



# COUNTY OF WELLINGTON

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## COMMITTEE REPORT

**To:** Chair and Members of the Administration, Finance and Human Resources Committee  
**From:** Ken DeHart, County Treasurer  
**Date:** Tuesday, October 19, 2021  
**Subject:** **County-Wide Financial Statements and Variance Projections as of September 30, 2021**

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### Background:

This report is respectfully submitted in accordance with the County's Budget Variance Reporting Policy, and provides an updated projection to year-end based on expenditures and revenues to September 30, 2021. Each standing Committee of Council as well as the Police Service and Library Boards has received financial statements and variance projections for its particular area of operation. This report summarizes all of the major issues covered at each meeting. Attached are a high-level variance analysis, a development charge collection summary, and the complete set of County financial statements.

Operations across all County departments have continued to be affected by the COVID-19 pandemic and are likely to see financial implications in various ways throughout the remainder of 2021. Impacts specific to COVID-19 are identified where applicable.

Highlights of the financial statements and variances are as follows:

- **Roads:** There is approximately \$3.2 million of winter control budget remaining, although some costs for work done by other municipalities on the County's behalf have yet to be processed. Costs in the previous five years for winter control for the period from October to December have averaged just over \$1.9 million, with a high of \$2.2 million (inflated to 2021 dollars). Given previous years' experience it is expected that winter control will come in lower than the budgeted amount. Any savings or overages will be transferred to or from the Winter Control reserve, which currently has a balance of \$2.8 million.

Salaries, wages and benefits are under budget to date. The amounts include savings due to a vacancy in the Operations Manager position as well as Winter Control salaries that will still have additional expenditures through to the end of the year. Any savings in salaries for Winter Control will contribute to the transfer to or from reserve to net Winter Control to a zero surplus impact. The department has made changes to staffing positions in order to better meet the growing asset management and capital infrastructure needs along with addressing current operational needs. Taking into account the expected changes as well as the vacancy to date, savings of \$80,000 to \$100,000 is anticipated.

- Net operating expenditures for all roads maintenance activities excluding winter control are at 71% expended to the end of September:
  - This includes the full annual contract payment of \$560,000 expenditure for road painting under roads safety devices.
  - Parts and fuel under fleet maintenance close to budget to date with no variance anticipated at year-end
  - It is likely that these roads activities will come in close to the budgeted amount.

The final roads variance will depend on the severity of the weather in the last two months of the year and the extent to which resources are allocated to other service areas in the event of a mild winter.

- ❑ **Waste Management:** Bag sales recorded to September 30 are at 69% of the total budget of \$1,870,000. If sales were to follow a similar path as 2020 then a shortfall of between \$120,000 to \$140,000 can be expected. Tipping fees are tracking below targeted levels to this point, sitting at 72% of the budgeted level of \$1.71 million for the landfill and transfer stations. While it remains difficult to determine the overall impact of COVID-19 as well as the full year of the collections contract, staff currently anticipate that tipping fees will fall short of the budgeted amount between \$100,000 and \$120,000. Sales revenue reflects amounts received to the end of July. Blue box materials and metal sales revenue has been strong as commodity markets have improved. With five months of revenue still to be received it is likely that there will be positive variance between \$160,000 to \$180,000. Salaries and wages are currently slightly ahead of budget as staffing at transfer stations was increased during the summer months as resident use of the sites increased and co-ordination to ensure distancing and safety procedures was required. A negative variance between \$50,000 and \$70,000 is anticipated.
- **Supplies, Materials and Equipment:**
  - User Pay Bags – Currently user pay bags costs are sitting at 61% of the \$300,000 budget. Additional purchases are still to be made throughout the rest of the year. No variance at year end is anticipated as a result.
  - Fuel savings to date is due to timing as the vehicle use increases during the year; savings of between \$10,000 and \$20,000 are expected

The year-end variance will largely depend on bag sales and tipping fee levels as well as continued strong sales revenue through the rest of the year and expenditures on services provided in the fall.

Tipping fee levels throughout the rest of the year, user pay bag sales and blue box revenues are difficult to forecast to the end of the year. The overall Solid Waste Services year-end variance is anticipated to be negative in the range of \$80,000 to \$100,000.

- **Police Services:** The annual reconciliation for 2020 (\$741,715) has been received with the 2022 annual billing statement. The OPP costs are based on a per property basis. Most of the savings generated by the reconciliation are for a reduction to the contractual hours calculation (presumably for work the enhanced officers completed for provincial initiatives) and were applied specific to Wellington County. The new Sergeant for the Community Safety Services (CSS) Unit that was budgeted for a July 1, 2021 start date has yet to be hired and will result in savings of \$108,000, including associated equipment costs. This position is expected to be added to the compliment in early 2022.

The OPP contract reconciliation for 2020 provides a one-time net savings of \$291,715 that will be realized in 2021. The delay in the hiring of the new Sergeant provides contract savings of \$108,000 for a total projected contract savings of just under \$400,000. Outside of the contract, staff are anticipating revenues to be slightly favourable to budget and there to be savings to building related operating expenses. Overall a positive variance for Police Services of between \$450,000 and \$460,000 will be realized by year-end.

- ❑ **Ontario Works:** The Ontario Works caseload has continued to decrease as clients access federal benefits during COVID-19 pandemic. Salaries and benefits are currently under budget by \$263,000 and year-end projected savings are approximately \$350,000. This savings are due to vacant positions and gapping. Currently projecting that there will be a savings of \$36,000 for supplies, materials and equipment at year-end. Purchased services are under budget by \$125,000 year-to-date, largely driven by savings in purchased services, postage, training and education, conferences, and mileage in light of COVID. A year-end surplus of \$167,000 is projected on this line. Year-end savings are anticipated in discretionary benefits \$180,000 (\$121,000 County and \$59,000 City) largely due to lower dental, prescribed drugs, optical, medical travel and funeral expenses incurred during the pandemic. An unbudgeted payment made to the Integrated Youth Services Network was approved by Committee in the amount of \$115,000, but will be offset by the transfer from reserves line. Overall, municipal savings of \$760,000 (County - \$226,000; City - \$534,000) are projected.

- ❑ **Children's Early Years:** The grants and subsidies line is currently tracking under budget. This line does include one-time provincial funding of \$1.4 million that was not included in the budget (Safe Restart, Reinvestment & Emergency Child Care). Parent fees collected from our directly operated centres are currently slightly under budget due to the multiple stay at home orders and several rooms not operating at full capacity. It is expected that a \$45,000 deficit will be experienced at year-end. Salaries, wages and benefit expenses are tracking under budget due to staff leaves that have not been backfilled, vacancies and gapping and will result in \$930,000 in savings at year-end. Supplies and purchased services are also experiencing savings as a result of the pandemic: directly operated centres have not been at full capacity, and limited spending on conferences, mileage, facility rentals and professional services. The social assistance line reflects significant year-to-date savings related to lower expenditures in Fee Subsidy as this need has been reduced during the pandemic. Other areas experiencing savings include General Operating Grants, Wage Enhancement, and Repairs and Maintenance. Any savings (or deficits) from the above line items will be offset through the general operating grants.
- ❑ **Housing:** Expenditures are tracking above budget at this point in the year due to expenditures related to COVID-19 and Mental Health which have been funded at 100%. These two programmes have been offset by other areas that are experiencing year-to-date savings. Community Homelessness Prevention Initiative (CHPI) is currently tracking below budget due to some expenditures moved in order to maximize a one-time grant as well as lower than expected costs in rent bank, retirement homes, and staff vacancies. This programme is being closely monitored to ensure the County is exhausting all provincial and municipal funding while meeting the community's needs by year-end. At our County-owned social housing units, annual inspections were delayed from spring to fall as a result of the pandemic. This will generate an increase in work-orders which will reduce the savings in supplies and purchased services to \$225,000 at year-end. Our rent revenue collections are currently under budget and expect to result in a year-end position of a \$135,000 deficit. In Administration, areas such as conferences, legal, consultants, office supplies, security and office furnishings will result in \$55,000 in savings at year-end. \$90,000 in savings is also expected in the area of Rent Supplement at year-end. Recent Annual Information Return reconciliations have resulted in balances owing to a small number of housing providers leaving this area \$45,000 over budget at year-end. Overall, year-end savings are projected to be approximately \$165,000 (\$65,000 County and \$100,000 City).
- ❑ **Wellington Terrace:** Grants and Subsidies are sitting at 96% of budget as of the end of September, or more than \$2 million ahead of budget. A summary of additional funding received as of the end of September is shown below:

Purpose	Amount
Emergency funding to support screening, staffing, supplies, minor capital and other costs to maintain the health and safety of residents and staff in long term care	\$1,503,108
PSW Top-up funding to support the hourly wage increase of \$3 for January –August 2021	\$331,100
<b>TOTAL</b>	<b>\$1.834.208</b>

While overall operating expenditures at the Wellington Terrace appear to be significantly ahead of budget at the end of September, these over expenditures reflect increased staffing and care costs directly related to the COVID-19 pandemic. All additional costs have been covered by provincial grants. Funding commitments have been received by the province to March 31, 2022, and it is anticipated that the 2021 portion of this funding will offsetting any pandemic related costs. It is projected that the Terrace may see minimal year-end savings as a result of limited ability to provide resident events to this point in the year.

- ❑ **Museum and Archives:** Room rentals for events will be well below budget as a result of COVID. The overall revenue shortfall is expected to be between \$35,000 and \$40,000. User fees and charges is behind budget as school tours, registrations and event revenue have been cancelled and are likely to continue to see significant impacts as patrons have been slow to return. Revenues thus far are close to \$18,000 lower than expected and the overall shortfall could range from \$20,000 to \$25,000 as a result of the pandemic. Supplies, materials and equipment are under budget and as programmes and events have been and may continue to be cancelled, the expectation is savings between \$15,000 and \$20,000. Purchased services is under budget at this point – snow removal is ahead of budget, this has been offset by lower building related expenses as the Museum has had periods of closure during the year. Additional expenditures are still to be made through to the end of the year and no significant variance is anticipated. At this time a positive variance between \$30,000 and \$40,000 is anticipated by year-end.
- ❑ **Library:** Rent revenue is expected to fall short of budget as the County has provided rent relief to the Town of Minto for the Harriston Library location to August for 2021 as the facility has been closed for in-person use. A negative variance of \$45,000 is anticipated. User fees and charges are tracking well below the budget (made up predominantly of late fees). The lost revenue for the Jan-September period is expected to be in the range of \$55,000 to \$60,000 due to the library facility shutdowns. An overall negative variance is expected between \$70,000 and \$75,000. Salaries, Wages and Benefits are tracking below budget at this time. The majority of the impact on staffing from COVID is a result of vacancies for maternity leaves and other library positions that have been delayed as the department has operated at a lower capacity. Savings due to these circumstances could be in a range of \$100,000 to \$120,000. Purchased services are under budget to date. This includes the full year rental payment for the Rockwood location having been made. Building related expenses including water and sewage, rug service and telephone will experience savings as the Library locations had been shut down. A positive variance between \$50,000 and \$70,000 is likely. At this time, an overall positive variance between \$70,000 and \$90,000 is anticipated by year-end.
- ❑ **Economic Development:** Salaries and wages are under budget. Additional savings are expected as a result of leaves of absences, vacancies and related coverage and gapping. Overall savings between \$50,000 and \$60,000 is anticipated. A number of projects are underway or to be undertaken; including the Attainable Housing, Business Resiliency, Talent Attraction, economic data collection and analysis, and Taste Real activities. At this time budgeted expenses related to Community Transportation (Ride Well) and Smart Cities are underspent. Various savings are likely to result in planned projects and events, conferences and mileage in a range of \$160,000 to \$180,000. The Community Improvement Plan Implementation Fund is expected to be at a reduced level due to the pandemic and temporary business interruptions. So far the County has received seven CIP requests that would provide \$57,500 and local staff are indicating there are more coming. At this time it is expected that \$80,000 of the budgeted \$160,000 will be approved in 2021. Overall, it is anticipated that the budget may have savings between \$320,000 and \$340,000 at year-end.
- ❑ **Land Ambulance:** Since our last report, we have not received any updates on current costs in land ambulance. We continue to anticipate a negative variance between \$100,000 and \$120,000 at year end due to increased call volumes and higher costs for cleaning and PPE.
- ❑ **POA Revenues:** POA revenues continue to sit in a negative position. We continue to see expensed being higher than revenue due to the impacts of the COVID-19 pandemic. Based on communications with the City it is anticipated that a negative variance of approximately \$100,000 to \$130,000 will exist at year end.
- ❑ **Public Health:** Transfers to Wellington-Dufferin-Guelph Public Health are made quarterly and are sitting on budget at 75%. To date, all additional pandemic related costs experienced by Public Health have been fully funded by the Province and it is anticipated that this will continue. It is anticipated that at year-end the County will have incurred a total of approximately \$650,000 to \$750,000 in municipal costs in support of the vaccination effort. At this time, it appears that there will not be funding available through the Ministry of Health.

- ❑ **Planning:** Municipal recoveries reflect work on behalf of local municipalities having recovered to pre-pandemic levels with the amount to date exceeding the full budget for the year. As a result, a positive variance between \$80,000 to \$100,000 may occur by year-end. User fees and charges are close to budget at this time (73%). Overall user fee revenues will be largely dependent on market conditions throughout the rest of the year. At this time staff anticipate these revenues to come close to budget. Salaries, wages and benefits are under budget as a result of staffing vacancies and gapping as the positions have been filled. A positive variance between \$30,000 and \$40,000 is anticipated. Consultant fees and legal fees are below budget at this time. These expenses are largely attributable to on-going appeals (LPAT). These expenses as well as conferences, mileage and other professional fees are likely to produce savings in the range of \$40,000 to \$50,000 in 2021. Currently, staff expect a positive variance of between \$150,000 and \$200,000.
- ❑ **Green Legacy:** Purchased services are under budget at this time, additional spending is expected to take place in the fall. It likely there will be savings of \$20,000 to \$25,000 on volunteer expense (busing for students), fuel, hydro and general operating supplies for the two County nurseries. The Green Legacy budget is expected to have a positive variance in the range of \$25,000 to \$30,000 at year-end.
- ❑ **Emergency Management:** Emergency Management is on budget at the end of September taking into consideration a number of full year costs having been incurred and two quarters of Fire Training Officer payments. A positive variance between \$10,000 and \$20,000 is anticipated for all activities within Emergency Management. All COVID-19 related expenses are being allocated to a new business unit within Emergency Management (EM) in order to isolate the financial impact due to the pandemic. Currently the most significant impact (\$207,000) has been the installation of HVAC equipment at various property buildings to enhance the air quality and reduce the possible transmission of COVID-19 particles. In addition to the building expenses a variety of advertising expenses (\$172,000) have been incurred to promote safety protocols, supporting local businesses, vaccination information and promotion of mental health. To date the additional expenses that have flowed through this business unit total nearly \$454,700. It is the expectation that the majority if not all of these expenses will be offset with upper level governmental funding that the County has already received and funded from reserve.
- ❑ **CAO & Clerks:** Savings are anticipated for conferences, travel, training and education and various staff related expenses. Overall a positive variance between \$200,000 and \$230,000 is projected.
- ❑ **Treasury:** Salaries, wages and benefits are under budget due to vacancies and gapping. Purchased services is under budget, however additional auditor and consulting fees will be processed throughout the remainder of the year. Savings are expected due to less than anticipated consulting needs for asset management software implementation. There will also be savings related to conferences, training and education. Overall it is anticipated that the Treasury department will have savings of between \$130,000 and \$150,000 this year.
- ❑ **HR:** There are a number of yearly expenditures that have been delayed or reduced as a result of COVID-19. These include staff recognition, training and education, mileage, meeting expenses and conferences. The scope and nature of these activities is likely to be modified for the remainder of the year and result in savings between \$130,000 and \$150,000 by year-end.
- ❑ **County Council:** Various expenses related to Council activities that have been impacted by COVID-19 include travel, conferences, special events and activities. While some of these activities may still take place in 2021 there are a number of them that will be reduced in participation and scope. At this time staff anticipate savings of between \$120,000 and \$140,000 in 2021.

- ❑ **General Revenues and Expenditures:** Legal and professional fees have slowed down in 2021 as the aggregate appeals are awaiting the board's final decision and next steps. Debt issuance expenses are expected to be lower as the County utilized its surplus to reduce debt requirements in 2021. It is expected there will be savings of \$300,000 to \$350,000 for these items. Tax adjustments due to Minutes of Settlement, RfR's and other change notices are received throughout the year by the member municipalities. As of the end of September, member municipalities have provided estimated figures and it is anticipated that tax write-offs will be at or below budget.
- ❑ **PILs and Supplementary Taxes:** Estimated supplementary taxes based on supplementary runs May through September are \$3,126,830 overall, of which \$1,703,041 is the County's share compared to a budget of \$1.5 million. Additional revenue will depend on MPAC's ability to pick up further assessment prior to the remaining supplementary run taking place on the first of November. County and local municipal staff are supporting this process through remitting electronic records directly to MPAC. At this point, we're projecting at least a \$400,000 favourable variance from supplementary and omitted tax revenues.

## Capital

This report provides a summary of the 2021 capital spending for the period ending September 30, 2021. The County started 2021 with a total approved capital budget of \$104 million. To date Council approved \$3.7 million in project adjustments and staff completed and closed 23 projects with 22 more set to close on approval of this report. The table below also accounts for life-to-date spending and purchase order commitments for total available funding of \$33,958,979.

	May 31, 2021	Sept 30, 2021
Open Capital at Dec 31, 2020	\$69,965,100	\$69,965,100
plus: 2021 Approved Capital Budget	\$34,371,400	\$34,371,400
plus: 2021 In-Year Budget Adjustments	(\$575,000)	\$3,739,000
2021 Total Approved Capital Budget	\$103,761,500	\$108,075,500
less: Previous Years Capital Spending*	(\$45,112,266)	(\$40,825,157)
<b>Available Capital Funding for 2021</b>	<b>\$58,649,234</b>	<b>\$67,250,343</b>
2021 Capital Spending to date	(\$6,301,299)	(\$16,546,206)
Open Purchase Orders	(\$16,924,717)	(10,661,503)
Closed Projects (23)	(\$731,714)	(\$5,254,000)
Projects Closing this month (22)		(\$829,655)
<b>Uncommitted Approved Funding</b>	<b>\$34,691,504</b>	<b>\$33,958,979</b>

\*note previous year spending reflects open projects only

## In-Year Budget Adjustments

Capital budgets may be amended throughout the year at time of tender or as approved by council. To September 30, 2021, Council approved twenty-eight budget amendments, increasing the total capital budget by \$3,739,000. This number can be broken down further to represent:

\$4.2 million in funding from upper levels of government

- \$985,000 in COVID recovery funding to address air quality (2 projects)
- \$2,375,000 in additional Canada Community Building Fund (formerly Federal Gas Tax) to expand the scope of work in 4 roads projects
- \$834,000 increase in 2021 funding for COCHI Community Housing Initiative

\$330,000 in reserve funding to accommodate in-year project requests

- \$120,000 to renovate the old Drayton Roads Garage for use as a Para-medicine facility
- \$110,000 to seek out and install software for Roads Route Patrol
- \$100,000 to complete roofing repairs at 133 Wyndham Street.

(\$785,000) in overall project savings at time of tender of 14 projects.

### Complete Projects

The following table details final variances for complete and closing projects. The net County savings of \$534,509 returns to reserve for future use.

Projects Closing September 30, 2021	Budget	Actuals	Remaining Budget	County Reserves
Catalogue Software Enhancement	45,000	36,837	8,163	8,163
Library Catalogue Replacement	30,000	-	30,000	30,000
Replace Public Area Furniture	50,000	46,789	3,211	3,211
Terrace Network Replacement 19	100,000	89,365	10,635	10,635
2021 Re-Shingle Museum and Archives Roof	45,000	18,921	26,079	26,079
Resurface Trestle Bridge Trail	40,000	8,630	31,370	31,370
2020 CEM Vehicle Replacement	50,000	34,743	15,257	15,257
Various Facility Improvements 2021	100,000	100,000	-	-
Intersection Safety Improvements	500,000	477,854	22,146	22,146
WR 16, Bridge B016103, Rehab	150,000	-	150,000	150,000
WR 32, Intersection Hwy 7 & Township Rd 3	150,000	45,236	104,764	104,764
232 Delhi Elevator Modernization	161,000	128,882	32,118	7,757
Applewood / Sunset Windows	647,000	492,672	154,328	37,700
Mohawk / Delaware Windows & Siding	819,000	731,209	87,791	20,898
51 John Balcony Rehab	110,000	16,695	93,305	22,954
450 Albert Balcony Rehab	10,000	-	10,000	2,000
2020 Network Replacement	100,000	64,181	35,819	26,906
Firewall and VPN Replacement	70,000	67,955	2,045	2,045
Advanced Malware Security	50,000	42,473	7,527	7,527
15 Douglas: Window Replacement	120,000	114,903	5,097	5,097
2020 POA Replacements	40,000	40,000	-	-
2019 Ambulance Equipment	158,000	158,000	-	-
	<b>\$3,545,000</b>	<b>\$2,715,345</b>	<b>\$829,655</b>	<b>\$534,509</b>

## Capital Projects Details

### Property Services

Property Services began 2021 with a total approved capital budget of \$2,687,000 consisting of 17 projects. To date staff added one project, completed and closed 4 projects, and have one more ready to close this month. The table below also accounts for life to date spending and purchase order commitments for total available funding of \$977,382.

Property Services	May 31, 2021	Sept 30, 2021
Open Capital at Dec 31, 2020	\$2,284,000	\$2,284,000
plus: 2021 Approved Capital Budget	\$403,000	\$403,000
plus: 2021 In-Year Budget Adjustments	\$0	\$570,000
2021 Total Approved Capital Budget	\$2,687,000	\$3,257,000
less: Previous Years Capital Spending*	(\$1,192,286)	(\$46,920)
<b>Available Capital Funding for 2021</b>	<b>\$1,494,714</b>	<b>\$3,210,080</b>
2021 Capital Spending to date	(\$195,282)	(\$726,282)
Open Purchase Orders	(\$210,067)	(\$221,829)
Closed Projects	(\$100,983)	(\$1,284,097)
<b>Uncommitted Approved Funding</b>	<b>\$988,382</b>	<b>\$977,872</b>

\*Previous year spending reflects open projects only

The following table details spending to date and project spending plans for 2021.

Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
129 Wyndham: Tenant Elevator	\$200,000	\$0	\$200,000	Tender was awarded in June and work is underway. No variance is foreseen at this time.
15 Douglas: Window Replacement	\$120,000	\$115,037	\$4,963	Work is complete and ready to close. Minor surplus returns to the Property Reserve.
2021 Building Condition Audits	\$47,000	\$0	\$47,000	The project will complete assessments on facilities that were not completed in 2016. Work will be initiated this year.
2021 Property Building Retrofits	\$135,000	\$81,568	\$53,432	Project includes several building improvements across multiple facilities and work continues throughout 2021.
Admin Centre: Pave Corner Lot	\$40,000	\$0	\$40,000	Initial evaluation indicates that a larger area may need to be addressed. Additional budget is included in the 2022 budget process. Staff continue to monitor the condition of the site.
County Space Needs Study	\$100,000	\$0	\$100,000	Project remains open for future use to examine space needs for County staff.



Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
Courthouse: HVAC Upgrades	\$135,000	\$7,815	\$127,185	Project scope includes work on the cooling tower and chiller. Initial quotes exceed approved budget. Additional budget is included in the 2022 budget process.
Courthouse: Interior Upgrade	\$51,000	\$0	\$51,000	The project contains several components; staff are currently working to schedule contractors and secure materials. Work likely to carry forward to 2022.
COVID Air Quality Upgrades	\$570,000	\$376,970	\$193,030	This project is the result of a successful application through the ICIP COVID Stream. Work is fully funded and includes the installation of UV air filtration at various facilities throughout the County.
COVID HVAC Upgrades	\$400,000	\$152,707	\$247,293	Project scope includes the installation of humidification systems in county facilities and is ongoing.
Gaol: Facility Improvement	\$50,000	\$39,105	\$10,895	2021 works complete the repointing of the stone wall. Staff scheduled work to take place this summer, however the mason is experiencing a labour shortage. The hope is to complete prior to cold weather.
Admin Centre: Lighting Upgrade	\$40,000	\$0	\$40,000	Staff are working with consultants to evaluate building requirements and securing materials.
Courthouse: Lighting Upgrade	\$40,000	\$0	\$40,000	
Gaol: Lighting Upgrade	\$50,000	\$0	\$50,000	
<b>Total Property</b>	<b>\$1,978,000</b>	<b>\$773,202</b>	<b>\$1,204,798</b>	

### CAO and Clerks

CAO and Clerks began 2021 with a total approved capital budget of \$1,177,000 consisting of 12 projects. To date staff completed and closed one project, and have three more ready to close this month. The table below also accounts for life to date spending and purchase order commitments for total available funding of \$340,385.

CAO & Clerks	May 31, 2021	Sept 30, 2021
Open Capital at Dec 31, 2020	\$747,000	\$747,000
plus: 2021 Approved Capital Budget	\$430,000	\$430,000
plus: 2021 In-Year Budget Adjustments	\$0	\$0
2021 Total Approved Capital Budget	\$1,177,000	\$1,177,000
less: Previous Years Capital Spending	(\$512,220)	(\$455,219)
<b>Available Capital Funding for 2021</b>	<b>\$664,780</b>	<b>\$721,781</b>
2021 Capital Spending to date	(\$72,306)	(\$162,107)
Open Purchase Orders	(\$22,848)	(\$106,898)
Closed Projects	(\$9,999)	(\$112,391)
<b>Uncommitted Approved Funding</b>	<b>\$559,627</b>	<b>\$340,385</b>

\*Previous year spending reflects open projects only

The following table details spending to date and project spending plans for 2021.

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
<b>Technical Services</b>				
2020 Network Replacement	\$100,000	\$64,181	\$35,819	Work is complete and project is ready to close. County's share of savings returns to reserve. (\$26,906)
2021 Main Core Switches	\$120,000	\$0	\$120,000	Work scheduled to commence in November to coincide with life cycle, however, staff anticipate delays in materials due to the global chip shortage.
2021 Wifi Unit Replacement	\$100,000	\$27,336	\$72,664	Work on this lifecycle replacement is underway and will carry forward to 2022.
Advanced Malware Security	\$50,000	\$42,473	\$7,527	Work is complete and project is ready to close. Project surplus returns to reserve. (predates cost sharing of IT project)
Archive Storage Replacement	\$35,000	\$0	\$35,000	Work will be initiated in the 4 <sup>th</sup> quarter.
Fire Suppression Data Centre	\$50,000	\$0	\$50,000	Staff received quotes for the work, which exceed the approved budget. Additional budget is included in the 2022 budget process.
Firewall and VPN Replacement	\$70,000	\$67,955	\$2,045	Work is complete and project is ready to close. Project surplus returns to reserve. (predates cost sharing of IT project)
Point-to-Point Radios Guelph	\$30,000	\$0	\$30,000	Work is scheduled to begin this month with no variance anticipated at this time.

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
Asset Management Software	\$350,000	\$273,378	\$76,622	The software implementation is complete. Staff process the final invoice in October. Project surplus of \$7,775 returns to reserve for future use.
<b>Application Services</b>				
Financial Systems Software	\$45,000	\$40,299	\$4,701	Project is fully committed and will be complete in year and on budget.
Kronos: Library Implementation	\$160,000	\$101,703	\$58,297	Staff anticipate completion this fall with savings.
<b>Total CAO and Clerks</b>	<b>\$1,110,000</b>	<b>\$617,326</b>	<b>\$492,674</b>	

#### Land Ambulance and POA:

Land Ambulance and POA services provided by the City of Guelph are cost shared with the County. Capital statements for the City Led projects reflect the County's share of the overall project. Land Ambulance began 2021 with a total approved budget of \$1,509,000. To date one project closed and one more is set to close this month. The table below also accounts for life to date spending for total available funding of \$1,283,976.

Land Ambulance	May 31, 2021	Sept 30, 2021
Open Capital at Dec 31, 2020	\$ 1,063,000	\$ 1,063,000
plus: 2021 Approved Capital Budget	\$ 446,000	\$ 446,000
plus: 2021 In-Year Budget Adjustments	\$ 120,000	\$ 120,000
2021 Total Approved Capital Budget	\$ 1,629,000	\$ 1,629,000
less: Previous Years Capital Spending	\$ (240,572)	\$ (215,839)
<b>Available Capital Funding for 2021</b>	<b>\$ 1,388,428</b>	<b>\$ 1,413,161</b>
2021 Capital Spending to date	\$ -	\$ (104,185)
Open Purchase Orders	\$ -	
Closed Projects	\$ (266)	\$ (25,000)
<b>Uncommitted Approved Funding</b>	<b>\$ 1,388,162</b>	<b>\$ 1,283,976</b>

POA began 2021 with a total approved budget of \$103,000. Spending to date reflects second quarter invoicing from the City. To date one project is set to close this month. The table below also accounts for life to date spending for total available funding of \$53,610.

Provincial Offences Act	May 31, 2021	Sept 30, 2021
Open Capital at Dec 31, 2020	\$ 40,000	\$ 40,000
plus: 2021 Approved Capital Budget	\$ 63,000	\$ 63,000
plus: 2021 In-Year Budget Adjustments	\$ -	\$ -
2021 Total Approved Capital Budget	\$ 103,000	\$ 103,000
less: Previous Years Capital Spending	\$ (22,794)	\$ (22,794)
<b>Available Capital Funding for 2021</b>	<b>\$ 80,206</b>	<b>\$ 80,206</b>
2021 Capital Spending to date	\$ -	\$ (26,596)
Open Purchase Orders	\$ -	
Closed Projects	\$ -	\$ -
<b>Uncommitted Approved Funding</b>	<b>\$ 80,206</b>	<b>\$ 53,610</b>

### **Operating Budget Summary**

The attached Schedule "A" sets out the year-end variance projections. A surplus of between \$1.8 million and \$2.5 million is projected at this point in the year, and the range of potential variances reflects the variability that may occur as the year progresses. The most significant factors which will determine the County's final year-end position in 2021 are as follows:

- The extent to which services throughout the County have been and continue to be impacted from the COVID-19 pandemic and how the funding from upper levels of government can be utilized to offset additional costs
- Supplementary taxes and tax write-offs
- The severity of the winter weather and its impact on roads and building operations (heat/hydro/energy/snow removal) costs
- Updates from the City of Guelph on potential Land Ambulance and POA variances

### **Capital Summary**

The attached Schedule B summarizes County-wide capital spending to date. All approved budget adjustments are reflected in this summary.

### **Development Charge Update**

The attached Schedule C charts show year to date development charges collections with a comparison to the same period last year and a summary of annual development charge collections since 2016.

Overall development charges collected to date are 3.2% higher than the same time last year and are tracking to end the year in line with last year.

### **Recommendation:**

That the County Financial Statements and Variance Projections as of September 30, 2021 be approved.

Respectfully submitted



Ken DeHart, CPA, CGA  
County Treasurer

## Schedule "A"

COUNTY OF WELLINGTON					
2021 OPERATING BUDGET VARIANCE ANALYSIS AS OF SEPTEMBER 30, 2021					

	2021 Budget	Sept 30/21 net actual	Sept 30/21 actual as a % of budget	Projected variance to Dec. 31/21	
				Scenario 1	Scenario 2
<b><u>Programmes and Services</u></b>					
Roads and Bridges	30,240.3	23,095.8	76%	100.0	200.0
Police Services	17,724.7	12,785.9	72%	450.0	460.0
Long-Term Care Home	9,452.0	8,080.6	85%	25.0	30.0
County Library System	8,597.3	5,489.5	64%	70.0	90.0
Solid Waste Services	7,435.0	5,280.7	71%	(100.0)	(80.0)
Ambulance Services	5,305.5	3,816.1	72%	(120.0)	(100.0)
Social Housing	4,679.0	4,047.7	87%	60.0	70.0
Public Health	2,773.6	2,051.0	74%	(700.0)	(650.0)
Planning and Development	2,196.8	1,284.2	58%	150.0	200.0
County Museum and Archives	2,152.4	1,484.5	69%	30.0	40.0
Ontario Works	1,962.4	831.8	42%	200.0	250.0
Economic Development	1,573.6	996.6	63%	320.0	340.0
Children's Early Years	1,308.9	943.7	72%	0.0	20.0
Green Legacy	1,000.0	549.8	55%	25.0	30.0
Emergency Management	874.7	1,186.3	136%	10.0	20.0
Affordable Housing	738.0	180.2	24%	0.0	0.0
Community Grants	458.8	113.5	25%	0.0	10.0
Provincial Offences	(186.4)	209.6	-112%	(130.0)	(100.0)
Subtotal	98,286.6	72,427.6	74%	390.0	830.0
<b><u>General Government</u></b>					
Office of the CAO and Clerk	4,543.1	2,841.0	63%	200.0	230.0
Treasury	2,115.7	1,413.2	67%	130.0	150.0
County Property	1,271.1	848.5	67%	30.0	50.0
County Council	1,223.5	817.8	67%	120.0	140.0
Human Resources	1,103.5	673.9	61%	130.0	150.0
Subtotal	10,256.9	6,594.3	64%	610.0	720.0
<b><u>Non-Programme Expenditures and Revenues</u></b>					
General Expenses/Revenues	2,617.4	167.6	6%	400.0	450.0
Tax Levy Requirement	(108,828.1)	(79,209.6)	73%	0.0	0.0
PIIs and Supplementary Taxes	(2,332.8)	(652.0)	28%	400.0	500.0
Subtotal	(108,543.5)	(79,694.0)	73%	800.0	950.0
Net Total	0.0	(672.1)		1,800.0	2,500.0
Variance % of Tax Levy				1.7%	2.3%
Variance % of Operating Expenditures				1.0%	1.4%

**Schedule "B"**

<b>Summary of Capital Projects to September 30, 2021</b>						
	<b>Approved Budget</b>	<b>Current Year</b>	<b>Previous Years</b>	<b>Total</b>	<b>% of Budget</b>	<b>Remaining Budget</b>
Roads and Engineering	\$69,706,700	\$11,766,937	\$30,544,735	\$42,311,672	61%	\$27,395,028
Social Services	\$11,800,300	\$3,315,039	\$2,653,452	\$5,968,491	51%	\$5,831,809
Solid Waste Services	\$6,690,000	\$27,003	\$2,930,934	\$2,957,936	44%	\$3,732,064
Museum & Archives at WP	\$5,092,000	\$38,073	\$2,901,350	\$2,939,422	58%	\$2,152,578
Long-Term Care Homes	\$2,050,000	\$116,592	\$504,539	\$621,131	30%	\$1,428,869
Property Services	\$1,978,000	\$726,282	\$46,920	\$773,202	39%	\$1,204,798
Land Ambulance	\$1,604,000	\$104,186	\$215,839	\$320,025	20%	\$1,283,975
Economic Development	\$1,172,500	\$32,216	\$345,776	\$377,992	32%	\$794,508
Office of the CAO/Clerk	\$1,110,000	\$162,107	\$455,219	\$617,326	56%	\$492,674
Library Services	\$840,000	\$76,285	\$78,628	\$154,913	18%	\$685,087
Planning	\$455,000	\$89,457	\$124,971	\$214,428	47%	\$240,572
Police Services	\$140,000	\$10,250	\$0	\$10,250	7%	\$129,750
POA Administration	\$103,000	\$26,596	\$22,794	\$49,390	48%	\$53,610
Emergency Management	\$80,000	\$55,184	\$0	\$55,184	69%	\$24,816
<b>Total Capital</b>	<b>\$102,821,500</b>	<b>\$16,546,206</b>	<b>\$40,825,157</b>	<b>\$57,371,364</b>	<b>56%</b>	<b>\$45,450,136</b>

**Schedule "C"**

<b>County of Wellington Year To Date Development Charges 2020 vs. 2021</b>						
<b>Collected To Date September 30, 2021</b>	<b>2020 # of Units</b>	<b>DCs collected to 09/30/20</b>	<b>2021 # of Units</b>	<b>DCs collected to 09/30/21</b>	<b>\$ Change</b>	<b>% Change</b>
Single Dwelling	225	\$ 1,215,087	246	\$ 1,359,142	\$ 144,055	11.9%
Apartments - 2+ Bedrooms	33	\$ 115,619	10	\$ 35,390	\$ (80,229)	-69.4%
Apartments - 1 Bedroom	3	\$ 7,507	8	\$ 20,688	\$ 13,181	175.6%
Other Multiples	31	\$ 132,401	76	\$ 298,228	\$ 165,827	125.2%
Special Care Dwellings	0	\$ -	0	\$ -	\$ -	0.0%
Non-Residential (sq ft)	234,248	\$ 368,936	116,026	\$ 185,606	\$ (183,329)	-49.7%
<b>Total</b>		<b>\$1,839,550</b>		<b>\$1,899,054</b>	<b>\$ 59,504</b>	<b>3.2%</b>

<b>County of Wellington YTD and 5 Year Development Charge Collection History</b>						
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 YTD</b>
Single Dwelling	\$ 1,167,900	\$ 1,497,266	\$ 1,185,983	\$ 2,035,462	\$ 2,036,474	\$ 1,359,142
Apartments - 2+ Bedrooms	\$ 17,908	\$ 23,700	\$ 63,020	\$ 145,985	\$ 122,633	\$ 35,390
Apartments - 1 Bedroom	\$ 10,980	\$ 6,767	\$ 73,708	\$ 2,475	\$ 7,507	\$ 20,688
Other Multiples	\$ 305,468	\$ 387,258	\$ 139,358	\$ 463,008	\$ 316,054	\$ 298,228
Special Care Dwellings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential	\$ 266,847	\$ 430,703	\$ 480,781	\$ 453,536	\$ 486,157	\$ 185,606
<b>Total</b>	<b>\$1,769,103</b>	<b>\$2,345,694</b>	<b>\$1,942,850</b>	<b>\$3,100,466</b>	<b>\$ 2,968,825</b>	<b>\$1,899,054</b>