



# 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, January 18, 2022  
**Subject:** **Ontario Regulation 284/09 – 2022 Budget**

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### Background:

Ontario Regulation 284/09 allows municipalities to exclude from the annual budget expenses related to capital asset amortization, post-employment benefits, and solid waste landfill closure and post-closure. If municipalities do not budget for these expenses, a report is to be submitted to council with respect to the exclusions. A copy of the regulation is attached.

It is believed that the Province's intent in passing this regulation was to support intergenerational equity and to encourage municipalities to plan and budget for the renewal of capital assets, future post-employment benefits and landfill closure costs. One of the nine key principles of the County's Long-Term Financial Sustainability Strategy is to "Protect and Preserve Intergenerational Equity". The County has deliberately made efforts the last few years to support this goal.

The County of Wellington's 2022 Budget incorporates the following:

1. The budget excludes amortization (a non-cash expense) but includes transfers of tax levy funding to capital-related reserves for tangible capital asset renewal. The budget also includes funding from other levels of government, including Canada Community Building Fund Revenues (formerly Federal Gas Tax), Ontario Community Infrastructure Fund (OCIF) and contributions from other municipalities towards capital projects.
2. The budget includes the current year's expense for eligible retired employees. In addition, the County has a fully-funded Post-Employment Benefit Liability reserve fund. This reserve fund sets aside funding to cover future post-employment benefit expenses. This change was made in 2021, following a complete review and consolidation of existing reserves and reserve funds.
3. The budget includes landfill site closure and post closure expenses (both operating and capital) as well as a transfer to the landfill closure and post-closure reserve. The landfill closure and post-closure reserve is not yet fully-funded, indicating there is some additional funding required to fully support intergenerational equity. However, the County continues to budget to close that gap.

The estimated amortization cost for 2022 is approximately \$26.7 million (including Wellington-Dufferin-Public Health and Wellington Housing Corporation). The 2022 budget includes tax levy transfers to capital-related reserves of \$26.1 million. An additional \$3.1 million is funded through municipal recoveries from the City of Guelph for social services capital projects. There is additional funding of \$5.5 million from the Canada Community Building Fund and \$3.8 million from the Ontario Capital Infrastructure Fund (OCIF). Therefore, a total of \$38.5 million is budgeted to fund capital renewal, including contributions to capital-related reserves. Just under 25% of this funding is coming from higher levels of government.

Notwithstanding the financial statement reporting requirements, the County will continue to:

- Manage capital investments and tax levy requirements over the ten-year plan through prudent use of reserve funding.
- Budget for the current year cost of post-employment benefits in each year's operating budget and fully fund the post-employment benefits liability reserve fund.
- Work towards fully funding the landfill closure and post closure liability reserve fund, and to fund all operating and capital costs relating to landfill closure and post closure activities from the reserve fund.

### **Recommendation:**

That the County Treasurer's report re: Ontario Regulation 284/09 – 2022 Budget be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart', with a stylized flourish extending from the end.

Ken DeHart, CPA, CGA  
County Treasurer

**Municipal Act, 2001 Loi de 2001 sur les municipalités**

**ONTARIO REGULATION 284/09**

**BUDGET MATTERS. EXPENSES**

**Consolidation Period:** From July 31, 2009 to the e-Laws currency date.

No amendments.

*This Regulation is made in English only.*

**Exclusion**

**1.** In preparing the budget for a year, a municipality or local board may exclude from the estimated expenses described in paragraph 3 of subsection 289 (2) and in paragraph 3 of subsection 290 (2) of the Act all or a portion of the following:

1. Amortization expenses.
2. Post-employment benefits expenses.
3. Solid waste landfill closure and post-closure expenses. O. Reg. 284/09, s. 1.

**Report**

**2.** (1) For 2011 and subsequent years, the municipality or local board shall, before adopting a budget for the year that excludes any of the expenses listed in section 1,

- (a) prepare a report about the excluded expenses; and
- (b) adopt the report by resolution. O. Reg. 284/09, s. 2 (1).

(2) If a municipality or local board plans to adopt or has adopted a budget for 2010 that excludes any of the expenses listed in section 1, the municipality or local board shall, within 60 days after receiving its audited financial statements for 2009,

- (a) prepare a report about the excluded expenses; and
- (b) adopt the report by resolution. O. Reg. 284/09, s. 2 (2).

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**3.** A report under section 2 shall contain at least the following:

1. An estimate of the change in the accumulated surplus of the municipality or local board to the end of the year resulting from the exclusion of any of the expenses listed in section 1.
2. An analysis of the estimated impact of the exclusion of any of the expenses listed in section 1 on the future tangible capital asset funding requirements of the municipality or local board. O. Reg. 284/09, s. 3.

**Review**

**4.** The Ministry of Municipal Affairs and Housing shall initiate a review of this Regulation on or before December 31, 2012. O. Reg. 284/09, s. 4.

**5.** Omitted (provides for coming into force of provisions of this Regulation). O. Reg. 284/09,s.5.