



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, October 18, 2022
Subject: **County-Wide Financial Statements and Variance Projections as of September 30, 2022**

Background:

This report is respectfully submitted in accordance with the County's Budget Management Policy and provides an updated projection to year-end based on expenditures and revenues to September 30, 2022. Each standing Committee of Council as well as the Library Boards will be receiving financial statements and variance projections for its area of operation. This report summarizes all of the major issues covered at each meeting. Attached is a high-level variance analysis, a development charge collection summary, and the complete set of County financial statements.

Highlights of the financial statements and variances are as follows:

- ❑ **Roads:** There is approximately \$1.7 million of the \$6.4 million 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 \$1.8 million, with a high of \$2.0 million (inflated into 2022 dollars). Given previous years' experience and factoring in increased fuel costs it is expected that winter control will come in slightly over budget. Any savings or overages will be transferred to or from the Winter Control reserve, which currently has a balance of \$4.3 million. The current target for this reserve is to cover 12 – 18 months of Winter Control budget.

Net operating expenditures for all roads maintenance activities excluding winter control are at 81% expended to the end of September. This includes the full annual contract payment of \$690,000 expenditure for road painting under roads safety devices. This is above the budget of \$600,000 for this service as costs for the service have increased significantly since budget approval. Parts and fuel under fleet maintenance are on well ahead of budget (105%). A portion of the parts overage can be contributed to work being done on behalf of Centre Wellington and will be offset through Municipal Recoveries. If fuel and parts requirements follow a similar path as in 2021 then this line item is likely to be between \$400,000 and \$500,000 over budget by year-end.

Higher than expected facility and equipment maintenance costs, building utilities as well as increased line painting costs and continued high prices of fuel, offset by some savings in minor capital items (such as engineering studies and inspections) are impacting the roads operating budget. 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. Overall, a significant negative impact to the budget between \$450,000 and \$550,000 is likely.

- ❑ **Waste Management:** Bag sales to the end of September are tracking below budget and if the trend continues we could be \$20,000 to \$30,000 short of our revenue target. Tipping fees are tracking at targeted levels to this point, sitting at 76% of the budgeted level of \$1.67 million for the landfill and transfer stations. If revenues follow a similar path as in 2021, tipping fees will come in at the budgeted amount. Sales revenue has exceeded the full year budget to this point in September. Invoicing is only current through the first 6 months of the year. The strong recyclable material commodity markets accounts for the variance to this

point, though recent information indicates a significant correction to these prices in recent months. While it remains difficult to determine the extent of any variance to this budget given the significant market fluctuations, staff expect a positive variance between \$500,000 and \$600,000 by year-end. Salaries and wages are currently slightly ahead of budget as staffing at transfer stations was increased during the year as resident use of the sites increased and co-ordination to ensure distancing and safety procedures was required. A negative variance between \$40,000 and \$50,000 is anticipated.

The year-end variance will largely depend on revenues from bag sales and tipping fees as well as sales revenue through the rest of the year. Expenditures and billing for services are expected to pick up in the fall. Tipping fee levels, user pay bag sales and blue box revenues are difficult to forecast to the end of the year. Solid Waste Services year end variance is anticipated to be positive in the range of \$450,000 to \$550,000, largely as a result of recyclable sales levels during the first half of the year.

- ❑ **Police Services:** False alarms have far exceeded the budgeted amount for the year. To date false alarms collected amount to \$74,000 compared to a budget of \$20,000. The board approved an increase to all false alarms based on full cost recovery beginning on February 1, 2022. The budget for 2022 did not reflect this change. While this revenue is difficult to predict, it is likely a positive variance between \$70,000 and \$80,000 will result.

The new Community Safety Services Sergeant and Constable approved in the 2022 budget have been hired. Some of the initial costs related to the new hires have been billed, however the sprinter-style van and laptops included in the agreement have not been delivered to the detachment to date. The outstanding costs for the van and the laptops are approximately \$100,000.

The OPP contract reconciliation for 2021 provides a one-time net savings of \$136,512 that will be realized in 2022. Outside of the contract, staff are anticipating false alarm and record checks revenue to be favourable to budget. Overall a positive variance for Police Services of between \$210,000 and \$250,000 may be realized by year-end. If the van and laptops for the new officers are not received by the end of the year, this amount may be higher. Should the outstanding bill for the van and laptops not be received by year-end 2022, staff recommend transferring approximately \$100,000 of the projected year-end savings to the Contingency and Stabilization reserve to cover the cost of the van and laptops in 2023.

- ❑ **Ontario Works:** Grants and subsidies are under budget by approximately \$1.4 million due to lower expenditures on the social assistance line. This is directly related to Ontario Works caseload. Salaries, wages and benefits are currently under budget and year-end projected savings are approximately \$400,000. These savings are due to vacancies and gapping. Supplies and purchased services are tracking under budget driven by savings in postage, training and education, conferences, and mileage in light of COVID and timing. These savings are projected to be \$87,000 at year-end. It is projected that the County will experience savings in discretionary benefits of approximately \$103,000. Overall, municipal savings of \$590,000 (\$180,000 County and \$410,000 City) are projected for year-end.
- ❑ **Children's Early Years:** The grants and subsidies line is tracking under budget as a result of lower expenditures for the first nine months of the year. It is expected that at year-end our full provincial funding allocation will be spent with the exception of the Workforce Funding. The signing of the Canada-Wide agreement will result in a significant amount of federal funding that was not anticipated during the budget process. This additional funding will be offset by new expenditures resulting in no municipal impact. Parent fees are tracking under budget as a result of the Canada-Wide Funding Agreement. Effective April 1, 2022, parent fees have been reduced by 25% with the reduced parent fees being offset by subsidy. Salaries and benefits are tracking quite low at this point in the year as a result of vacancies and delays in filling positions. It is anticipated that this trend will continue and year-end savings will be approximately \$535,000 at year-end. Any savings that are generated will be redistributed within the community to support navigating pandemic pressures and system changes related to the implementation of the Canada-Wide Agreement.

- ❑ **Social Housing:** It is anticipated that we will see approximately \$190,000 in savings in salaries and benefits as a result of increased staff movement and delays in filling staff positions. Rent revenue collected at our county-owned social housing units is tracking to be very close to budget and at year-end a minimal negative variance. The rent supplement programme is estimated to have year-end savings of \$118,000. The housing team continues to work on additional housing placements. Overall, year-end savings are projected to be approximately \$375,000 (\$55,000 County and \$320,000 City).
- ❑ **Long-Term Care:** Grants and subsidies are tracking \$1.8 million ahead of budget. The majority of this additional revenue relates directly to provincial funding for COVID-19 expenditures as outlined in 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	\$1,028,512
PSW Top-up funding to support the hourly wage increase of \$3 for January – September 2022	\$460,440
Temporary Retention Incentive for Nurses to encourage staff to continue working and help maintain safe staffing levels two installments of \$2,500. The first installment in May 2022 and the second installment in October 2022	\$99,262
TOTAL	\$1,588,214

This is in addition to approximately \$160,000 in budgeted COVID-19 provincial revenue.

While overall operating expenditures at the Wellington Terrace are 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. Staff completed a COVID-19 reconciliation report as of September 30th for the Ministry of Long-Term Care that identified underfunding of our year-to date pandemic costs of approximately \$275,000. Although the County's pandemic funding is only committed to September 30th, staff anticipate the Ministry will provide any additional funding required as identified through these provincial reconciliation reports. It is projected that the Terrace may see year-end savings of approximately \$60,000 as a result of increased provincial funding.

- ❑ **Museum and Archives:** Licenses, permits and rent (room rentals for events) is under budget. Room rental is still slow to recover to pre-pandemic levels reflecting a trend towards smaller weddings and is likely to see a negative variance between \$15,000 and \$20,000. User fees and charges and sales revenue appears to be well ahead of budget. The summer camp registrations have been completed for the year (\$20,000). In addition the dinosaur exhibit in February/March brought in significant donations in lieu of admission (\$36,000). This amount will be transferred to the Museum and Archives Donation reserve at year-end. Offsetting this somewhat, the School Tour Admissions and event revenue are under budget as programming is still recovering from the impacts of COVID, with a negative variance on those line items in the range of \$10,000 to \$15,000. Purchased services is below budget at this point – the WCMA Destination Development work is expected to be completed by the end of the year. This work is being done in parallel with the County's Tourism Strategy with the Economic Development division and includes the member municipalities. Overall, a small positive variance between \$10,000 and \$15,000 is likely. There are additional building related savings to date and while expenditures are still to be made through to the end of the year this line item is likely to be under budget by \$40,000 to \$50,000 overall. Overall, the Museum and Archives is on budget with a small positive variance of \$30,000 to \$40,000 anticipated by year-end.

- ❑ **Library:** Rent revenues from Q1-Q3 for the Harriston and Puslinch branches have been received, Q4 is expected to be received shortly. Room rental revenue has been low to date in 2022 and a small negative variance is expected. User fees and charges are tracking below the budget (made up predominantly of photocopy charges) and a small negative variance is anticipated. Salaries, Wages and Benefits are tracking under budget at this time due to staff vacancies and gapping. The majority of these vacancies have been filled and staffing expenditures will balance out over the remainder of the year. The overall variance is expected to be positive in the range of \$60,000 to \$70,000 by year-end. At this time, an overall variance of +/- \$20,000 is anticipated by year-end for Library.
- ❑ **Land Ambulance:** The first and second quarter reconciliations reflect costs that are higher than budget by approximately \$295,000. Fuel and medical supplies costs have increased due to inflation. The impacts of this are amplified by higher call volumes. A delay in vehicle replacements has resulted in higher than budgeted repair costs. It is anticipated that the year-end over expenditure decrease slightly as all internal charges are recorded at the beginning of the year leading to a timing issue. Staff expect a negative variance of between \$200,000 and \$240,000 at year-end.
- ❑ **POA Revenues:** POA revenues continue to sit in a negative position. Revenues have been decreased due to court room closures ordered by the Regional Senior Justice of the Peace due to lack of judicial resources, lower court room capacities, lower license plate sticker revenue due to legislative changes and less collection activities due to staff vacancies. Based on communications with the City it is anticipated that a negative variance of approximately \$130,000 could exist at year end.
- ❑ **Public Health:** Transfers to Wellington-Dufferin-Guelph Public Health are made quarterly and are sitting at 75% of budget as a result. 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. The County has incurred a total of approximately \$115,500 in municipal costs in support of the vaccination effort. Some clinics are expected to open up again this fall. An overall negative variance of \$130,000 to \$150,000 is anticipated.
- ❑ **Planning:** User fees and charges have been strong and are well ahead of budget at this time (109%). The revenues on LDC application fees and subdivision fees sitting at 122% and 180% respectively to date account for the higher than budgeted revenue to this point. Overall user fee revenues will be largely dependent on market conditions throughout the rest of the year. If revenues continue at the current pace, a positive variance of \$350,000 to \$400,000 would materialize. 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 \$50,000 and \$60,000 is anticipated. Legal and consulting fees are below budget at this time. These expenses are largely attributable to on-going appeals (OLT). It is likely this will produce savings in the range of \$60,000 to \$70,000 in 2022.

Overall, the Planning Division is experiencing strong revenues due to continued growth while experiencing savings on expenditures thus far. The final variance in Planning will largely be determined by LDC fees and other development application fees received throughout the rest of the year as well as the remaining consulting and legal needs within the department. Currently, staff expect a positive variance of between \$460,000 and \$530,000.

- ❑ **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. No variance is anticipated for activities specific to Emergency Management at this time. All COVID-19 related expenses are being allocated to a separate business unit within Emergency Management (EM) in order to isolate the financial impact due to the pandemic. General COVID-related expenses are unlikely to be covered by upper-levels of government this year. At this point we project a negative variance in the amount of \$150,000 to \$175,000 for general COVID expenses.

- ❑ **Economic Development:** Ride Well passenger revenue is tracking under budget. Demand for the service is improving though expectations at this time are that revenues will experience a shortfall of \$20,000 to \$25,000. Tourism signage revenue has exceeded the budgeted amount for the year. Other revenue consists predominantly of a \$100K allocation from Scotia Bank received in September of 2022 towards Smart Cities in support of work underway focused on building a system to support regenerative agriculture.

Salaries and wages are under budget as a result of staff leaves of absence, vacancies and gapping earlier in the year. Overall savings between \$30,000 and \$40,000 is anticipated by year-end. So far the County has approved five CIP requests that would provide \$27,500 and local Municipal staff have indicated a few additional applications are still to be received. While the programme has had significant positive impact on County wide business improvement, uptake has been significantly lower than anticipated. Businesses are delaying projects due to labour shortages and increased material costs. It is likely that this line item will be under budget by between \$100,000 and \$110,000. Overall in the department it is anticipated that there may be savings between \$150,000 and \$200,000 at year-end.

- ❑ **CAO & Clerks:** Salaries and wages are currently tracking well below budget to September as there were a number of staffing vacancies and gapping within the department that have been recently filled. Based on savings to date and expected staffing costs for the remainder of 2022 a positive variance between \$350,000 and \$400,000 will result. Some of the vacancies in the IT department have affected how the County is completing various projects. The Human Resources Information System (HRIS) project originally had planned to have internal staff configure the County's software systems. However, due to turnover, much of this work has been completed by consultants. This means that there is savings in the operating budget, but an overage in the HRIS capital project. Staff recommend transferring the IT salary savings (approx. \$300K) to the General Capital Reserve to fund the additional capital budget required for the HRIS system in 2023.

Due to staff changes and support requirements for various County departments other planned IT projects are not moving forward in 2022 and consulting expenditures in operating are expected to be under budget between \$120,000 and \$130,000. The majority of these project costs were to be funded by modernization grant funding resulting in only a minor impact to budget. Additional savings are anticipated for conferences, travel, training and education and various staff related expenses. After taking into account projected IT savings to be transferred to reserve, an overall positive variance between \$250,000 and \$300,000 is projected.

- ❑ **Treasury:** Salaries and wages are currently under budget as a result of various leaves of absences, gapping and vacancies, a positive variance of between \$40,000 and \$50,000 is expected. Supplies, materials and equipment are under budget to date and a small positive variance is likely. Purchased services is close to budget as the majority of software license costs for the year have been incurred, there will be savings related to consultants and training and education that may result in savings between \$20,000 and \$30,000. Overall it is anticipated that the Treasury department will have savings of between \$60,000 and \$80,000 this year.
- ❑ **General Revenues and Expenditures:** Corporate legal expenses are tracking below budget as the gravel pit appeals are in a pause period, however, the divisional court appeals are scheduled to occur in December 2022. A small positive variance is anticipated. TAPMO has taken the lead on advocacy and lobbying efforts for aggregate assessments, saving the County money on professional fees (approx. \$100K). Debt issuance expenses have been incurred for the year and a positive variance of \$35,000 is anticipated. Overall, savings of \$150,000 to \$200,000 is anticipated at year-end for general revenues and expenditures.

- ❑ **Supplementary Taxes / Write-offs:** Estimated supplementary taxes based on supplementary runs to October are \$2,401,353 compared to a budget of \$2.0 million. Strong revenues over the past several years resulted in a budget increase in 2022, and with one additional run remaining we have already exceeded our budget. County staff continue to actively review commercial and industrial land values. Revenue will depend on MPAC's ability to pick up further properties prior to the final supplementary run in November. County and local municipal staff are supporting this process through remitting electronic records directly to MPAC. A favourable variance of \$800,000 to \$900,000 is projected for year-end.

Capital Projects

This report provides a summary of the 2022 capital spending for the period ending September 30, 2022.

For 2022, County Council approved a capital budget of \$56.5 million in addition to the open capital budget of \$63.2 million that carried forward from 2021. To date, in-year budget adjustments have resulted in an additional \$1,165,000 in project activity, \$3.8 million in capital budgets have been closed, there was \$30.6 million in prior year spending for the carried forward open projects and current year 2022 capital spending of \$20.8 million which leaves total open capital projects of \$65.8 million as per Schedule "B" Attached.

Open Capital Projects as of December 31, 2021	63,192,600
Add: 2022 Approved Capital Budget	56,510,000
Add: Council Approved Budget Amendments	170,000
Add: Projects re-opened for final invoicing	995,000
Less: Capital Projects Closed to date in 2022	-3,853,000
Less: Prior Year Capital Spending	-30,601,790
Less: 2022 Capital Spending	-20,797,984
Open Capital Projects as of September 30, 2022	65,814,826

In-Year Budget Adjustments

Capital budgets may be amended throughout the year at time of tender or as approved by council. To September 30, 2022 fifteen projects have been amended, resulting in additional project funding requirements of \$170,000. The following table provides project specific details.

Timeline	Project	Original Budget	Council Approved Amendments	Revised Budget
Jan – May	WR 50, Third Line to WR 24	6,625,000	55,000	6,680,000
	WR 45, Road/Slope @ WR 12	1,300,000	(130,000)	1,170,000
	WR 38, Guelph to Hwy 6, 3.7 km	1,600,000	(125,000)	1,475,000
	WR 7, Hwy 6 to WR 51	1,700,000	(220,000)	1,480,000
	WR 16, Penfold Bridge, B016038	1,450,000	(470,000)	980,000
	WR 34, Bridge B034123, Rehab	150,000	310,000	460,000
	WR 22, WR 26 to 300m S of WR24	5,120,000	530,000	5,650,000
	2022 Housing Building Retrofit	285,000	40,000	325,000
Jan – May Total		18,230,000	(10,000)	18,220,000
Jun – Sep	Court House: Hot Water Boiler	375,000	75,000	450,000
	165 Gordon Air Conditioning	1,700,000	(200,000)	1,500,000
	Algonquin / Ferndale Siding	595,000	155,000	750,000
	WP Barn Repointing	100,000	(30,000)	70,000

Timeline	Project	Original Budget	Council Approved Amendments	Revised Budget
	Artifact Storage Building Reno	250,000	45,000	295,000
	Museum Playground	160,000	50,000	210,000
	WCMA Flat Roof	200,000	85,000	285,000
Jun – Sep Total		3,380,000	180,000	3,560,000
Total Amendments		21,610,000	170,000	21,780,000

	Jan-May	Jun-Sep	Total
Reserve Draw	79,000	61,700	140,700
Municipal Recovery	31,000	118,300	149,300
CCBF	(120,000)		(120,000)
	(10,000)	180,000	170,000

There were two capital projects that were closed but had to be re-opened to pay final invoices for the project. These projects will be closed.

Quarter	Project Description	Total Project Budget
Q3	2021 Driveway Rehab	160,000
	WR 32, Culvert C321140 Replace	835,000
Total		995,000

Closed Projects

The following projects have been closed to date in 2022:

Close	Project Name	Approved Budget	Actual	Remaining Budget	Reserves	Comment
Variance Report January -May 2022	2020 Ambulance Facilities & Studies	105,000	79,334	25,666	25,666	Surplus returned to Ambulance Reserve
	2020 Ambulance Equipment	15,000	15,000	0		
	2020 Replacement Ambulances	160,000	160,000	0		
	2021 Branch Improvements FF&E	60,000	60,388	(388)	(388)	Minor overage funded from Library Capital Reserve.
	2021 Pavement Preservation	3,225,000	2,949,401	275,599	275,599	Project closed with \$82,083 returned to CCBF Reserve Fund and balance to Roads Capital Reserve.

Close	Project Name	Approved Budget	Actual	Remaining Budget	Reserves	Comment
	2021 POA Replacements	63,000	38,277	24,723	159,954	Surplus of \$24,723 returned to General Capital Reserve. Also Q1 2022 - City reimbursed prior year overpayments of \$135,231 which was also transferred to General Capital Reserve.
	2022 Municipal Drains	100,000	327,801	(227,801)	(227,801)	Final Invoices Paid. Project closed with overage funded from Roads Capital Reserve.
	Rockwood OPP: Air Conditioning	30,000	36,634	(6,634)	(6,634)	Project closed and minor overage funded from Property Reserve.
January - May Total		3,758,000	3,666,834	91,166	226,397	
Variance Report June – September 2022	EM Portable / Mobile Radio Rep	30,000	22,562	7,438	7,438	Surplus returned to the General Capital Reserve
	Tactical Equipment	25,000	24,874	126	126	Surplus returned to Property Reserve
	Terrace Cell Booster	40,000	39,381	619	619	Surplus returned to the Wellington Terrace Capital Reserve
June – September 2022 Total		95,000	86,817	8,183	8,183	
Closed Total		3,853,000	3,753,652	99,348	234,580	

Capital Project Details

Property Services

The property services capital budget address the building and property needs of the County's building infrastructure (excluding the Museum and Long-Term Care) and is overseen by County Maintenance staff.

The total approved budget of \$2,563,000 consists of 20 projects. The primary funding source for property capital is the County Property Reserve which is funded by annual operating contributions collected through the tax levy.

Property staff have provided comments regarding project status and provided estimated completion timing where possible.

Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
2021 Building Condition Audits	\$47,000	\$0	\$47,000	Consultant is completing the reports.
22 Property Building Retrofits	\$135,000	\$28,759	\$106,241	Many small projects involved in this. Some have started and others still in the queue to be assigned.
25-27 Douglas: Windows	\$100,000	\$28,493	\$71,507	Windows are ordered. Installation will occur in 2023.
59, 69 & 75 Woolwich St Purchase	\$0	\$51,428	(\$51,428)	Project was approved with no budget allocation by Council in June 2022. Actuals to date are for costs associated with procuring the properties. This will be updated in the 2023 Budget.
Admin Centre: Atrium Rehab	\$30,000	\$0	\$30,000	Work complete. Waiting for invoicing.
Admin Centre: Fire Panel	\$25,000	\$0	\$25,000	Work complete. Waiting for invoicing.
Admin Centre: Hot Water Boiler	\$200,000	\$0	\$200,000	Work complete. Waiting for invoicing.
Admin Centre: Lighting Upgrade	\$40,000	\$1,744	\$38,256	Procurement process underway. Plan is to award and begin works as soon as possible.
Admin Centre: Pave Corner Lot	\$40,000	\$0	\$40,000	Repairs scheduled for October. Project will be closed when complete
County Space Needs Study	\$100,000	\$0	\$100,000	Project remains open for future use to examine space needs for County staff.
Court House: Hot Water Boiler	\$450,000	\$0	\$450,000	Tender awarded and coordinating the work now.
Court House: HVAC Upgrades	\$180,000	\$7,815	\$172,185	Tender awarded and coordinating the work now.
Court House: Interior Upgrade	\$51,000	\$16,612	\$34,388	Flooring replacement scheduled for October.
Court House: Lighting Upgrade	\$40,000	\$2,138	\$37,862	Procurement process underway. Plan is to award and begin works as soon as possible.
Court House: Plumbing Fixtures	\$30,000	\$0	\$30,000	Project will carry into 2023 due to competing priorities to complete works.

Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
COVID Air Quality Upgrades	\$570,000	\$562,174	\$7,826	Work complete. Waiting for final invoicing.
COVID HVAC Upgrades	\$400,000	\$170,709	\$229,291	Work complete. Waiting for invoicing.
Gaol: Facility Improvement	\$50,000	\$39,105	\$10,895	Mason inspected the site. Work is anticipated to be complete before the cold weather season.
Gaol: HVAC Upgrades	\$25,000	\$0	\$25,000	Work complete. Waiting for invoicing.
Gaol: Lighting Upgrade	\$50,000	\$1,744	\$48,256	Procurement process underway. Plan is to award and begin works as soon as possible.
Total Property	\$2,563,000	\$910,721	\$1,652,279	

Council, CAO and Clerks

The Council and CAO & Clerks capital budgets address the ongoing replacements and upgrades to the information technology infrastructure of the corporation and is overseen by IT staff. The following provides a summary of the 2022 capital spending for the period ending September 30, 2022.

The total approved budget of \$100,000 for Council and \$1,360,000 for the CAO & Clerks area, consists of 12 projects. The Council Chambers Sound System project is funded from the Property Reserve while the IT related projects are funded from the General Capital Reserve as well as municipal recoveries from the City of Guelph for the proportion of projects related to Social Services. The IT area has also made use of Provincial Modernization Grant funding in recent budgets. The General Capital Reserve is funded by annual operating contributions collected through the tax levy.

County Council	LTD Budget	LTD Actuals	Remaining Budget	Comments
Council Chambers Sound System	\$100,000	\$0	\$100,000	Project initiated; work will be completed in the 4th quarter.

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
Technical Services				
2021 Main Core Switches	\$150,000	\$83,467	\$66,533	Project completed and devices installed Q3 2022. Additional programming to optimize devices slated for Q4 2022.
2021 Wifi Unit Replacement	\$100,000	\$88,436	\$11,564	There have been supply chain issues - equipment received. Work to commence in Oct 2022.

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
A/C Cooling 138 Wyndham St	\$80,000		\$80,000	Supply chain issues - maintenance estimates work to be initiated Q1 2023
Archive Storage Replacement	\$35,000	\$22,567	\$12,433	Work will be initiated in the 4 th quarter. This project hinges on SharePoint /WellDocs Project completion.
Backup Server Replacement	\$35,000		\$35,000	Work will be initiated in the 4 th quarter 2022.
Desktop Modernization	\$85,000	\$58,003	\$26,997	Project to carry over into following year with completion in Q2 2023
Fire Suppression Data Centre	\$65,000		\$65,000	Project is based on Maintenance project - Admin building fire panel replacement which has been delayed, estimate Q4
Server Replacement	\$60,000	\$24,945	\$35,055	Project to carry over into 2023 and will require additional funds to complete do to supply chain issues and increased unit costs due to inflation.
Application Services				
HR Information Management System	\$225,000	\$375,421	(\$150,421)	Project will carry-over into next year and will require additional funds to complete which will be budgeted in 2023. Project is over budget in part due to staff vacancies where some system configuration was originally intended to be completed by County staff. Due to staff turnover, consultants have been required to complete this work. As mentioned in the report, savings from staff vacancies are recommended to be transferred to the General Capital Reserve to help fund the additional budget required in 2023. In addition, the project budget is to be amended

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
				to account for a Provincial Grant received (\$104,250).
JDE: Visa / Expense Management	\$75,000	\$47,551	\$27,449	Work is expected to be completed in Q4. Project budget is to be amended to account for a Provincial grant received (\$49,608).
Microsoft Office 365	\$450,000	\$148,586	\$301,414	Project will carry over to Q2 2023 - timelines expanded based on department readiness and rollout. Project budget to be amended to account for a Provincial Grant received (\$393,557).
Total CAO and Clerks	\$1,360,000	\$848,976	\$511,024	

In-Year Capital Budget Amendments

	Original Budget	Amendment	Revised Budget	Funding
HR Information Management System	\$225,000	\$100,000	\$325,000	Provincial Grant
JDE: Visa / Expense Management	\$75,000	\$45,000	\$120,000	Provincial Grant
Microsoft Office 365	\$450,000	\$390,000	\$840,000	Provincial Grant
Total	\$750,000	\$535,000	\$1,285,000	

Land Ambulance and POA

The City of Guelph manages the City-led Land Ambulance and POA related capital projects on behalf of the County. The following provides a summary of the 2022 County share of capital spending for the period ending September 30, 2022. The County's share of City-led Land Ambulance projects is approximately 40% and for POA it is 50%.

The total approved capital budget of \$1,366,000 for Land Ambulance includes two County-led projects and eight City-led projects. The POA approved capital budget of \$112,000 includes one project. The County-Led Ambulance projects are funded from the Property Reserve while the City-Led Ambulance projects are funded from the Ambulance Reserve. The POA related capital projects are funded from the General Capital Reserve which in turn is funded by annual operating contributions collected through the tax levy.

At this time staff from the City of Guelph have been able to provide an update on City-led project status and estimated completion timing.

Land Ambulance Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments*
County Led Projects				
Ambulance Station Feasibility Study	\$100,000	\$16,078	\$83,922	Additional expenditures on County-led projects have been put on hold pending further information about system changes and Provincial funding.
Erin Ambulance Station	\$500,000	\$1,526	\$498,474	Additional expenditures on County-led projects have been put on hold pending further information about system changes and Provincial funding.
City Led Projects				
2021 Ambulance Facilities & Studies	\$15,000	\$0	\$15,000	The Paramedics Facilities Renewal Study underway
2021 Ambulance Equipment	\$50,000	\$5,640	\$44,360	Currently waiting for delivery
2021 Ambulance IT Replacements	\$81,000	\$74,844	\$6,156	Furniture replacement to begin in May 2022
2021 Replacement Ambulances	\$300,000	\$145,006	\$154,994	Work in progress
2022 Ambulance Facilities & Studies	\$55,000	\$0	\$55,000	This project includes a Planning Study and Needs Assessment and has been delayed due to COVID
2022 Ambulance Equipment	\$45,000	\$0	\$45,000	Furniture replacement to begin in May 2022
2022 Ambulance IT Replacements	\$70,000	\$0	\$70,000	Work in progress
2022 Replacement Ambulances	\$150,000	\$0	\$150,000	Waiting for delivery
Total Land Ambulance	\$1,366,000	\$243,095	\$1,122,905	

*Comments are from Q1 as an update was not available at the time this report was prepared.

POA Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments*
2022 POA Replacements	\$112,000	\$4,802	\$107,198	City comment – \$6K for purchase of Courthouse technology and another \$8K for corporate technology on track to be spend by year end. Balance related to POA masonry work has been delayed.
Total POA	\$112,000	\$4,802	\$107,198	

*Comments are from Q1 as an update was not available at the time this report was prepared.

Operating Budget Summary

The attached Schedule “A” sets out the year-end variance projections. A surplus of between \$1.6 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 2022 are as follows:

- Supplementary taxes and tax write-offs
- Continued impact of inflation, including high fuel costs for the roads fleet
- The severity of the winter weather and its impact on roads and building operations (heat/hydro/energy/snow removal) costs
- Commodity markets for plastics throughout the remainder of the year and the impact on recyclable sales revenues
- Planning application fee revenues
- 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 charts (Schedule C) 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 2017.

Overall development charges collected to date are 148.2% higher than this time last year. So far in 2022, development in Centre Wellington accounts for 131 of the 263 single dwelling units (50%) and 87 of the 117 other multiples units (74%).

Recommendation:

That the County Financial Statements and Variance Projections as of September 30, 2022 be approved; and

That the IT salary savings be transferred to the General Capital Reserve to help fund the additional budget required for HRIS project in 2023; and

That the Capital Budget be amended for projects to account for Provincial Modernization Grant funding, as indicated in the report.

Respectfully submitted

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

Ken DeHart, CPA, CGA
County Treasurer

Schedule "A"

COUNTY OF WELLINGTON					
2022 OPERATING BUDGET VARIANCE ANALYSIS AS OF SEPTEMBER 30, 2022					

	2022 Budget	Sept 30/22 net actual	Sept 30/22 actual as a % of budget	Projected variance to Dec. 31/22	
				Scenario 1	Scenario 2
<u>Programmes and Services</u>					
Roads and Bridges	32,545.5	29,833.8	92%	(550.0)	(450.0)
Police Services	18,071.1	13,889.4	77%	210.0	250.0
Long-Term Care Home	8,827.5	7,218.5	82%	50.0	70.0
Solid Waste Services	8,642.2	6,546.2	76%	450.0	550.0
County Library System	7,848.6	6,336.0	81%	(20.0)	20.0
Ambulance Services	5,709.7	4,510.7	79%	(240.0)	(200.0)
Social Housing	4,807.8	3,873.7	81%	50.0	60.0
Public Health	2,829.3	2,267.9	80%	(150.0)	(130.0)
County Museum and Archives	2,513.1	1,889.2	75%	30.0	40.0
Planning and Development	2,433.0	944.8	39%	460.0	530.0
Economic Development	2,034.5	1,407.4	69%	150.0	200.0
Children's Early Years	1,777.4	1,408.2	79%	(20.0)	20.0
Ontario Works	1,369.4	876.9	64%	160.0	200.0
Affordable Housing	1,200.0	970.7	81%	0.0	0.0
Green Legacy	889.4	600.9	68%	50.0	60.0
Emergency Management	786.1	718.2	91%	(175.0)	(150.0)
Community Grants	459.7	125.6	27%	0.0	0.0
Provincial Offences	(193.9)	(62.2)	32%	(140.0)	(120.0)
Subtotal	102,550.4	83,355.8	81%	315.0	950.0
<u>General Government</u>					
Office of the CAO and Clerk	5,449.8	3,825.2	70%	250.0	300.0
Treasury	2,280.4	1,816.1	80%	60.0	80.0
County Property	1,315.1	1,057.1	80%	(40.0)	(30.0)
County Council	1,254.1	909.6	73%	40.0	60.0
Human Resources	1,252.5	904.7	72%	25.0	40.0
Subtotal	11,551.9	8,512.7	74%	335.0	450.0
<u>Non-Programme Expenditures and Revenues</u>					
General Expenses/Revenues	2,299.5	(897.8)	-39%	150.0	200.0
Tax Levy Requirement	(113,490.5)	(85,117.9)	75%	0.0	0.0
PILs and Supplementary Taxes	(2,911.3)	(688.0)	24%	800.0	900.0
Subtotal	(114,102.3)	(86,704)	76%	950.0	1,100.0
Net Total	0.0	5,164.8		1,600.0	2,500.0
Variance % of Tax Levy				1.4%	2.2%
Variance % of Operating Expenditures				0.6%	1.0%

Schedule "B"

Department	Approved Budget	Current Year	Previous Years	Total Spend	% of Budget	Remaining Budget
Roads and Engineering	73,145,000	12,056,923	19,650,995	\$31,707,918	43%	41,437,082
Social Services	18,891,600	6,414,065	4,371,186	\$10,785,251	57%	8,106,349
Solid Waste Services	7,680,000	412,223	2,162,026	\$2,574,249	34%	5,105,751
Museum & Archives at WP	5,617,000	228,413	2,737,794	\$2,966,207	53%	2,650,793
Property Services	2,563,000	114,358	796,364	\$910,722	36%	1,652,278
Library Services	1,850,000	125,279	3,155	\$128,434	7%	1,721,566
Long-Term Care Homes	1,830,000	376,129	464,595	\$840,725	46%	989,275
Economic Development	1,600,000	0	0	\$0	0%	1,600,000
Land Ambulance	1,366,000	154,043	89,053	\$243,095	18%	1,122,905
Office of the CAO/Clerk	1,360,000	771,289	77,687	\$848,976	62%	511,024
Planning	895,000	126,391	248,936	\$375,326	42%	519,674
POA Administration	112,000	4,802	0	\$4,802	4%	107,198
Emergency Management	110,000	0	0	\$0	0%	110,000
County Council	100,000	0	0	\$0	0%	100,000
Green Legacy	95,000	14,070	0	\$14,070	15%	80,930
Total	117,214,600	20,797,984	30,601,790	\$51,399,774	44%	65,814,826

Schedule "C"

County of Wellington Year-to-Date Development Charges 2021 vs 2022						
	2021 # Units	DCs Collected to 09/30/21	2022 # Units	DCs Collected to 09/30/22	\$ Change	% Change
Single Dwelling	246	1,359,142	263	1,752,301	393,159	129%
Apartments - 1 Bedroom	8	35,390	7	20,419	-14,971	58%
Apartments - 2+ Bedrooms	10	20,688	1	4,002	-16,686	19%
Other Multiples	76	298,228	117	638,845	340,617	214%
Special Care Dwellings	0	0	0	0	0	0%
Non-Residential (sq ft)	116,026	185,606	231,646	399,051	213,445	215%
Total		\$ 1,899,054		\$ 2,814,618	\$ 915,564	148%

County of Wellington YTD and 5 Year Development Charge Collection History						
Unit Type	2017	2018	2019	2020	2021	2022 TYD
Single Dwelling	1,497,266	1,185,983	2,035,462	2,036,474	2,288,563	1,752,301
Apartments - 1 Bedroom	6,767	73,708	2,475	7,507	117,443	20,419
Apartments - 2+ Bedrooms	23,700	63,020	145,985	122,633	634,499	4,002
Other Multiples	387,258	139,358	463,008	316,054	625,413	638,845
Special Care Dwellings	0	0	0	0	0	0
Residential Interest					62	
Non-Residential	430,703	480,781	453,536	486,157	1,361,053	399,051
NR Interest					22	
Grand Total	\$2,345,694	\$1,942,850	\$3,100,466	\$2,968,825	\$5,027,055	\$2,814,618