	2,780	(34)	2,746	2,532	(53)	2,479	248	19	267
Traffic Management and Operational Support	12,424	(55)	12,369	11,842	(51)	11,791	582	(4)	578
Roads & Traffic Maintenance	119,679	(2,188)	117,491	124,241	(3,718)	120,523	(4,562)	1,530	(3,032)
Parks, Buildings & Grounds	62,016	(3,148)	58,868	64,689	(3,752)	60,937	(2,673)	604	(2,069)
Forestry	13,120	-	13,120	13,297	-	13,297	(177)	-	(177)
Parking Operations	15,687	(15,687)	-	15,746	(15,746)	-	(59)	59	-
Fleet Services	3,180	(549)	2,631	3,612	(557)	3,055	(432)	8	(424)
Total Public Works	229,032	(21,661)	207,371	236,064	(23,877)	212,187	(7,032)	2,216	(4,816)

Business Services Branch

Compensation savings due to staff secondment to the Parking Operations Branch.

Traffic Management & Operational Support

Compensation savings due to high staff turnover along with savings in the Adult School Crossing Guard program as a result of implementing new locations in September.

Roads & Traffic Maintenance

The deficit results primarily from increased costs on winter control activities stemming from late December storms partially offset by increased revenue from increased works billed to Developers.

Parks, Buildings & Grounds

Deficit due to summer drought conditions requiring increased sports field maintenance and costs due to the wind-up of Lansdowne operations.

2012 Operating Budget Corporate Summary - Environmental Services

In Thousands ('000)

Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Solid Waste Services - Tax	42,624	(14,284)	28,340	40,508	(13,787)	26,721	2,116	(497)	1,619
Solid Waste Services - Rate	28,040	(33,091)	(5,051)	29,138	(33,987)	(4,849)	(1,098)	896	(202)
Environmental Policy and Programs	1,013	-	1,013	1,170	(2)	1,168	(157)	2	(155)
Total Environmental Services	71,677	(47,375)	24,302	70,816	(47,776)	23,040	861	401	1,262

Solid Waste Services

Overall expenditure savings was realized due to lower diversion collection and processing costs on recyclables (Tax), offset by higher garbage collection costs (Rate). Also, increased revenues from tipping fees at Trail Road and higher than planned growth in the number of households (Rate) offset the lower recycling revenues (Tax) due to poor market conditions.

2012 Operating Budget Corporate Summary - Planning & Infrastructure									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
DCM's Office, Planning & Infrastructure	1,685	-	1,685	1,838	-	1,838	(153)	-	(153)
Planning and Growth Management	26,303	(17,691)	8,612	24,878	(18,947)	5,931	1,425	1,256	2,681
Building Code Services-Ontario Bldg Code	17,161	(21,812)	(4,651)	20,987	(25,638)	(4,651)	(3,826)	3,826	-
Infrastructure Services	7,632	(666)	6,966	7,501	(569)	6,932	131	(97)	34
Rail Implementation	6,997	(6,997)	-	5,623	(5,623)	-	1,374	(1,374)	-
Real Estate Partnerships & Development	6,471	(354)	6,117	6,362	(289)	6,073	109	(65)	44
Total Planning & Infrastructure	66,249	(47,520)	18,729	67,189	(51,066)	16,123	(940)	3,546	2,606

Planning and Growth Management

Expenditure savings were due largely to delays in implementing initiatives stemming from organizational realignment and funding approvals which were received later in 2012.

Shortfall in processing fees was offset by higher revenues in areas such as engineering, temporary encroachment and pavement degradation fees.

2012 Operating Budget Corporate Summary - Capital Formation Costs									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Corporate Benefit Provisions	12,161	(3,458)	8,703	10,138	(3,458)	6,680	2,023	-	2,023
Contribution To Reserve Funds	81,824	-	81,824	81,824	-	81,824	-	-	-
Endowment Fund	13,000	(13,000)	-	9,698	(9,698)	-	3,302	(3,302)	-
Debt Charges	69,163	(9,893)	59,270	68,790	(9,736)	59,054	373	(157)	216
Ray Friel	1,109	(709)	400	1,110	(709)	401	(1)	-	(1)
Sale of Surplus Land	-	-	-	501	(2,500)	(1,999)	(501)	2,500	1,999
Ottawa Lands Development	-	(5,500)	(5,500)	193	(4,742)	(4,549)	(193)	(758)	(951)
100 Constellation Lease	5,907	-	5,907	5,814	-	5,814	93	-	93
Total Capital Formation Costs	171,003	(29,102)	141,901	167,930	(27,385)	140,545	3,073	(1,717)	1,356

Corporate Human Resource Provision

Surplus results from lower banked sick leave payments. The sick leave banks exist primarily for staff hired before the introduction of income protection plans in the late 1970's. As these staff leave the employment of the City, they are entitled to have these sick leave banks paid out in accordance with their specific collective agreement.

Sale of Surplus Land

Revenues derived from the sale of surplus City lands are not budgeted for on an annual basis since the amount of land available for sale will vary significantly from year to year.

Ottawa Lands Development

Staff are recommending that the \$0.951 million shortfall in budgeted land sales from the Ottawa Lands Corporation be transferred from the City Wide Reserve and that the funds be returned to the reserve from future land sale proceeds.

2012 Operating Budget Corporate Summary - Corporate Common Expenditures									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Election Reserve Fund	1,087	-	1,087	1,087	-	1,087	-	-	-
Self Insurance	-	-	-	-	-	-	-	-	-
Self Insurance	-	-	-	-	-	-	-	-	-
One-Time Unforeseen Provision	2,222	-	2,222	-	-	-	2,222	-	2,222
Financial Charges	5,003	-	5,003	4,178	-	4,178	825	-	825
CW Cost Allocations	(36,448)	-	(36,448)	(36,448)	-	(36,448)	-	-	-
Total Corporate Common Expenditures	(28,136)	-	(28,136)	(31,183)	-	(31,183)	3,047	-	3,047

One-Time Unforeseen Provision

Council has established an annual budgetary provision of \$2.8 million to address any unforeseen or one-time funding requirements that cannot be accommodated within existing budget allocations. During 2012 \$1.430 million of this provision was accessed to fund items of this nature however \$0.852 million was unspent at year end and returned to the fund. As per Council direction, the balance of \$2.222 million will be contributed to the City's Tax Rate Stabilization Reserve Fund.

2012 Operating Budget Corporate Summary - Corporate Common Revenue									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Penalty & Interest	-	(11,864)	(11,864)	-	(11,701)	(11,701)	-	(163)	(163)
Investment Income	-	(13,716)	(13,716)	-	(17,248)	(17,248)	-	3,532	3,532
Sinking Fund Surplus	-	(805)	(805)	-	(805)	(805)	-	-	-
Transfer from Environmental Lands Reserve	-	-	-	1,310	(1,310)	-	(1,310)	1,310	-
Hydro Ottawa Dividends	-	(16,000)	(16,000)	-	(16,600)	(16,600)	-	600	600
Provincial Offences Act	-	(13,607)	(13,607)	-	(11,389)	(11,389)	-	(2,218)	(2,218)
Rideau Carleton Raceway	-	(4,300)	(4,300)	-	(4,252)	(4,252)	-	(48)	(48)
Lottery Fees	-	(1,004)	(1,004)	-	(908)	(908)	-	(96)	(96)
Other Miscellaneous Revenue	-	(2,493)	(2,493)	-	(2,032)	(2,032)	-	(461)	(461)
Total Corporate Common Revenue	-	(63,789)	(63,789)	1,310	(66,245)	(64,935)	(1,310)	2,456	1,146

Investment Income

Investment earnings are higher than anticipated as cash balances available were higher than originally estimated.

Hydro Ottawa Dividends

Based on the City's dividend policy, Hydro Ottawa is required to remit to the City an annual dividend payment equal to the greater of \$14 million or 40% of Hydro Ottawa's net income. The 2012 payment is reflective of the higher Hydro Ottawa earnings.

Provincial Offences Act

Revenues were not achieved due to dollar value of tickets issued being lower than anticipated.

2012 Operating Budget Corporate Summary - Tax Related Expenditures & Revenue									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Supplemental Assessment	-	(18,850)	(18,850)	-	(15,232)	(15,232)	-	(3,618)	(3,618)
Payment-in-lieu of Taxation	-	(113,725)	(113,725)	-	(116,272)	(116,272)	-	2,547	2,547
Public Institutions	-	(3,735)	(3,735)	-	(3,888)	(3,888)	-	153	153
Local Improvement	-	-	-	368	(395)	(27)	(368)	395	27
Tax Rebates & Remissions	13,403	-	13,403	12,960	-	12,960	443	-	443
Property Assessment	10,634	-	10,634	10,476	-	10,476	158	-	158
Property Tax Revenue	-	(812,321)	(812,321)	-	(812,321)	(812,321)	-	-	-
Total Tax Related Exp & Revenue	24,037	(948,631)	(924,594)	23,804	(948,108)	(924,304)	233	(523)	(290)

Supplementary Assessment

Additional taxation revenues resulting from supplementary assessments were lower as fewer properties were added to the roll than projected.

Payment-in-lieu of Taxation

Additional Federal properties were added during 2012 resulting in higher PIL receipts.

2012 Operating Budget Corporate Summary - External Boards, Commissions and Agencies									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Crime Prevention Centre	634	-	634	602	(13)	589	32	13	45
Committee of Adjustment	1,337	(1,337)	-	945	(1,225)	(280)	392	(112)	280
Public Health	50,434	(38,864)	11,570	51,228	(39,944)	11,284	(794)	1,080	286
Conservation Authority	9,289	(9,289)	-	9,403	(10,263)	(860)	(114)	974	860
Transit Services	462,682	(462,682)	-	460,792	(458,321)	2,471	1,890	(4,361)	(2,471)
Police Services	272,496	(272,496)	-	274,790	(274,822)	(32)	(2,294)	2,326	32
Library Services	44,747	(44,747)	-	45,054	(45,128)	(74)	(307)	381	74
Total External Boards, Commissions and Agencies	841,619	(829,415)	12,204	842,814	(829,716)	13,098	(1,195)	301	(894)

Committee of Adjustment

Expenditures were under budget due to an unanticipated delay in the implementation of the e-Agenda program. The Committee is requesting that \$75,000 of the surplus be re-provided in 2013 to allow the remaining work to be completed.

Public Health

The year-end surplus reflects additional revenue for unbudgeted items such as Community Infection Control Lapse and other miscellaneous programs which fluctuate from year-to-year.

Conservation Authorities

The City generates its funding share for each of the 3 Conversation Authorities through the imposition of a tax rate on the returned roll. The surplus in 2012 results from additional supplementary assessment and PIL revenues.

Transit Services

Although the Transit Operations ended the year in a \$2.470 million surplus, increased claims from prior years were settled in 2012 along with higher tax rebates and remission costs which resulted in an overall Transit Service deficit.

2012 Operating Budget Corporate Summary - Rate Supported									
In Thousands ('000)									
Operating Results	Budget			Actual			Surplus/(Deficit)		
	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net	Annual Exp	Annual Revenue	Annual Net
Rate Supported Programs by Department									
Drinking Water Services	135,552	(135,552)	-	132,308	(133,127)	(819)	3,244	(2,425)	819
Wastewater and Drainage Services	146,613	(146,613)	-	147,992	(142,863)	5,129	(1,379)	(3,750)	(5,129)
Total Rate Supported Program	282,165	(282,165)	-	280,300	(275,990)	4,310	1,865	(6,175)	(4,310)

Rate Supported Programs

Drinking Water

Expenditures were lower than budget primarily due to higher vacancy rates early in the year, lower usage of materials & supplies along with savings in the Roadway Reinstatement program. These savings were partially offset by lower revenues as consumption levels and therefore billing volumes were lower than budgeted.

Wastewater & Drainage

Deficit due to higher insurance claims that were settled in 2012 along with lower revenues as consumption and water billing volumes were lower.