

Attachment B: Q1 BUDGET STATUS REPORT

Overview

This report outlines the actual results compared to the budget for operating and capital budgets and staffing levels for the first quarter ending March 31, 2018.

Council approves a five year financial plan bylaw annually in accordance with Section 165 of the Community Charter. The financial plan allocates the financial and human resources required to achieve the objectives of the City's Strategic Plan.

The City performs monthly variance analyses of the revenues and expenditures as they compare to the approved financial plan and reports the progress quarterly to Council.

If unanticipated events occur during the year that impact the approved five-year financial plan, staff recommend amendments to the financial plan bylaw to authorize the changes. All budgetary amendments require Council's approval.

Operating Budget

As of March 31, 2018, the overall operating revenues and expenditures/transfers are 8% and 18% respectively, of the annual budgeted amount. This compares to 9% and 17% to the prior fiscal period. A summary of the actual operating revenues and expenditures/transfers compared to the budget is attached.

Revenues are expected to meet or exceed budget; revenues from parking, permits and inspections and rezoning are trending higher than expected for the first quarter. The overall low percentage of actual to budgeted revenue is directly related to the property tax and payment in lieu of tax payments that are generally collected in the latter half of the year. Conversely, dog licences and business licenses are collected in the first half of the year resulting in a higher percentage of actual to budgeted revenue in those departments.

Expenditures/transfers are expected to be within budget. Seasonal variations in municipal operations and accounting processes that occur outside the quarterly basis affect the proportion of revenues received or expenditures incurred to March 31, 2018. Seasonal impacts are reflected in Parks, Recreation, Sustainable Planning and Community Development and Corporate budgets due to work programs that will commence in the second and third quarter such as the Parks Boulevard program, summer recreation programs, Official Community Plan, Downtown Area Core Plan, and Canada Day celebrations.

We continue to improve our accounting processes to better align the quarterly actual to budget reporting.

Capital Budget

As of March 31, 2018, the actual capital expenditures are at 6% spent of total budgeted expenditures for the year, compared to 5% in the prior year. Capital projects have varying schedules and the majority of the work planned for 2018 is scheduled to start in Q2 and Q3 with the exception of the Crystal Pool Replacement project that will span over multiple years. A summary of capital programs and projects are attached.

Attachment B: Q1 BUDGET STATUS REPORT

At present, capital projects are expected to be completed according to schedule.

The following projects have been completed:

- Opening of the Johnson Street Bridge
- Water main replacement at the following locations:
 - Prior, Summit to Vista Heights, Broughton
 - Tillicum, Craigflower to Gosper
 - Broughton, Blanshard to Douglas
 - Fort, Wharf to Government
 - Belleville, Menzies to Oswego
- Sewer main replacement at the following locations:
 - Esquimalt, Robert to Maitland
 - Shelbourne to Kings

Should adjustments be required, reports providing details and options will be brought to Council for consideration.

Staff are working diligently to complete the capital work plan according to schedule, however unplanned or unforeseen factors could arise and delay the completion date. Requests to move the budget forward into next year can be made as part of the regular year-end budget process.

Staff Levels

The City's full-time equivalent employees for 2018 is 816.03 as attached.

City of Victoria - Operating Budget Revenues/Funding Sources
For the Three Months Ending March 31, 2018

	Q1 2017 Actual	Q1 2018 Actual	2018 Budget	Variance	%	Explanation
Deputy City Manager						
Deputy City Manager	-	-	3,000	3,000	0%	Licence fee received in the fall
Arts, Culture and Events	206,880	5,553	579,405	573,852	1%	Seasonal revenues
Special Events Third Party Billings	4,324	417	-	(417)		Full cost recovery of related expenses
Economic Development	-	10,000	40,000	30,000	25%	
Legislative and Regulatory Services	155,957	233,644	850,925	617,281	27%	Dog licenses
Bylaw Enforcement Third Party Billing	1,431	5,418	-	(5,418)		Full cost recovery of related expenses
Real Estate	435,322	452,207	1,921,085	1,468,878	24%	
Victoria Conference Centre (VCC)	557,859	660,394	3,987,405	3,327,011	17%	Seasonal revenues, majority of fees recognized between May - September
VCC Event Costs Paid by Clients	662,086	1,092,486	3,460,000	2,367,514	32%	Full recovery of related expenses
Engagement	-	-	54,143	54,143	0%	Funding for Participatory Budgeting carried over from previous year; offsetting expenses
Engineering and Public Works						
Engineering and Public Works	163,958	151,136	1,339,245	1,188,109	11%	Transfer from reserve entries not recorded yet, grant payments not yet received
Third Party Billings	200,309	178,836	528,400	349,564	34%	Full cost recovery of related expenses
Solid Waste and Recycling	782,715	544,299	3,144,079	2,599,780	17%	Timing of billings
Sewer Utility	1,562,931	1,233,738	7,874,200	6,640,462	16%	Timing of billings
Water Utility	4,423,222	3,298,317	19,925,763	16,627,446	17%	Timing of billings
Storm Drain Utility			6,613,491	6,613,491	0%	Billing is in September
Finance						
Parking Services	4,124,087	4,586,003	16,912,800	12,326,797	27%	Total parkade transactions increased by 11% and ParkVictoria transactions increased by 30% compared to Q1 2017
Parks, Recreation and Facilities	494,807	521,228	3,051,946	2,530,718	17%	Boulevard Tax due in July and transfer from reserve entries not yet done, seasonal programs
Sustainable Planning and Community Development	1,879,249	1,902,073	4,018,740	2,116,667	47%	Building permits, electrical and plumbing permits and rezoning revenues are trending higher
Victoria Fire Department	27,355	13,705	128,750	115,045	11%	Mechanic program revenue, confined space and fire technical high angle rope rescue cost sharing is received later in year.
Corporate						
Payment in Lieu of Taxes/Special Assessments	37,837	28,031	7,586,400	7,558,369	0%	Payments received later in the year
Fees and Interest	760,667	494,337	3,490,000	2,995,663	14%	
Business and Other Licences	1,442,880	1,477,750	1,501,340	23,590	98%	Majority of business licenses revenue recognized in Q1
Overhead Recoveries	609,750	610,152	3,319,109	2,708,958	18%	
Miscellaneous	1,008,855	861,380	8,275,910	7,414,530	10%	Revenues received later in year; includes Traffic Fine Sharing, Gas Tax, lease revenue under operating agreement with RG Properties event and ticket surcharge revenue and Fortis
Prior Year's Surplus	-	-	3,809,825	3,809,825	0%	Total City surplus is \$4.026 million; \$216,575 is in the Police budget
Victoria Police Department	2,098,094	2,074,854	8,562,712	6,487,858	24%	
Property Taxes	-	-	130,761,783	130,761,783	0%	
Total	\$ 21,640,576	\$ 20,435,956	\$ 241,740,456	\$ 221,304,500	8%	

**City of Victoria - Operating Budget Expenditures/Transfers to Reserve
For the Three Months Ending Ending March 31, 2018**

	Q1 2017 Actual	Q1 2018 Actual	2018 Budget	Variance	%	Explanation
City Manager's Office	138,928	225,447	908,776	683,330	25%	
Council	149,840	166,720	614,595	447,874	27%	
Deputy City Manager	97,514	31,128	424,470	393,342	7%	Vacancy
Arts, Culture and Events	513,468	243,518	1,786,243	1,542,725	14%	Events are seasonal
Third Party Billing - Special Events	4,164	354	-	(354)		Full cost recovery; offsetting revenues
Economic Development	55,709	306,783	513,320	206,536	60%	Grant to SIPP paid in March
Human Resources	367,077	466,795	1,985,666	1,518,872	24%	
Legislative and Regulatory Services	550,085	665,325	3,991,241	3,325,916	17%	Vacancy
Third Party Billing - Bylaw Enforcement	2,147	4,213	-	(4,213)		Full cost recovery; offsetting revenues
Neighbourhoods	119,876	134,506	559,865		24%	
Real Estate	176,868	212,784	1,742,018	1,529,234	12%	Transfer to reserve for 812 Wharf Street not done
Victoria Conference Centre (VCC)	638,854	647,351	3,528,113	2,880,763	18%	Timing of debt payments for Crystal Garden
VCC Event Costs Paid by Clients	348,632	510,828	3,460,000	2,949,172	15%	Full cost recovery; offsetting revenues
Engagement	287,299	312,690	1,638,125	1,325,435	19%	Participatory budgeting projects paid in Q2
Engineering and Public Works						
Engineering and Public Works	3,251,378	3,540,309	15,858,861	12,318,552	22%	
Third Party Billings	217,762	258,963	428,400	169,437	60%	Full cost recovery; offsetting revenues
Solid Waste & Recycling	627,576	621,468	3,144,079	2,522,611	20%	
Water Utility	3,083,859	2,298,129	19,925,763	17,627,634	12%	Transfer to capital & reserves not done yet
Sewer Utility	805,714	832,149	7,874,200	7,042,052	11%	Transfer to capital & reserves not done yet
Stormwater Utility	671,996	645,527	6,613,491	5,967,964	10%	Transfer to capital & reserves not done yet
Finance						
Finance	1,737,987	2,042,688	7,597,396	5,554,708	27%	
Parking Services	1,666,320	2,260,935	8,535,473	6,274,538	26%	
Legal Services	159,087	154,376	744,184	589,808	21%	
Parks, Recreation and Facilities						
Parks	2,249,458	2,179,969	11,556,987	9,377,018	19%	Seasonal work programs that start in Q2 & Q3 include the Parks Boulevard Program, BHP Management Plan, Natural Resources and Boulevard Improvements
Recreation	772,864	910,117	4,391,884	3,481,766	21%	Seasonal programs will start in Q2 & Q3 include Summer Camps ,Outdoor Recreation and RAP
Facilities	1,325,688	1,163,438	5,892,862	4,729,425	20%	
Sustainable Planning and Community Development	1,073,658	1,317,971	6,453,272	5,135,301	20%	The majority of the Downtown Core Area Plan, Official Community Plan and Victoria Housing Strategy work is scheduled for later in the year
Victoria Fire Department	3,621,206	4,153,019	17,118,498	12,965,480	24%	
Corporate						
Contingencies	-	-	1,847,672	1,847,672	0%	
Debt Principal, Interest and Reserve Transfer	1,539,506	1,690,706	7,827,583	6,136,877	22%	Timing of debt payments; and transfer to reserve not done yet
Grants	425,813	351,716	3,026,081	2,674,366	12%	Majority of grants are paid in July
Miscellaneous	152,589	476,887	2,126,284	1,649,397	22%	Canada Day and Crest Levy expenses not recorded yet, project pending include the Gorge Waterway and Witness Reconciliation Program
Transfer to VCC	-	-	300,000	300,000	0%	Transfer not recorded yet
Transfers to Reserve	-	-	19,462,046	19,462,046	0%	Transfers to reserve not recorded yet
Transfer to Capital Budget	-	-	10,165,000	10,165,000	0%	Year end transfer not recorded yet
Greater Victoria Public Library	1,163,356	1,287,466	5,387,720	4,100,254	24%	
Victoria Police Department	10,521,221	13,253,534	54,310,286	41,056,752	24%	
Total	\$ 38,517,498	\$ 43,367,808	\$ 241,740,456	\$ 198,372,648	18%	

**City of Victoria - Capital Budget Expenditures
For the Month Ending March 31, 2018**

	Q1 2018 Actual	2018 Budget	Variance	%	Explanation
Active Transportation	1,111,457	18,431,000	17,319,543	6%	Fort Street bike lanes in progress and scheduled to be complete in Q2. Majority of other projects are scheduled for Q2 and Q3
Complete Streets	524,690	6,347,000	5,822,310	8%	In progress with a majority of projects scheduled throughout the year; Belleville Street underway
Neighbourhoods	14,383	266,000	251,617	5%	In progress with projects scheduled throughout the year
Parks	69,283	2,032,000	1,962,717	3%	Carryforward projects in progress; majority of the 2018 projects are in the planning phase and Cecelia Ravine Park is tracking on schedule. Summit Park planning will occur in 2018, though the construction will most likely be deferred
Street Infrastructure	405,106	1,884,000	1,478,894	22%	In progress with majority of projects to start throughout the remaining year
Retaining Walls and Railings	1,953	1,312,000	1,310,047	0%	Dallas Road Seawall is underway, other projects to start throughout the remaining year
Bridges	2,305,436	9,398,000	7,092,564	25%	Johnson Street Bridge opened in Q1; continuing decommission of the old bridge and public realm pathway connections
Facilities	641,030	78,325,000	77,683,970	1%	Carryforward projects in progress; planning in progress with projects to start Q2 and Q3. Planning for Crystal Pool and Firehall Replacement is underway - multiyear projects
Equipment	609,501	9,363,000	8,753,499	7%	Vehicle and Heavy Equipment procurement underway, majority of projects to start in Q2 and Q3
Environmental Remediation	92,610	730,000	637,390	13%	Laurel Point Park environmental testing in progress. Portion of budget only spent if needed
Sanitary Sewers	619,262	7,825,000	7,205,738	8%	Carryforward projects in progress; Shelbourne and Esquimalt mains replacement complete and lift station replacement complete. Majority of projects are to start Q2 and Q3
Stormwater	142,175	6,558,000	6,415,825	2%	Carryforward main projects in progress and the Linden Avenue brick main project complete; majority of 2018 main replacements to start Q2 and Q3 and lining projects to start in Q2. 2018 brick main replacement projects are to start Q2 and be completed Q3
Waterworks	1,358,280	6,197,000	4,838,720	22%	Majority of main replacement carryforward projects are complete including the Fort, Wharf to Government, Broughton, Blanshard to Douglas and Belleville, Menzies to Oswego. Majority of 2018 projects to start Q2 and Q3
Contingency	-	364,000	364,000	0%	
Victoria Police	478,862	2,118,000	1,639,138	23%	Vehicle replacement underway and projects scheduled throughout the year
Total	\$ 8,374,030	\$ 151,150,000	\$ 142,775,970	6%	

**City of Victoria - Budgeted Full-Time Equivalent Employees
For the Three Months Ending March 31, 2018**

	FTE 2018
City Manager's Office	6.00
Deputy City Manager	2.00
Arts, Culture & Events	7.29
Economic Development	1.00
Legislative and Regulatory Services	22.88
Neighbourhoods	3.00
Real Estate	3.00
Victoria Conference Centre	13.62
Engagement	13.00
Engineering & Public Works	279.72
Finance	102.26
Human Resources	11.00
Legal Services	4.00
Parks, Recreation and Facilities	179.74
Sustainable Planning and Community Development	43.43
Victoria Fire Department	124.09
Total	816.03