

Appendix 'B'

At the end of Q3 2018, the Development & Infrastructure Services Commission had a net favourable operating budget variance of approximately \$1 million, consisting of about \$3.5 million of favourable variance in expenditures and \$2.5 million of unfavourable variance in revenues.

The variance in expenditures was mainly due to:

- 1) \$450,000 lower salary/wage costs from gapping savings on unfilled positions (asset management, fleet supervisor, planner-Committee of Adjustment, vacant supervisor and lead hand positions in roads and parks area in the first and second quarters);
- 2) \$1,300,000 lower annual program spending partially due to timing of costs not yet being reflected;
- 3) \$410,000 lower than expected solid waste contract costs;
- 4) \$280,000 lower utility costs;
- 5) \$550,000 lower general contract costs for maintenance of roads, parks and facilities, again due partially to timing of costs not yet being reflected; and
- 6) \$110,000 lower expenditures in miscellaneous accounts

The variance in revenues were mainly due to:

- 1) \$2,200,000 less transferred from ARF, Planning and Solid Waste reserves. These transfers will be adjusted at year-end based on annual program spending and overall operating results in the Planning and Solid Waste service areas.
- 2) \$40,000 less grant funding provided for the solid waste blue bin recycling program;
- 3) The foregoing was offset by \$210,000 higher than expected Planning fee revenues
- 4) \$400,000 in lower Building fees and related reserve fund transfers

In anticipation of year-end operating results, the Development & Infrastructure Services Commission is projecting a favourable variance of \$350,000 at the end of fiscal 2018, which would include:

- 1) \$300,000 in savings for salaries and benefits;
- 2) \$300,000 lower costs for the solid waste contract;
- 3) \$150,000 higher than expected Planning fees;
- 4) Less \$250,000 in higher than expected costs for winter control;
- 5) Less \$100,000 for lower Engineering labour cost allocation to capital projects;
- 6) Less \$50,000 for the smaller solid waste blue bin recycling program grant