

2017 Q3 OPERATING VARIANCE SUMMARY BY DEPARTMENT / DIVISION

| Departments/Divisions | Page # | 2016 | | | | | 2017 | | | | |
|--|--------|---------------------|---------------------|---|---|-----------------------------|---------------------|----------------------|---|---|-------------------------|
| | | Annual Gross Budget | Annual Net Budget | Q2 (May 31) Projected Surplus / (Deficit) | Q3 (Aug 31) Projected Surplus / (Deficit) | Year End Surplus/ (Deficit) | Annual Gross Budget | Annual Net Budget | Q2 (May 31) Projected Surplus / (Deficit) | Q3 (Aug 31) Projected Surplus / (Deficit) | Q2 % Var. of Gross Bgt. |
| Representation | | | | | | | | | | | |
| Mayor's Office | 2 | 511,809 | 511,809 | 0 | 0 | 0 | 504,157 | 504,157 | 0 | 0 | 0.0% |
| Council Administrative Services | 3 | 567,767 | 567,767 | 0 | 0 | 35,035 | 604,938 | 604,938 | 0 | 0 | 0.0% |
| Total Representation | | 1,079,576 | 1,079,576 | 0 | 0 | 35,035 | 1,109,095 | 1,109,095 | 0 | 0 | 0.0% |
| Office of the Chief Administrative Officer | | | | | | | | | | | |
| CAO's Office | 4 | 1,190,282 | 1,190,282 | 111,000 | 161,000 | 80,244 | 1,333,810 | 1,176,539 | 140,000 | 170,000 | 12.7% |
| Office of the City Solicitor | | | | | | | | | | | |
| Planning & Building | 5 | 8,076,714 | 3,331,740 | 365,000 | 249,000 | 282,086 | 8,742,973 | 3,613,431 | 574,400 | 540,600 | 6.2% |
| Legal | 6 | 16,960,183 | 5,877,591 | (1,110,000) | (981,000) | (2,941,174) | 17,009,347 | 6,018,338 | (1,738,000) | (1,589,740) | -9.3% |
| Fire & Rescue Services | 8 | 43,889,767 | 42,838,231 | (192,000) | (203,800) | (201,539) | 46,176,988 | 45,201,199 | (299,600) | (286,000) | -0.6% |
| Total Office of the City Solicitor | | 68,926,664 | 52,047,562 | (937,000) | (935,800) | (2,860,627) | 71,929,308 | 54,832,968 | (1,463,200) | (1,335,140) | -1.9% |
| Office of the Chief Financial Officer | | | | | | | | | | | |
| Finance | 9 | 9,399,649 | 6,371,531 | 0 | 0 | 106,279 | 9,445,098 | 6,229,178 | 137,000 | 0 | 0.0% |
| Information Technology | 10 | 7,410,626 | 6,130,187 | 40,000 | 40,000 | 35,456 | 7,744,735 | 6,469,296 | 45,000 | 45,000 | 0.6% |
| Total Office of the Chief Financial Officer | | 16,810,275 | 12,501,718 | 40,000 | 40,000 | 141,735 | 17,189,833 | 12,698,474 | 182,000 | 45,000 | 0.3% |
| Office of City Clerk | | | | | | | | | | | |
| Council Services | 11 | 9,853,887 | 6,765,674 | 0 | 135,100 | 352,729 | 10,193,204 | 6,988,231 | 10,000 | 125,000 | 1.2% |
| Human Resources | 12 | 4,378,200 | 4,084,062 | 0 | 30,000 | 194,002 | 5,015,420 | 4,723,763 | 170,000 | 100,000 | 2.0% |
| Windsor Public Library | 13 | 8,847,365 | 7,831,216 | 0 | 0 | 237,485 | 9,173,305 | 8,109,957 | 50,000 | 0 | 0.0% |
| Total Office of City Clerk | | 23,079,452 | 18,680,952 | 0 | 165,100 | 784,216 | 24,381,929 | 19,821,951 | 230,000 | 225,000 | 0.9% |
| Office of Parks, Recreation, Culture and Facilities | | | | | | | | | | | |
| Parks | 14 | 38,207,301 | 23,717,516 | 200,000 | 795,000 | 39,918 | 39,518,665 | 24,815,537 | 259,800 | 153,500 | 0.4% |
| Recreation & Culture | 16 | 21,617,445 | 9,790,969 | 0 | (260,000) | 108,939 | 23,789,014 | 11,953,684 | (35,000) | (195,000) | -0.8% |
| Total Office of Parks, Recreation, Culture and Facilities | | 59,824,746 | 33,508,485 | 200,000 | 535,000 | 148,857 | 63,307,679 | 36,769,221 | 224,800 | (41,500) | -0.1% |
| Office of the City Engineer | | | | | | | | | | | |
| Engineering | 17 | 29,413,044 | 6,710,221 | (620,000) | (717,400) | (981,521) | 31,517,465 | 7,712,486 | (428,700) | 415,900 | 1.3% |
| Public Works Operations | 19 | 51,713,792 | 25,900,040 | 960,000 | 1,326,086 | 890,988 | 54,304,502 | 26,900,403 | 1,578,900 | 1,241,000 | 2.3% |
| Transit Windsor | 21 | 33,005,763 | 14,216,829 | 296,000 | 270,000 | 644,326 | 33,504,338 | 13,108,590 | (363,000) | (465,000) | -1.4% |
| Total Office of the City Engineer | | 114,132,599 | 46,827,090 | 636,000 | 878,686 | 553,793 | 85,821,967 | 47,721,479 | 787,200 | 1,191,900 | 1.4% |
| Community Development & Health | | | | | | | | | | | |
| Employment & Social Services | 23 | 119,968,687 | 10,972,614 | 640,000 | 1,048,500 | 1,280,031 | 118,491,577 | 9,398,178 | 741,000 | 751,000 | 0.6% |
| Housing & Children's Services/WECHC | 24 | 95,986,699 | 22,029,359 | 578,000 | 657,000 | 1,472,024 | 103,721,182 | 22,841,372 | 246,000 | 96,100 | 0.1% |
| Huron Lodge | 25 | 22,493,152 | 7,012,896 | (205,000) | (260,600) | (170,611) | 22,883,479 | 7,283,223 | (15,000) | (117,000) | -0.5% |
| Total Community Development & Health | | 238,448,538 | 40,014,869 | 1,013,000 | 1,444,900 | 2,581,444 | 245,096,238 | 39,522,773 | 972,000 | 730,100 | 0.3% |
| Corporate Accounts | | | | | | | | | | | |
| | 27 | 212,194,691 | (304,030,797) | (2,131,616) | (477,516) | 495,711 | 220,184,625 | (315,541,718) | 2,818,972 | 1,502,120 | 0.7% |
| Total City Departments Prior to Contingency & Additional Council-Approved Funding | | 735,686,823 | (98,180,263) | (1,068,616) | 1,811,370 | 1,960,408 | 730,354,484 | (101,889,218) | 3,891,772 | 2,487,480 | 0.3% |
| Corporate Contingency Approved in 2017 Budget | | 1,500,000 | 1,500,000 | 1,500,000 | 2,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 0 | 0 | 0% |
| Surplus (Deficit) Subtotal | | 737,186,823 | (96,680,263) | 431,384 | 4,311,370 | 3,460,408 | 731,854,484 | (100,389,218) | 3,891,772 | 2,487,480 | 0.3% |
| Agencies, Boards & Commissions | | | | | | | | | | | |
| Windsor Police Services | 30 | 88,950,982 | 79,444,014 | 0 | 0 | 1,181,533 | 92,773,764 | 82,437,022 | (300,000) | (300,000) | -0.3% |
| Agency Grants | 31 | 17,286,927 | 17,186,329 | (314,000) | (314,000) | (481,970) | 18,010,674 | 17,910,076 | (166,870) | 209,044 | 1.2% |
| Committees of Council | 32 | 49,920 | 49,920 | 0 | 0 | 11,460 | 42,120 | 42,120 | 0 | 0 | 0.0% |
| Total Agencies, Boards & Commissions | | 106,287,829 | 96,680,263 | (314,000) | (314,000) | 711,023 | 110,826,558 | 100,389,218 | (466,870) | (90,956) | -0.1% |
| 2016 Net Operating Budget Surplus (Deficit) | | 843,474,652 | 0 | 117,384 | 3,997,370 | 4,171,431 | 842,681,042 | 0 | 3,424,902 | 2,396,524 | 0.3% |

Less: Windsor Public Library (50,000) 0

| | | |
|---------------------|---------------------|-------------|
| \$ 3,374,902 | \$ 2,396,524 | 0.3% |
|---------------------|---------------------|-------------|

MAYOR'S OFFICE

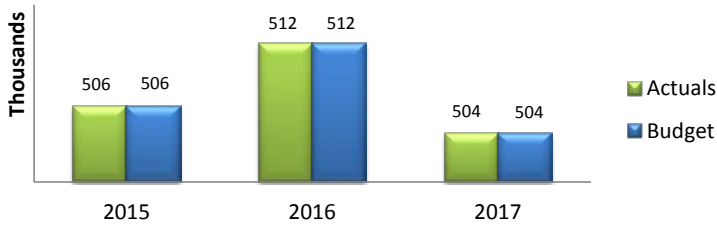
Financial Summary

| | 2015 | 2016 | 2017 |
|--------------------------|------------|------------|------------|
| | Financials | Financials | Financials |
| Annual Gross Budget (GB) | 506,453 | 511,809 | 504,157 |
| Annual Net Budget | 506,453 | 511,809 | 504,157 |
| Annual Net Expenditures | 506,453 | 511,809 | 504,157 |
| Year End Variance | 0 | 0 | 0 |
| Variance as % of GB | | | |

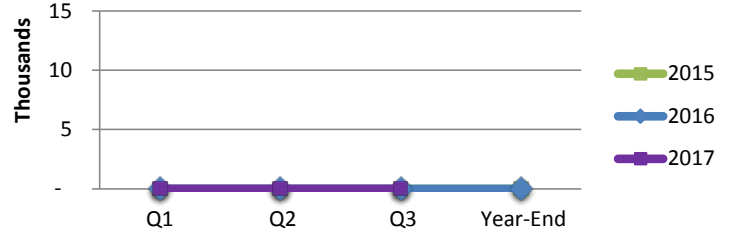
| | 2015 | 2016 | 2017 |
|---------------------|---------------|---------------|---------------|
| | Est. Variance | Est. Variance | Est. Variance |
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | - | - | - |
| Third Quarter (Q3) | - | - | - |
| Year-End (Q4)* | - | - | - |

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

Year End Actuals vs. Year End Net Budget



Quarterly Year End Variance Projections *



Description

No significant variances projected at this time.

Summary of Description

1. Projected to end the year within budget estimates

Net Year End Surplus/(Deficit)

Category

Amount

\$ -
\$ -

Mitigating Steps

COUNCIL ADMINISTRATIVE SERVICES

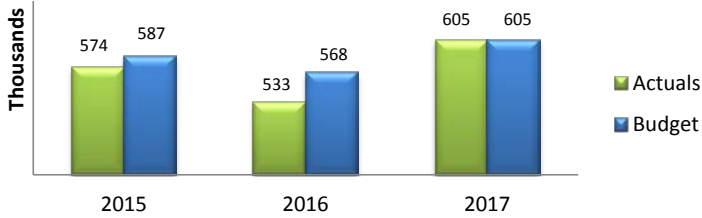
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 586,666 | 567,767 | 604,938 |
| Annual Net Budget | 586,666 | 567,767 | 604,938 |
| Annual Net Expenditures | 574,274 | 532,732 | 604,938 |
| Year End Variance | 12,392 | 35,035 | 0 |
| Variance as % of GB | 2.1% | 6.2% | |

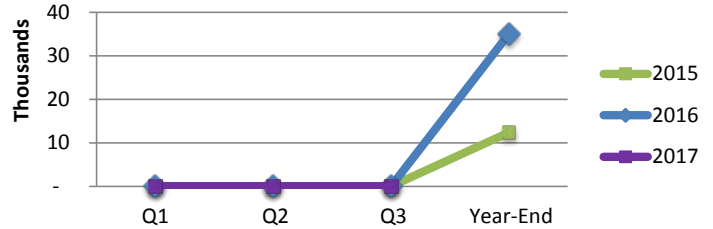
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | - | - | - |
| Third Quarter (Q3) | - | - | - |
| Year-End (Q4)* | 12,392 | 35,035 | - |

* 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

No significant variances projected at this time.

Summary of Description

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

Category

Amount

| | |
|----|---|
| \$ | - |
| \$ | - |

Mitigating Steps

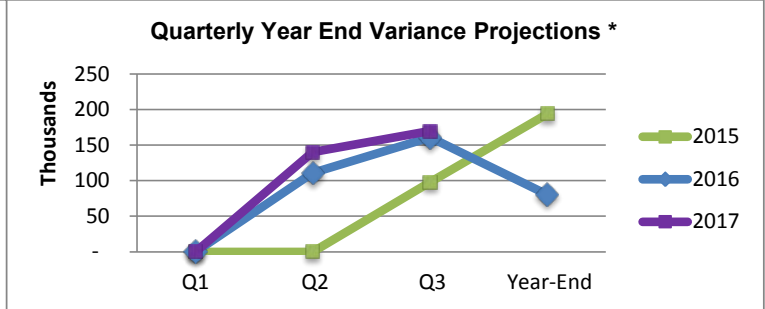
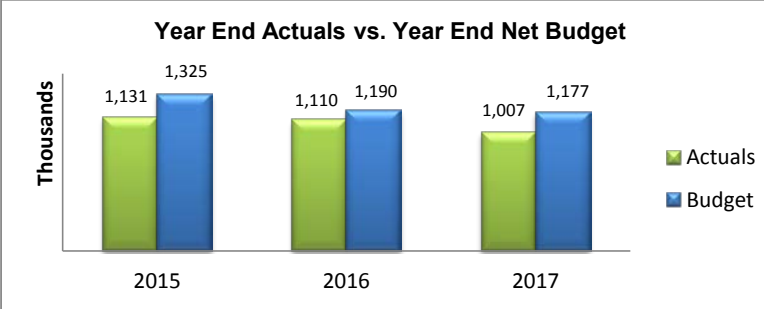
CAO'S OFFICE

Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 1,324,528 | 1,190,282 | 1,333,810 |
| Annual Net Budget | 1,324,528 | 1,190,282 | 1,176,539 |
| Annual Net Expenditures | 1,130,614 | 1,110,038 | 1,006,539 |
| Year End Variance | 193,914 | 80,244 | 170,000 |
| Variance as % of GB | 14.6% | 6.7% | 12.7% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|-----------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | - | 111,000 | 140,000 |
| Third Quarter (Q3) | 98,000 | 161,000 | 170,000 |
| Year-End (Q4)* | 193,914 | 80,244 | |

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



Description

The CAO's Office budget contains provisional/contingency budgets for Corporate Consulting and other matters. It is difficult to anticipate until very close to year end, what these budgets may be used for, therefore while a surplus is projected as of 3rd quarter 2017, there is a possibility that a portion of these funds may be used by year end.

Summary of Description

1. Salary Gapping
2. Corporate Consulting

Net Year End Surplus/(Deficit)

| Category | Amount |
|---------------------------------------|-------------------|
| Salaries & Benefits | \$ 100,000 |
| Purchased Services | \$ 70,000 |
| Net Year End Surplus/(Deficit) | \$ 170,000 |

Mitigating Steps

PLANNING AND BUILDING

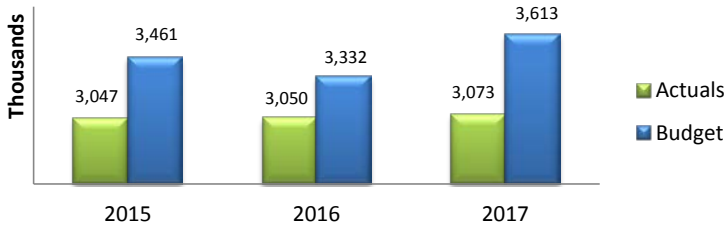
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 7,777,193 | 8,076,714 | 8,742,973 |
| Annual Net Budget | 3,460,519 | 3,331,740 | 3,613,431 |
| Annual Net Expenditures | 3,047,183 | 3,049,654 | 3,072,831 |
| Year End Variance | 413,336 | 282,086 | 540,600 |
| Variance as % of GB | 5.3% | 3.5% | 6.2% |

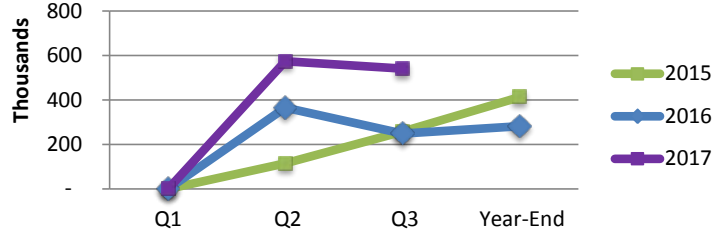
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 115,000 | 365,000 | 574,400 |
| Third Quarter (Q3) | 257,000 | 249,000 | 540,600 |
| Year-End (Q4)* | 413,336 | 282,086 | - |

* 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

Planning & Building is projecting a 2017 operating surplus of \$540,600.

Revenue surplus: \$380,600

The volume of development applications is higher than normal, particularly with site plan control and land variance.

Recovery of expense from Alley Subsidy Program: \$116,600

Currently two staff members are seconded to the Alley Subsidy project until the end of 2017. As this project was not anticipated and not budgeted for, the recovery of the two staff members results in a surplus.

Salary Gapping: \$31,100

Due to challenges pertaining to recruitment and hiring, the department has been gapping one Inspector position and one Engineer position.

Miscellaneous Expense Line Items: \$12,300

Anticipated savings for 2017 among miscellaneous expenses accounts is being projected at \$12,300.

Legislated Permits (Non-tax levy portion of Departmental budget) Surplus: \$888,841

Permit revenues to date for 2017 are very positive. In fact the department is projecting an overall conservative net surplus and contribution to the Building Permit Fee Reserve in 2017 of \$117,556. This is in contrast to the 2017 budgeted draw on reserve of \$771,285 of which none is expected to be used. The surplus of \$117,556 combined with the budget of \$771,285 will net an overall surplus to the reserve of \$888,841

Summary of Description

| Category | Amount |
|---|-------------------|
| Development Application Revenue | \$ 380,600 |
| Recovery of Expenses from Alley Subsidy Program | \$ 116,600 |
| Staff Gapping and Vacancies | \$ 31,100 |
| Miscellaneous Expense Line Items | \$ 12,300 |
| Net Year End Surplus/(Deficit) | \$ 540,600 |

Mitigating Steps

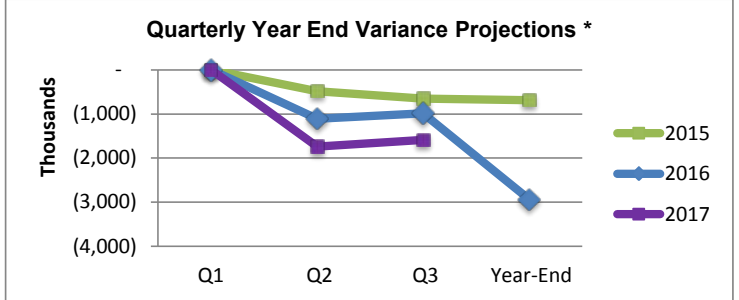
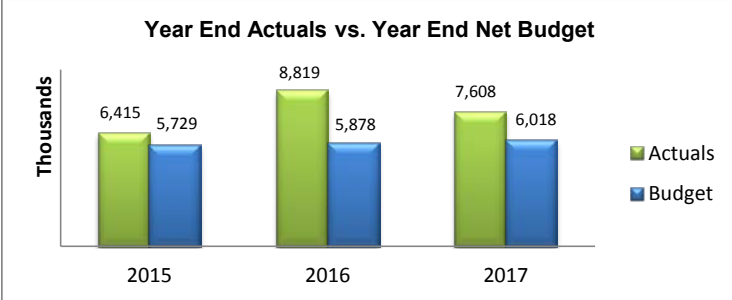
LEGAL

Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 16,717,256 | 16,960,183 | 17,009,347 |
| Annual Net Budget | 5,729,036 | 5,877,591 | 6,018,338 |
| Annual Net Expenditures | 6,414,772 | 8,818,765 | 7,608,078 |
| Year End Variance | (685,736) | (2,941,174) | (1,589,740) |
| Variance as % of GB | -4.1% | -17.3% | -9.3% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | (485,000) | (1,110,000) | (1,738,000) |
| Third Quarter (Q3) | (650,000) | (981,000) | (1,589,740) |
| Year-End (Q4)* | (685,736) | (2,941,174) | - |

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



Description

Overall, the Legal Department has a projected deficit of (\$1,589,740).

Claim Costs: (\$1,074,740)

The deficit in this line item is expected to be (\$1,074,740) at year end for payments to claims made against the City. Settlements are difficult to predict in their amounts and timing due to their nature. This is a preliminary estimate based on historical trends and payments. The claim cost variance is typically recovered from the Self Insurance Reserve Fund (SIR) however given the expected overall surplus, it is being recommended to fund this deficit from the overall surplus at year end. For City Council Approval at year end.

Legal Services Cost: (\$330,000)

The external legal services account is projected to be in a deficit of approximately (\$330,000) 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. The final variance may vary materially from the current projections.

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 year to date expenses in these discretionary line items are below the expected level at this point in the year. The department's projected deficit can therefore be seen to be driven by the largely uncontrollable costs for outside legal counsel for the reasons described above.

Insurance: (\$108,000)

Due to timing of budget approval, the budget for Police was understated for 2017 therefore causing a deficit in their insurance budget line item. This will be adjusted for 2018.

Recovery from Capital Projects: (\$50,000)

In conformity with the corporate Tangible Capital Asset Policy, Council approved a recovery of a dedicated Real Estate employee's wages from capital projects on the basis of the number of hours worked on each project. For the first quarter of the year, the number of hours worked on projects did not meet budget, and therefore, a shortfall in the recovery for these wages will be experienced.

Miscellaneous Expense Line Items: (\$10,000)

It is expected that overall miscellaneous line-by-line variances of \$10,000 will be experienced for 2017.

Salary Gapping: \$35,000

A net surplus of \$35,000 is being projected in the salary accounts due to position vacancies and salary gapping within Legal.

Provincial Offences: (\$52,000)

The Provincial Offences division is forecasting a deficit in revenue, mainly due to the lower charging volume experienced year to date. However the 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).

Summary of Description

| | Category | Amount |
|---------------------------------------|-----------------------------|------------------------------|
| 1. Claim Costs | Purchased Services | \$ (1,074,740) |
| 2. Legal Services Costs | Purchased Services | (330,000) |
| 3. Insurance Expense | Purchased Services | (108,000) |
| 4. Provincial Offences | Other Miscellaneous Revenue | (52,000) |
| 5. Recovery from Capital Projects | Recovery of Expenditures | (50,000) |
| 6. Miscellaneous Expense Line Items | Other Miscellaneous Revenue | (10,000) |
| Salary Gapping | Salaries & Benefits | 35,000 |
| Net Year End Surplus/(Deficit) | | <u>\$ (1,589,740)</u> |

Mitigating Steps

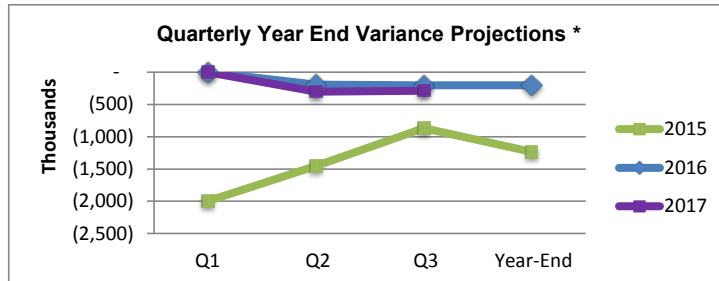
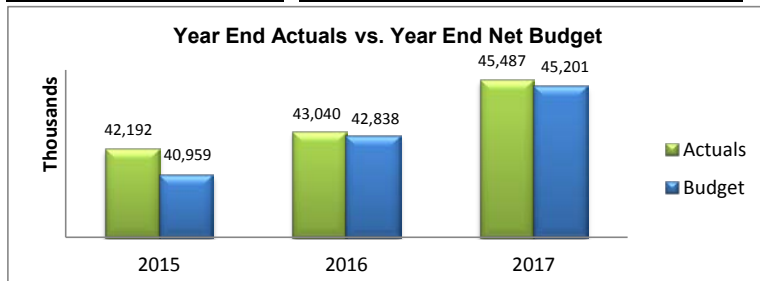
Due to the uncertain nature of the City's exposure to External Legal Fees it is difficult to identify mitigating strategies. The Legal Department continues to exercise prudent oversight with respect to the conduct of external files and the management of claims, and uses in-house resources whenever possible.

FIRE & RESCUE SERVICES**Financial Summary**

| | 2015 | 2016 | 2017 |
|--------------------------|--------------------|------------------|------------------|
| | Financials | Financials | Financials |
| Annual Gross Budget (GB) | 41,737,360 | 43,889,767 | 46,176,988 |
| Annual Net Budget | 40,959,074 | 42,838,231 | 45,201,199 |
| Annual Net Expenditures | 42,192,362 | 43,039,770 | 45,487,199 |
| Year End Variance | (1,233,288) | (201,539) | (286,000) |
| Variance as % of GB | -3.0% | -0.5% | -0.6% |

| | 2015 | 2016 | 2017 |
|---------------------|---------------|---------------|---------------|
| | Est. Variance | Est. Variance | Est. Variance |
| First Quarter (Q1) | (2,000,000) | - | - |
| Second Quarter (Q2) | (1,450,000) | (192,000) | (299,600) |
| Third Quarter (Q3) | (864,954) | (203,800) | (286,000) |
| Year-End (Q4)* | (1,233,288) | (201,539) | - |

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

**Description**

WFRS is projecting a (\$286,000) operating budget deficit at third quarter as detailed below.

Other Miscellaneous Expenses: (\$36,000)

A net deficit of (\$36,000) is projected as follows: (\$6,100) for the maintenance fee of Auxilium software application acquired in 2016, (\$7,740) for addition of computers and associated IT maintenance fees, (\$5,660) for annual increase of Crysis maintenance fee, (\$8,500) for Fire Prevention structural engineering site investigations, (\$5,000) for training tower repairs and (\$3,000) for Apparatus portable hoist rental as a result of Fuel automation project.

Fire Equipment Maintenance: (\$50,000)

Fire Apparatus division is projecting a (\$30,000) deficit due to a replacement of the aerial bucket as a result of damage during a motor vehicle accident response. Further deficit of (\$10,000) in the apparatus division is expected due to various increased maintenance & repair needs. Fire and Rescue division is projecting a (\$10,000) deficit in the Bunker gear cleaning account. This is due to increased frequency for bunker gear cleaning in order to limit firefighter's exposure to contaminated bunker gear and decrease the impact on future liability for Occupational Illness and Disease.

User Fee Revenue: (\$60,000)

Apparatus division is projecting a (\$40,000) shortfall in revenue due to inability to accept external customers work and still meet the maintenance need of WFRS vehicles and equipment. This is due to a 20% staffing decrease in a department of five emergency equipment technicians as a result of parental leave.

Fire & Rescue Operations division is projecting a (\$20,000) shortfall in newly approved user fees revenue in 2017, Malicious Fire Alarm Activation and Multiple Responses Due to Unmaintained Equipment. To date, less than projected billings have occurred which is likely due to the introduction of a new process. All calls to date are being reviewed individually to ensure accuracy and adjustments will be made accordingly. It is likely that this variance may be mitigated once the new billing practices become consistent.

Net Salary Variance (excluding fringes): (\$140,000)

A net (\$70,000) shortfall in overtime in the Communication division due to scheduling to fill vacant hours in dispatch; a deficit of (\$20,000) in overtime shared between Training and Administration divisions primarily due to heavy workload; a shortfall of (\$31,400) in the budget of \$150,000 due to expected gapping not being achieved; and a shortfall of (\$18,600) due to Compression payments made pursuant to the Council Resolution 231/2016. In the Firefighting Division, Council approved the two year over-complement pilot project, which has demonstrated a meaningful impact in the reduction of overtime in the past and this trend is expected to continue, with the impact depending on the rate of attrition.

Summary of Description

| Category | Amount |
|---------------------------------------|---------------------|
| Other Miscellaneous Expenses | \$ (36,000) |
| Fire Equipment Maintenance | (50,000) |
| User Fee Revenue | (60,000) |
| Net Salary Variance | (140,000) |
| Net Year End Surplus/(Deficit) | \$ (286,000) |

Mitigating Steps

Windsor Fire & Rescue Services is monitoring and taking steps at each opportunity to implement mitigating measures with a goal to reduce currently projected variance.

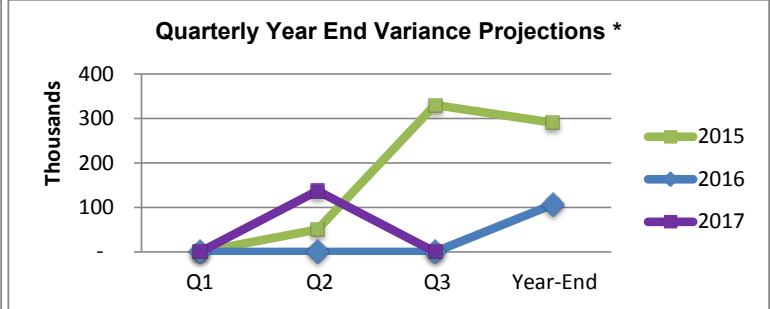
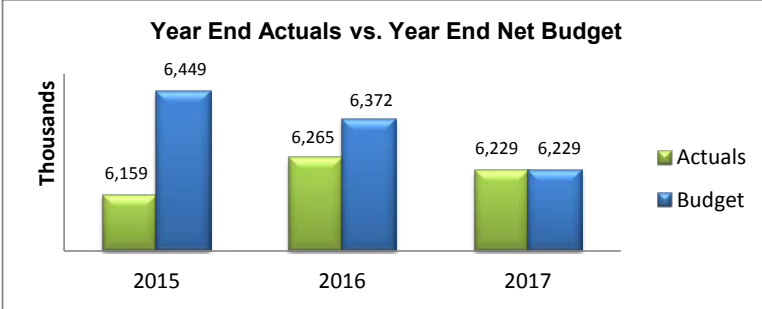
FINANCE

Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 9,208,651 | 9,399,649 | 9,445,098 |
| Annual Net Budget | 6,449,388 | 6,371,531 | 6,229,178 |
| Annual Net Expenditures | 6,158,544 | 6,265,252 | 6,229,178 |
| Year End Variance | 290,844 | 106,279 | 0 |
| Variance as % of GB | 3.2% | 1.1% | |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 50,000 | - | 137,000 |
| Third Quarter (Q3) | 330,000 | - | - |
| Year-End (Q4)* | 290,844 | 106,279 | - |

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



Description

Finance is projecting a \$0 operating budget variance.

Salaries: \$38,000

Salaries is currently trending towards a year-end deficit of approximately (\$230,000) primarily due to the transitional roles in the Payroll department as a direct result of the Payroll Process Project. These additional positions have approved one-time funding which would put Finance in a surplus position of approximately \$100,000. As Finance is projected to be in a surplus position, the department will be absorbing a portion of these charges prior to recovering from the approved funding sources.

External Revenues: (\$38,000)

External revenue is trending towards an approximate net (\$38,000) deficit in 2017. Included in this net amount is a deficit of (\$160,000) relating to Tax Lien Registration Fees and a deficit of (\$62,000) relating to Letters of Default. A general improvement in the economy, along with continued advancements whereby taxpayers are able to bring their accounts more current, as well as vacant positions in the collection area, has resulted in fewer collection charges being levied. The deficits are mitigated by a surplus of \$95,000 relating to Ownership Change revenue, a surplus of \$83,000 relating to Dial-Up Fees, and a net surplus of \$6,000 in other miscellaneous tax revenue accounts. Many of these tax related revenues are dependent upon real estate sales activity which, to date have been showing increased activity levels.

Summary of Description

| Category | Amount |
|---------------------------------------|-------------|
| 1. Salaries | \$ 38,000 |
| 2. External Revenues | \$ (38,000) |
| Net Year End Surplus/(Deficit) | \$ - |

Mitigating Steps

INFORMATION TECHNOLOGY (I.T.)

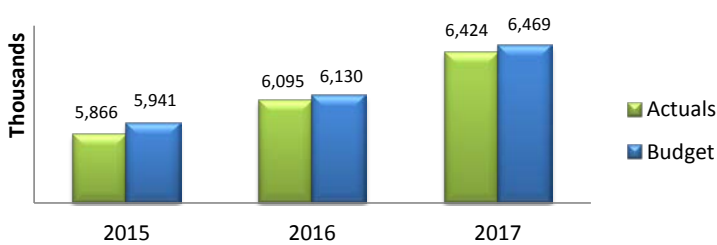
Financial Summary

| | 2015 | 2016 | 2017 |
|--------------------------|---------------|---------------|---------------|
| | Financials | Financials | Financials |
| Annual Gross Budget (GB) | 7,227,994 | 7,410,626 | 7,744,735 |
| Annual Net Budget | 5,941,062 | 6,130,187 | 6,469,296 |
| Annual Net Expenditures | 5,866,060 | 6,094,731 | 6,424,296 |
| Year End Variance | 75,002 | 35,456 | 45,000 |
| Variance as % of GB | 1.0% | 0.5% | 0.6% |

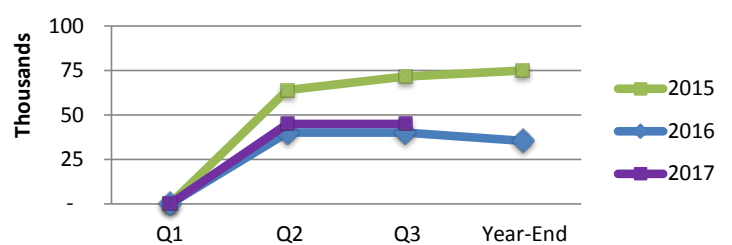
| | 2015 | 2016 | 2017 |
|---------------------|---------------|---------------|---------------|
| | Est. Variance | Est. Variance | Est. Variance |
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 64,000 | 40,000 | 45,000 |
| Third Quarter (Q3) | 71,500 | 40,000 | 45,000 |
| Year-End (Q4)* | 75,002 | 35,456 | - |

* 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

Surplus is a result of salary gapping. Recruitments are currently 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 | \$ 45,000 |
| Net Year End Surplus/(Deficit) | \$ 45,000 |

Mitigating Steps

COUNCIL SERVICES

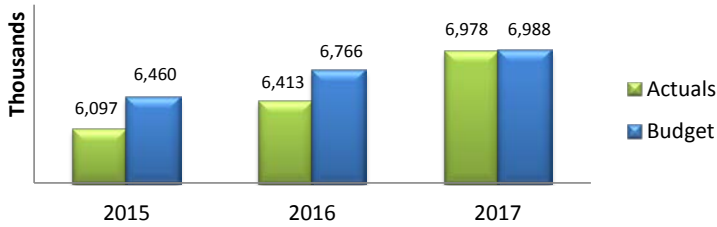
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 9,749,863 | 9,853,887 | 10,193,204 |
| Annual Net Budget | 6,459,565 | 6,765,674 | 6,988,231 |
| Annual Net Expenditures | 6,097,230 | 6,412,945 | 6,978,231 |
| Year End Variance | 362,335 | 352,729 | 10,000 |
| Variance as % of GB | 3.7% | 3.6% | 0.1% |

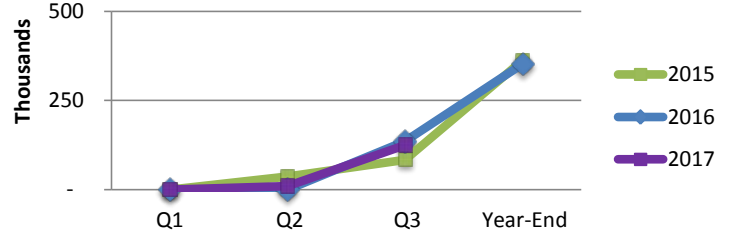
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 37,000 | - | 10,000 |
| Third Quarter (Q3) | 83,600 | 135,100 | 125,000 |
| Year-End (Q4)* | 362,335 | 352,729 | - |

* 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 Council Services Department, comprised of the Policy, Gaming, Licensing and By Law Enforcement, Communications and Customer Service, Employee Relations and Council Services divisions, is projecting an overall surplus of \$125,000 to the end of 2017.

Salaries \$40,000

In the 2017 budget, the Customer Service Department had a budget issue approved to layoff four part time employees (2 FTE's), reducing their overall salary budget. The department also reduced their service hours by 15 hours per week (7am to 7pm down to 8am to 5pm) starting April 1st 2017, to coincide with the employee reduction. The department was later informed they would not be able to lay off the four part time employees, due to labour related issues. Though the service hours have been reduced service, interactions have gone up by approximately 200 interactions per month within the first two quarters, compared with the same period last year. This is due to various reasons such as Canada's 150 Celebration, Windsor's 125, and the Memorial Cup, resulting in a higher need for Customer Service part time staff members. It is currently estimated that this will result in a deficit of approximately (\$90,000) in staffing for 2017 within the 311 Division.

The Employee Relations Division is anticipating salary gapping savings of \$90,000 due to a vacancy. This position is being removed from the compliment in 2018.

Policy, Gaming, Licensing and By Law Enforcement is anticipating a savings of \$40,000 in salary gapping due to timing difference in staff turnover and wage levels.

Combined, a surplus in salary gapping of \$40,000 is anticipated for the department as a whole.

Gaming Revenue \$35,000

The Licensing and Gaming department is anticipating a surplus in revenue of \$35,000 as the volume of gaming activity/revenue has been higher than anticipated.

Purchased Services \$50,000

Projected budgetary savings are anticipated in Miscellaneous accounts (Advertising, Other Professional Services, and Conference Registration) for the Council Services Department.

Summary of Description

| Category | Amount |
|--|-------------------|
| 1. Salary Gapping | \$ 40,000 |
| 2. Gaming Revenue | 35,000 |
| 3. Purchased Services | 50,000 |
| Net Department Year End Surplus/(Deficit) | \$ 125,000 |

Mitigating Steps

HUMAN RESOURCES

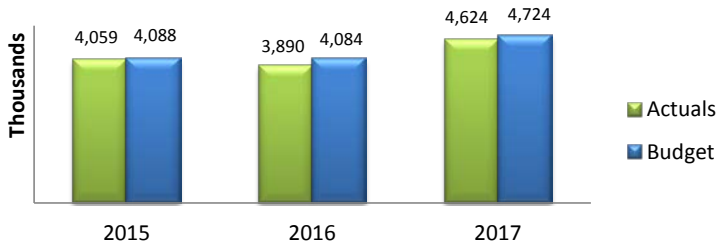
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 4,362,579 | 4,378,200 | 5,015,420 |
| Annual Net Budget | 4,087,607 | 4,084,062 | 4,723,763 |
| Annual Net Expenditures | 4,059,184 | 3,890,060 | 4,623,763 |
| Year End Variance | 28,423 | 194,002 | 100,000 |
| Variance as % of GB | 0.7% | 4.4% | 2.0% |

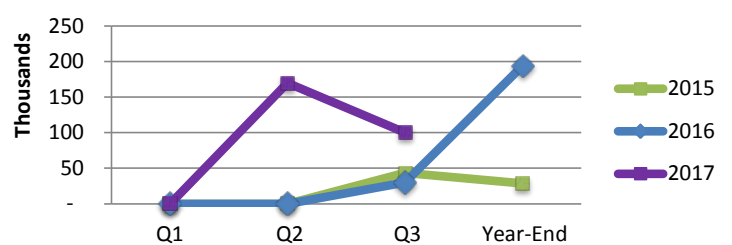
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | - | - | 170,000 |
| Third Quarter (Q3) | 43,300 | 30,000 | 100,000 |
| Year-End (Q4)* | 28,423 | 194,002 | - |

* 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

Human Resources is projecting a \$100,000 operating budget surplus with the following variance:

Salaries: \$100,000

The Human Resources Department is anticipating a \$100,000 surplus to the end of the year. This is primarily due to the Payroll Process Project and the new division, Employee Service Centre being created as a result. The 2017 Operating Budget included a full annual budget for positions in this area but the transition did not take place until after April 1 resulting in projected savings this year.

Summary of Description

| Category | Amount |
|---------------------------------------|-------------------|
| 1. Salaries | 100,000 |
| Net Year End Surplus/(Deficit) | \$ 100,000 |

Mitigating Steps

WINDSOR PUBLIC LIBRARY

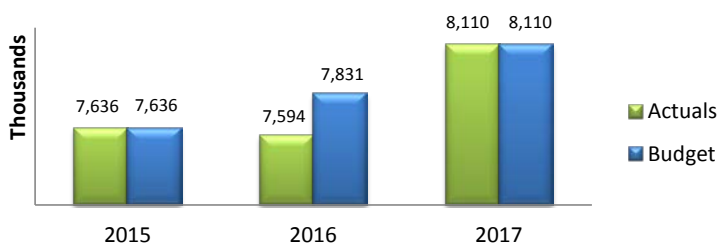
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 8,592,291 | 8,847,365 | 9,173,305 |
| Annual Net Budget | 7,636,182 | 7,831,216 | 8,109,957 |
| Annual Net Expenditures | 7,636,182 | 7,593,731 | 8,109,957 |
| Year End Variance | 0 | 237,485 | 0 |
| Variance as % of GB | | 2.7% | |

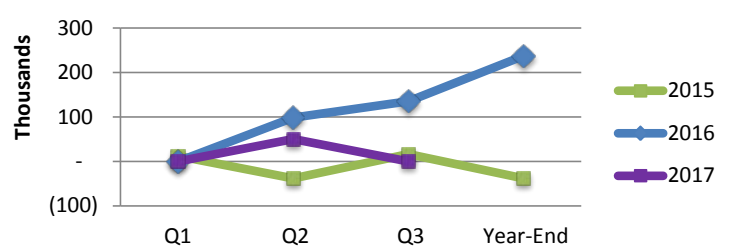
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | 12,150 | - | - |
| Second Quarter (Q2) | (38,704) | 98,530 | 50,000 |
| Third Quarter (Q3) | 16,061 | 135,000 | - |
| Year-End (Q4)* | (38,704) | 237,485 | - |

* 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

Staff Gapping \$200,000

Some budgeted positions were vacant at the beginning of 2017, resulting in a surplus of \$200,000 in salaries and benefits. Administration has filled the majority of these vacancies as of August 31, 2017.

Building Maintenance (\$100,000)

There are some unexpected building maintenance expenses that will be occurring before the end of 2017. At 850 Ouellette, the heating and cooling and the railing around the water tower needs to be replaced, and the windows need to be fixed. Forest Glade is having some foundation issues repaired.

Insurance Deductible (\$100,000)

Budimir and Riverside were both affected by the flood at the end of August and the insurance deductible is \$100,000.

WPL Financial Reporting

It should be noted that the WPL's financial position at the end of each fiscal year is not added together 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 standalone 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 will not contribute to the overall projected position of the City at year end.

Summary of Description

| Category | Amount |
|-------------------------|--------------|
| 1. Staff Gapping | \$ 200,000 |
| 2. Building Maintenance | \$ (100,000) |
| 3. Insurance Deductible | \$ (100,000) |
| | \$ - |

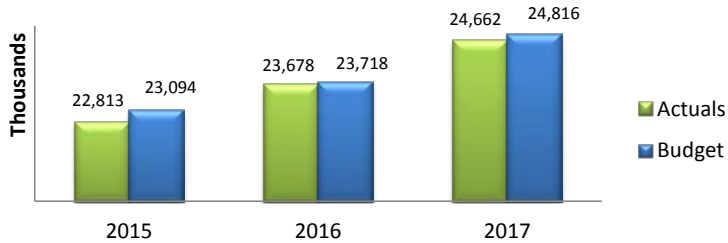
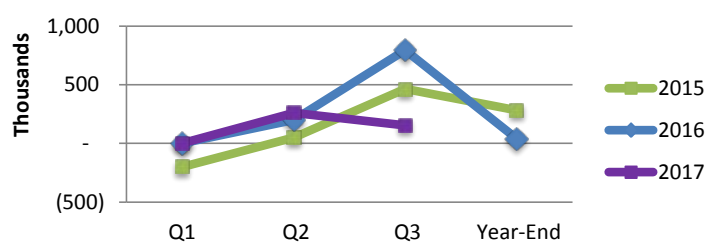
Mitigating Steps

PARKS**Financial Summary**

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 37,098,261 | 38,207,301 | 39,518,665 |
| Annual Net Budget | 23,093,888 | 23,717,516 | 24,815,537 |
| Annual Net Expenditures | 22,812,545 | 23,677,598 | 24,662,037 |
| Year End Variance | 281,343 | 39,918 | 153,500 |
| Variance as % of GB | 1.2% | 0.1% | 0.4% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | (200,000) | - | - |
| Second Quarter (Q2) | 49,400 | 200,000 | 259,800 |
| Third Quarter (Q3) | 463,700 | 795,000 | 153,500 |
| Year-End (Q4)* | 281,343 | 39,918 | - |

* 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**

As a result of the variances in both Parks and Facility Operations, the Department as a whole is projected to have a surplus of \$153,500.

Parks

Parks is currently projecting to end the year with a deficit of (\$100,000) with the following variances:

Infrastructure and Park Maintenance (\$52,617):

This area is expected to be in deficit as a result of necessary repairs to trails and other park infrastructure to ensure the safety of users. This has been partially offset through the enhanced operating funds approved with the 2017 budget.

Salaries and Recoveries (\$99,144):

The deficit is a result of the forecasted shortfall of (\$143,609) in the recovery of staff salaries related to winter control in addition to Development staff completing greater amount of non-capital project work (\$53,715). This deficit is expected to be offset by a surplus in Salaries of \$98,180 due primarily to the timing of recruitment and vacancies of various positions including L82 staff that are shared between Parks and Recreation.

Other Miscellaneous Revenues \$2,872:

A surplus of approximately \$2,872 is expected in other miscellaneous line items for revenues.

Equipment Materials and Repairs \$148,889:

The amount of equipment repairs had been reduced this year, with the rental of new maintenance equipment which required less repair work and improved staff efficiency resulting in projected surplus of \$101,287. In addition there is a projected surplus of \$47,612 in contracted services related to the naturalized areas due to the deferral of the prescribed burn.

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

A fire occurred in the quarter at the Ojibway Nature Centre that resulted in damage to storage shed structure and contents. The value of damages are expected to be reimbursed by the insurance provider however there is a deductible of \$100,000 that is required to be paid that will be charged to the department.

Facility Operations

Facility Operations is currently projecting to end the year with a surplus in wages of \$253,500:

Salaries: \$253,500

A year-end surplus is projected with Facility Operations expenditures due to the timing of up to eight positions that had vacancies throughout the course of the opening three quarters of 2017. Several of these positions have since been filled during the 3rd quarter of 2017.

Summary of Description

| | Category | Amount |
|--|----------------------------------|--------------------------|
| <i>Parks</i> | | |
| Parks Enhanced Operating Activities | Operating & Maintenance Supplies | \$ (52,617) |
| Insurance Deductible for Fire At Ojibway Nature Centre | Utilities, Insurance & Taxes | \$ (100,000) |
| Salary Wages and Recoveries | Salaries & Benefits | \$ (99,144) |
| Equipment Materials and Repairs | Operating & Maintenance Supplies | \$ 148,889 |
| Miscellaneous Income | Other Miscellaneous Revenue | \$ 2,872 |
| | | <u>\$ (100,000)</u> |
| <i>Facility Operations</i> | | |
| Salary and Wages | Salaries & Benefits | \$ 253,500 |
| | | <u>\$ 253,500</u> |
| Net Year End Surplus/(Deficit) | | <u>\$ 153,500</u> |

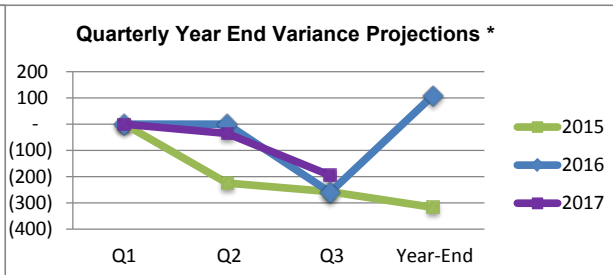
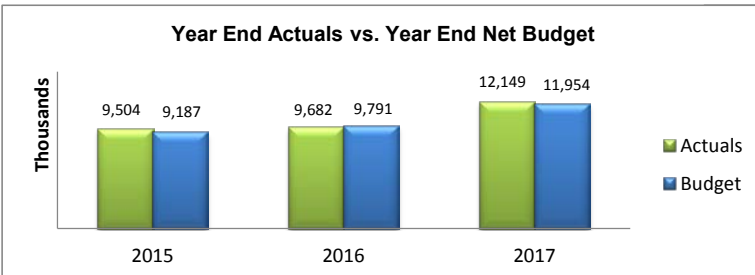
Mitigating Steps

RECREATION & CULTURE**Financial Summary**

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 21,454,846 | 21,617,445 | 23,789,014 |
| Annual Net Budget | 9,187,227 | 9,790,967 | 11,953,684 |
| Annual Net Expenditures | 9,504,252 | 9,682,028 | 12,148,684 |
| Year End Variance | (317,025) | 108,939 | (195,000) |
| Variance as % of GB | -1.5% | 0.5% | -0.8% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | (225,000) | - | (35,000) |
| Third Quarter (Q3) | (258,000) | (260,000) | (195,000) |
| Year-End (Q4)* | (317,025) | 108,939 | - |

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

**Description**

The Recreation and Culture department has highlighted potential variance risks with the operating division based on all available information at the time of this report. The department is projecting a potential deficit variance of (\$195,000). The majority of revenue for Recreation and Culture is realized in the fourth quarter of the year. The revenue patterns make it extremely difficult to accurately project year end variances based on the limited information available at the time of this report. At this time, the vast majority of recreation centres are projected to come in on budget. As revenues fluctuate adjustments relating to expenditures are made including staffing and material costs. The overall potential variance can be broken down as follows:

Wages and Benefits (\$50,000):

In addition to the savings in wages related to adjusted programming levels and realignment of lifeguard positions, there is a projected deficit in wages & benefits due to WSIB payments of (\$15,000). The current projected variance in wages and benefits also relates to the Local 82 wage account which is currently in a projected deficit position of (\$35,000). The Parks Department shares Local 82 staffing with the Recreation Department. While each Department has a fixed labour budget, which is established using the highest classification costs, staff work in a number of different classification that allow them to move between the two Departments. Additionally, Recreation's Arena and Community Centre staff are replaced with Parks' Local 82 staff for sick leave.

Spectra Venue Management (\$40,000):

Spectra Venue Management (formerly Global Spectrum) is currently anticipating to end the year with a deficit of approximately (\$130,000). However, based on historical trends Council approved a budget of (\$90,000) for 2017. Therefore, the overall variance for Spectra is projected to be (\$40,000).

Recreation and Culture Revenue Shortfall (\$105,000):

Recreation and Culture is projecting a revenue shortfall of (\$105,000) which consists of Willistead Manor (\$70,000), Parks Concessions (\$20,000), and various other recreation facilities (\$15,000). The (\$70,000) revenue shortfall at Willistead Manor pertains to the reduced rentals at Willistead Manor during the construction that is taking place from the funding in part of the Canada 150 Infrastructure grant. Revenue as expected to continue as normal once construction is complete in 2018. The reduction in revenue at parks concessions is due to the closure of various concession facilities which is being brought forward in the 2018 operating budget. Revenue shortfalls at other recreational facilities are due in part to increased private and municipal sector competition along with confirmed reduction in the average household revenue stream in the Windsor region. Although the revenue shortfall is projected to be (\$395,000) the revenue shortfall is being addressed by reduced costs where available in the amount of \$290,000 for a total projected revenue shortfall of (\$105,000). Recreation and Culture is projected to reach approximately 97% of its total revenue budget.

Summary of Description

| | Category | Amount |
|---|----------------------------------|---------------------|
| 1. Wages and Benefits | Salaries & Benefits | \$ (50,000) |
| 2. Spectra Venue Management | Other Miscellaneous Expenditures | (40,000) |
| 3. Recreation and Culture Revenue Shortfall | User Fees, Permits & Charges | (105,000) |
| | | \$ (195,000) |

Mitigating Steps

Recreation and Culture is closely monitoring the monthly financial statements for each division.

Specific mitigating measures include:

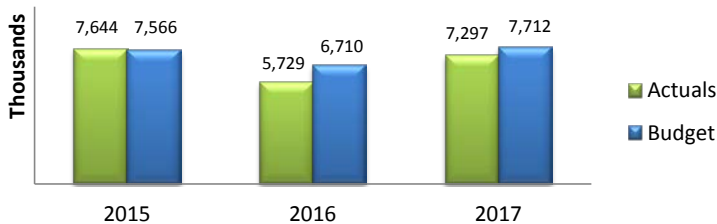
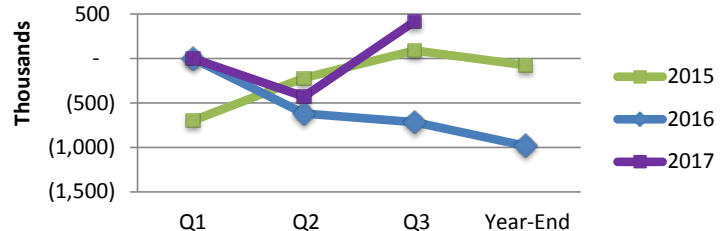
- Continue to monitor staffing levels at the various facilities, maximizing efficiencies and savings in labour accounts
- Ensure programs meet minimum registration targets to cover direct costs, and cancel programs that do not meet targets.

ENGINEERING**Financial Summary**

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 28,366,847 | 29,413,044 | 31,517,465 |
| Annual Net Budget | 7,566,190 | 6,710,221 | 7,712,486 |
| Annual Net Expenditures | 7,643,860 | 5,728,700 | 7,296,586 |
| Year End Variance | (77,670) | 981,521 | 415,900 |
| Variance as % of GB | -0.3% | 3.3% | 1.3% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | (700,000) | - | - |
| Second Quarter (Q2) | (221,000) | (620,000) | (428,700) |
| Third Quarter (Q3) | 89,000 | (717,400) | 415,900 |
| Year-End (Q4)* | (77,670) | (981,521) | - |

* 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 projecting a surplus of \$415,900, made up of surpluses in Pollution Control of \$47,300, and Infrastructure & Geomatics of \$582,900. Deficits totalling (\$214,300) in Development, Projects & ROW partially offset the surpluses.

Pollution Control

A surplus of \$47,300 is projected in Pollution Control, due to salary gapping and miscellaneous line item variances.

Infrastructure & Geomatics

A surplus of \$582,900 is projected in the division, comprised of the following items:

Utilities (Streetlights) - Surplus of \$392,300

A surplus of \$392,300 in Streetlight-related utility costs is projected in the division. This is due to a projected surplus totalling \$656,600 in energy cost savings as a result of the conversion of streetlights to LED. Offsetting this surplus is a projected deficit of (\$264,300) in variable maintenance costs.

Salaries / Work Auth Recoveries - Surplus of \$119,100

Surpluses totalling \$119,100 are anticipated in the division. Staff in Infrastructure Services are 100% recoverable from capital projects, and heavy workload staff, whose additional benefit costs are not captured in this analysis, are expected to contribute \$46,000 in surplus dollars. Surpluses totalling \$47,100 and \$26,000, due to gapping and movement within pay bands, respectively, comprise the balance.

GIS User Fees - Surplus of \$62,900

User fees received from Building for permit revenues are projected to be \$62,900 better than planned.

Miscellaneous - Surplus of \$8,600

Miscellaneous line item variances are anticipated to contribute an \$8,600 surplus for the division.

Development, Projects & Right-Of-Way

The Development, Projects & Right-Of-Way (ROW) division is projecting a deficit of (\$214,300), made up of the following:

Other General Revenues / User Fees / Permits – Deficit of (\$105,900)

Permit fees collected are anticipated to be (\$56,600) lower than plan, driven by declines in higher-yielding permits, such as moving, driveways, and sewer connections. Additionally, as part of the 2017 Operating Budget, a new fee was introduced for the review of new development, which is assessed based on a percentage of the total construction cost. To date, no fees have been charged, as all developments in process at the end of 2016 have been waived, and it is difficult to determine if any new developments will be charged for 2017, resulting in a potential (\$120,000) deficit. These deficits are partially offset by an anticipated surplus of \$70,700 in other user fees, mostly due to encroachment fees.

Salaries / Work Auth Recoveries – Deficit of (\$76,900)

In the Projects area, work related to the Herb Grey Parkway and other non-recoverable projects is expected to further contribute a deficit of (\$48,800). Additionally, as part of CAO-3650, a temporary Engineer II position was created to handle a backlog of permits, resulting in a potential variance of (\$36,000) related to this issue which will continue to be monitored. Revenue for these permits was received in 2016. Miscellaneous surpluses totalling \$7,900 are projected to partially offset the deficit.

Appendix A - 2017 Q3 Operating Budget Variance Final

Miscellaneous – Deficit of (\$31,500)

Increased usage of the debit/credit card processing terminals in the Engineering Department related to permit activity and payments received for other departments is anticipated to contribute a deficit of (\$7,500) in Bank Charges. Other miscellaneous line item variances make up the remaining (\$24,000) deficit.

| | Category | Amount |
|---|----------------------------------|------------------------------|
| <i>Pollution Control</i> | | |
| 1 Environmental Master Plan | Other Miscellaneous Revenue | 47,300 |
| <i>Total Pollution Control</i> | | <u>47,300</u> |
| <i>Infrastructure & Geomatics</i> | | |
| 1 Utilities (Streetlights) | Utilities, Insurance & Taxes | 392,300 |
| 2 Salaries / Work Auth Recoveries | Salaries & Benefits | 119,100 |
| 3. GIS User Fees | User Fees, Permits & Charges | 62,900 |
| 4. Miscellaneous | Other Miscellaneous Revenue | 8,600 |
| <i>Total Infrastructure & Geomatics</i> | | <u>582,900</u> |
| <i>Development, Projects & Right-of-Way (ROW)</i> | | |
| 1. Other General Revenues / User Fees / Permits | User Fees, Permits & Charges | (105,900) |
| 2. Salaries / Work Auth Recoveries | Salaries & Benefits | (76,900) |
| 3. Miscellaneous | Other Miscellaneous Expenditures | (31,500) |
| <i>Total Development, Projects & Right-of-Way (ROW)</i> | | <u>(214,300)</u> |
| Net Year End Surplus/(Deficit) | | <u>\$ 415,900</u> |

Mitigating Steps

PUBLIC WORKS OPERATIONS

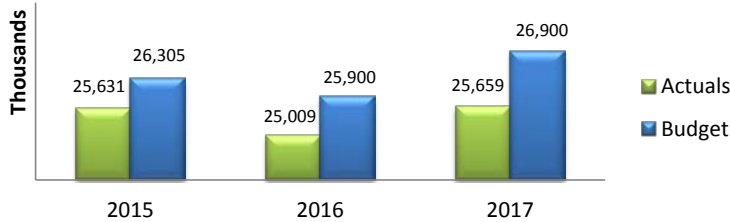
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 51,717,543 | 51,713,792 | 54,304,502 |
| Annual Net Budget | 26,304,727 | 25,900,040 | 26,900,403 |
| Annual Net Expenditures | 25,631,026 | 25,009,052 | 25,659,403 |
| Year End Variance | 673,701 | 890,988 | 1,241,000 |
| Variance as % of GB | 1.3% | 1.7% | 2.3% |

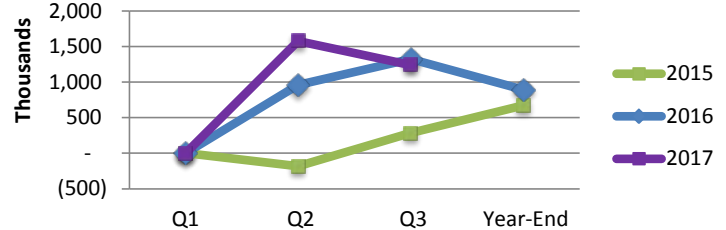
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | (181,800) | 960,000 | 1,578,900 |
| Third Quarter (Q3) | 285,500 | 1,326,086 | 1,241,000 |
| Year-End (Q4)* | 673,701 | 890,988 | - |

* 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 PW Operations Department is projecting an overall surplus of \$1,241,000 at year-end 2017 comprised of the following variances:

Winter Control: \$750,000

A projected overall surplus of \$750,000 is possible for 2017 related to the winter control service due to milder than average winter conditions during the first quarter of 2017. It should be noted, if severe winter weather conditions are experienced in the latter part of 2017, higher than average expenses will be realized thus reducing or eliminating this winter control surplus.

Salary and Wage: \$636,000

A projected overall surplus of \$636,000 is expected in 2017 related to salary and wage. The projected surplus is the net total of the surpluses and deficits expected 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.

Sewer Surcharge Funding: \$475,000

An overall surplus of \$475,000 is expected related to unbudgeted funding transfers from the sewer surcharge fund.

Fuel: (\$50,000)

A projected deficit of (\$50,000) related to fuel pricing is expected for 2017 due to higher than anticipated fuel pricing for the year to date as at August 31st for all fuel types.

WSIB: (\$70,000)

A deficit of (\$70,000) is expected related to WSIB for 2017 due to a one-time payout. This amount is offset by the corporate WSIB provision in Corporate Accounts.

Vehicle Parts: (\$100,000)

A deficit of (\$100,000) is expected related to the purchase of vehicle parts due to inflationary cost increases and an increased US exchange rate.

2017 Flood: (\$400,000)

A deficit of approximately (\$400,000) is expected related to flood event garbage collection including tipping fees, staff time, overtime, and other contracted service costs.

Summary of Description

| | Category | Amount |
|---------------------------------------|----------------------------------|----------------------------|
| Winter Control | Purchased Services | 750,000 |
| Salary and Wage | Salaries & Benefits | 636,000 |
| Sewer Surcharge Funding | Transfers from Other Funds | 475,000 |
| Fuel | Operating & Maintenance Supplies | (50,000) |
| WSIB Payout | Salaries & Benefits | (70,000) |
| Parts | Operating & Maintenance Supplies | (100,000) |
| 2017 Flood | Purchased Services | (400,000) |
| Net Year End Surplus/(Deficit) | | <u>\$ 1,241,000</u> |

Mitigating Steps

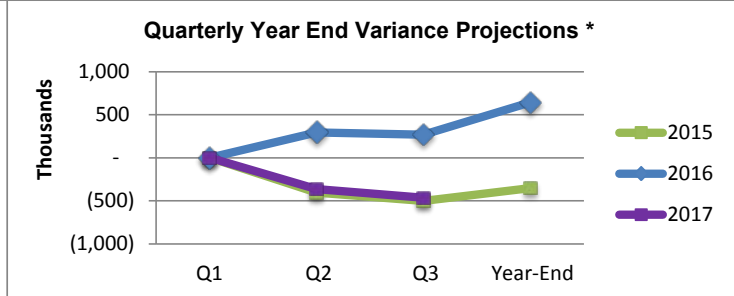
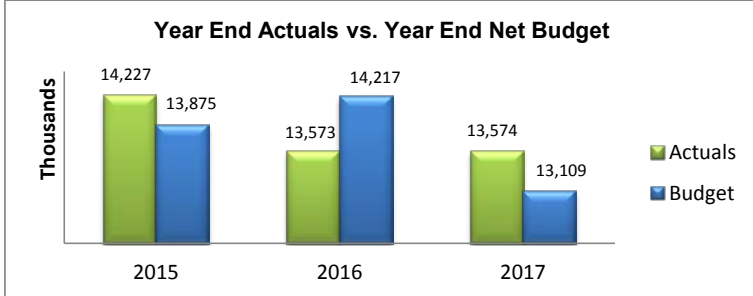
TRANSIT WINDSOR

Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 32,880,828 | 33,005,763 | 33,504,338 |
| Annual Net Budget | 13,874,952 | 14,216,829 | 13,108,590 |
| Annual Net Expenditures | 14,227,064 | 13,572,503 | 13,573,590 |
| Year End Variance | (352,112) | 644,326 | (465,000) |
| Variance as % of GB | -1.1% | 2.0% | -1.4% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | (404,000) | 296,000 | (363,000) |
| Third Quarter (Q3) | (500,000) | 270,000 | (465,000) |
| Year-End (Q4)* | (352,112) | 644,326 | - |

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



Description

Transit Windsor Administration is anticipating a potential deficit of (\$465,000).

Fuel & Lubricants

The 2017 approved budget for diesel fuel was reduced by \$0.05 per litre and set at \$0.85 per litre. The average cost for diesel for Transit Windsor from January 1, 2017 to August 31, 2017 was \$0.85 per litre. It should be noted that the price of diesel fuel has slightly increased over the last several weeks and the spot rate for fuel on Sept 18, 2017 was \$0.87 per litre. Given the average cost per litre to date and the current cost per litre, Transit Windsor is projecting that they will be within budget estimates by year end. There is a risk associated with projecting to year end in that fuel prices continue to be difficult to predict. As with any forecast of a commodity's price for an entire year, variances are likely due to unforeseen price fluctuations. The fuel price variance projected for the remainder of the year may change if the spot price of fuel continues to increase, and exceed the amount that was budgeted.

Transit Revenue: \$150,000

Transit Windsor expects a surplus of \$150,000 in transit revenue for 2017 as of third quarter. Within the UPass Program, Transit Windsor has allocated funding for service improvements which required a review of service requirements based on ridership use. Those enhancements are expected to be approved later in 2017 and have been factored in. Overall, Transit Windsor has seen an increase in its ridership statistics over May 2016. The increase has been primarily in the student passes category which coincides with the implementation of the U-Pass program. Declining Ontario Works (OW) caseloads continue to present a risk of declining revenue for Transit Windsor, as many of the OW clients are provided with a stipend for bus pass purchases. As of August 31, 2017 revenue levels in this area are below the 2016 levels by approximately (\$56,268). Transit Windsor will continue to monitor this area.

Workers Compensation: \$50,000

Transit Windsor is projecting a surplus of \$50,000 in its Workers Compensation account due to a projected lower than expected number of claims in 2017. As an administrative services only plan, Transit Windsor is responsible for costs for each claim processed. The lower average has been experienced over the last couple of years, and Transit Windsor reduced its operating budget in 2017 by \$53,042.

Fees and Service Charges: (\$65,000)

Transit Windsor is projecting a deficit of approximately (\$65,000) in the international tolls account which is attributable to the fluctuations being experienced in the exchange rate for fiscal 2017. Transit Windsor will continue to monitor the volatility in the exchange rates for budget forecasts and future budget development. An additional risk for this account is an expected increase in the number of international tolls in Q4 due to increased Special Events in Detroit at the new Little Caesars Arena. The increase in international tolls is expected to be offset by loss of revenue due to the temporary closure of the Tunnel due to construction.

Salary and Wages: (\$250,000)

Transit Windsor is projecting a potential deficit in the salary, wage, and overtime accounts of approximately (\$250,000) which is largely attributable to the on-going maintenance costs required for the aging fleet. Some of the salary, wage and overtime costs have been offset by increased revenue from Special Events like The Memorial Cup. While every effort is being made to reduce a deficit in this account, providing scheduled service is required and Administration will mitigate a deficit by reducing costs in other areas wherever possible.

Vehicle Maintenance Account: (\$350,000)

Vehicle Maintenance materials are projected to exceed budget estimates by approximately (\$350,000). Some of the expenses incurred YTD relate to older units that require more regular repairs along with a higher number of breakdowns requiring additional parts and labour. The higher cost of parts relating to buses that have come out of the warranty period are also contributing to the variance.

Summary of Description

| | Category | Amount |
|---|----------------------------------|----------------------------|
| 1. Motor Fuel & Lubricants | Operating & Maintenance Supplies | \$ - |
| 2. Transit Revenue | User Fees, Permits & Charges | 150,000 |
| 3. Surplus in Workers Compensation Administration | Salaries & Benefits | 50,000 |
| 4. Deficit in Fees and Service Charges | User Fees, Permits & Charges | (65,000) |
| 5. Salary, Wages and Overtime | Salaries & Benefits | (250,000) |
| 6. Vehicle Maintenance Account | Operating & Maintenance Supplies | (350,000) |
| | | <u><u>\$ (465,000)</u></u> |

Mitigating Steps

Effective September 2017, additional UPass revenue is anticipated due to the addition of the Organization of Part time University Students (OPUS) to the UPass Agreement. While this revenue is not quantifiable at this time, it is anticipated to mitigate the expected deficit for Transit Windsor.

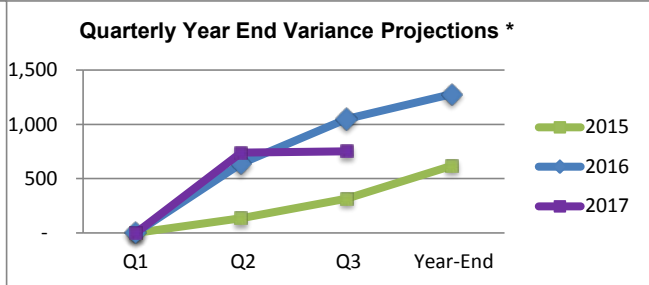
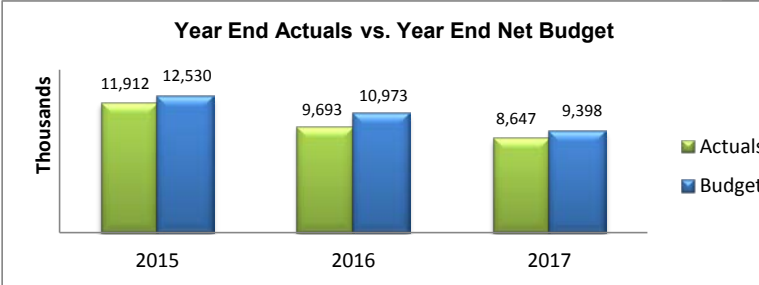
EMPLOYMENT & SOCIAL SERVICES

Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 115,590,470 | 119,968,687 | 118,491,577 |
| Annual Net Budget | 12,529,848 | 10,972,614 | 9,398,178 |
| Annual Net Expenditures | 11,911,553 | 9,692,583 | 8,647,178 |
| Year End Variance | 618,295 | 1,280,031 | 751,000 |
| Variance as % of GB | 0.5% | 1.1% | 0.6% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 135,000 | 640,000 | 741,000 |
| Third Quarter (Q3) | 316,000 | 1,048,500 | 751,000 |
| Year-End (Q4)* | 618,295 | 1,280,031 | - |

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



Description

As of August 31 2017, the Employment and Social Services Department is projecting a net year end City surplus of \$796,000.

Community Development and Health Office - \$0

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

Ontario Works Program Delivery: \$611,000

Ontario Works Program Delivery is projected to end the year with a net City surplus of \$611,000 comprised of the following:

Salary accounts are projected to be lower than budget by approximately \$348,000 mainly due to gapping and hiring delays due to the bumping process. Any time lag in getting staff in place may result in a higher year end surplus. The Ontario Works caseload has been trending lower than budget, albeit currently leveling off just below 8,600. This in turn has lowered Employment Related Costs. If this trend continues for the remainder of the year, it is projected to add \$247,000 to the net City surplus. In addition, a surplus of \$16,000 related to other miscellaneous office expenses is projected.

OW Financial Assistance: \$100,000

The department is projecting a net City surplus of \$100,000 due to Ontario Works Caseloads trending lower than budgeted. It is cautioned that expenditure reports for November 2014 to March 2016 have not been reconciled, and subsidy claims for provincial reimbursement have not been submitted for that period. This reconciliation is expected to occur before year end. There is the risk that the estimates used in prior periods could have been over or understated and may impact the current year end variance.

100% Municipal Assistance: \$40,000

A projected net City surplus of approx \$40,000 is largely attributed to the enhanced recovery process undertaken by the department for funeral and burial recoveries.

Summary of Description

| Summary of Description | Category | Amount |
|---------------------------------------|----------------------------------|-------------------|
| Ontario Works Program Delivery | | |
| <i>Salary & Benefits</i> | Salaries & Benefits | \$ 348,000 |
| <i>Other Miscellaneous</i> | Other Miscellaneous Expenditures | \$ 16,000 |
| <i>Employment Related Expense</i> | Purchased Services | \$ 247,000 |
| | | \$ 611,000 |
| Ontario Works Financial Assistance | | |
| <i>OW Financial Assistance</i> | Grants & Subsidies | \$ 100,000 |
| <i>100% Municipal Assistance</i> | Grants & Subsidies | \$ 40,000 |
| | | 140,000 |
| Net Year End Surplus/(Deficit) | | \$ 751,000 |

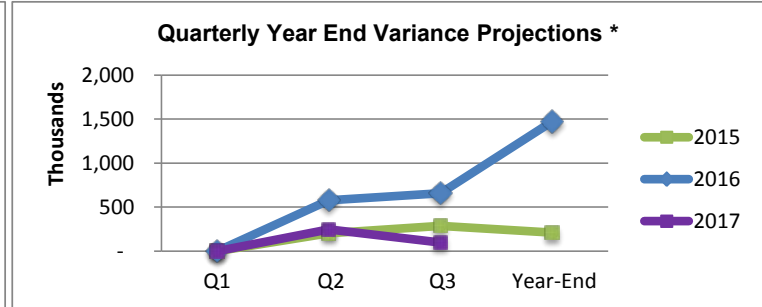
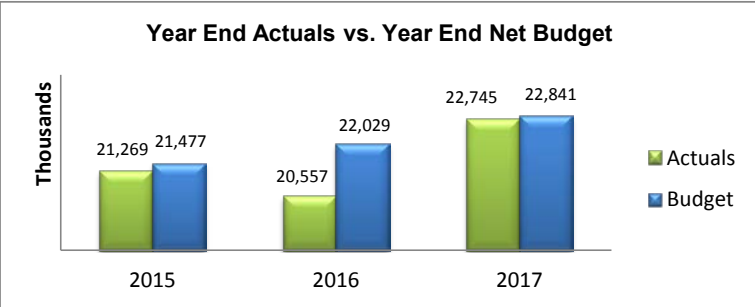
Mitigating Steps

HOUSING & CHILDREN SERVICES

| <u>Financial Summary</u> | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 95,411,337 | 95,986,699 | 103,721,182 |
| Annual Net Budget | 21,477,255 | 22,029,359 | 22,841,372 |
| Annual Net Expenditures | 21,268,724 | 20,557,335 | 22,745,272 |
| Year End Variance | 208,531 | 1,472,024 | 96,100 |
| Variance as % of GB | 0.2% | 1.5% | 0.1% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 203,900 | 578,000 | 246,000 |
| Third Quarter (Q3) | 287,900 | 657,000 | 96,100 |
| Year-End (Q4)* | 208,531 | 1,472,024 | - |

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



Description

The combined Housing and Children Services and Windsor Essex Community Housing Corporation (WECHC) projected year end net City surplus is \$96,100, detailed as follows:

Housing and Children Services Surplus: \$361,900 (net city)

Housing Services is projecting a net city surplus of \$361,900. A projected surplus in Housing Services of \$216,600 (net city) is primarily due to lower mandated subsidy payments required by service providers, as well as the reconciliation of service providers 2016 fiscal year-end reports. A surplus of \$133,700 (net city) is also projected in Housing Services due to the projected year end calculation of the 2017 County weighted assessment being higher than was used to budget county revenue. In addition, a surplus of \$11,600 is projected related to the Federal Block Funding changes from the Federal Government.

Windsor Essex Community Housing Corporation (WECHC) Deficit: (\$265,800) net city

WECHC is projecting a deficit of (\$265,800) net city of which a deficit of (\$187,100) net city is related to the loss of Federal Block Funding from the Federal Government. In addition, a deficit of (\$117,400) is being projected primarily as a result of an increase in their Municipal taxes due to assessment value changes for the 2017-2020 period. WECHC submitted a Request for Reconsideration (RfR) to MPAC and the outcome of that process is reflected in this projected increase in Municipal taxes. This deficit is offset by a surplus of \$38,700 due to the projected year end calculation of the 2017 County weighted assessment being higher than was used to budget county revenue.

Summary of Description

| | Category | Amount |
|--|-----------------------------|---------------------|
| <i>Housing and Children Services</i> | | |
| 1. Housing Services Subsidy Surplus | Grants & Subsidies | \$ 216,600 |
| 2. Housing Services County Revenue | Other Miscellaneous Revenue | \$ 133,700 |
| 3 Federal Block Funding | Grants & Subsidies | \$ 11,600 |
| Total Housing and Children Services | | \$ 361,900 |
| <i>Windsor Essex Community Housing Corporation</i> | | |
| 4. Federal Block Funding | Grants & Subsidies | \$ (187,100) |
| 5. WECHC Subsidy Surplus | Grants & Subsidies | \$ (117,400) |
| 6. WECHC County Revenue | Other Miscellaneous Revenue | \$ 38,700 |
| Total Windsor Essex Community Housing Corporation | | \$ (265,800) |
| Net Year End Surplus/(Deficit) | | \$ 96,100 |

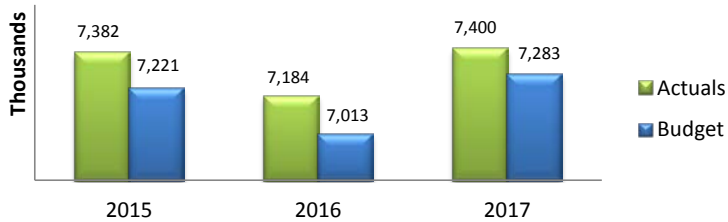
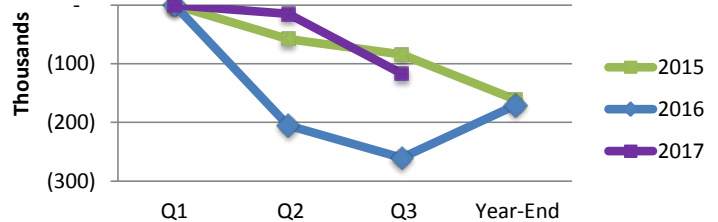
Mitigating Steps

HURON LODGE**Financial Summary**

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 22,351,439 | 22,493,152 | 22,883,479 |
| Annual Net Budget | 7,221,184 | 7,012,896 | 7,283,223 |
| Annual Net Expenditures | 7,382,392 | 7,183,507 | 7,400,223 |
| Year End Variance | (161,208) | (170,611) | (117,000) |
| Variance as % of GB | -0.7% | -0.8% | -0.5% |

| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | (58,000) | (205,000) | (15,000) |
| Third Quarter (Q3) | (84,000) | (260,600) | (117,000) |
| Year-End (Q4)* | (161,208) | (170,611) | - |

* 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 is expecting to be in an overall deficit position of (\$117,000) at the end of 2017.

Resident Revenue: \$62,000

The Ministry has announced that starting in July 2017 there will be modest increases to the co-payment that residents pay for basic accommodation and preferred rates for newer residents admitted. Using previous trends and the current resident mix, it is expected that Resident Revenue will end the year in a positive variance of approximately \$62,000.

Provincial Funding: \$0

The Ministry has 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 decreased in April 2017 which reduces the per diem increase Huron Lodge would have received in the nursing category. Also impacting provincial funding are adjusting accounting entries made this year pertaining to prior years funding which were recently reconciled by the Province. As a result of these items, it is expected that there will be no variance in provincial funding at year end.

Facilities Services: \$0

Facility services for Huron Lodge are expected to be on budget at the end of 2017. While there is an expected shortfall in housekeeping supplies expense of approximately (\$30,000), this variance will be offset by the disposal of surplus housekeeping equipment sold in the amount of \$32,861.

Other Miscellaneous Expenses: (\$11,000)

With information at this time, it is expected that other miscellaneous accounts including kitchen and nursing supplies will have an unfavourable variance of (\$11,000). Unexpected events such as outbreaks or equipment breakdowns could attribute to higher variances in these accounts.

Security Services: (\$31,000)

Security services are projected to end the year unfavourably primarily due to higher than budgeted costs. Historically, the department has seen a similar shortfall in this account. Security services are provided by an outside agency and are valued by the department. As the building never closes, these services play a vital role in the safety of all who attend Huron Lodge.

Equipment Repairs and Maintenance: (\$61,000)

Nursing and kitchen equipment repairs are expecting to see a budget shortfall of an estimated (\$61,000). Many equipment pieces are at or beyond their useful life of 7 to 10 years. It is expected this deficit may decline slightly as more equipment is replaced in the near future.

Salary Accounts: (\$76,000)

Salaries are expected to end the year in a deficit position of approximately (\$76,000) with a number of contributing factors. The administration and resident services divisions are expected to realize surpluses of approximately \$20,000 and \$96,000 respectively, due to salary gapping. The dietary division is anticipating a negative variance of approximately (\$31,000) mostly due to overlapping due to bumping while the nursing division is anticipating a budget shortfall of approximately (\$161,000) primarily due to higher than budgeted other pay contractual obligations such as vacation payouts and shift premiums.

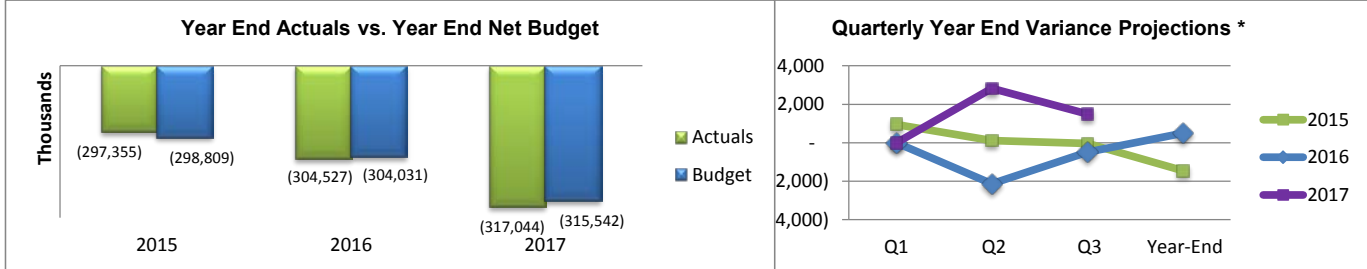
| <u>Summary of Description</u> | Category | Amount |
|---------------------------------------|----------------------------------|----------------------------|
| Resident Revenue | Other Miscellaneous Revenue | \$ 62,000 |
| Provincial Funding | Grants & Subsidies | - |
| Facilities Services | Other Miscellaneous Expenditures | - |
| Other Miscellaneous Expenses | Other Miscellaneous Expenditures | (11,000) |
| Security Services | Purchased Services | (31,000) |
| Repairs and Maintenance | Minor Capital | (61,000) |
| Salary Accounts | Salaries & Benefits | (76,000) |
| Net Year End Surplus/(Deficit) | | <u>\$ (117,000)</u> |

Mitigating Steps

CORPORATE ACCOUNTS

| <u>Financial Summary</u> | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 |
|--------------------------|--------------------|----------------|------------------|--------------------|----------------|---------------|
| | Financials | Financials | Financials | Est. Variance | Est. Variance | Est. Variance |
| Annual Gross Budget (GB) | 212,682,668 | 212,194,691 | 220,184,625 | 955,000 | - | - |
| Annual Net Budget | (298,809,110) | (304,030,795) | (315,541,718) | 120,800 | (2,131,616) | 2,818,972 |
| Annual Net Expenditures | (297,354,682) | (304,526,506) | (317,043,838) | (28,700) | (477,516) | 1,502,120 |
| Year End Variance | (1,454,428) | 495,711 | 1,502,120 | (1,454,428) | 495,711 | - |
| Variance as % of GB | -0.7% | 0.2% | 0.7% | | | |

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

**Description**

A surplus of \$1,502,120 in corporate accounts is described below:

Net Interest on Investments: \$550,000

A higher than anticipated blended rate of return and balance on investments will result in a projected surplus of \$700,000. This surplus projection will be offset by the (\$150,000) deficit in interest paid to reserves due to higher interest rates than projected.

Allowance for Doubtful Accounts: \$170,000

As a result of continued monitoring of trade accounts receivable, the annual amount identified as bad debts has been significantly reduced resulting in a projected surplus within the provision of \$170,000.

Capital Interest Income: \$70,000

Capital interest income is projected to end the year with a surplus of \$70,000 as a result of an increase in the Bank of Canada interest rate.

MPAC: \$45,836

The Municipality is mandated to use the Municipal Property Assessment Corporation (MPAC) for its assessment services. The total 2017 MPAC requirement is lower than what was originally projected, and therefore, a surplus of approximately \$45,836 is expected.

Bank Charges: \$30,000

A surplus of \$30,000 for bank charges is projected as a result of nominal banking fees as per the current Scotiabank contract.

PIL – Other Tax Revenue: \$30,000

Revenue related to the Joint Justice Facility were confirmed higher than originally estimated.

Sewer Surcharge Recovery: \$8,810

Due to the early timing of getting an approved 2017 budget, the sewer surcharge recovery was later found to be higher than the original preliminary projections, creating a slight surplus of \$8,810.

Casino Hosting Fee: \$0

There is a projected surplus of approximately \$490,000 based on amounts received from the Casino for the first and second quarter assuming the third and fourth quarter installments are consistent with 2016. This surplus has now been earmarked to fund the Holiday Lighting capital project.

Enwin Contribution Dividend: \$0

The 2017 approved budget included a \$4M dividend from Enwin for which the City is the sole shareholder. Due to positive 2016 financial results, the Enwin board approved a special dividend of \$1M, resulting in a surplus of \$1M for the current year. This surplus has now been earmarked to fund the Holiday Lighting capital project.

Capacity of Institutions: (\$8,800)

There is a slight deficit of (\$8,800) in the capacity of University & Colleges, Hospitals, Jails & Other Lieu Grants accounts due to the timing and difficulty in estimating the number of heads and beds.

Interest and Penalties on Receivables: (\$11,771)

A downward trend of accounts falling into arrears as a result of enhanced collection efforts and the improving economy will result in a projected deficit of approximately (\$11,771) in the Interest and Penalties on Receivables.

Interest and Penalties on Taxes: (\$200,000)

A downward trend of the property taxes in arrears as a result of enhanced collection efforts and an improved economy has resulted in a projected deficit of (\$200,000) in the Penalty and Interest on Taxes.

Community Improvement Plan Tax Rebate: (\$275,000)

A deficit of (\$275,000) as it relates to estimated Community Improvement Plan (CIP) grants payments is projected at year end due to the timing of the payouts. This deficit is mitigated by increased property tax revenue levied in the year.

Salaries and Benefits: (\$410,955)

Employer Health Tax (EHT) is expected to end the year in a surplus of \$531,000. Offsetting this surplus is a projected deficit of (\$200,000) in the Employment Insurance account. Both accounts are largely driven by the timing of employment decisions across the corporation. The General Provision account is expected to end the year with a variance (\$741,955). This budget contains corporate provisions for JJE, unanticipated WSIB Costs, an overtime provision for eligible non-union members and a general contingency provision. This account also contains provisions for various collective agreements that have been updated to reflect expected costs for 2017.

Hydro: \$744,000

The analysis is reflective of information available for the months of January to August 2017, which projects hydro ending the 2017 year with a gross surplus of \$1,800,000.

Consumption data indicates a decrease of 11.0% and a corresponding decrease in costs of 15.2% compared to the same period in 2016. The consumption and cost decreases are primarily the result of the energy measures implemented in 2016 and included in the 2017 budget projection. Some of these projects include but are not limited to; LED lighting conversion, refrigeration and dehumidification upgrades at the WFCU Center, City Streetlights LED lighting conversion, and Windsor Justice Facility humidification upgrades. The projected budget surplus of \$1.8 million also takes into account approximately \$1.6 million of capital transfers anticipated at year end.

Additional consumption and cost reductions not foreseen during the development of the 2017 budget, and making up nearly 60% of the \$1.8M projected surplus are:

- Streetlight account surplus of \$656,000 above the original anticipated cost reductions. This surplus is being reflected within the Engineering variance report.
- Introduction of the Industrial Conservation Initiative (ICI) program in spring 2017. This program lowers the Global Adjustment rate for electricity customers with an average monthly demand of 1MW. Participating in the ICI program is expected to result in savings of approximately \$400,000 in 2017. This surplus is being reflected within Sewer Surcharge.

As these two items are reported elsewhere, the net levy hydro surplus will be \$744,000.

Efforts to reduce consumption and contain operating costs are critical and continue to be a central focus of the Corporate Energy Initiatives.

Natural Gas \$500,000

The analysis is reflective of information available for the months of January to August 2017.

Consumption of natural gas has decreased by 4.7% mainly as a result of milder winter/spring temperatures. Natural gas prices are continuing to trend upward and coupled with the 3.3 cents increase per cubic meter associated with cap and trade has increased costs by 24.8%. This cap and trade 3.3 cents additional cost per cubic meter was factored in the 2017 budget development. Also included in the 2017 budget was a provision for gas consumption associated with the combined heat and power plants operating for six months at both Huron Lodge and WFCU Center. It is anticipated that Huron Lodge will be commissioned in late October and WFCU in early 2018. Due to delays in these sites being operational there is a budget savings of approximately \$290,000 directly attributable to this. A budget surplus of \$500,000 is being projected to year end.

Water \$160,000

Consumption analysis indicates a decrease of 13.4% resulting in a corresponding total cost decrease of 1.5% for the period January to July. This decrease relates to the abnormally high consumption experienced in 2016 as a result of dry weather conditions in Spring/Summer. A budget surplus of \$160,000 is being projected to year end.

District Energy \$100,000

The 2017 District Energy chilled water consumption has been trending at 5.8% decrease in consumption which is indicative of lower cooling demand related to milder Spring/Summer temperatures. Hot water consumption has increase by 9.7% as a result of increased activity at the WIATC, primarily at Adventure Bay. For example attendance at Adventure Bay has increased by 14.7% or 8,500 visitors compared to last year. This increase in activity in a facility that contains a significant amount of water requires increased backwashing, management of consistent water and space temperatures as well as dehumidification levels all of which require thermal demand (heat). Based on the information available (from January to July) a \$100,000 budget surplus is being projected to year end.

Summary of Description

| | Category | Amount |
|---|-------------------------------|----------------------------|
| <i>Corporate Accounts</i> | | |
| 1. Interest Earned on Investments | Investment Income & Dividends | 700,000 |
| 2. Interest Paid to Reserves | Investment Income & Dividends | (150,000) |
| 3. Allowance for Doubtful Accounts | Financial Expenses | 170,000 |
| 4. Capital Interest Income | Investment Income & Dividends | 70,000 |
| 5. MPAC | Financial Expenses | 45,836 |
| 6. Bank Charges | Financial Expenses | 30,000 |
| 7. PIL - Other Tax Revenue | Taxes - Municipal | 30,000 |
| 8. Sewer Surcharge Recovery | Recovery of Expenditures | 8,810 |
| 9. Casino Hosting Fee | User Fees, Permits & Charges | - |
| 10. Enwin Contribution Dividend | Other Miscellaneous Revenue | - |
| 11. Capacity of Institutions | Taxes - Municipal | (8,800) |
| 12. Interest and Penalties on Receivables | Other Miscellaneous Revenue | (11,771) |
| 13. Interest and Penalties on Taxes | Taxes - Municipal | (200,000) |
| 14. CIP Property Tax Rebates | Taxes - Municipal | (275,000) |
| 15. Salaries & Benefits | Salaries & Benefits | \$ (410,955) |
| Total Corporate Accounts | | <u>\$ (1,880)</u> |
| <i>Corporate Utilities</i> | | |
| 18. Hydro | Utilities, Insurance & Taxes | 744,000 |
| 19. Natural Gas | Utilities, Insurance & Taxes | 500,000 |
| 20. Water | Utilities, Insurance & Taxes | 160,000 |
| 21. District Energy | Utilities, Insurance & Taxes | \$ 100,000 |
| Total Corporate Utilities | | <u>\$ 1,504,000</u> |
| Net Year End Surplus/(Deficit) | | <u><u>\$ 1,502,120</u></u> |

Mitigating Steps

WINDSOR POLICE SERVICES

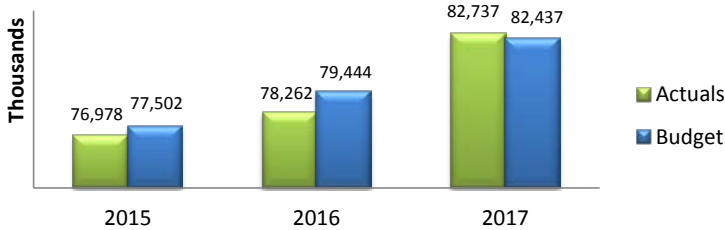
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 86,783,914 | 88,950,982 | 92,773,764 |
| Annual Net Budget | 77,501,516 | 79,444,014 | 82,437,022 |
| Annual Net Expenditures | 76,978,456 | 78,262,481 | 82,737,022 |
| Year End Variance | 523,060 | 1,181,533 | (300,000) |
| Variance as % of GB | 0.6% | 1.3% | -0.3% |

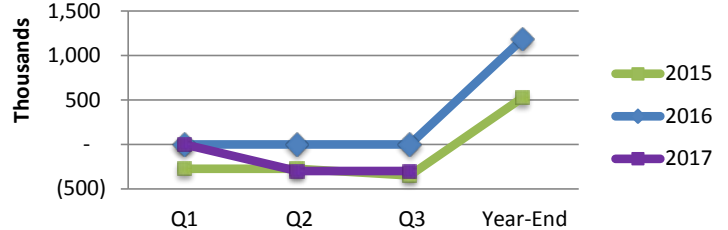
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | (275,000) | - | - |
| Second Quarter (Q2) | (275,000) | - | (300,000) |
| Third Quarter (Q3) | (350,000) | - | (300,000) |
| Year-End (Q4)* | 523,060 | 1,181,533 | - |

* 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

As of this point in time at 3rd quarter, the Windsor Police Service still projects to be over budget for the end of 2017 by approx. (\$300,000) or 0.3% of gross budget due to overtime, WSIB, and minor equipment variances.

Summary of Description

| | Category | Amount |
|---------------------------------------|---------------------|---------------------|
| 1. Overtime and WSIB | Salaries & Benefits | \$ (150,000) |
| 2. Minor Equipment | Minor Capital | (150,000) |
| | | - |
| Net Year End Surplus/(Deficit) | | \$ (300,000) |

Mitigating Steps

- 1) The WPS continues to aggressively monitor and control overtime costs which have slowly been decreasing over the past few years, however, with the occurrence of unforeseen major crimes, investigation and corresponding court costs overtime will rise accordingly. For 2017 to date the WPS has already had 4 code 200 occurrences which are highly resource intensive. Further, WSIB costs continue to increase due mainly to high administrative fee rates. Further these are largely uncontrollable costs due to the nature of the operations, however, WPS has been proactively working to decrease the number of incidences.
- 2) The Service has also been very diligent in delaying the replacement of equipment and trying to extend the life through repairs and maintenance, unfortunately however, we have begun to reach the point where equipment has become obsolete with service and parts no longer available. This is forcing the resulting replacements in order to continue to provide service and to ensure the health and safety of our employees. All purchasing is done in accordance with the City Purchasing By-law.

AGENCY GRANTS

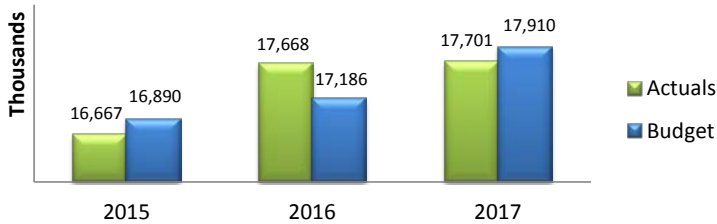
Financial Summary

| | 2015 Financials | 2016 Financials | 2017 Financials |
|--------------------------|--------------------|--------------------|--------------------|
| Annual Gross Budget (GB) | 16,991,096 | 17,286,927 | 18,010,674 |
| Annual Net Budget | 16,890,498 | 17,186,329 | 17,910,076 |
| Annual Net Expenditures | 16,667,034 | 17,668,299 | 17,701,032 |
| Year End Variance | 223,464 | (481,970) | 209,044 |
| Variance as % of GB | 1.3% | -2.8% | 1.2% |

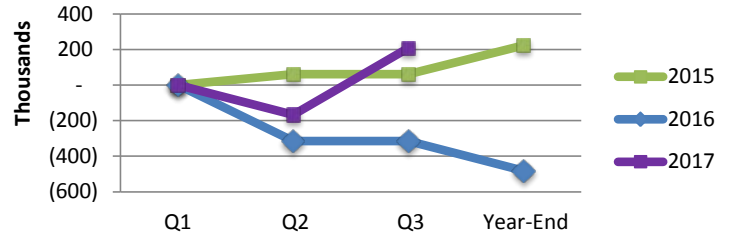
| | 2015 Est. Variance | 2016 Est. Variance | 2017 Est. Variance |
|---------------------|-----------------------|-----------------------|-----------------------|
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | 62,000 | (314,000) | (166,870) |
| Third Quarter (Q3) | 62,000 | (314,000) | 209,044 |
| Year-End (Q4)* | 223,464 | (481,970) | - |

* 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: (\$266,550)

The approved land ambulance budget was not available from the County when the City's budget was approved in January 2017, and a budget estimate was made for the City's share of costs. Based on the 2017 Land Ambulance budget approved by the County, the City's share is expected to be \$10,258,680, which is \$241,190 higher than budgeted. However, the County is projecting a negative variance of \$300,320 due to unfavourable wage variances and operational costs trending over budget for 2017, which is a total difference of \$541,510 over the City's approved budget. In addition, the final 2016 reconciliation was more favourable than originally estimated by approximately \$274,640, which will result in a net deficit of (\$266,550).

Windsor-Essex County Health Unit (WECHU): \$476,797

The Windsor-Essex County Health Unit has communicated an overall surplus of \$476,767 pertaining to the 2015 and 2016 years. A surplus of \$78,299 relates to the surplus funding provided by the City to the Health Unit from 2015, which was returned to the City in 2017. The remaining surplus of \$398,468 relates to the surplus funding provided by the City to the Health Unit in 2016, which is presently under review with the Ministry and will be returned to the City once approved.

Essex Region Conservation Authority (ERCA): (\$1,203)

The Essex Region Conservation Authority is legislatively required to be funded based on board approved budget which is slightly higher than what the City has approved for 2017 due to timing of budget approvals. This results in an overall deficit of (\$1,203).

Summary of Description

| Category | Amount |
|--|-------------------|
| 1. Land Ambulance | \$ (266,550) |
| 2. Windsor-Essex County Health Unit | \$ 476,797 |
| 3. Essex Region Conservation Authority | \$ (1,203) |
| Net Year End Surplus/(Deficit) | \$ 209,044 |

Mitigating Steps

N/A

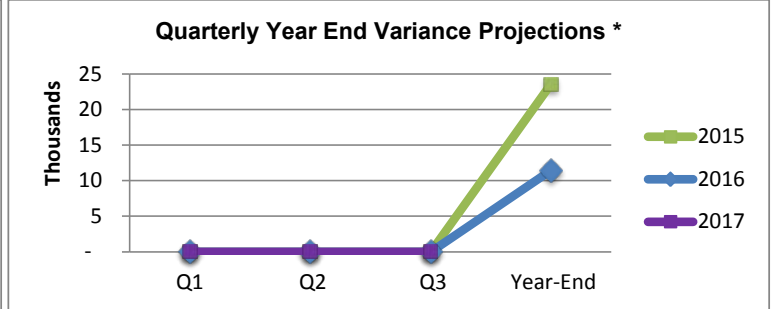
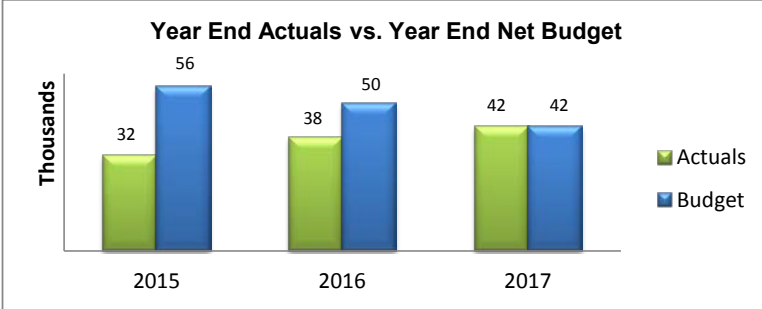
COMMITTEES OF COUNCIL

Financial Summary

| | 2015 | 2016 | 2017 |
|--------------------------|---------------|---------------|------------|
| | Financials | Financials | Financials |
| Annual Gross Budget (GB) | 55,920 | 49,920 | 42,120 |
| Annual Net Budget | 55,920 | 49,920 | 42,120 |
| Annual Net Expenditures | 32,314 | 38,460 | 42,120 |
| Year End Variance | 23,606 | 11,460 | 0 |
| Variance as % of GB | 42.2% | 23.0% | |

| | 2015 | 2016 | 2017 |
|-----------------------|---------------|---------------|---------------|
| | Est. Variance | Est. Variance | Est. Variance |
| First Quarter (Q1) | - | - | - |
| Second Quarter (Q2) | - | - | - |
| Third Quarter (Q3) | - | - | - |
| Year-End (Q4)* | 23,606 | 11,460 | - |

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



Description

No significant variances projected at this time.

Summary of Description

| Category | Amount |
|---------------------------------------|-------------|
| | \$ - |
| Net Year End Surplus/(Deficit) | \$ - |

Mitigating Steps