

## **Q1 BUDGET STATUS REPORT**

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, 2017.

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, 2017, the overall operating revenues and expenditures are 9% and 17% respectively, of the annual budgeted amount. This compares to 8% and 17% to the prior fiscal period. A summary of the actual operating revenues and expenditures compared to the budget is attached.

Revenues are expected to meet or exceed budget; revenues from parking, permits and inspections, rezoning and recreation 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 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, 2017. 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, Canadian Capital Cities Conference, Canada Day celebrations and the Truth and Reconciliation Task Force.

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

### **Capital Budget**

As of March 31, 2017, the actual capital expenditures are at 5% spent of total budgeted expenditures for the year, compared to 9% in the prior year. Capital projects have varying schedules and the majority of the work planned for 2017 is scheduled to start in Q2 and Q3. A summary of capital programs and projects are attached.

At present, the majority of projects are expected to be completed according to schedule. The following projects have been completed:

- Vic West Park Improvements
- Beacon hill Park Street Light Poles

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 2017 is 803.10 as attached.

**City of Victoria - Operating Budget Expenditures  
For the Three Months Ending March 31, 2017**

	Q1 2016 Actual	Q1 2017 Actual	2017 Budget	Variance	%	Explanation
<b>Engagement</b>	426,434	438,255	1,846,722	1,408,467	24%	
City Manager's Office	179,502	169,306	782,448	613,142	22%	
<b>Council</b>	124,762	149,840	589,875	440,035	25%	
<b>Deputy City Manager</b>	99,388	97,514	397,147	299,633	25%	
Arts, Culture and Events	163,614	492,178	1,726,757	1,234,578	29%	Canada 150; offsetting revenues
Third Party Billing - Special Events	3,074	4,164	-	(4,164)		Full cost recovery; offsetting revenues
Economic Development	50,378	55,709	495,000	439,291	11%	Grant to SIPP to be paid in July
Human Resources	341,055	367,077	1,815,101	1,448,024	20%	Timing of GVLRA payment
Legislative and Regulatory Services	578,781	550,085	3,068,655	2,518,570	18%	Vacancy
Third Party Billing - Bylaw Enforcement	2,562	2,147	-	(2,147)		Full cost recovery; offsetting revenues
Real Estate	149,920	176,868	1,609,689	1,432,821	11%	Transfer to reserve for 812 Wharf Street not done
Victoria Conference Centre (VCC)	737,792	638,854	3,493,218	2,854,364	18%	Timing of debt payments for Crystal Garden
VCC Event Costs Paid by Clients	250,548	348,632	3,460,000	3,111,368	10%	Full cost recovery; offsetting revenues
<b>Engineering and Public Works</b>						
Engineering and Public Works	3,206,373	3,208,511	14,349,313	11,140,803	22%	
Third Party Billings	191,468	217,762	428,400	210,639	51%	Full cost recovery; offsetting revenues
Solid Waste & Recycling	650,972	627,576	3,050,454	2,422,878	21%	
Water Utility	2,272,045	3,083,859	19,402,507	16,318,648	16%	Transfer to capital & reserves not done yet
Sewer Utility	818,667	805,714	7,982,200	7,176,486	10%	Transfer to capital & reserves not done yet
Stormwater Utility	720,641	714,996	6,294,511	5,579,516	11%	Transfer to capital & reserves not done yet
<b>Finance</b>						
Finance	1,643,148	1,737,987	7,324,558	5,586,571	24%	
Parking Services	1,746,294	1,666,320	7,589,535	5,923,215	22%	
<b>Legal Services</b>	158,645	159,087	728,073	568,986	22%	
<b>Parks, Recreation and Facilities</b>						
Parks	2,185,587	2,258,998	11,150,749	8,891,751	20%	Seasonal work programs that start in Q2 & Q3 include the Parks Boulevard Program, Parks Master Plan, sports field renovations and Natural Resources
Recreation	778,720	789,968	4,285,360	3,495,392	18%	Seasonal programs will start in Q2 & Q3 include Summer Camps ,Outdoor Recreation and RAP
Facilities	1,236,189	1,325,688	5,591,366	4,265,678	24%	
<b>Sustainable Planning and Community Development</b>	1,093,837	1,073,658	5,951,792	4,878,135	18%	The majority of the Downtown Core Area Plan, Official Community Plan and Victoria Housing Strategy work is scheduled for later in the year
<b>Victoria Fire Department</b>	3,427,975	3,621,206	16,647,787	13,026,581	22%	
<b>Corporate</b>						
Contingencies	-	-	2,330,000	2,330,000	0%	
Debt Principal, Interest and Reserve Transfer	1,481,756	1,539,506	7,827,583	6,288,077	20%	Timing of debt payments; and transfer to reserve not done yet
Grants	510,431	425,813	2,834,294	2,408,481	15%	Majority of grants are paid in July
Hotel Tax	(330)	-	-	-		
Miscellaneous	329,697	102,750	3,057,700	2,954,950	3%	Canada Day and Crest Levy expenses not recorded yet, project work to start later in the year include the Gorge Waterway, Canadian Capital Cities Conference and Truth and Reconciliation Task Force
Transfer to VCC	-	-	300,000	300,000	0%	Transfer not recorded yet
Transfers to Reserve	0	-	17,139,369	17,139,369	0%	Financial statement entry, transfers to reserve not recorded yet
Transfer to Capital Budget	-	-	10,161,000	10,161,000	0%	Year end transfer not recorded yet
<b>Greater Victoria Public Library</b>	1,178,160	1,163,356	4,879,695	3,716,339	24%	
<b>Victoria Police Department</b>	10,435,126	10,521,221	53,253,743	42,732,522	20%	
<b>Total</b>	<b>37,173,210</b>	<b>38,634,602</b>	<b>231,844,601</b>	<b>193,309,999</b>	<b>17%</b>	



**City of Victoria - Operating Budget Revenues**  
**For the Three Months Ending March 31, 2017**

	Q1 2016 Actual	Q1 2017 Actual	2017 Budget	Variance	%	Explanation
<b>Deputy City Manager</b>						
Deputy City Manager	-	-	3,000	3,000	0%	
Arts, Culture and Events	3,097	206,880	397,800	190,920	52%	Canada 150 grant; offsetting expenses
Special Events Third Party Billings	3,559	4,324	-	(4,324)		Full cost recovery of related expenses
Legislative and Regulatory Services	157,781	155,957	287,350	131,393	54%	Dog licenses
Bylaw Enforcement Third Party Billing	2,661	1,431	-	(1,431)		Full cost recovery of related expenses
Real Estate	320,865	435,322	1,786,750	1,351,428	24%	
Victoria Conference Centre (VCC)	518,410	557,859	3,739,138	3,181,279	15%	Seasonal revenues, majority of fees recognized between May - September
VCC Event Costs Paid by Clients	632,634	662,086	3,460,000	2,797,914	19%	Full recovery of related expenses
<b>Engineering and Public Works</b>						
Engineering and Public Works	115,076	163,958	967,439	803,481	17%	Enroachment fees trending lower and majority of sidewalk fees are received in May
Third Party Billings	122,222	200,309	528,400	328,091	38%	Full cost recovery of related expenses
Solid Waste and Recycling	528,736	782,715	3,050,454	2,267,739	26%	Timing of billings
Sewer Utility	1,187,511	1,562,931	7,982,200	6,419,269	20%	Timing of billings
Water Utility	2,973,380	4,423,222	19,402,507	14,979,285	23%	Timing of billings
Storm Drain Utility	-	0	6,294,511	6,294,511	0%	Billing is in September
<b>Finance</b>						
Parking Services	4,024,387	4,124,087	16,042,800	11,918,713	26%	Total parkade transactions increased by just over 12%; 375,000 transactions compared to 335,000 in Q1 2016 and ParkVictoria transactions increased by 64%; 143,000 from 87,000 in Q1 2016
<b>Parks, Recreation and Facilities</b>	517,904	494,807	2,986,966	2,492,159	17%	Facility rentals, locker rentals and swimming and fitness revenues are trending higher. Boulevard Tax due in July and transfer from reserve entries not yet done; includes funding for Downtown Trees and the Parks Master Plan
<b>Sustainable Planning and Community Development</b>	888,054	1,879,249	3,563,501	1,684,252	53%	Building permits, electrical and plumbing permits and rezoning revenues are trending higher
<b>Victoria Fire Department</b>	16,358	27,355	159,700	132,345	17%	Mechanic program revenue, confined space and fire technical high angle rope rescue cost sharing is received later in year.
<b>Corporate</b>						
Payment in Lieu of Taxes/Special Assessments	23,243	37,837	7,416,140	7,378,303	1%	Payments received later in the year
Fees and Interest	972,750	760,667	3,490,000	2,729,333	22%	
Business and Other Licences	1,323,836	1,442,880	1,499,500	56,620	96%	Majority of business licenses revenue recognized in Q1
Overhead Recoveries	510,815	609,750	3,310,160	2,700,410	18%	
Hotel Tax	68,598	-	-	-		
Miscellaneous	787,799	1,008,254	8,000,192	6,991,938	13%	Revenues received later in year; includes Traffic Fine Sharing, Gas Tax, Multipurpose and Fortis
Prior Year's Surplus	-	-	3,827,909	3,827,909	0%	Total City surplus is \$4.032 million; \$204,891 is in the Police budget
<b>Victoria Police Department</b>	2,049,849	2,098,094	8,736,916	6,638,822	24%	
<b>Property Taxes</b>	-	-	124,911,268	124,911,268	0%	
<b>Total</b>	<b>17,749,523</b>	<b>21,639,976</b>	<b>231,844,601</b>	<b>210,204,625</b>	<b>9%</b>	

**City of Victoria - Capital Budget Expenditures  
For the Three Months Ending March 31, 2017**

	Q1 2017 Actual	2017 Budget	Variance	%	Explanation
Active Transportation	1,235,356	13,533,000	12,297,644	9%	Pandora Bike lanes completed in Q2; majority of other projects are scheduled for Q2 and Q3
Complete Streets	196,523	5,840,000	5,643,477	3%	In progress with majority of projects scheduled for Q2 and Q3
Neighbourhoods	10,895	338,000	327,105	3%	In progress with projects scheduled throughout the year
Parks	277,699	2,049,000	1,771,301	14%	Vic West Park and Beacon Hill Park Street Light Poles projects complete; Burnside Gorge new park design underway and other projects in progress and scheduled to start in Q2
Street Infrastructure	312,408	3,478,000	3,165,592	9%	LED replacement Phase 1 complete with Phase 2 scheduled to commence in Q2, majority of other projects scheduled to start in Q2 and Q3
Retaining Walls and Railings	120,454	1,085,000	964,546	11%	Dallas Road Seawall is underway, other projects to start throughout the remaining year
Bridges	1,314,167	21,940,000	20,625,833	6%	In progress
Facilities	170,492	76,972,000	76,801,508	0%	Planning in progress with projects scheduled to start in Q2 and Q3
Equipment	717,233	10,327,000	9,609,767	7%	Vehicle and Heavy Equipment procurement underway, majority of projects to start in Q2 and Q3
Environmental Remediation	18,285	1,058,000	1,039,715	2%	Budget only spent if needed
Sanitary Sewers	638,683	3,840,000	3,201,317	17%	Carryforward projects in progress; Fifth Street rebudget project complete. 2017 projects are in progress with a majority of projects to start Q2 and Q3
Stormwater	1,121,664	7,121,000	5,999,336	16%	Carryforward projects in progress, 2017 mains replacements in progress with a majority of projects to start Q2 and Q3. Menzies, Superior to Michigan is scheduled to be complete in May; brick main replacement to start in Q2
Waterworks	948,420	5,957,000	5,008,580	16%	Carryforward projects in progress; Victor - Haultain to Kings complete and Chatham to Government is scheduled to be complete in May. 2017 water main lining projects are underway with a majority to start in Q2 and Q3; Belleville is scheduled to complete in May
Contingency	-	357,000	357,000	0%	
Victoria Police	228,925	1,277,000	1,048,075	18%	
<b>Total</b>	<b>7,311,205</b>	<b>155,172,000</b>	<b>147,860,795</b>	<b>5%</b>	

**City of Victoria - Budgeted Full-Time Equivalent Employees  
For the Three Months Ending March 31, 2017**

	FTE 2017
Engagement	15.00
City Manager's Office	5.00
Deputy City Manager	2.00
Arts, Culture & Events	7.29
Economic Development	1.00
Human Resources	11.00
Legislative and Regulatory Services	21.88
Real Estate	3.00
Victoria Conference Centre	13.62
Engineering & Public Works	273.72
Finance	102.26
Legal Services	4.00
Parks, Recreation and Facilities	176.81
Sustainable Planning and Community Development	43.43
Victoria Fire Department	123.09
<b>Total</b>	<b>803.10</b>