



The Corporation of the County of Wellington
Administration, Finance and Human Resources Committee
Minutes

January 17, 2023
County Administration Centre
Guthrie Room

Present: Councillor Andy Lennox
Councillor Chris White (Chair)
Councillor Steve O'Neill
Councillor Earl Campbell
Councillor James Seeley

Also Present: Councillor David Anderson
Councillor Matthew Bulmer
Councillor Campbell Cork
Councillor Gregg Davidson
Councillor Jeff Duncan
Councillor Shawn Watters

Staff: Luisa Artuso, Social Services Administrator
Simon Burgess, Operating Budget and Cash Management Supervisor
Shauna Calder, Manager of Finance
Kim Courts, Deputy Clerk
Su Dason, County Solicitor
Ken DeHart, County Treasurer
Dave Etherton, Director of IT
Susan Farrelly, Director of Human Resources
Jackie Lee Macchiusi, Capital Budget and Accounting Manager
Jessie McGibbon, Communications Officer
Andrea Ravensdale, Communications Manager
Emma Reddish, Property Tax Analyst
Michele Richardson, Assistant Director of Human Resources
Eric Williams, Purchasing and Risk Analyst
Scott Wilson, CAO

1. Call to Order

At 1:00 pm, the Chair called the meeting to order.

2. Declaration of Pecuniary Interest

There were no declarations of pecuniary interest.

3. Closed Meeting

1/1/23

Moved by: Councillor Seeley

Seconded by: Councillor O'Neill

That the Administration, Finance and Human Resources Committee move into a closed meeting for the purposes of considering security of property, personal matters about an identifiable individual, acquisition or disposition of land by the municipality and labour relations or employee negotiations.

Carried

5. Finance

5.1 Summary of Contract Awards July to December 2022

2/1/23

Moved by: Councillor Seeley

Seconded by: Warden Lennox

That the summary of contract awards for the period covering July to December 2022 be received for information.

Carried

5.2 Summary of Disposed Vehicles and Equipment 2022

3/1/23

Moved by: Councillor Seeley

Seconded by: Councillor O'Neill

That the summary of vehicle and equipment disposal proceeds for the period covering January to December 2022 be received for information.

Carried

5.3 Lease Renewal – Township of Puslinch – Puslinch Historical Society

4/1/23

Moved by: Warden Lennox

Seconded by: Councillor Seeley

That the lease agreement with the Township of Puslinch for approximately 320 square feet at the Puslinch Library be renewed for an additional five (5) years at the lease rate of \$12.00 per square foot with the same terms and conditions; and That the Warden and Clerk are authorized to sign the lease agreements and extensions.

Carried

5.4 Final Supplementary Run and CVA Assessment Growth

5/1/23

Moved by: Councillor Campbell

Seconded by: Warden Lennox

That the Final Supplementary Revenue and CVA Assessment Growth 2022 report be received for information.

Carried

5.5 2023 Education Tax Rates

6/1/23

Moved by: Warden Lennox

Seconded by: Councillor O'Neill

That the 2023 Education Tax Rates report be received for information.

Carried

5.6 2023 Average Property Assessment Values

7/1/23

Moved by: Councillor Seeley

Seconded by: Warden Lennox

That the 2023 Average Property Assessment Values report be received for information.

Carried

5.7 Temporary Borrowing Authority 2023

8/1/23

Moved by: Wsrden Lennox

Seconded by: Councillor Campbell

That the Wellington County Council authorize the County Treasurer to borrow funds as required on a temporary basis (until the taxes are collected and other revenues received) to meet current expenditures of the County in 2023, subject to a maximum borrowing limit of \$28,400,000.

Carried

5.8 Annual Indexing of Development Charges

9/1/23

Moved by: Councillor Seeley

Seconded by: Warden Lennox

That the County Treasurer's report Annual Indexing of Development Charges be received for information.

Carried

5.9 BMA Municipal Study – Financial Indicators Analysis

10/1/23

Moved by: Councillor Campbell

Seconded by: Councillor O'Neill

That the BMA Municipal Study – Financial Indicators report be received for information.

Carried

5.10 Financial Indicator Review – Ministry of Municipal Affairs and Housing (MMAH)

11/1/23

Moved by: Councillor Seeley

Seconded by: Warden Lennox

That the Financial Indicator Review – Ministry of Municipal Affairs and Housing report be received for information.

Carried

5.11 Ontario Community Infrastructure Fund – 2023 Allocation

12/1/23

Moved by: Warden Lennox

Seconded by: Councillor Seeley

That the County Treasurer's report Ontario Community Infrastructure Fund – 2023 Allocation be received for information.

Carried

5.12 Ontario Regulation 284/09 - 2023 Budget

13/1/23

Moved by: Warden Lennox

Seconded by: Councillor O'Neill

That the County Treasurer's report Ontario Regulation 284/09 – 2023 Budget be approved.

Carried

5.13 2023 Budget - Administration, Finance and Human Resources

14/1/23

Moved by: Councillor Campbell

Seconded by: Warden Lennox

That the 2023 Operating and Capital Budget and 2023-2132 Ten-Year Plan be approved and;

That staff be directed to prepare the necessary by-law.

Carried

6. Human Resources

6.1 Wellington Terrace Recruitment Strategy

15/1/23

Moved by: Warden Lennox

Seconded by: Councillor Campbell

That the Wellington Terrace Recruitment Strategy report be received for information.

Carried

7. Adjournment

At 3:00 pm, the Chair adjourned the meeting until February 21, 2023 or at the call of the Chair.

Chris White

Chair

Administration, Finance and Human Resources Committee



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Jackie Osti, Manager, Purchasing and Risk Management Services
Date: Tuesday, January 17, 2023
Subject: **Summary of Contract Awards July to December 2022**

Background:

The County's Purchasing Policy (Schedule A – Authority to Award) allows staff the authority to award tenders up to \$500,000.00 exclusive of applicable taxes provided the lowest price meeting the specifications are being accepted and the project is within the approved budget.

The following tenders have been awarded with amounts shown exclusive of HST @ 13%-

PROJECT	AWARDED FIRM	BID AMOUNT Excluding H.S.T
CW2022-036 Roof Replacement Applewood Sunset Townhouse Complex	Semple Gooder Roofing Corporation, Toronto	\$468,348.00
CW2022-035 Site Improvements Applewood Sunset Townhouse Complex	Musselman Excavating Limited, Petersburg	\$256,008.88
CW2022-052 Roof top cooling system – 138 Wyndham St. N (Post Office Building)	Airwave Heating and Cooling, Guelph	\$174,675.00

In addition to the contracted amounts shown, revised budget numbers are set to cover such items as engineering, contingencies and County staff and equipment.

Recommendation:

That the summary of contract awards for the period covering July to December 2022 be received for information.

Respectfully submitted,

Jackie Osti
Manager,
Purchasing and Risk Management Services



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Jackie Osti, Manager, Purchasing and Risk Management Services
Date: Tuesday, January 17, 2023
Subject: **Summary of Disposed Vehicles and Equipment 2022**

Background:

As per the County's Purchasing Procedures, all surplus vehicles and equipment are disposed of by way of public government auction or trade-in if there is no use for it internally by another department.

The following list of vehicles and equipment have been disposed through government auction in 2022.

Description	Department	Net Proceeds
1992 Caterpillar Forklift	Roads	\$9,883.38
2009 Graco Paint Machine	Roads	\$424.89
2005 Thompson Steamer	Roads	\$2,410.80
Traffic Light Trailers (set of two)	Roads	\$29,557.76
2001 International Bucket Truck	Roads	\$10,803.22
Lincoln Power mig welder	Roads	\$1,676.36
2015 Freightliner 114SD Plow Truck	Roads	\$120,604.90
2015 Freightliner 114SD Plow Truck	Roads	\$130,849.34
2015 Freightliner 114SD Plow Truck	Roads	\$134,574.58
2015 Freightliner 114SD Plow Truck	Roads	\$137,368.52
2011 Chevrolet Silverado 1500 4WD	SWS	\$7,450.50
2012 Case 621 ext. Loader	Roads	\$61,056.00

Total net proceeds for vehicles and equipment disposed of through government auction or trade-in for 2022 is \$650,253.84. This amount includes a rebate of \$3,593.59 from Gov Deals for our participation in their contract. These funds are allocated to the County's equipment reserves to fund future vehicle and equipment purchases.

Recommendation:

That the summary of vehicle and equipment disposal proceeds for the period covering January to December 2022 be received for information.

Respectfully submitted,

Jackie Osti
Manager,
Purchasing and Risk Management Services



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Jackie Osti, Manager, Purchasing and Risk Management Services
Date: Tuesday, January 17, 2023
Subject: Lease Renewal – Township of Puslinch – Puslinch Historical Society

Background:

The Township of Puslinch leases approximately 320 square feet of space for use by the Puslinch Historical Society at the Puslinch Library. The Historical Society has occupied this space since January 1, 2011. The current lease rate is \$10.00 per square foot.

The County has not increased lease rates since the start of the lease and would like to align the rates with lease rates in effect for similar lease space at other County libraries. Staff are proposing a new rate of \$12.00 per square foot for the next five-year term ending December 31, 2028.

Recommendation:

That the lease agreement with the Township of Puslinch for approximately 320 square feet at the Puslinch Library be renewed for an additional five (5) years at the lease rate of \$12.00 per square foot with the same terms and conditions; and

That the Warden and Clerk are authorized to sign the lease agreements and extensions.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Jackie Osti'.

Jackie Osti
Manager,
Purchasing and Risk Management Services



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **Final Supplementary Revenue and CVA Assessment Growth 2022**

Background:

The purpose of this report is to provide the Committee with an update on final supplementary revenue and write-off amounts as well as present a brief overview of 2023 assessment rolls. The analysis presented herein is based on 2023 current value assessment (CVA) roll as returned by the Municipal Property Assessment Corporation (MPAC). Since the province has postponed the next reassessment, there is no phased-in CVA assessment. Property values remain based on a January 1, 2016 base year assessment.

Supplementary Revenue and Write Offs

All seven supplementary extracts during 2022 are expected to produce revenue totals as shown on Table 1 of the attached Schedule A. Supplementary assessments relate to 2022 while omitted assessments can go back two years covering 2020 and 2021. Supplementary and omitted assessment values of \$607 million are expected to generate revenue for County purposes of \$2,828,982 resulting from the May through November supplementary runs. In addition to supplementary revenue, Puslinch received Post Roll Amended Notices (PRANs) adjusting a few vacant land properties. Those and other property assessment changes have increased total estimated County revenue in 2022 to be \$3,215,106. This would indicate that we have exceeded our annual targeted budget amount of \$2.0 million. The County share of write-offs in 2022 was \$1,262,330 for a net revenue gain of \$1,952,776. These figures will continue to change until all member municipalities submit final reconciliation details.

Due to an outbreak of Avian Flu in 2022, MPAC assessors could not perform on-site farm inspections. This restriction was evident since virtually no new farm assessment was included in any of the seven scheduled extracts. Municipalities and farm operators should expect additional assessments in 2023.

Supplementary and omitted assessments have begun to appear on assessment rolls in the New Multi-Residential (NT) property tax class. At this point new multi-residential construction applies in the municipalities of Centre Wellington, Minto and Wellington North.

The Municipal Property Assessment Corporation recently advised that they are considering opening the supplementary extract runs earlier than the typical scheduled date in May. There is no need to hold property adjustments for such a long period of time which creates a heavy workload for tax administration staff. We expect an announcement in this regard will be made soon.

Notable supplementary and omitted assessment includes:

Puslinch	\$1.0 million new commercial small medical office building Farm and residential land assessment changed to vacant industrial land values \$87.9 million in total residential supplementary & omitted assessment
Guelph Eramosa	\$1.5 million new highway commercial business A farm with commercial enterprise adding \$1.5M with omits for 3 years \$82M in total residential supplementary & omitted assessment
Erin	\$1.8M with 2 year omitted industrial assessment - Erinville Dr \$26.5M in total residential supplementary & omitted assessment
Centre Wellington	\$2M in new commercial warehousing – Elora \$2M farm with development land increased assessment \$3M commercial omits on development land with new residences \$176.5M in total residential supplementary & omitted assessment
Mapleton	\$1.5M residential omitted assessment on large facility – Christian Aid Ministry \$1.5M omitted industrial assessment for new business in Drayton \$46.6M n in total residential supplementary & omitted assessment
Minto	\$2.1M large industrial supplementary assessment in Minto Minor commercial supplementary assessments \$29.2M residential assessment for new homes and improvements
Wellington North	\$1.8M supplementary assessment for residential land development in Arthur \$1.6M new multi-residential building on Sligo Road \$41.3M in total residential supplementary & omitted assessment

Assessment at Risk

Assessment at risk is the value associated with the properties for which reconsiderations or ARB appeals have been lodged and that remain unresolved (i.e. neither pending processing or processed), based on the return roll and/or including new supplementary or omitted assessments. Staff have evaluated the need to allow for any potential further write-offs based on “assessment at risk” calculations under the Public Sector Accounting Board (PSAB) 3510: Recognition of Tax Revenue standard. County staff made provisions for assessment at risk of \$328,949 at 2021 year-end, however, due to the most recently calculated assessment at risk, this amount will be reduced by \$157,928 bringing the County’s total provision for assessment at risk to \$171,021 as of the beginning of 2023. No additional allowance is necessary. Since this is the seventh year of a four-year reassessment cycle, the number of new appeals is significantly lower than typical.

CVA Assessment Growth

Table 2 of Schedule A shows the 2022 weighted assessment growth by each municipality for a County-wide weighted assessment growth of 2.26%. This does not include Payment-in-Lieu of Tax (PILT) and exempt property values. Since the base-year reassessment has been postponed, there is no additional phase-in valuation. The 2023 assessment roll as returned remains the same as the 2022 year-end values. This is reflected in Table 2 as the year-over-year phased-in assessment roll. The weighted CVA, used for tax rate setting purposes, has increased by 2.26% for the 2023 taxation year.

As shown on Schedule B, MPAC indicates province-wide residential in-year assessment growth of 1.63% and Wellington County residential growth is 51% higher, at 2.46%. A major portion of our residential growth can be attributed to properties changing out of the farmland tax class into residential at the end of the year. To a lesser extent, the same happens with the Conservation Land exemption programme. Over the years, County staff have endeavored to remedy this type of “flip” situation and continue to lobby for tighter deadlines for property owner responses and stricter adherence to application deadlines that are administered provincially. Referring back to Table 1 on Schedule A, we find that 36% of all write-offs County-wide are a direct result of various Tax Incentive Programme adjustments (TIA).

Recommendation:

That the Final Supplementary Revenue and CVA Assessment Growth 2022 report be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer

SCHEDULE A
FINAL SUPPLEMENTARY REVENUE and CVA ASSESSMENT GROWTH 2022

TABLE 1
SUPPLEMENTARY REVENUE AND TAX WRITE-OFF ESTIMATE* 2022

	County Portion Supplementary Revenue	County Portion Typical Write-offs (MOS/RfR)	TIA Tax Incentive Write-offs (Farm/CL/MF)	Total Write-off Amount	% of TIA Write-offs by Municipality	Net Estimated Revenue
PUSLINCH	\$ 740,705	\$ 136,863	\$ 45,621	\$ 182,484	25.00%	\$ 558,221
GUELPH ERAMOSA	\$ 447,025	\$ 126,637	\$ 49,085	\$ 187,586	26.17%	\$ 259,439
ERIN	\$ 174,628	\$ 14,979	\$ 89,041	\$ 104,020	85.60%	\$ 70,608
CENTRE WELLINGTON	\$ 1,041,663	\$ 525,684	\$ 96,900	\$ 622,584	15.56%	\$ 419,079
MAPLETON	\$ 303,485	\$ 10,441	\$ 123,534	\$ 144,728	85.36%	\$ 158,757
MINTO	\$ 242,625	\$ 6,915	\$ 44,012	\$ 50,927	86.42%	\$ 191,698
WELLINGTON NORTH	\$ 264,975	\$ 41,736	\$ 60,819	\$ 127,929	47.54%	\$ 137,046
TOTAL COUNTY PORTION	\$ 3,215,106	\$ 863,255	\$ 509,012	\$ 1,420,258	35.84%	\$ 1,794,848
Change in Allowance for Assessment at Risk **		-	-	\$ (157,928)		\$ 157,928
ADJUSTED COUNTY TOTALS	\$ 3,215,106	-	-	\$ 1,262,330	-	\$ 1,952,776

* Final figures will not be known until Local Municipalities send reconciliation breakdown.

**Allowance for Assessment at Risk reduced as outstanding appeals have been settled and new appeals not initiated

TABLE 2
SUMMARY OF WEIGHTED ASSESSMENT GROWTH: 2022 & 2023 ROLL RETURN*

MUNICIPALITY	2022 Wtd Roll CVA	FINAL 2022 In-Year Wtd CVA Growth	% Change	FINAL 2023 Wtd Roll Return	2022 to 2023 Roll % Change
PUSLINCH WTD CVA	2,630,808,729	2,720,824,626	3.42%	2,720,824,626	3.42%
GET WTD CVA	2,847,390,509	2,901,507,758	1.90%	2,901,507,758	1.90%
ERIN WTD CVA	2,553,595,273	2,578,732,619	0.98%	2,578,732,619	0.98%
CTR WELL WTD CVA	5,183,131,785	5,292,973,163	2.12%	5,292,973,163	2.12%
MAPLETON WTD CVA	1,867,123,589	1,922,414,240	2.96%	1,922,414,240	2.96%
MINTO WTD CVA	1,091,391,717	1,121,790,374	2.79%	1,121,790,374	2.79%
W NORTH WTD CVA	1,708,807,531	1,747,376,949	2.26%	1,747,376,949	2.26%
WELLINGTON COUNTY	17,882,249,132	18,285,619,728	2.26%	18,285,619,728	2.26%

*There is no CVA phase-in, as this is year seven of the four-year reassessment cycle.

SCHEDULE B
Final Supplementary Revenue and CVA Assessment Growth 2022

Provincial Assessment Summary - Roll Edition
By Broad Property Tax Class (including PIL)

	PROVINCE			WELLINGTON COUNTY		
	2022 Roll	2022 in-year	% growth	2022 Roll	2022 in-year	% growth
Commercial*	312,552,799,278	369,272,959,745	18.15%	709,794,057	1,077,258,524	51.77%
Exempt	172,588,827,752	174,424,909,574	1.06%	967,842,936	979,929,593	1.25%
Farm	97,342,270,256	97,072,841,749	-0.28%	5,028,741,920	5,014,171,882	-0.29%
Industrial	44,240,228,934	49,769,298,812	12.50%	341,046,953	440,142,091	29.06%
Landfills	116,023,647	114,838,565	-1.02%	813,000	813,000	0.00%
Managed Forest	2,222,078,838	2,276,983,154	2.47%	65,368,376	65,927,276	0.86%
Multi-Residential	97,915,336,506	97,738,260,095	-0.18%	85,458,617	85,728,817	0.32%
New Commercial**	54,258,920,698	0	-100.00%	345,055,700	0	-100.00%
New Industrial**	5,525,474,976	0	-100.00%	87,151,900	0	-100.00%
New Multi-Residential	13,732,486,592	16,578,133,868	20.72%	2,110,200	5,543,600	162.70%
Pipeline	9,956,942,590	9,999,868,290	0.43%	44,418,000	45,100,000	1.54%
Residential	2,232,281,847,083	2,268,632,078,420	1.63%	13,823,456,331	14,162,942,007	2.46%
Totals	3,042,733,237,150	3,085,880,172,272	1.42%	21,501,257,990	21,877,556,790	1.75%

* For Wellington County, Commercial includes: Parking Lot, Office and Shopping Centre

** New Construction Commercial and Industrial Classes have been eliminated with those valuations placed into the broad class



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: 2023 Education Tax Rates

Background:

Since 1998 the province has regulated a common education tax rate for the residential, farm and multi residential property classes across the province, and has set education tax rates for other property classes by upper or single tier municipality.

Residential/Multi-Residential/Farm Education Tax Rates

Typically, the province resets residential, multi-residential and farm education tax rates annually to offset phased-in assessment increases. This ensures that, on average across the province, owners of such properties will not see an increase in the education portion of their property taxes relative to the provincial average assessment increases. The residential education tax rate for 2023 is 0.153%. This rate remains unchanged from the 2022 rate as property assessments for the 2023 taxation year will continue to be based on the same valuation date that was in effect for the 2022 taxation year.

2023 Education Tax Rates

While Ontario Regulations have not yet been filed, we expect the education tax rates will be prescribed by the Ministry of Finance specific to Wellington County as shown in Table 1:

Table 1: Education Tax Rates, 2020 – 2023

Property Class	2020	2021	2022	2023
Residential / Multi-residential	.00153000	.00153000	.00153000	.00153000
Commercial	.00924236	.00880000	.00880000	.00880000
Industrial	.01250000	.00880000	.00880000	.00880000
Small-Scale on Farm (Com & Ind)	.00245000	.00220000	.00220000	.00220000
Landfill*	.00811182	.00811182	.00811182	.00811182
Pipelines	.01250000	.00880000	.00880000	.00880000
Farmland/Managed Forests	.00038250	.00038250	.00038250	.00038250

* Riverstown in Wellington North is the only landfill site remaining in Wellington County. The education tax rate component pertaining to the landfill is specific to the County.

Property Tax Impact

Since the reassessment base year update has been postponed, there will be little to no education tax impact for residential and farm properties. Table 2 shows estimated education tax impacts for typical assessments in each of the property classes. There is a slight increase to the average commercial property assessment while an average industrial property assessment and corresponding education tax has been reduced. Staff analysis determined that by including the few large industrial properties in the "LT" tax class, the average industrial CVA becomes skewed. Removing those properties from the calculation presents a value which accurately reflects standard industrial property assessments typical for Wellington County.

Table 2: Education Tax Shifts, 2022 - 2023

COUNTY OF WELLINGTON
2023 EDUCATION TAX SHIFTS

	Multi						
	Residential	residential	Commercial	Industrial	Farmland	Farmhouse	Total Farm
<u>Assessments</u>							
2022 typical assessment	\$445,527	\$1,380,432	\$514,547	\$928,577	\$981,000	\$216,600	\$1,197,600
2023 typical assessment *	\$448,488	\$1,402,160	\$522,340	\$844,798	\$982,900	\$219,000	\$1,201,900
% change	0.7%	1.6%	1.5%	-9.0%	0.2%	1.1%	0.4%
<u>Education tax rates</u>							
2022 education tax rate	0.00153000	0.00153000	0.00880000	0.00880000	0.00038250	0.00153000	n/a
2023 education tax rate	0.00153000	0.00153000	0.00880000	0.00880000	0.00038250	0.00153000	n/a
% change in tax rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a
<u>Education taxes</u>							
2022 education taxes	\$682	\$2,112	\$4,528	\$8,171	\$375	\$331	\$707
2023 education taxes	\$686	\$2,145	\$4,597	\$7,434	\$376	\$335	\$711
\$ change	\$5	\$33	\$69	(\$737)	\$1	\$4	\$4
% change	0.7%	1.6%	1.5%	-9.0%	0.2%	1.1%	0.6%

* average industrial assessment excludes properties coded LT (Large Industrial Class) for 2023 *

Business Education Tax Rates

Property tax reform in 1998 created a wide range of Business Education Tax (BET) rates across the province. Each municipality had different tax rates imposed relative to what property owners had paid prior to reform. The 2007 Ontario Budget announced that Business Education Tax (BET) rates will be reduced for those property classes exceeding the target maximum to a ceiling rate of 1.60% over a seven-year period. This target maximum has been adjusted each year in order to offset the impacts of the reassessment and phase-in programme.

To aid business owners during the pandemic, the province announced in the 2020 Budget that high Business Education Tax (BET) rates will be reduced to 0.88% in 2021. BET rate reductions implemented in 2021 will be maintained in 2023.

BET rates for certain properties where municipalities are permitted to retain the education portion of payment in lieu of taxes (PILs) will also remain at the slightly higher rates set for 2021. The government is aware of municipal concerns that the federal government may no longer make PIL payments at the BET rates prescribed in provincial regulation. The province continues to encourage the federal government to make its payments at the prescribed rates.

New Construction Classes for Education Property Tax Purposes

As a result of the 2021 BET rate reduction, which lowered rates below the previous new construction BET rates, the new construction property classes implemented for education tax purposes (properties with RTC codes of X, Y, Z and K) are no longer differentiated from the main business properties classes. To simplify and streamline the property tax system, properties in these classes will be returned to their respective main property classes. This change is reflected in the December 2022 Property Assessment Roll for the 2023 taxation year. This change will have no impact on property taxes paid by businesses.

Small Business Property Subclass

The Small Business Property Subclass was introduced in 2022 allowing municipalities to adopt this subclass in order to reduce the burden of property taxes on small businesses. For municipalities that opt for this subclass, the government will now automatically match education tax rate reductions. The Minister of Finance continues to encourage municipalities to engage with local business stakeholders prior to making a decision on this new tax policy option. Wellington County has not adopted a Small Business Subclass as discussed amongst county treasurers when establishing 2022 tax policy options.

Small-Scale On-Farm Business Subclasses

In 2018, optional new subclasses under the industrial and commercial property classes were created that allow municipalities to apply a 75 per cent municipal tax rate reduction to the first \$50,000 of assessed value of qualifying value-added commercial or industrial activities on farms.

Starting in 2022, municipalities that adopt the small-scale on-farm business subclass will have the option to maintain the current assessment threshold of \$50,000 for municipal tax purposes, and they may also adopt a second subclass that would increase the amount of eligible assessment to \$100,000. The province will apply a reduced business education tax rate to this increased \$100,000 threshold for all eligible properties, regardless of whether municipalities adopt the subclass. The 2023 BET rate for the subclasses remains unchanged from 2021, at 0.2200%.

Wellington County has not adopted the new subclasses for value-added commercial or industrial activities on farms.

Recommendation:

That the 2023 Education Tax Rates report be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **2023 Average Property Assessment Values**

Background:

The purpose of this report is to provide the Committee with an update of average property assessment values in each of the broad tax class sectors.

The County has a duty to provide annual property tax impact analysis for typical residential property owners in each of our seven member municipalities as well as determine the average County-wide residential current value assessment (CVA). Changes to the property assessment system such as mandatory reassessment and phased-in assessment increases, along with enhanced software systems and reports generated by the Province's Online Property Tax Analysis (OPTA) tool and from the Municipal Property Assessment Corporation (MPAC) are available to assist municipalities in determining these averages.

As previously reported, the Province has once again postponed the reassessment date. All property values are frozen at their 2022 year-end values which continue to be based on a January 1, 2016 base year valuation. This means most property owners will not see an increase in property assessment unless changes have taken place during the year. Business, residential and farm property owners all benefit from the postponement by providing some measure of stability.

Average Residential Property Value

MPAC classifies property code (PC) 301 as single family detached dwellings (SFD). The total property count and related CVA is stated in MPAC's Market Change Profile reports. This method determines average (mean) residential CVA by dividing total assessment in PC 301 by the number of properties. Using only PC 301 values produces a quick, accurate and consistent method of determining average residential property values as it weeds out other residentially taxed properties such as retirement homes, seasonal dwellings, mobile home parks, condominiums and walk-up apartments.

Staff have calculated the mean (average) value of properties across the County and these results are shown in Table 1 of Schedule A. The mean value of a single-family detached dwelling in the County is \$448,488 with values ranging from \$248,679 in Minto to \$700,495 in Puslinch. The County reports the residential tax impact of the budget per \$100,000 of assessment due to these range variances rather than reporting for a "typical" property assessment value.

Average Business Property Values

When determining typical average assessment for other property classes staff refer to the broad class total value based on property codes assigned by MPAC as stated in the Market Change Profile reports. Several manual adjustments are then factored into the calculation in order not to skew average (mean)

values. Adjustments would include removing property counts and assessment valuation of large commercial or industrial properties such as Triton Water, Jefferson Elora, Musashi, TG Minto, and large distribution or shopping centres to name a few. This method is time consuming for staff to calculate year after year and creates consistency issues when reporting differently from local municipalities across the County. That said, these manual calculations produce a more realistic average assessment for typical business class properties within each municipality. Table 1 of Schedule A shows average values from 2021 to 2023 for multi-residential, commercial and industrial properties. A typical commercial property value in Wellington County is \$522,340 and ranges from \$324,646 in Minto to \$1,277,568 in Puslinch. Typical industrial property values range from \$502,050 in Minto to \$2,156,418 in Puslinch, while the County average is \$844,798. The most notable change is to an average industrial property in Minto when TG Minto is excluded from typical calculations.

Average Farmer Owned and Occupied Property Value

The typical farmer owned and occupied property values are difficult to determine using the above MPAC method by nature of trying to separate the farm house (residentially taxed RT portion) from the farmlands (FT) valuation. For this property group, County and local staff rely on the Province's Online Property Tax Analysis (OPTA) tool rather than the MPAC method.

Table 2 of Schedule A summarizes farm house and farmland typical (median) values in each municipality. The total median farm value in Wellington County is \$1,201,900 with Mapleton having the highest typical value of \$1,700,700.

When comparing a farmer occupied residence to that of an average single family dwelling we find quite a gap in valuation. Farm houses are assessed differently by MPAC. Rather than being based on a mass appraisal regression model (MRA), MPAC assesses farm houses on a replacement cost new (less depreciation) method which produces a much lower assessment. Another factor is that the land component (1 acre) attached to the house is valued at farmland rates not residential land rates.

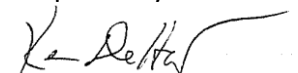
The OPTA reports, as shown in Schedule B, generate the median CVA and calculate tax impact year over year. The median value picks the exact middle property value in each municipality. There will be an exact number of higher and lower value properties surrounding the median property value. Until actual tax rates are set, these reports will not show a change in property taxes. Median/Typical property assessments for 2023 remain the same as 2022 as a result of no change in the Assessment Base Year Valuations used for tax rate setting. At this point in time there is no tax impact to report.

Detailed 2023 tax impact and analysis will be undertaken and reported to the Committee prior to setting tax policy in the spring.

Recommendation:

That the 2023 Average Property Assessment Values report be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer

SCHEDULE A
2023 Average Property Assessment Values

TABLE 1
2023 AVERAGE (MEAN)* CVA PROPERTY ASSESSMENT

	Puslinch	Gue/Era	Erin	Centre Well	Mapleton	Minto	Well North	County
2021 Avg SFD	688,089	531,146	558,542	414,713	388,240	244,504	271,636	443,499
2022 Avg SFD	695,499	531,668	560,845	417,001	390,879	247,181	273,253	445,527
2023 Avg SFD	700,495	533,821	563,871	420,217	394,187	248,679	275,532	448,488
2021 Avg Multi-Res	554,000	1,245,500	1,290,200	2,312,500	1,145,000	793,600	936,542	1,409,333
2022 Avg Multi-Res	554,000	1,245,500	1,305,400	2,231,111	1,145,000	822,375	916,760	1,380,432
2023 Avg Multi-Res	554,000	1,107,667	1,305,400	2,285,037	1,145,000	822,375	957,000	1,402,160
2021 Avg Commercial	961,419	685,325	506,355	531,731	353,120	306,598	438,663	540,459
2022 Avg Commercial	906,974	657,962	486,400	557,180	367,446	303,374	322,492	514,547
2023 Avg Commercial**	1,277,568	697,280	414,113	579,262	353,244	324,646	409,363	522,340
2021 Avg Industrial	1,913,227	1,259,730	723,647	593,729	736,495	648,184	546,781	917,399
2022 Avg Industrial	1,904,609	1,186,766	746,659	601,566	841,691	686,306	532,442	928,577
2023 Avg Industrial**	2,156,418	914,674	754,300	628,975	755,287	502,050	552,000	844,798

* Mean values derived from MPAC Market Change Profile (MCP) Reports

** Manual adjustments made for extreme outliers for the Commercial and Industrial property class

TABLE 2
2023 MEDIAN/TYPICAL CVA ASSESSMENT - FARMER OCCUPIED PROPERTIES *

	Puslinch	Gue/Era	Erin	Centre Well	Mapleton	Minto	Well North	County
2021 Avg Farm house	253,300	240,600	256,400	227,800	234,460	182,100	186,700	216,100
2021 Avg Farm lands	709,100	1,055,300	867,500	988,200	1,455,000	594,400	861,000	969,900
Total 2021 CVA **	962,400	1,295,900	1,123,900	1,216,000	1,689,460	776,500	1,047,700	1,186,000
2022 Avg Farm house	258,700	240,600	246,800	228,500	235,800	182,100	187,700	216,600
2022 Avg Farm lands	717,200	1,066,900	867,500	1,000,900	1,461,300	602,000	874,400	981,000
Total 2022 CVA **	975,900	1,307,500	1,114,300	1,229,400	1,697,100	784,100	1,062,100	1,197,600
2023 Avg Farm house	258,700	248,400	245,200	228,100	240,400	186,400	187,700	219,000
2023 Avg Farm lands	694,400	1,066,900	875,300	1,007,600	1,460,300	618,200	871,200	982,900
Total 2023 CVA **	953,100	1,315,300	1,120,500	1,235,700	1,700,700	804,600	1,058,900	1,201,900

* Median Land and Structure breakdown as calculated by OPTA

** Current and prior year median values will fluctuate as on-going changes are made to assessment roll

SCHEDULE B
2023 AVERAGE PROPERTY ASSESSMENT VALUES

Tax Tools, 2023 Municipal Tax Impact on Median/Typical Property

Projection Year: **2023 (2016 Base Year - Year 7 - No Phased-In CVA)**

Parameters: **OPTA calculated tax rates**

Wellington Co, 2300

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2332000012048250000	R	T	Single Family Home	301	23,130	385,000	385,000	0.00%	4,856.14	4,856.14	0.00	0.00%
2301000003194000000	R	T	Seasonal Recreational Dw	392	151	371,000	371,000	0.00%	3,725.91	3,725.91	0.00	0.00%
2326000009103030000	R	T	Residential Condominium	370	1,173	230,000	230,000	0.00%	2,583.55	2,583.55	0.00	0.00%
2332000010043009802	R	T	Farm House	211	2,661	219,000	219,000	0.00%	2,762.32	2,762.32	0.00	0.00%
2349000008146009801	F	T	Farmland	211	2,399	982,900	982,900	0.00%	3,098.99	3,098.99	0.00	0.00%
2349000010134009802	T	T	Managed Forest	244	243	115,800	115,800	0.00%	365.10	365.10	0.00	0.00%
2349000003131009801	M	T	Apartment Building	340	55	787,000	787,000	0.00%	17,997.86	17,997.87	0.01	0.00%
2326000022170000000	C	T	Small Office Building	400	41	350,000	350,000	0.00%	8,143.42	8,143.42	0.00	0.00%
2316000004145009801	C	T	Small Retail Commercial P	410	172	248,600	248,600	0.00%	5,688.67	5,688.67	0.00	0.00%
2326000005130109801	I	T	Standard Industrial Proper	520	87	904,000	904,000	0.00%	29,006.43	29,006.44	0.01	0.00%

Puslinch Township, 2301

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2301000008113840000	R	T	Single Family Home	301	2,120	610,000	610,000	0.00%	5,885.99	5,885.99	0.00	0.00%
2301000003028000000	R	T	Seasonal Recreational Dw	391	109	441,000	441,000	0.00%	4,428.91	4,428.91	0.00	0.00%
2301000002056409802	R	T	Farm House	211	129	258,700	258,700	0.00%	2,496.23	2,496.23	0.00	0.00%
2301000008024109801	F	T	Farmland	201	102	694,400	694,400	0.00%	1,675.09	1,675.09	0.00	0.00%
2301000002107209801	T	T	Managed Forest	244	57	147,100	147,100	0.00%	354.85	354.85	0.00	0.00%
2301000005111009801	M	T	Apartment Building	340	1	554,000	554,000	0.00%	9,393.84	9,393.85	0.01	0.00%
2301000002007029804	C	T	Small Office Building	400	3	1,089,000	1,089,000	0.00%	22,766.26	22,766.27	0.01	0.00%
2301000006150009801	C	T	Small Retail Commercial P	410	6	523,000	523,000	0.00%	10,933.66	10,933.67	0.01	0.00%
2301000006116329802	I	T	Standard Industrial Proper	520	11	1,332,000	1,332,000	0.00%	37,676.91	37,676.92	0.01	0.00%

Guelph/Eramosa Township, 2311

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2311000001003200000	R	T	Single Family Home	301	3,626	492,000	492,000	0.00%	5,206.45	5,206.45	0.00	0.00%
2311000001052009801	R	T	Seasonal Recreational Dw	395	1	484,000	484,000	0.00%	5,121.79	5,121.79	0.00	0.00%
2311000003210089801	R	T	Residential Condominium	370	157	385,000	385,000	0.00%	4,074.15	4,074.15	0.00	0.00%
2311000009047009802	R	T	Farm House	211	274	248,400	248,400	0.00%	2,628.62	2,628.62	0.00	0.00%
2311000008141009801	F	T	Farmland	211	230	1,066,900	1,066,900	0.00%	2,822.56	2,822.56	0.00	0.00%
2311000004093009802	T	T	Managed Forest	244	17	104,300	104,300	0.00%	275.93	275.93	0.00	0.00%
2311000002176009802	M	T	Apartment Building	340	3	812,100	812,100	0.00%	15,338.69	15,338.70	0.01	0.00%
2311000002106009802	C	T	Small Office Building	400	2	171,000	171,000	0.00%	3,834.03	3,834.03	0.00	0.00%
2311000002097809801	C	T	Small Retail Commercial P	410	16	549,000	549,000	0.00%	12,309.24	12,309.25	0.01	0.00%
2311000008058509801	I	T	Standard Industrial Proper	520	9	1,107,400	1,107,400	0.00%	33,803.74	33,803.75	0.01	0.00%

Erin Town, 2316

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2316000004014100000	R	T	Single Family Home	301	3,191	487,000	487,000	0.00%	5,344.93	5,344.93	0.00	0.00%
2316000005082009802	R	T	Seasonal Recreational Dw	395	9	486,000	486,000	0.00%	5,333.95	5,333.95	0.00	0.00%
2316000009011099801	R	T	Residential Condominium	370	7	147,000	147,000	0.00%	1,613.35	1,613.35	0.00	0.00%
2316000002019009802	R	T	Farm House	211	254	245,200	245,200	0.00%	2,691.12	2,691.12	0.00	0.00%
2316000001021009802	F	T	Farmland	211	210	875,300	875,300	0.00%	2,401.66	2,401.66	0.00	0.00%
2316000001135109802	T	T	Managed Forest	244	101	116,300	116,300	0.00%	319.11	319.11	0.00	0.00%
23160000010115109801	M	T	Apartment Building	340	3	1,352,000	1,352,000	0.00%	26,331.45	26,331.44	-0.01	0.00%
2316000009008009801	C	T	Small Office Building	400	4	230,000	230,000	0.00%	5,263.05	5,263.05	0.00	0.00%
23160000010073009801	C	T	Small Retail Commercial P	410	26	400,000	400,000	0.00%	9,153.13	9,153.13	0.00	0.00%
23160000011212409801	I	T	Standard Industrial Proper	520	11	863,000	863,000	0.00%	27,157.33	27,157.34	0.01	0.00%

Centre Wellington Township, 2326

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2326000021051000000	R	T	Single Family Home	301	7,499	378,000	378,000	0.00%	4,246.01	4,246.01	0.00	0.00%
2326000025012000000	R	T	Seasonal Recreational Dw	395	4	296,000	296,000	0.00%	3,342.99	3,342.99	0.00	0.00%
2326000010095229801	R	T	Residential Condominium	370	759	240,000	240,000	0.00%	2,695.88	2,695.88	0.00	0.00%
2326000029002009803	R	T	Farm House	211	434	228,100	228,100	0.00%	2,576.14	2,576.14	0.00	0.00%
2326000025021009801	F	T	Farmland	211	381	1,007,600	1,007,600	0.00%	2,844.94	2,844.94	0.00	0.00%
2326000025045009801	T	T	Managed Forest	244	34	101,400	101,400	0.00%	286.31	286.31	0.00	0.00%
2326000007122019801	M	T	Apartment Building	340	23	1,366,000	1,366,000	0.00%	27,272.67	27,272.68	0.01	0.00%
2326000011189009801	C	T	Small Office Building	400	15	509,000	509,000	0.00%	11,842.85	11,842.86	0.01	0.00%
2326000017133109801	C	T	Small Retail Commercial P	410	42	275,000	275,000	0.00%	6,423.44	6,423.45	0.01	0.00%
2326000005112459802	I	T	Standard Industrial Proper	520	28	782,000	782,000	0.00%	25,091.84	25,091.86	0.02	0.00%

Mapleton Township, 2332

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2332000009089300000	R	T	Single Family Home	301	1,819	365,000	365,000	0.00%	4,603.87	4,603.87	0.00	0.00%
2332000009109070000	R	T	Seasonal Recreational Dw	395	14	218,000	218,000	0.00%	2,749.71	2,749.71	0.00	0.00%
2332000003120009802	R	T	Farm House	211	710	240,400	240,400	0.00%	3,032.25	3,032.25	0.00	0.00%
2332000011016009801	F	T	Farmland	211	674	1,460,300	1,460,300	0.00%	4,604.82	4,604.82	0.00	0.00%
2332000001106509801	T	T	Managed Forest	244	11	129,500	129,500	0.00%	408.35	408.35	0.00	0.00%
2332000011076009801	M	T	Apartment Building	340	2	485,000	485,000	0.00%	10,955.35	10,955.36	0.01	0.00%
2332000011193210000	C	T	Small Office Building	400	3	648,000	648,000	0.00%	16,410.78	16,410.79	0.01	0.00%
2332000007076109801	C	T	Small Retail Commercial P	410	11	209,000	209,000	0.00%	5,292.98	5,292.99	0.01	0.00%
2332000007045209805	I	T	Standard Industrial Proper	520	8	1,080,000	1,080,000	0.00%	38,232.04	38,232.05	0.01	0.00%

Minto Town, 2341

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2341000006087040000	R	T	Single Family Home	301	2,160	208,000	208,000	0.00%	2,795.56	2,795.56	0.00	0.00%
2341000003167109802	R	T	Seasonal Recreational Dw	395	7	137,000	137,000	0.00%	1,797.48	1,797.48	0.00	0.00%
2341000012168020000	R	T	Residential Condominium	370	24	83,000	83,000	0.00%	1,115.53	1,115.53	0.00	0.00%
2341000001043009802	R	T	Farm House	211	357	186,400	186,400	0.00%	2,445.62	2,445.62	0.00	0.00%
2341000001158009801	F	T	Farmland	211	318	618,200	618,200	0.00%	2,027.74	2,027.74	0.00	0.00%
2341000001101109801	T	T	Managed Forest	244	12	59,400	59,400	0.00%	194.84	194.84	0.00	0.00%
2341000005073009801	M	T	Apartment Building	340	6	640,000	640,000	0.00%	15,461.95	15,461.96	0.01	0.00%
2341000008001009801	C	T	Small Office Building	400	8	221,000	221,000	0.00%	5,869.33	5,869.33	0.00	0.00%
2341000010009009801	C	T	Small Retail Commercial P	410	33	128,000	128,000	0.00%	3,399.44	3,399.44	0.00	0.00%
2341000009130109802	I	T	Standard Industrial Proper	520	11	160,000	160,000	0.00%	5,981.49	5,981.50	0.01	0.00%

Wellington North Township, 2349

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2022 CVA	2023 CVA	% CVA Change	2022 Total CVA Taxes	2023 Total CVA Taxes	\$ Tax Change	% Tax Change
2349000011020859801	R	T	Single Family Home	301	2,715	248,000	248,000	0.00%	3,164.72	3,164.72	0.00	0.00%
2349000007034000000	R	T	Seasonal Recreational Dw	395	7	164,000	164,000	0.00%	2,068.29	2,068.29	0.00	0.00%
2349000004082320000	R	T	Residential Condominium	370	226	140,000	140,000	0.00%	1,786.54	1,786.54	0.00	0.00%
2349000009020009802	R	T	Farm House	211	503	187,700	187,700	0.00%	2,367.19	2,367.19	0.00	0.00%
2349000007011009801	F	T	Farmland	211	484	871,200	871,200	0.00%	2,746.80	2,746.80	0.00	0.00%
2349000014081009803	T	T	Managed Forest	244	11	97,900	97,900	0.00%	308.67	308.67	0.00	0.00%
2349000011063009801	M	T	Apartment Building	340	17	587,000	587,000	0.00%	13,424.06	13,424.07	0.01	0.00%
2349000002112009801	C	T	Small Office Building	400	6	218,000	218,000	0.00%	5,568.91	5,568.91	0.00	0.00%
2349000002132009801	C	T	Small Retail Commercial P	410	38	211,000	211,000	0.00%	5,390.09	5,390.09	0.00	0.00%
2349000004092009801	I	T	Standard Industrial Proper	520	9	1,234,900	1,234,900	0.00%	44,153.16	44,153.17	0.01	0.00%



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **Temporary Borrowing Authority 2023**

Background:

Municipalities are able to borrow funds to meet current expenditures until taxes and other revenues are collected in accordance with Section 407 of the Municipal Act, 2001. The total amount borrowed at any one time and not repaid (including unpaid amounts and accrued interest from the previous year) between January 1 and September 30 must not exceed 50% of the estimated revenues of the municipality as set out in the budget adopted for the year, and between October 1 and December 31, must not exceed 25% of the total estimated revenues of the municipality. When the budget is not yet adopted, the limit upon borrowing shall be calculated using the estimated revenues of the municipality set out in the budget adopted for the previous year.

The recommended resolution allows staff to act quickly in the event borrowing becomes a necessity. Staff have no expectation that the County would need to temporarily borrow at this time. The County has not been in a temporary borrowing situation in many years. It is recommended that the maximum borrowing amount be set at \$28.4 million, which represents approximately 25% of the 2022 approved County tax levy of \$113.5 million.

Recommendation:

That the Wellington County Council authorize the County Treasurer to borrow funds as required on a temporary basis (until the taxes are collected and other revenues received) to meet current expenditures of the County in 2023, subject to a maximum borrowing limit of \$28,400,000.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken DeHart'.

Ken DeHart, CPA, CGA
County Treasurer



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: Annual Indexing of Development Charges

Background:

The County's Development Charges by-law 5759-22 provides for the automatic indexing of development charges on January 1 of each year, without amendment to the by-law, in accordance with the most recent change in the Statistics Canada Quarterly, "Building Construction Price Index." The third quarter 2022 index reflects a year-over-year increase of 15.6%. There are two indices available for use in Ontario, the Toronto Series and the Ottawa Series. The County of Wellington uses the Toronto Series. The chart below summarizes the yearly changes for the 2019-2023 period.

County of Wellington Development Charges	
Indexing Date	Indexing Rate
January 1st, 2019	5.2%
January 1st, 2020	3.3%
January 1st, 2021	2.3%
January 1st, 2022	11.6%
January 1st, 2023	15.6%

The indexed development charge rates for 2023 are calculated using the June 1, 2022 development charge rates and applying the indexing rate at January 1, 2023:

SERVICE	RESIDENTIAL					NON-RESIDENTIAL (per s.f. of Gross Floor Area)
	Single-Detached Dwelling & Semi-Detached Dwelling SD	Apartments 2 Bedrooms + APT2	Apartments Bachelor & 1 Bedroom APT1	Other Multiples OTH	Special Care / Special Dwelling Units SCD	
Library	1,814	968	788	1,370	651	0.14
Studies	197	105	86	148	71	0.07
Ambulance	166	89	73	126	60	0.02
Police	158	84	69	119	57	0.06
Roads and Related	7,139	3,809	3,105	5,390	2,563	2.39
Childcare	7	3	3	6	2	-
Provincial Offences Act	231	124	101	175	83	0.08
Health Unit	334	178	146	252	120	0.05
Long-Term Care Homes	81	43	35	61	29	0.01
Waste Diversion	258	138	112	194	92	0.07
TOTAL	10,385	5,541	4,518	7,841	3,728	2.89

Bill 23 Impact on Development Charge Rates

Bill 23, *More Homes Built Faster Act, 2022* amends Section 5 *Determination of Development Charges* of the *Development Charges Act, 1997* (Act). Section 5(7) of the Act states the phase in of development charges applies to those development charge by-laws passed on or after January 1, 2022. The County's Development Charges by-law was passed May 2022 and came into effect June 1, 2022. As such Section 5(8) applies resulting in development charges being phased in as follows:

1. A development charge imposed during the first year that the by-law is in force shall be reduced to 80 per cent of the development charge that would otherwise be imposed by the by-law.
2. A development charge imposed during the second year that the by-law is in force shall be reduced to 85 per cent of the development charge that would otherwise be imposed by the by-law.
3. A development charge imposed during the third year that the by-law is in force shall be reduced to 90 per cent of the development charge that would otherwise be imposed by the by-law.
4. A development charge imposed during the fourth year that the by-law is in force shall be reduced to 95 per cent of the development charge that would otherwise be imposed by the by-law.

The County's by-law spans June 1 – May 31. As such, the phase in of new development charge rates is 80% of the 2023 indexed rates Jan 1 – May 31 and 85% of the 2023 indexed rates June 1 – December 31. The residential and non-residential development charges effective January 1, 2023 and June 1, 2023 are set out in the attached schedule.

Recommendation:

That the County Treasurer's report Annual Indexing of Development Charges be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer

SCHEDULE "B"
BY-LAW 5759-22

SCHEDULE OF COUNTY-WIDE DEVELOPMENT CHARGES - EFFECTIVE January 1, 2023

Phase in to January 1 2023 to May 31, 2023:

80.0%

SERVICE	RESIDENTIAL					NON-RESIDENTIAL (per s.f. of Gross Floor Area)
	Single-Detached Dwelling & Semi-Detached Dwelling SD	Apartments 2 Bedrooms + APT2	Apartments Bachelor & 1 Bedroom APT1	Other Multiples OTH	Special Care / Special Dwelling Units SCD	
Library	1,451	774	630	1,096	521	0.11
Studies	158	84	69	118	57	0.06
Ambulance	133	71	58	101	48	0.02
Police	126	67	55	95	46	0.05
Roads and Related	5,711	3,047	2,484	4,312	2,050	1.91
Childcare	6	2	2	5	2	-
Provincial Offences Act	185	99	81	140	66	0.06
Health Unit	267	142	117	202	96	0.04
Long-Term Care Homes	65	34	28	49	23	0.01
Waste Diversion	206	110	90	155	74	0.06
TOTAL	8,308	4,433	3,614	6,273	2,982	2.31

SCHEDULE "B"
BY-LAW 5759-22

SCHEDULE OF COUNTY-WIDE DEVELOPMENT CHARGES - EFFECTIVE June 1, 2023

Phase in to June 1, 2023 to December 31 2023:

85.0%

SERVICE	RESIDENTIAL					NON-RESIDENTIAL (per s.f. of Gross Floor Area)
	Single-Detached Dwelling & Semi-Detached Dwelling SD	Apartments 2 Bedrooms + APT2	Apartments Bachelor & 1 Bedroom APT1	Other Multiples OTH	Special Care / Special Dwelling Units SCD	
Library	1,542	823	670	1,165	553	0.12
Studies	167	89	73	126	60	0.06
Ambulance	141	76	62	107	51	0.02
Police	134	71	59	101	48	0.05
Roads and Related	6,068	3,238	2,639	4,582	2,179	2.03
Childcare	6	3	3	5	2	-
Provincial Offences Act	196	105	86	149	71	0.07
Health Unit	284	151	124	214	102	0.04
Long-Term Care Homes	69	37	30	52	25	0.01
Waste Diversion	219	117	95	165	78	0.06
TOTAL	8,827	4,710	3,840	6,665	3,169	2.46



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **BMA Municipal Study – Financial Indicators Analysis**

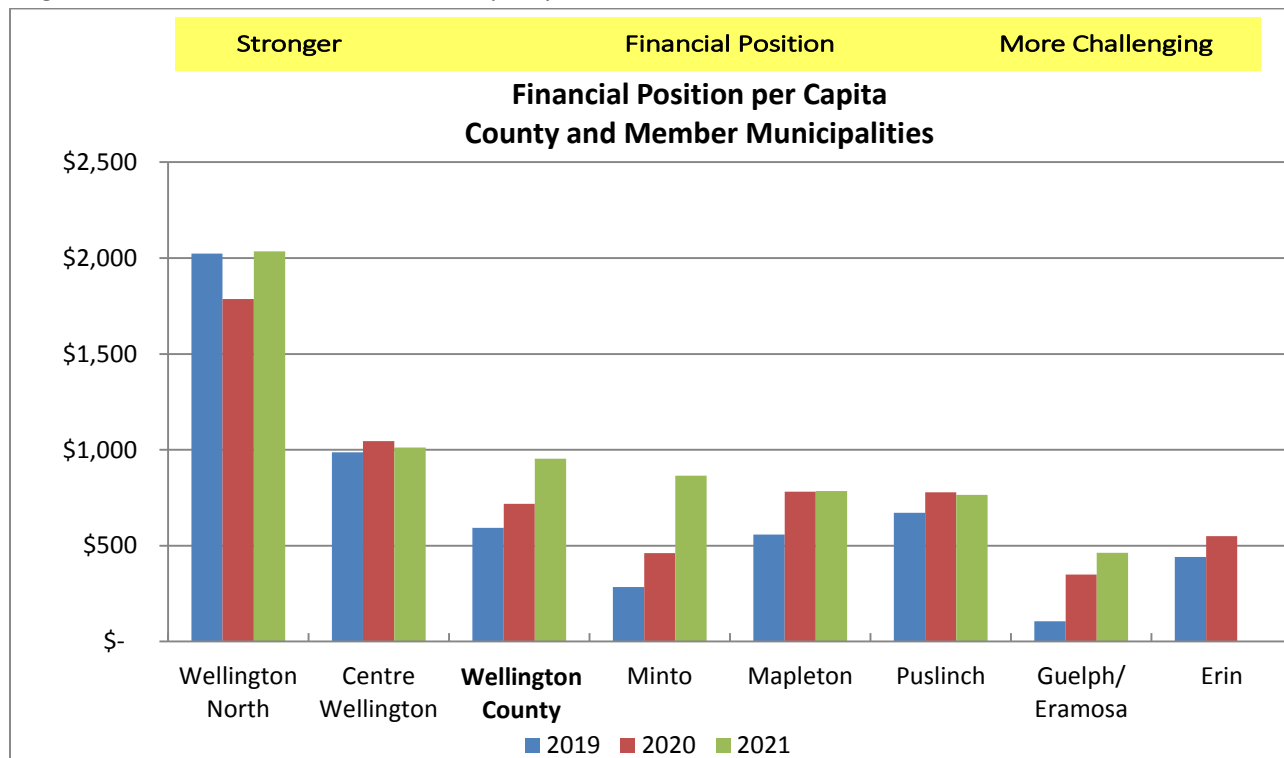
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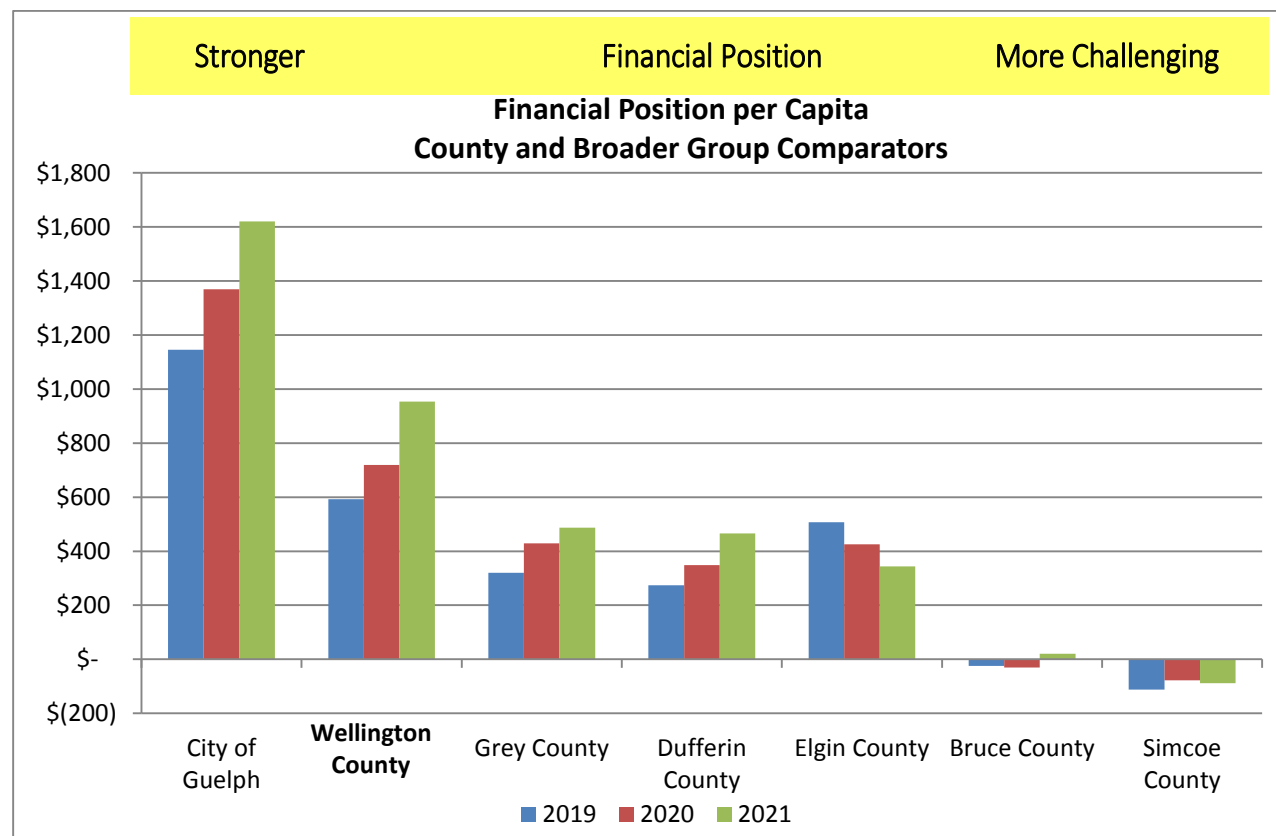
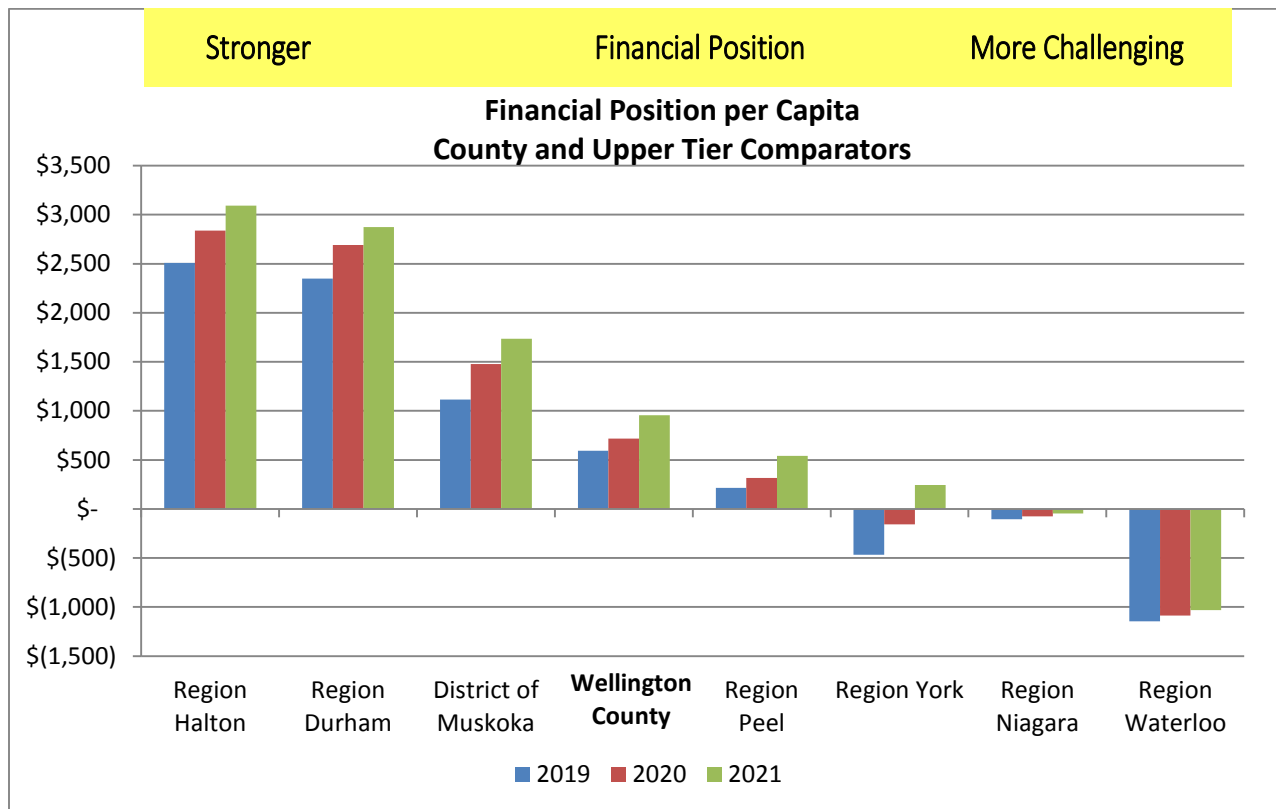
Each year, BMA Consulting Inc. completes a comparative study on behalf of participating Ontario municipalities. The analysis is completed using the most recent current value assessment, tax policies, levy by-laws, development charges, water/sewer rates, FIRs, user fees and economic development programmes. This report is based on information contained in section 3 of the 2022 BMA study that focuses on key Financial Indicators related to *Sustainability, Vulnerability and Flexibility*. These indicators help evaluate each municipality's existing financial condition and identify future challenges and opportunities. Please note that at the time of writing this report 2021 information from the Town of Erin was unavailable.

SUSTAINABILITY - The ability to provide and maintain service and infrastructure levels without resorting to unplanned increases in rates or cuts to services.

Indicator 1: Financial Position Per Capita

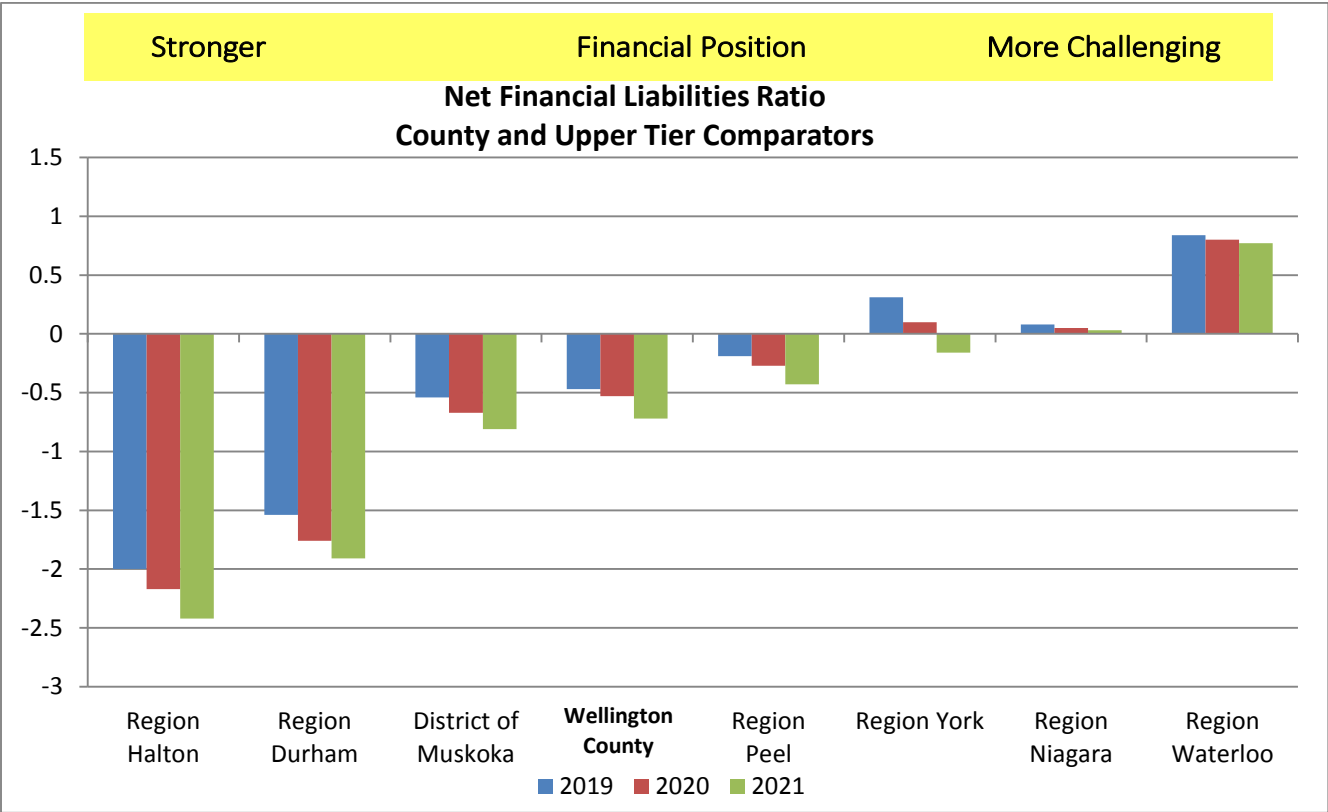
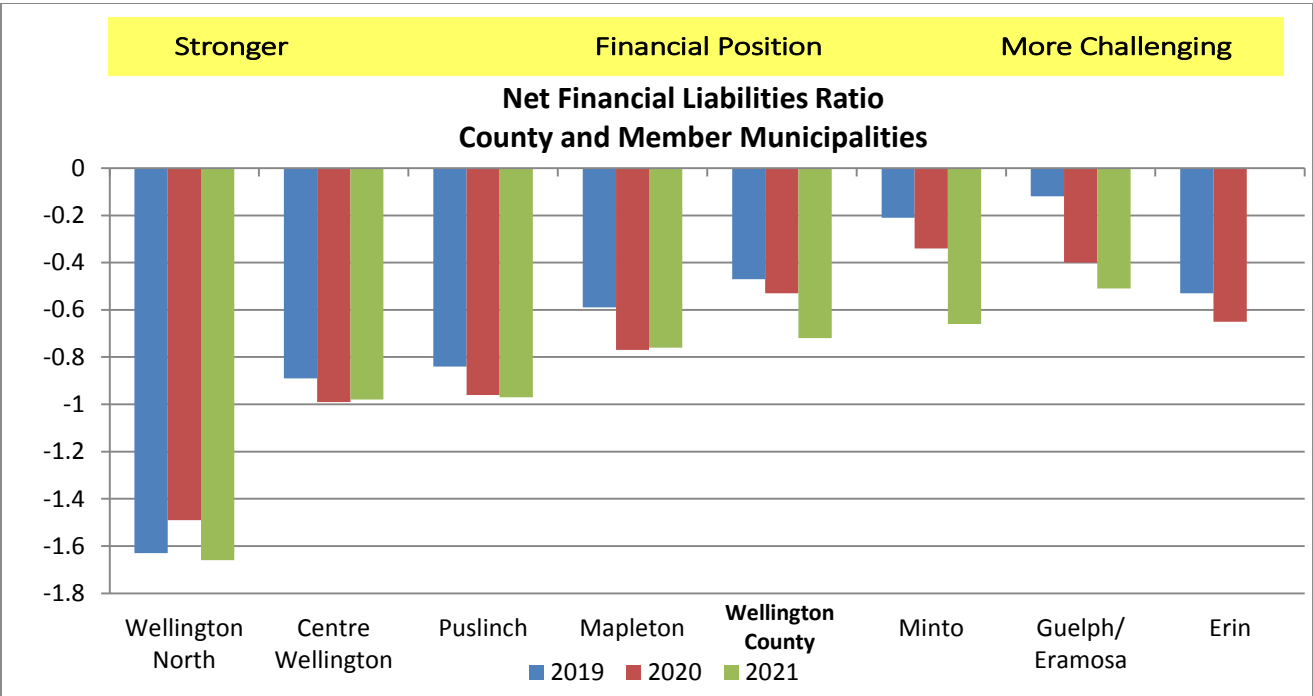
Financial position is a key indicator of a municipality's financial health. It provides an indication of the affordability of future municipal spending. The net financial position is a broader measure of a municipality's indebtedness than debenture debt as it includes all of the municipality's financial assets and liabilities. A negative number indicates that a municipality's total liabilities exceed its total assets.

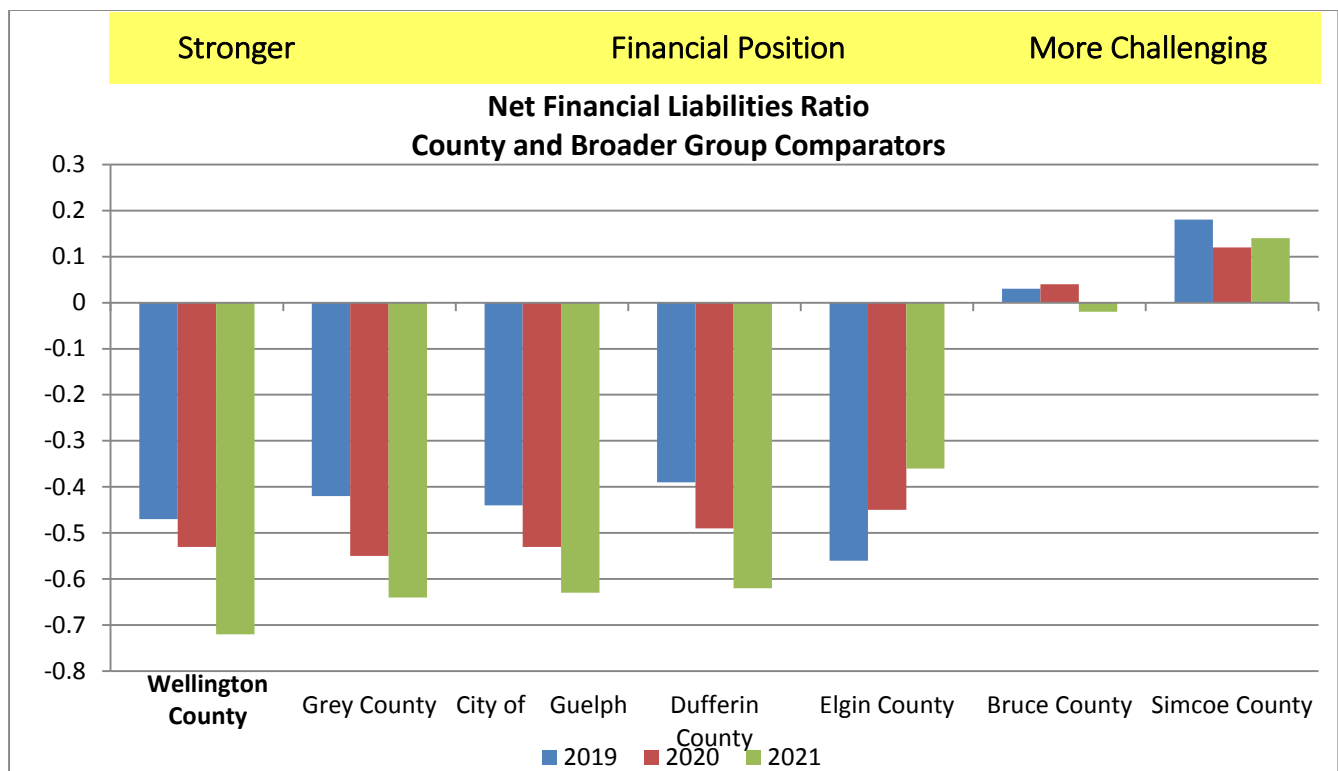




Indicator 2: Net Financial Liabilities Ratio

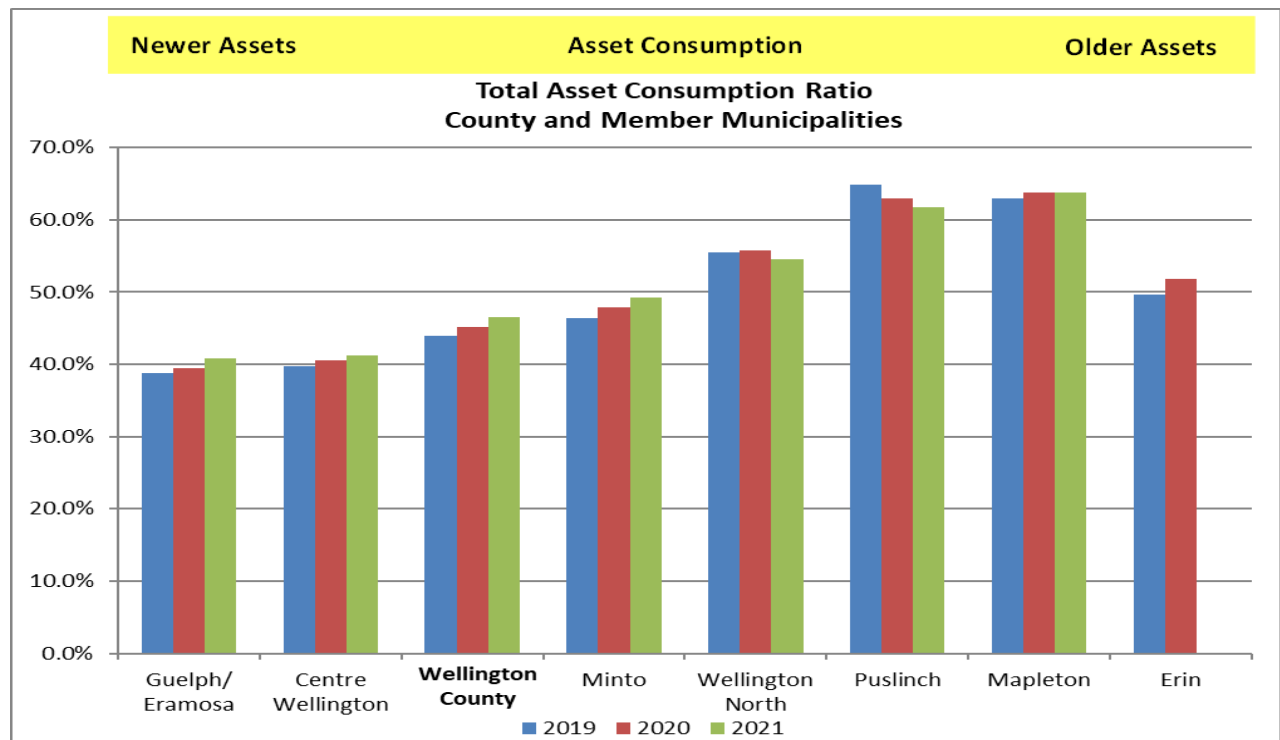
Net Financial Liabilities ratio is total liabilities minus assets as a percentage of own source revenues. It indicates the extent to which financial liabilities could be met by its operating revenue. A ratio greater than zero indicates that the municipality's total liabilities exceed the total assets.

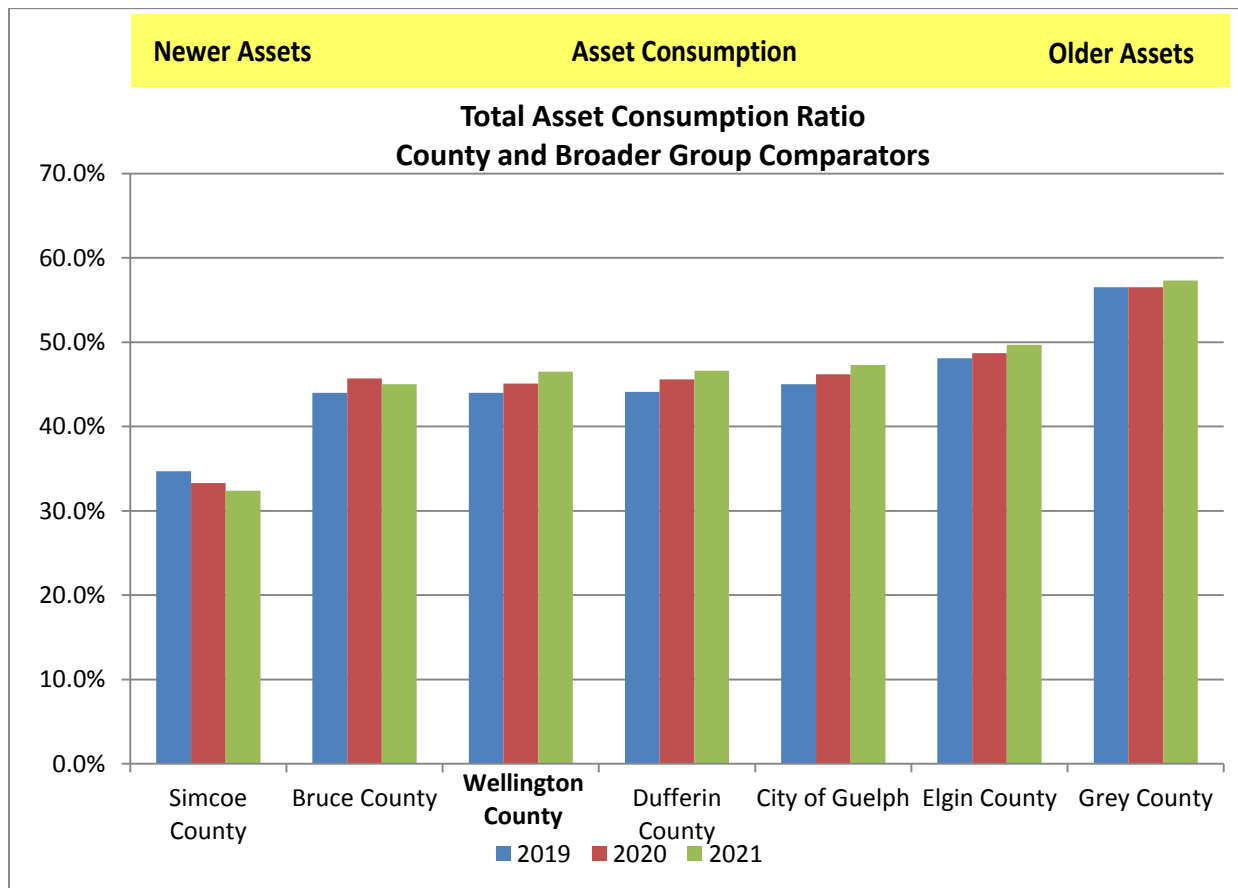
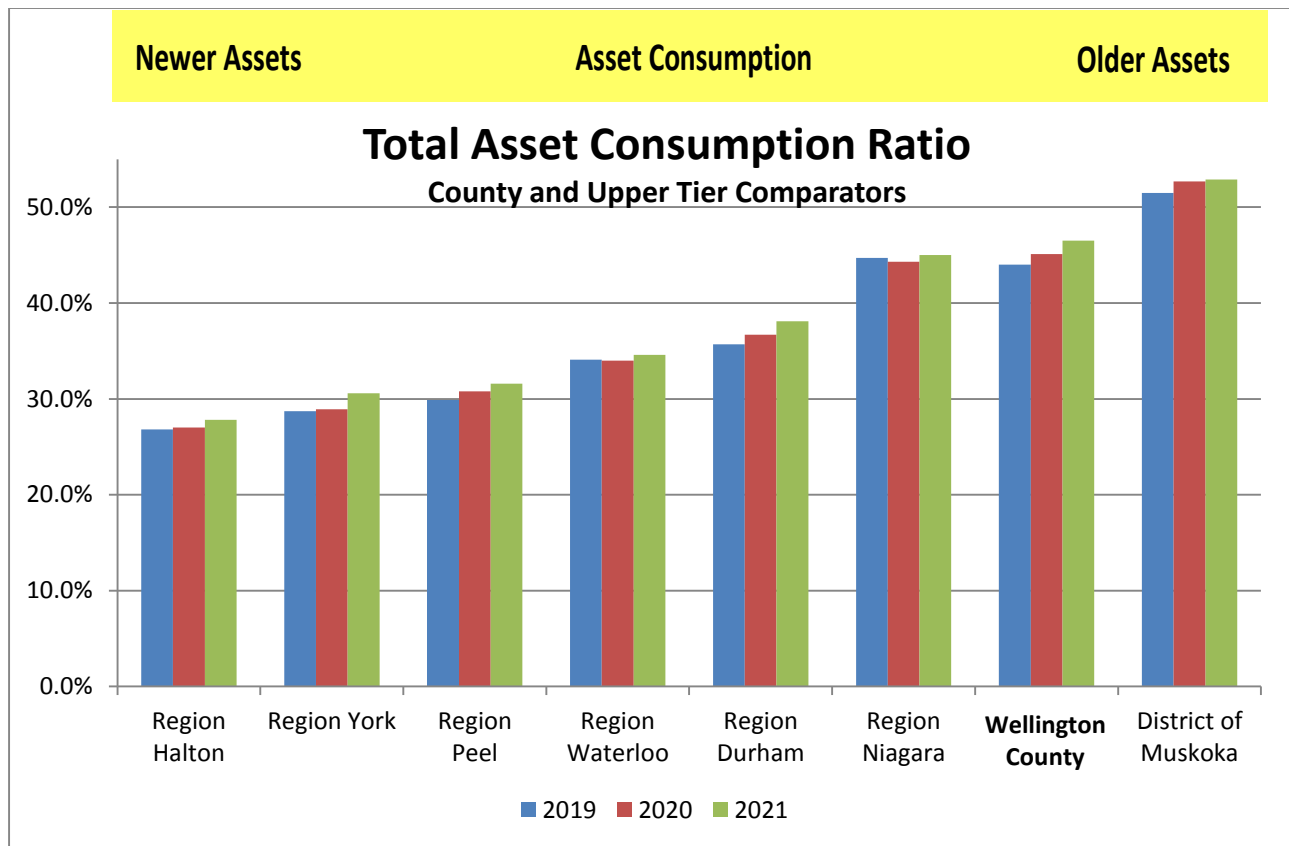




Indicator 3: Asset Consumption Ratio

This indicator provides an estimate of the useful life left in the municipality's capital assets. It shows the value of the tangible capital assets that have been consumed and seeks to highlight the aged condition of the assets and the potential asset replacement needs. The Ministry (MMA) considers a ratio of less than 50% to be low challenge; 50%-75% to be moderate challenge; and greater than 75% to be high challenge.





FLEXIBILITY – The ability to issue debt responsibly without impacting the credit rating. Also, the ability to generate required revenues.

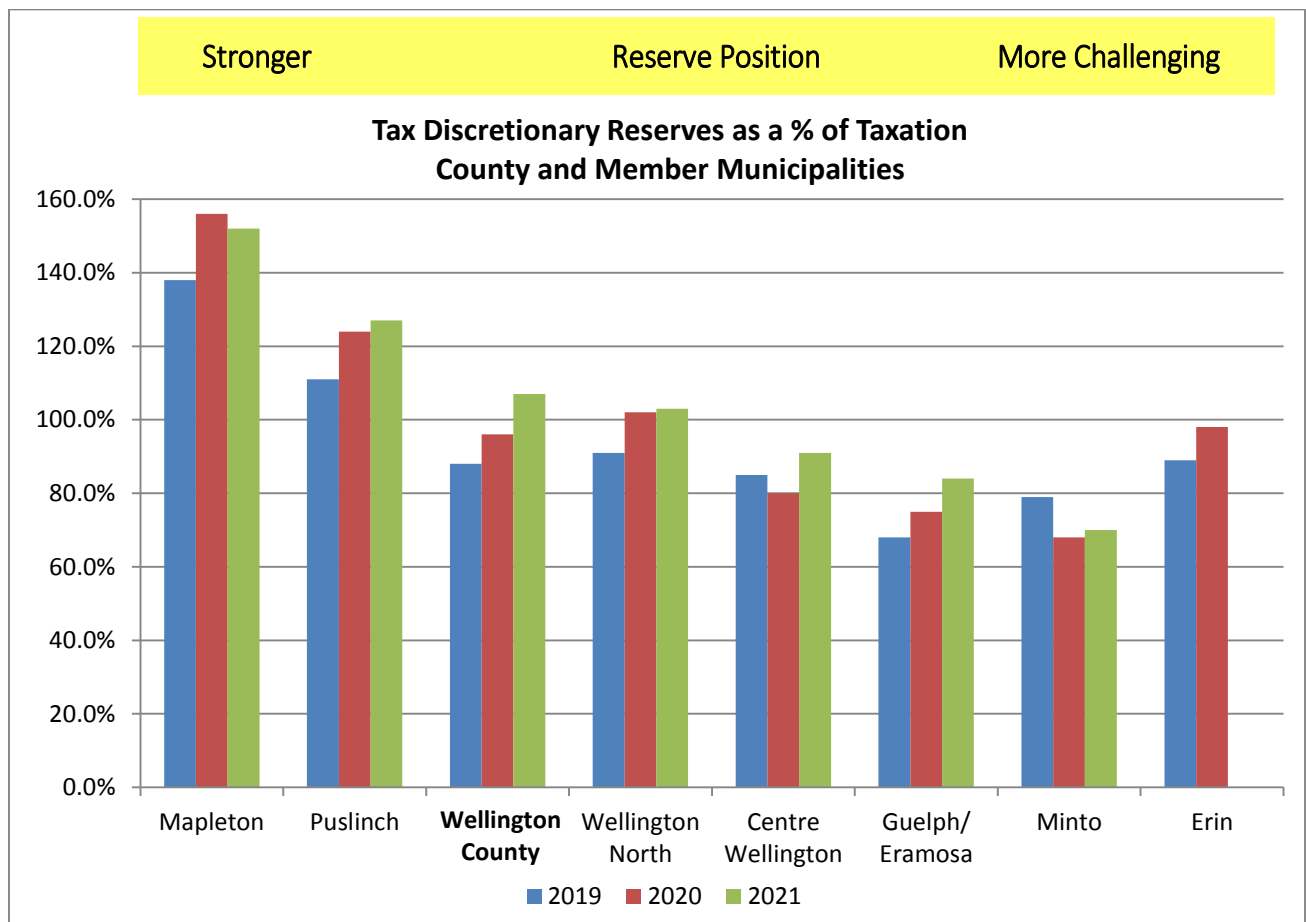
Indicator 4: Reserves

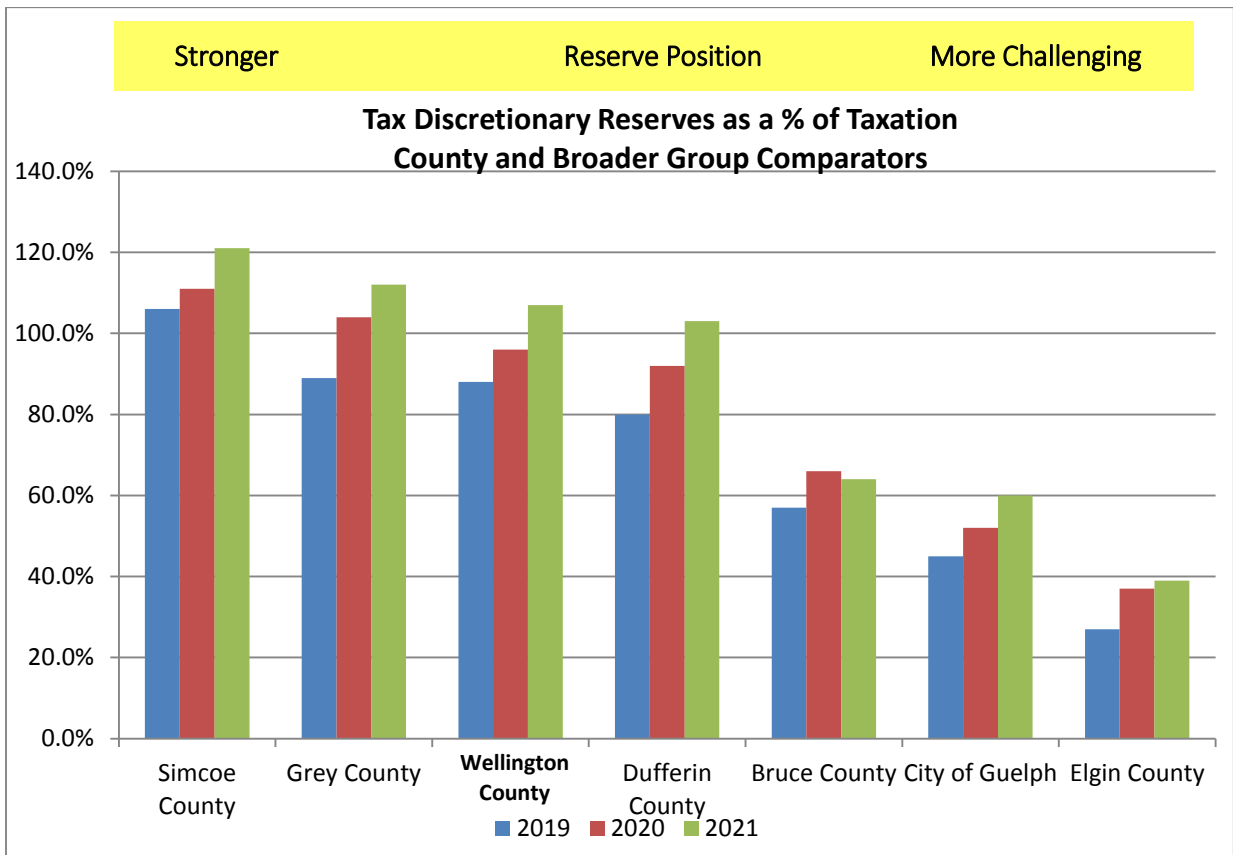
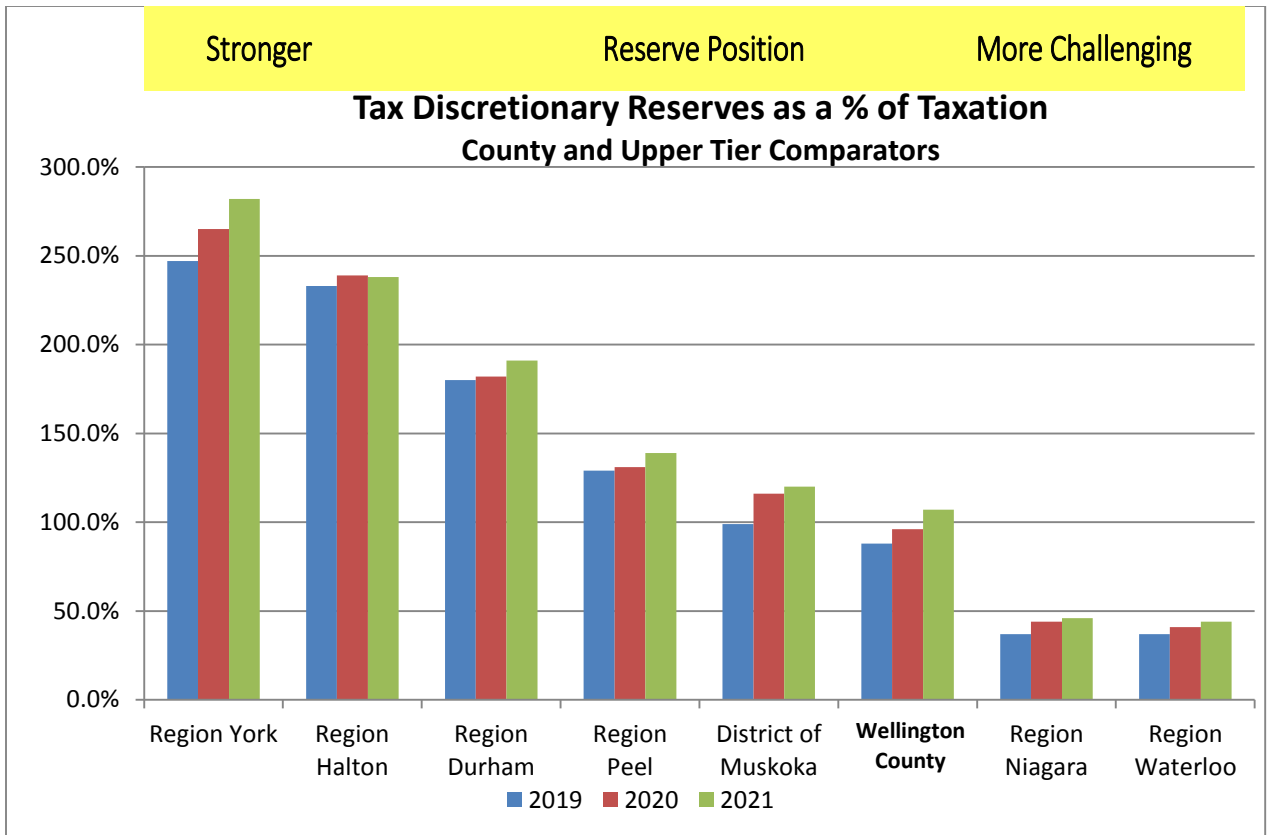
Reserves are a critical component of a municipality's long-term financial plan. Reserves offer liquidity which enhances the municipality's flexibility in addressing operating requirements and in permitting the municipality to temporarily fund capital projects internally, allowing it time to access debt markets and take advantage of favourable conditions.

Three financial indicators have been included for tax reserves. In each case, the water and wastewater reserves and reserve funds have been excluded as well as water and wastewater own source revenues.

I. Tax Discretionary Reserves as a % of Taxation

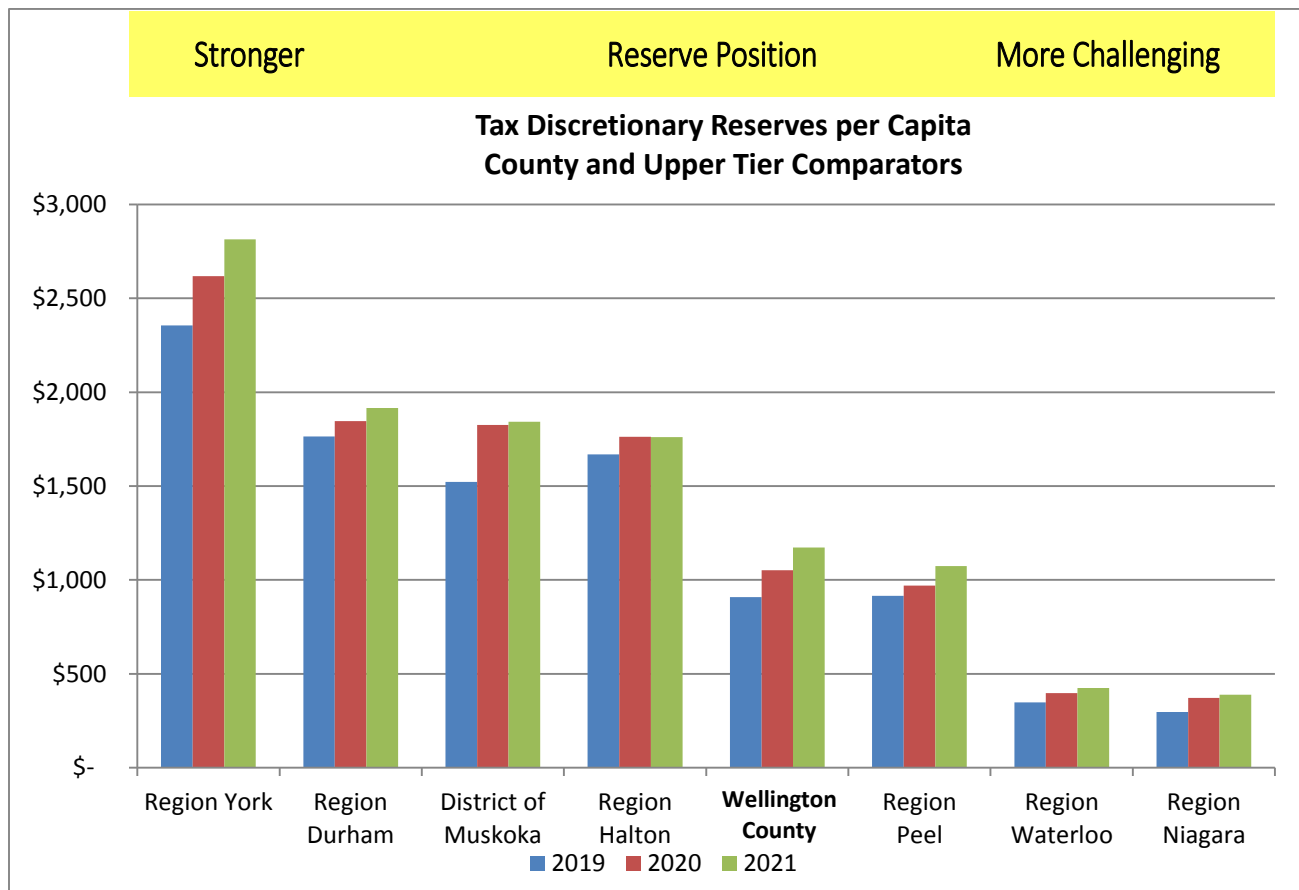
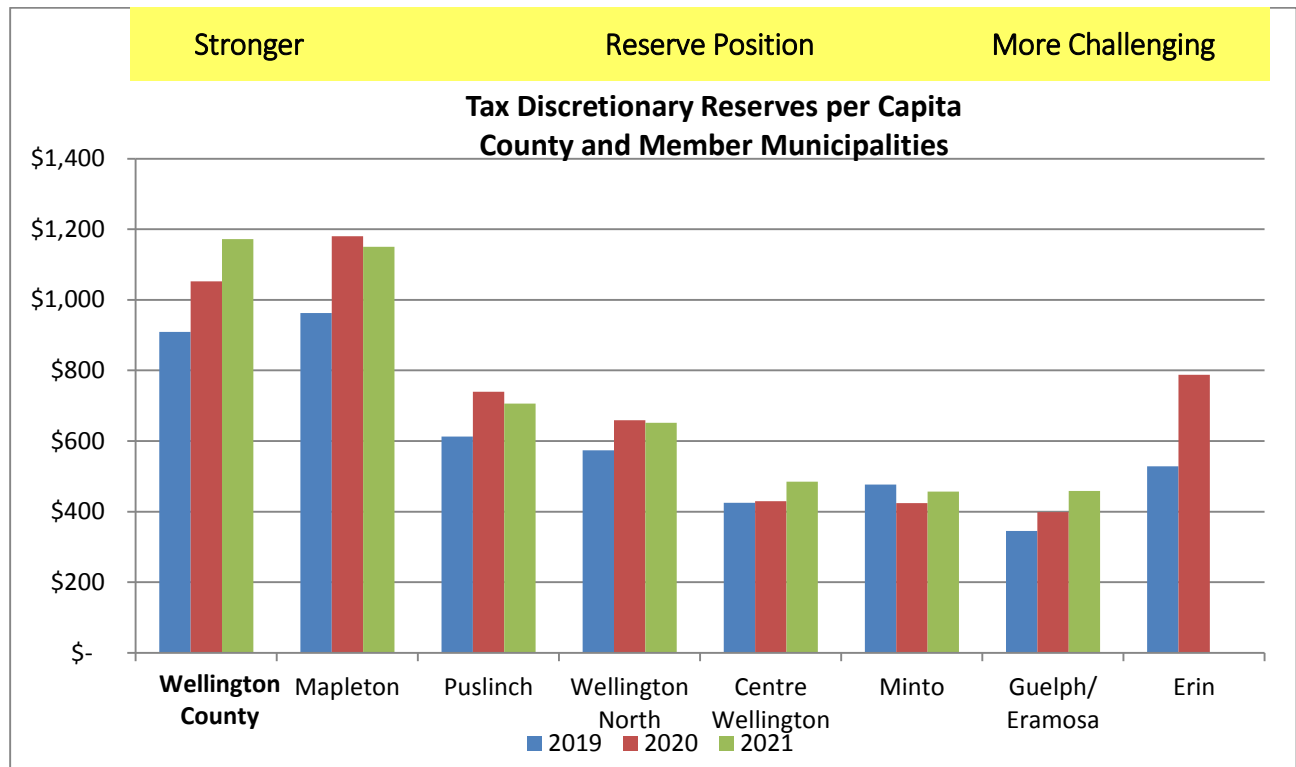
- This provides the total tax discretionary reserves and reserve funds in relation to total taxation

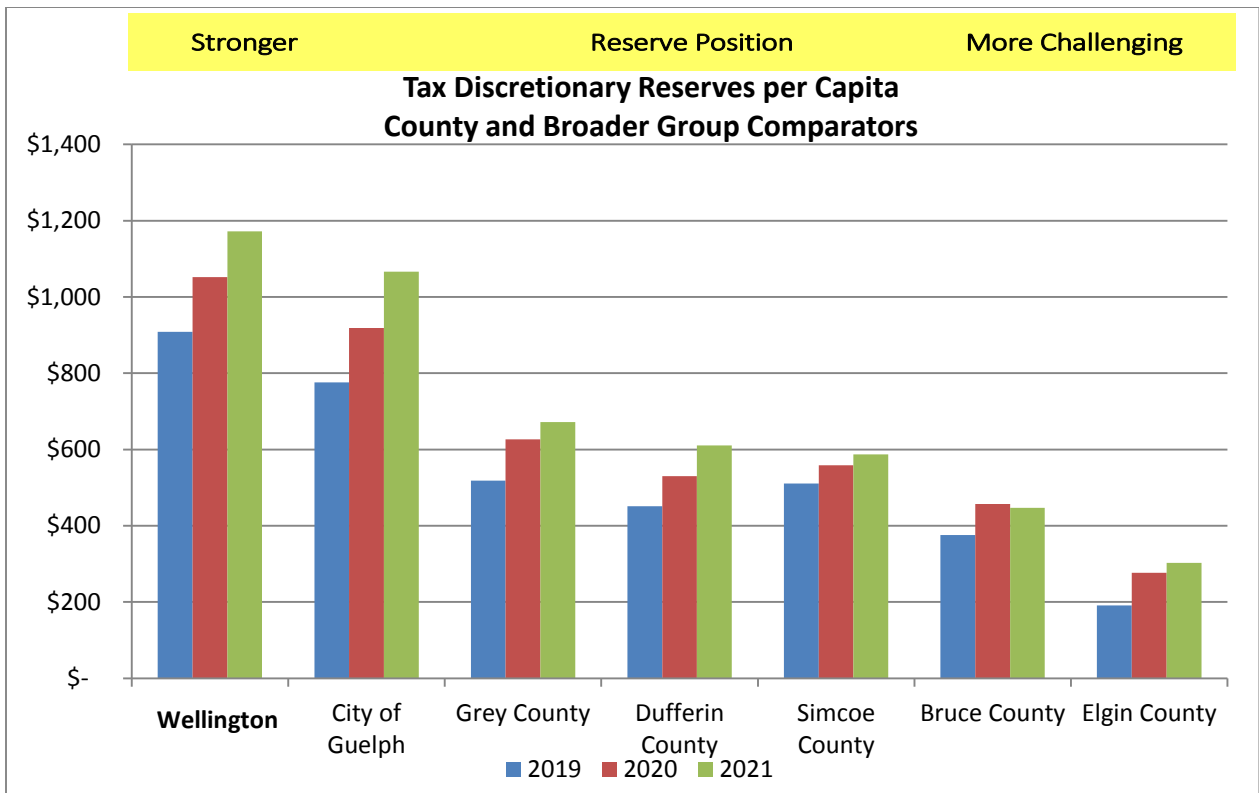




II. Tax Discretionary Reserves per Capita

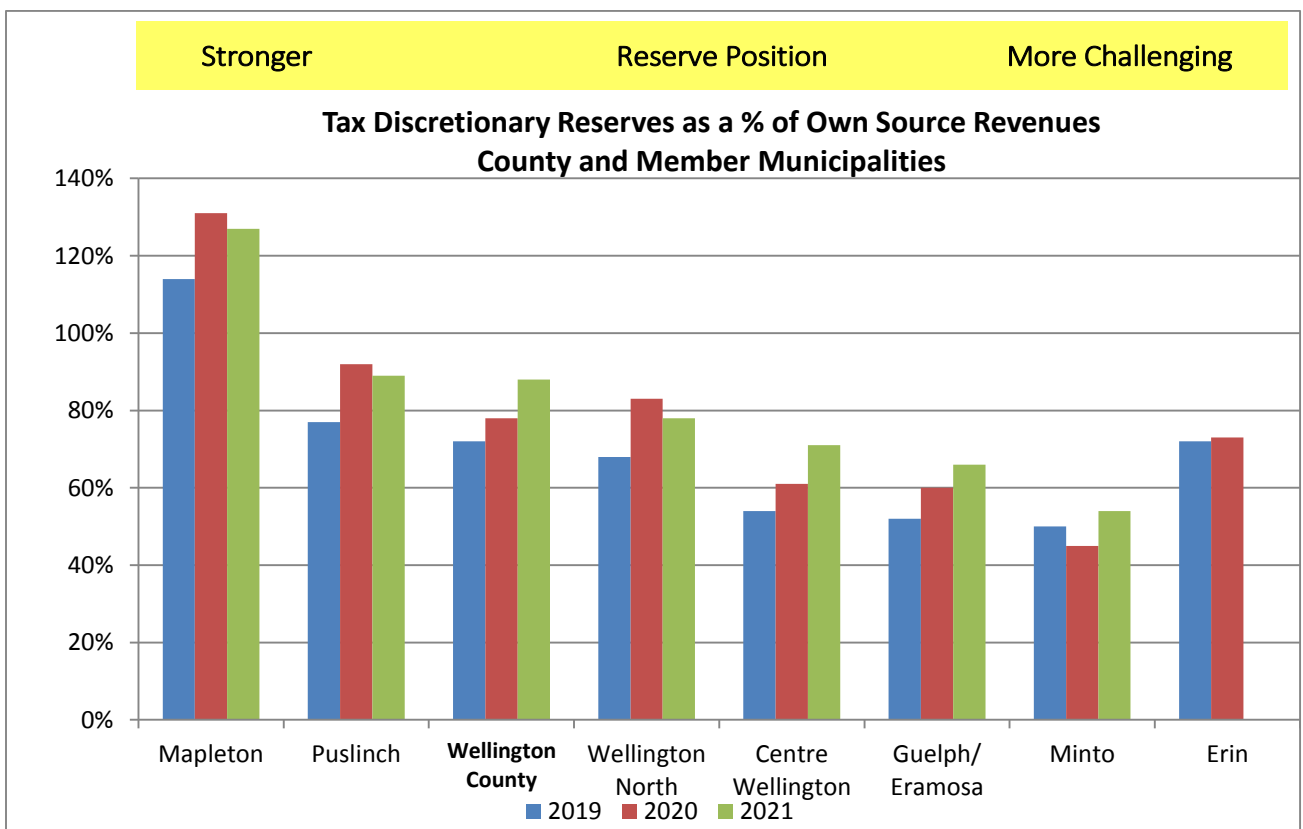
- This provides the total tax discretionary reserves in relation to the population.

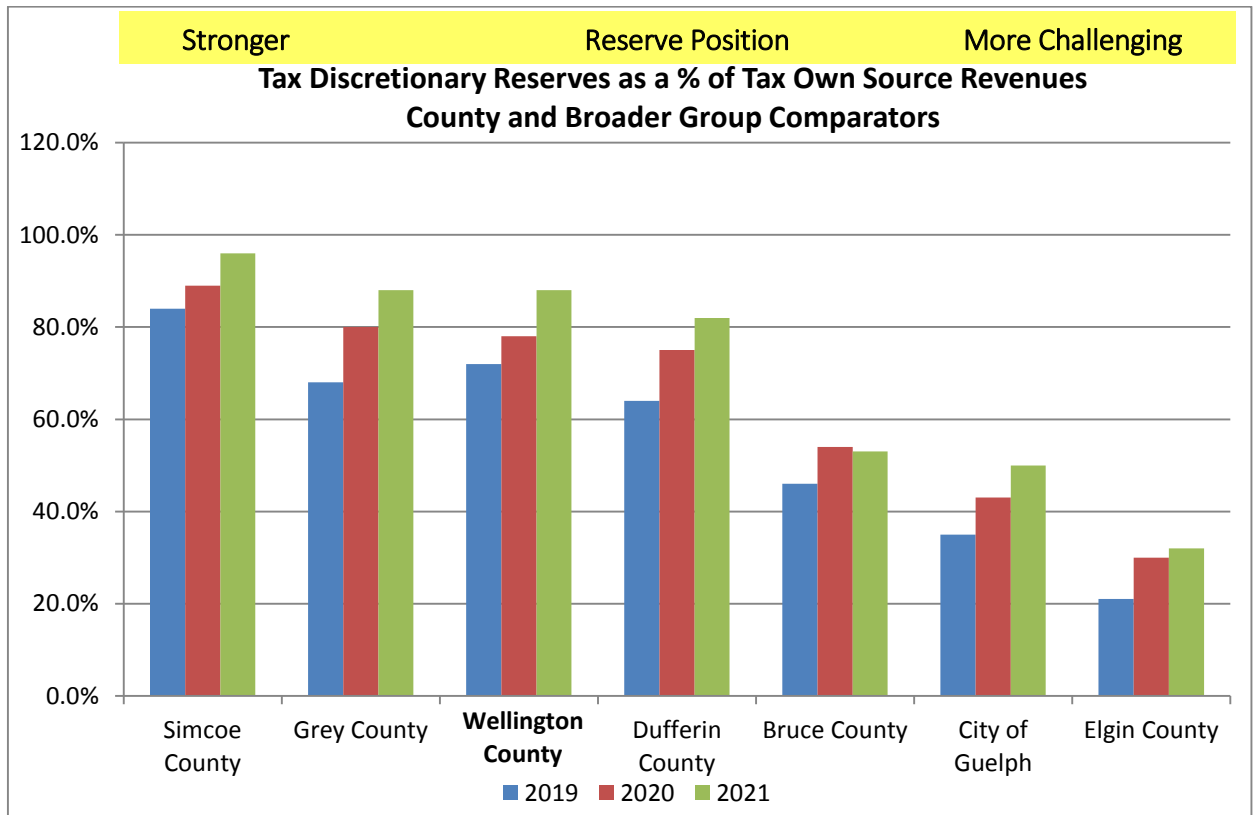
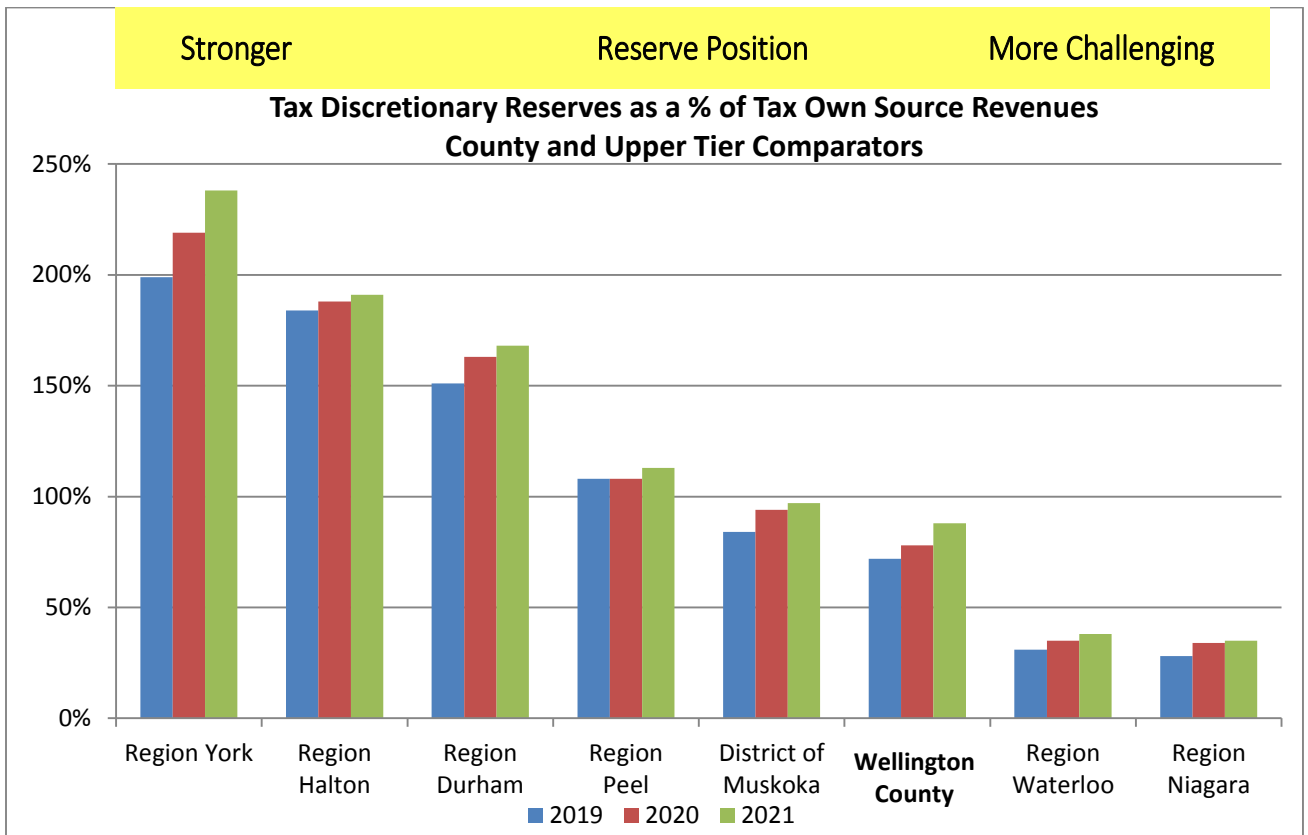




III. Tax Discretionary Reserves as a % of Own Source Revenues

- This shows the total value of funds held in reserves and reserve funds compared to a single year's own source revenue. It is a strong indicator of financial stability.



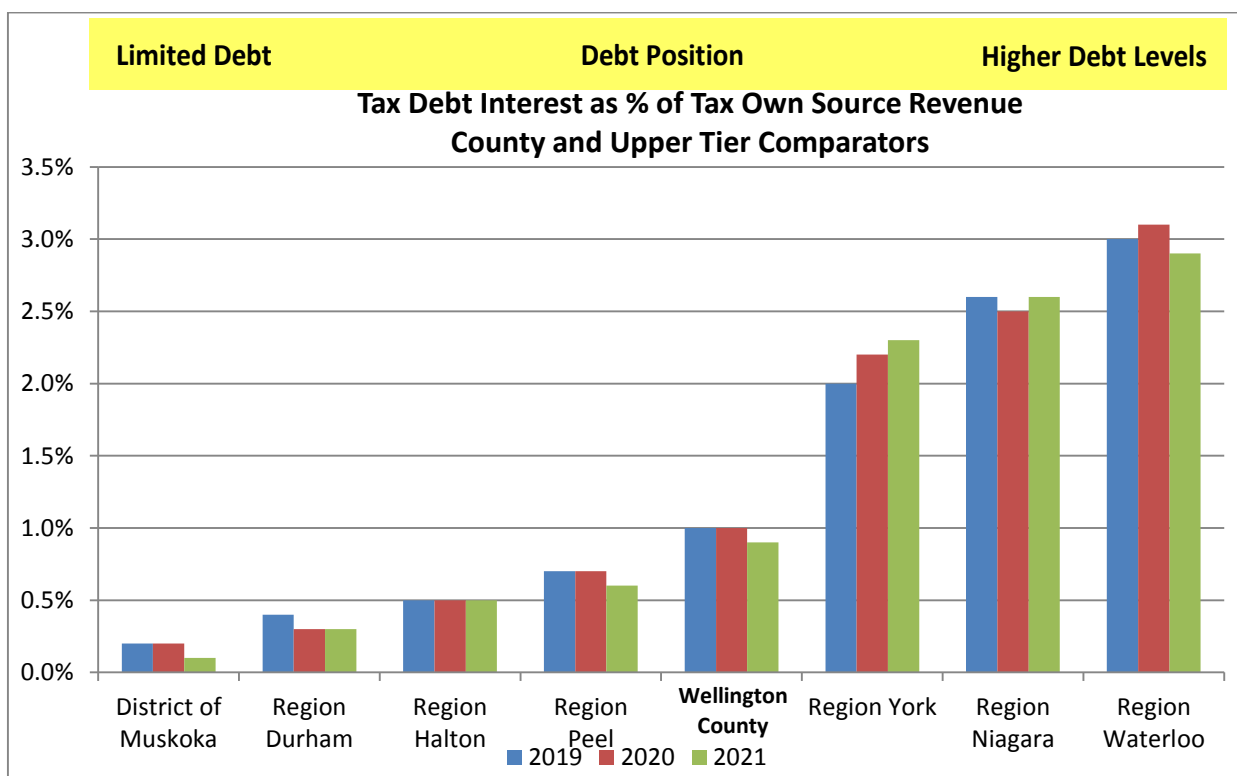
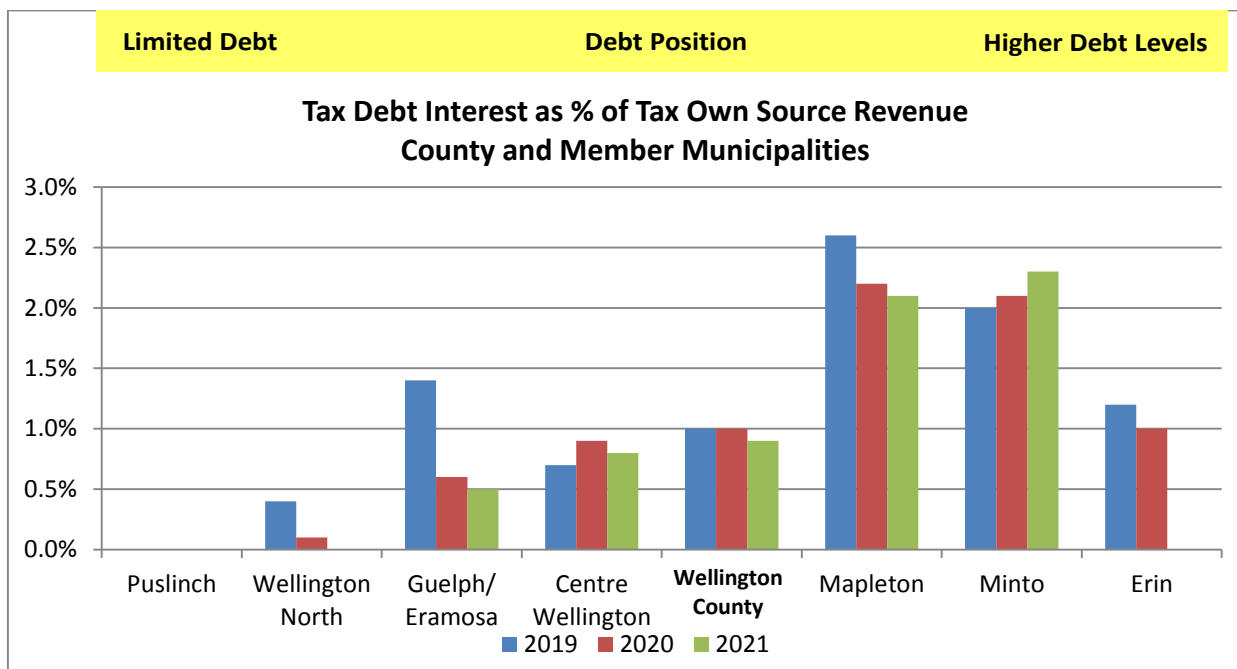


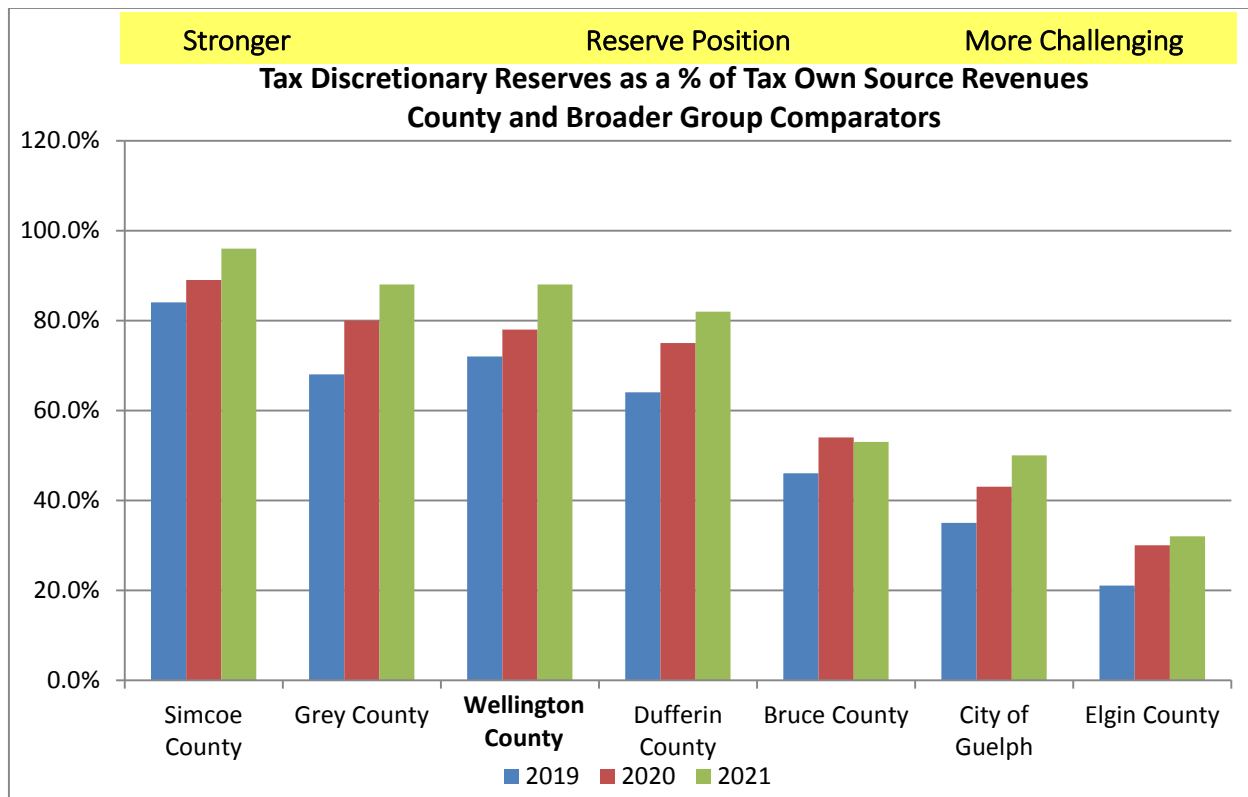
Indicator 5: Debt

There are five financial debt indicators that have been included in the analysis to provide a clear understanding of the overall debt outstanding and the debt servicing costs.

I. Tax Debt Interest as % of Own Source Revenue (less Water & Wastewater Revenue)

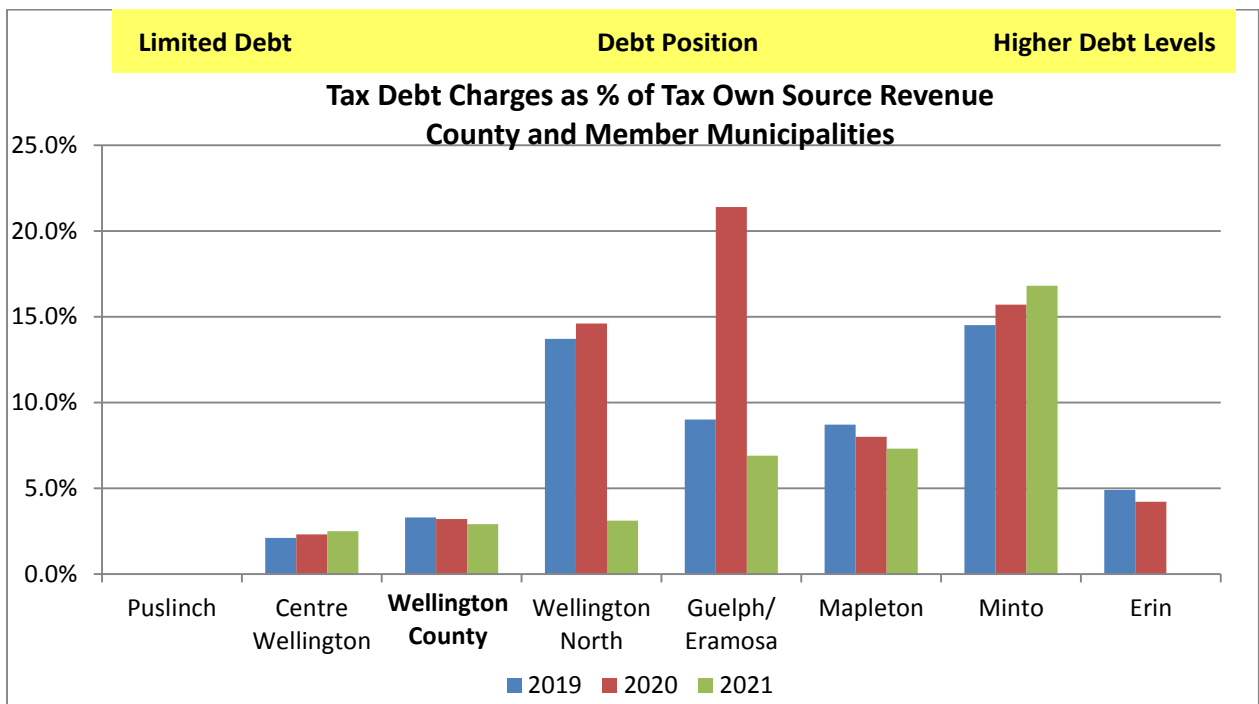
- This ratio indicates the extent to which the municipality's own source revenues are committed to debt interest charges.

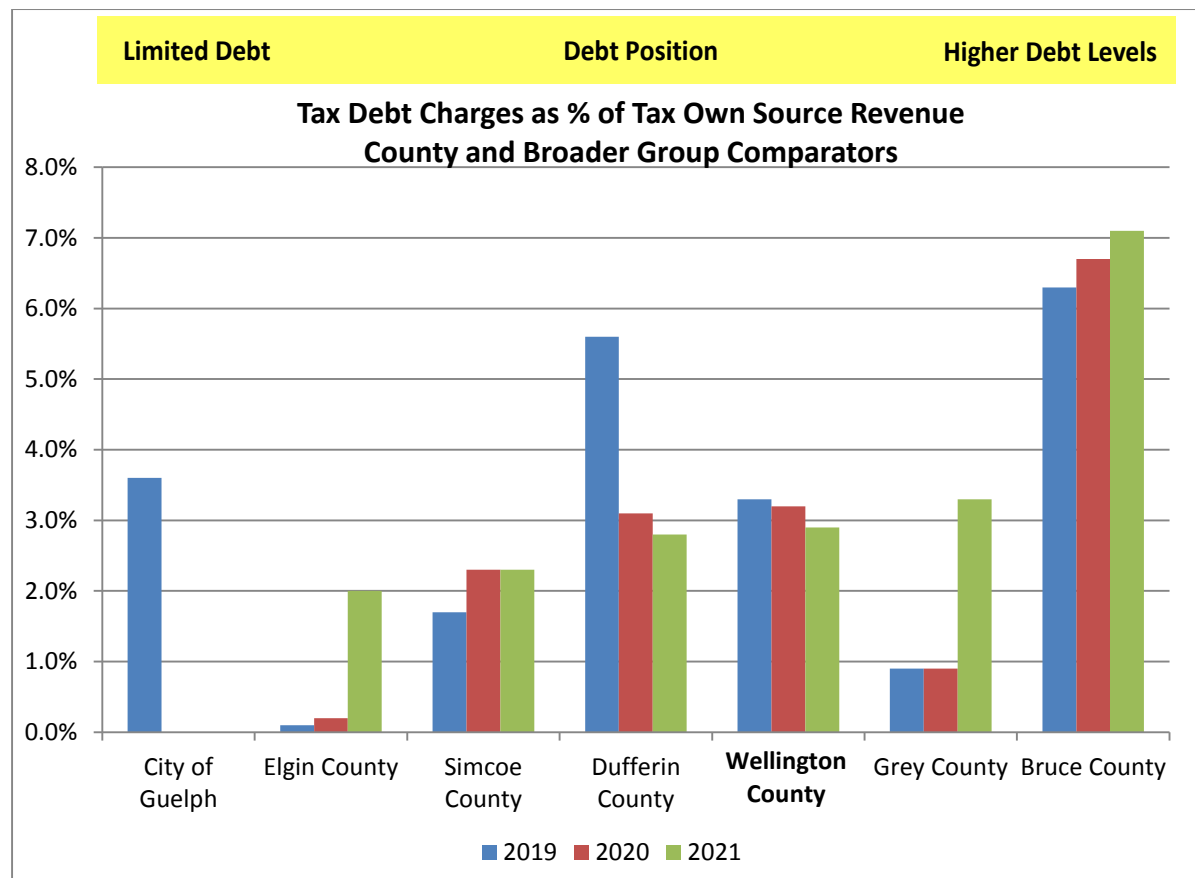
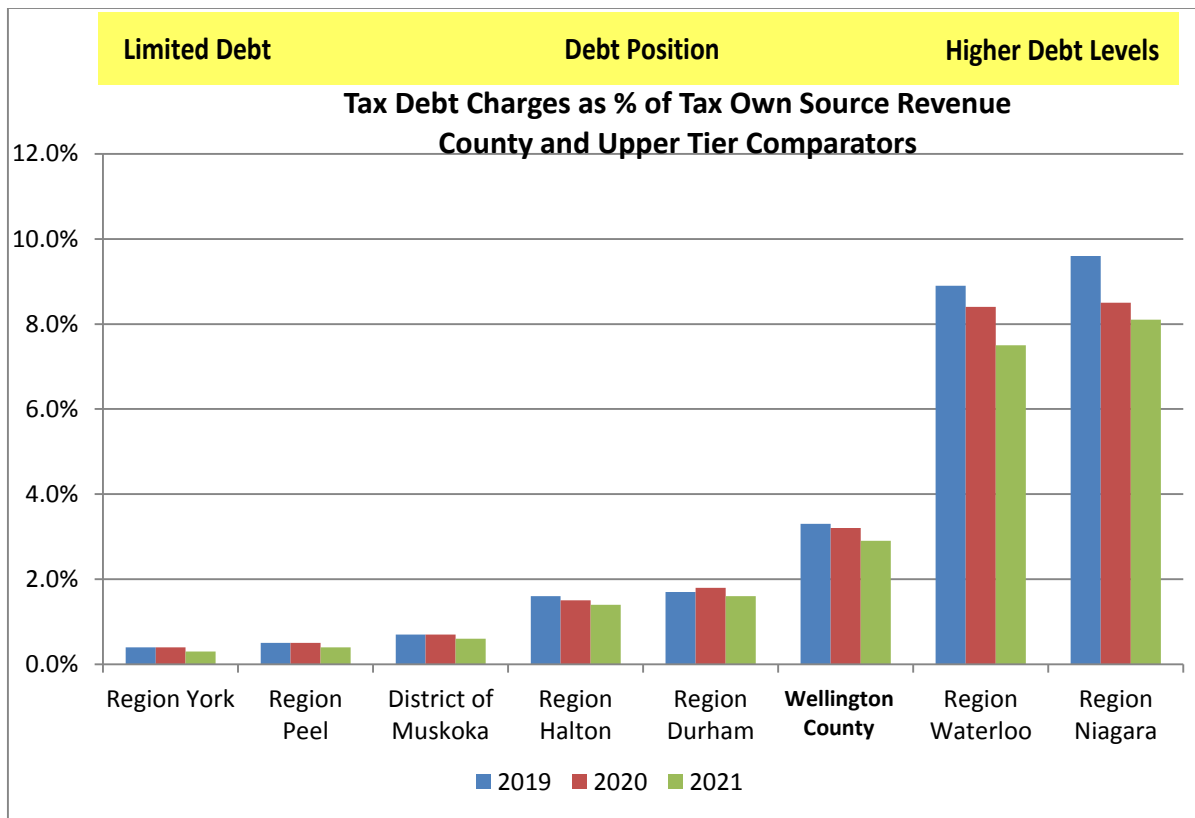




II. Tax Debt Charges as a % of Own Source Revenues (less Water & Wastewater Revenue) (Debt Service Ratio)

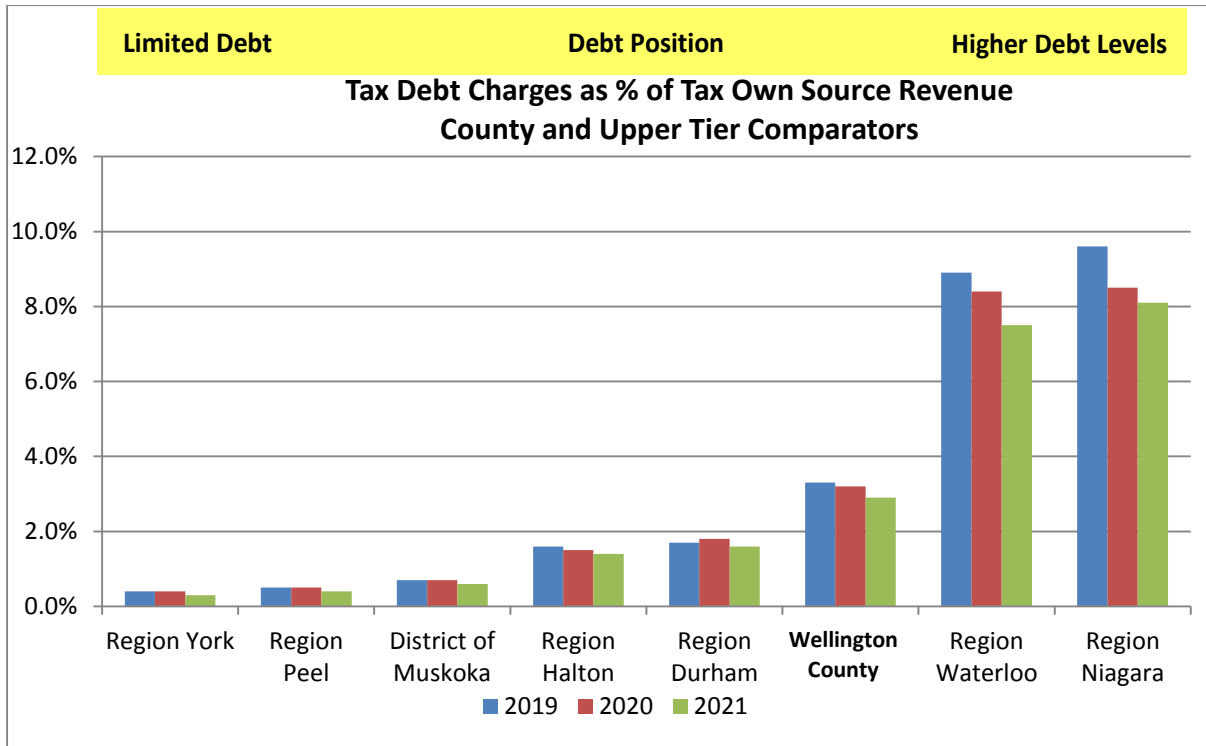
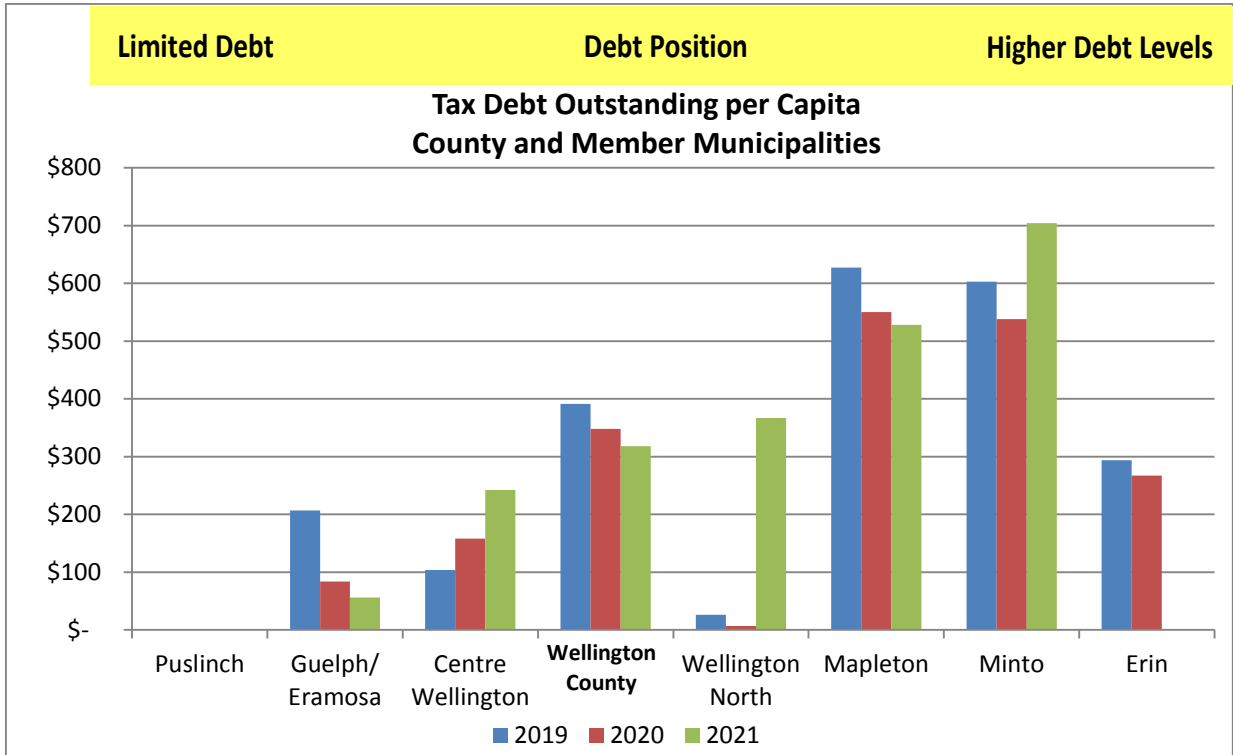
- Debt Service is the amount of principal and interest that a municipality must pay each year to service the debt. As debt service increases it reduces expenditure flexibility. This shows the % of total tax debt expenditures, including interest as a % of own source revenues (less water & wastewater revenue). It is a measure of the municipality's ability to service its debt payments. Credit rating agencies consider that principal and interest should be below 10% of own source revenue.

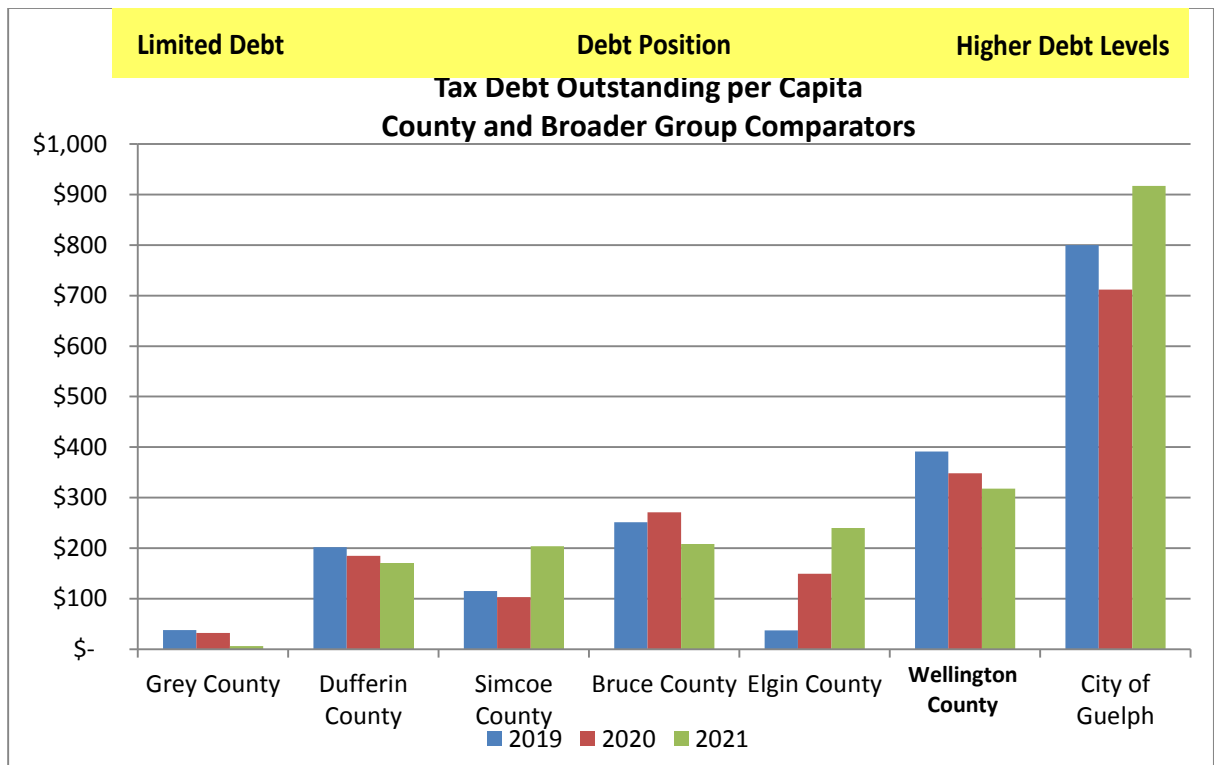




III. Tax Debt Outstanding per Capita

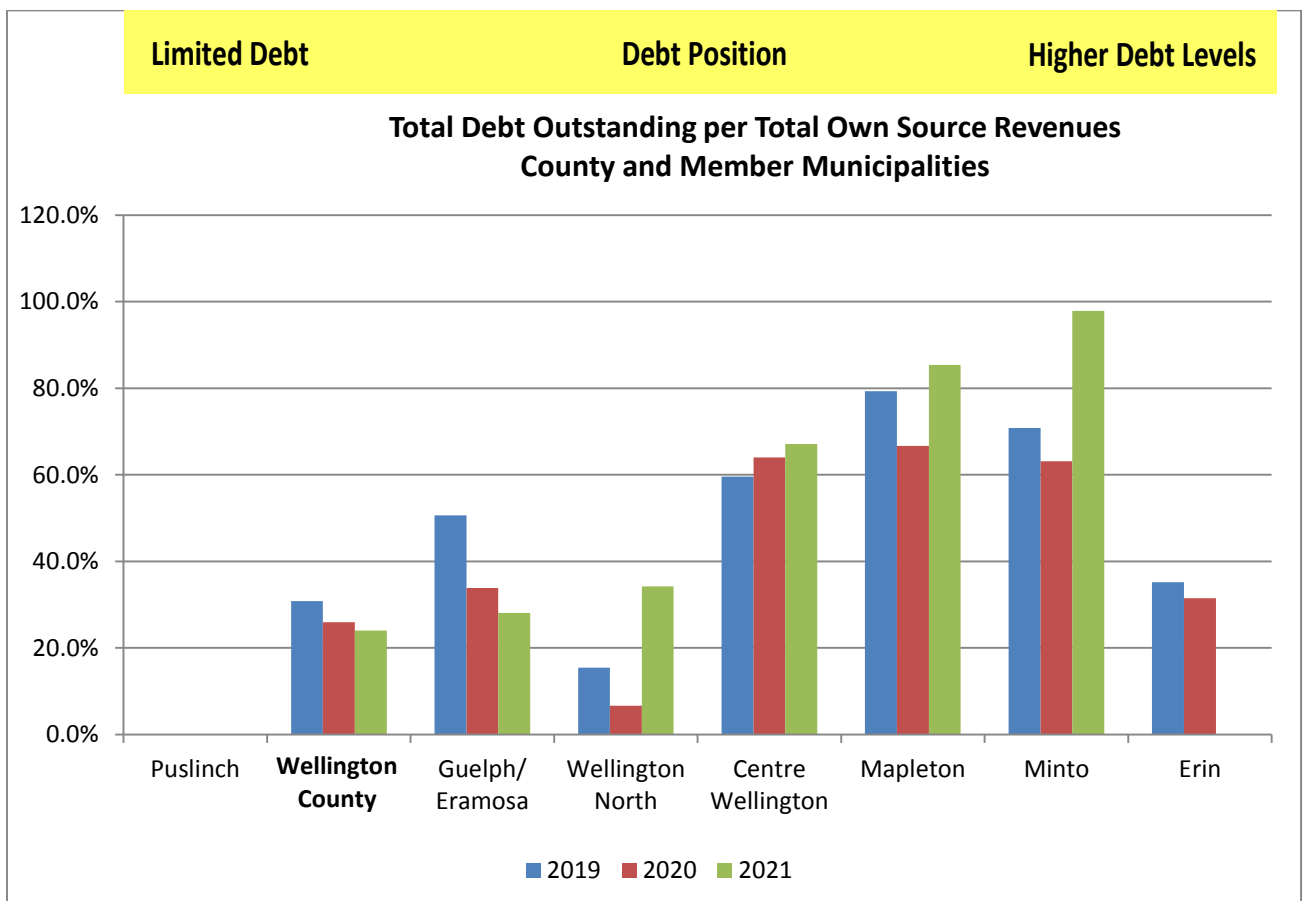
- This provides the tax debt outstanding divided by the population.





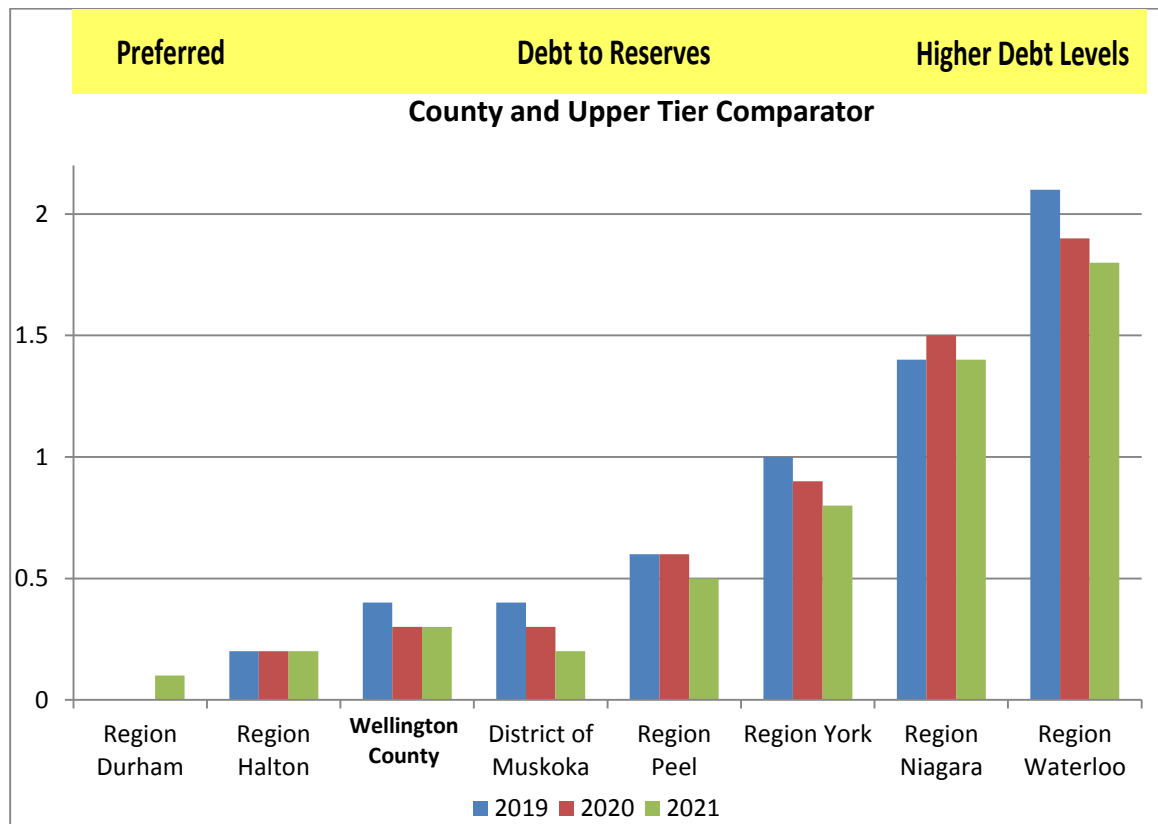
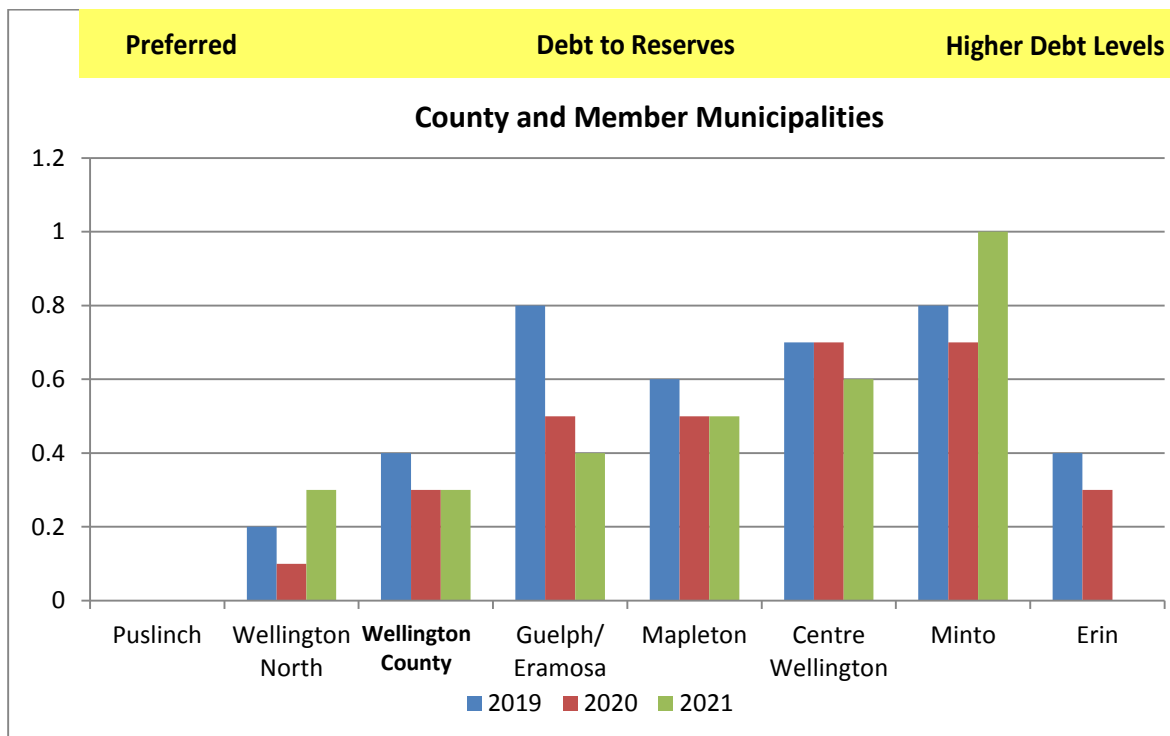
IV. Debt Outstanding Per Own Source Revenue

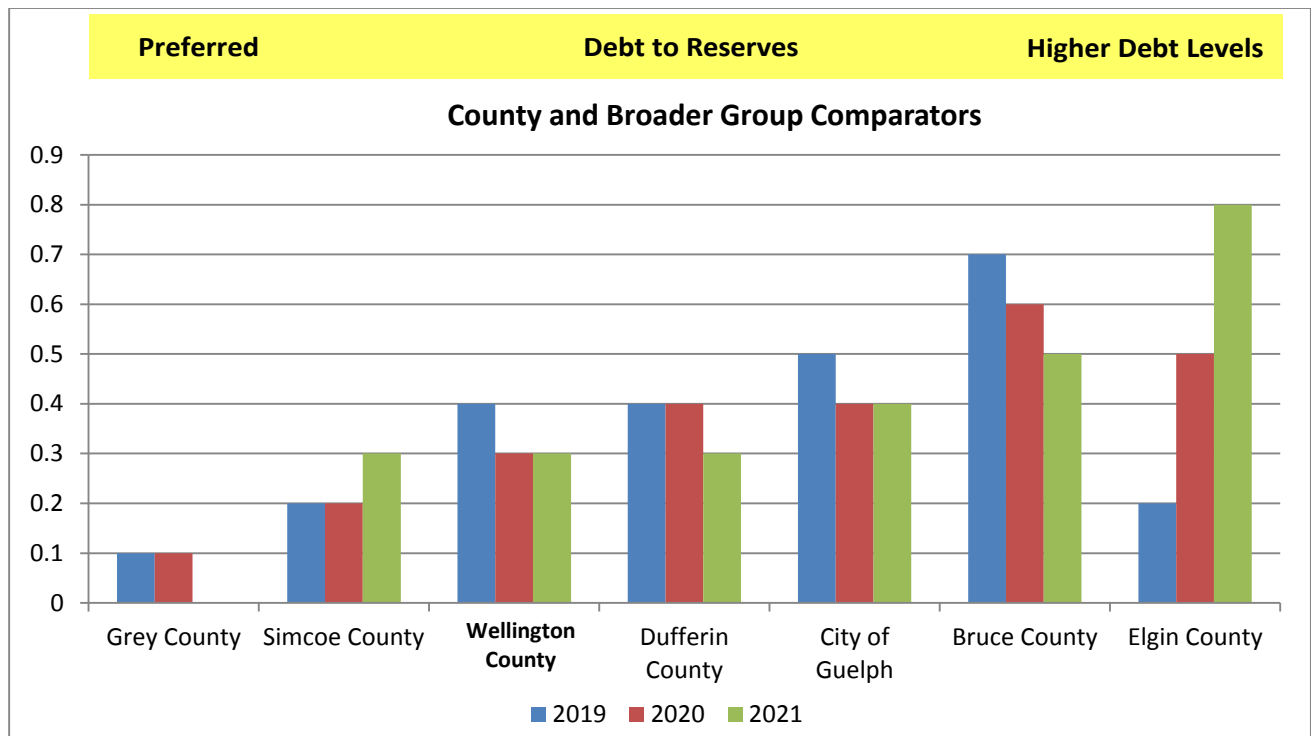
- This provides the debt outstanding divided by the municipality's own source revenues. This indicator includes Water and Wastewater debt and revenues.



V. Debt to Reserve Ratio

- This measure reflects the amount of debt outstanding divided by a municipality's reserves and reserve funds. A measure above 1.0 indicates that a municipality has more long-term debt than reserves. This indicator includes Water and Wastewater Debt and Reserves/Reserve Funds.

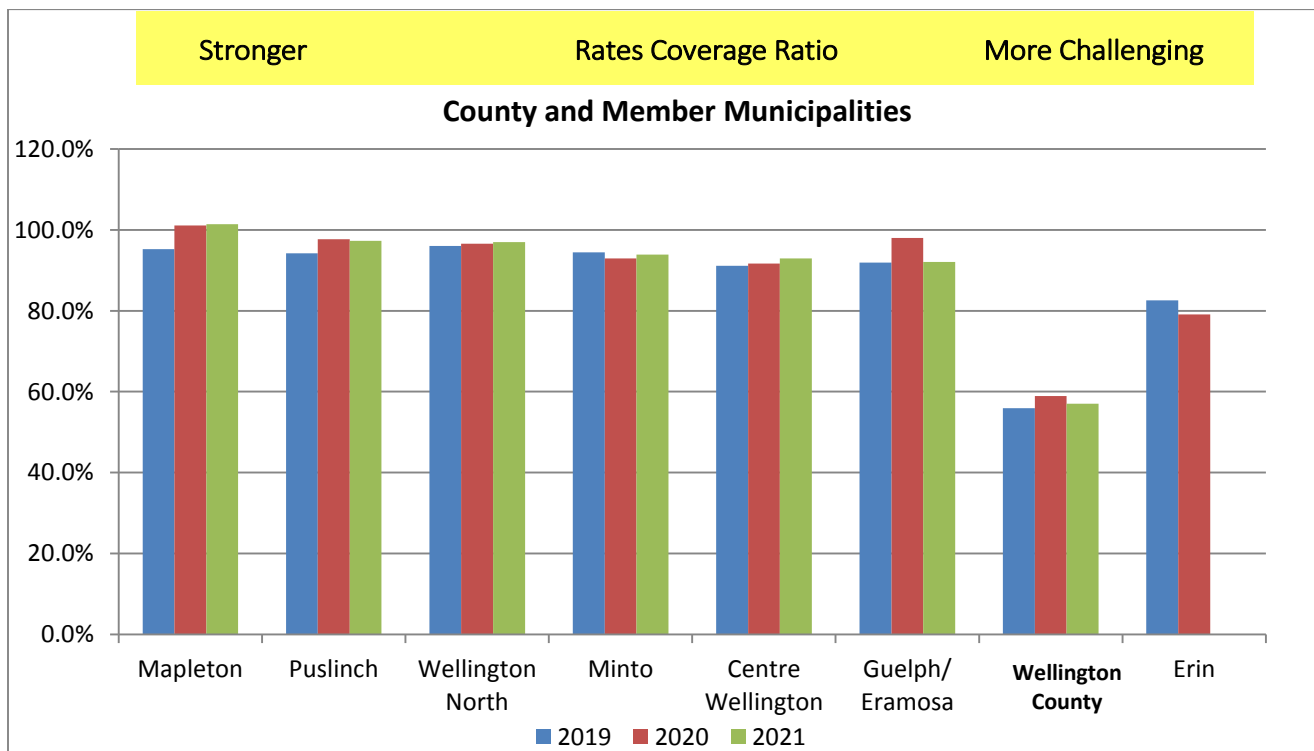


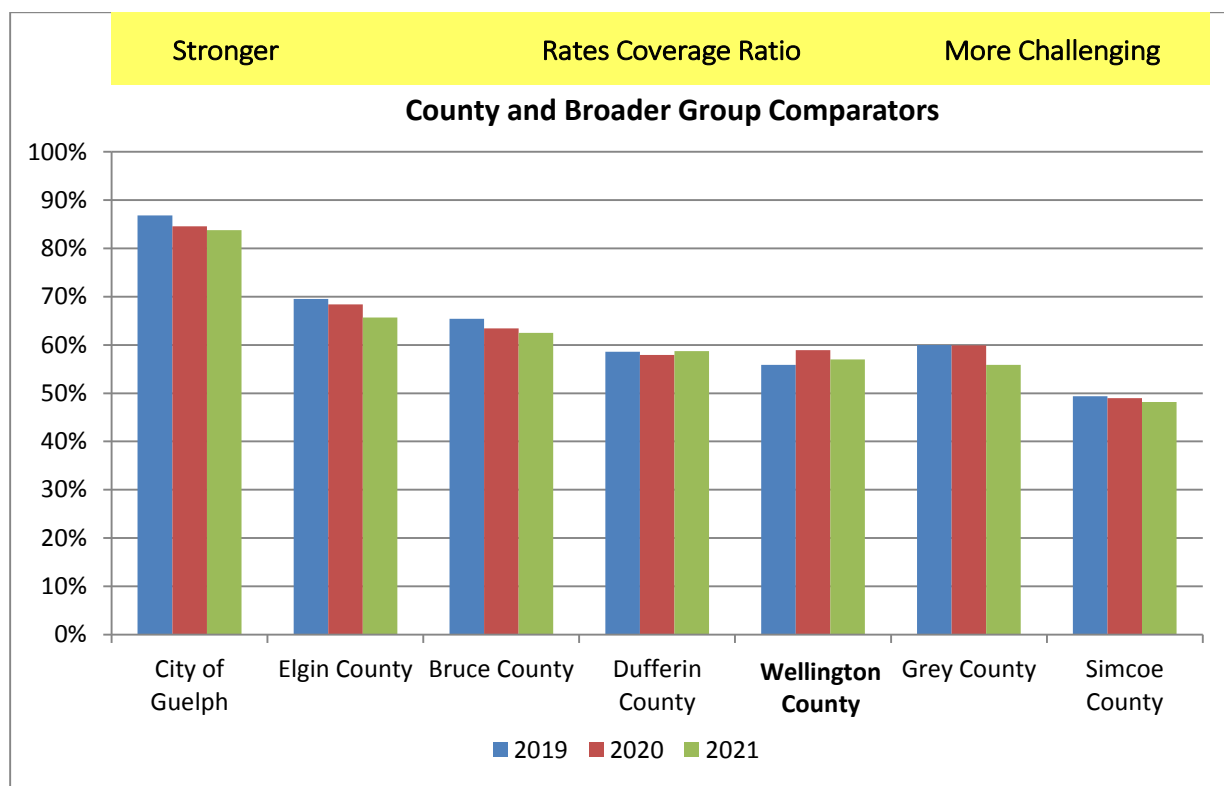
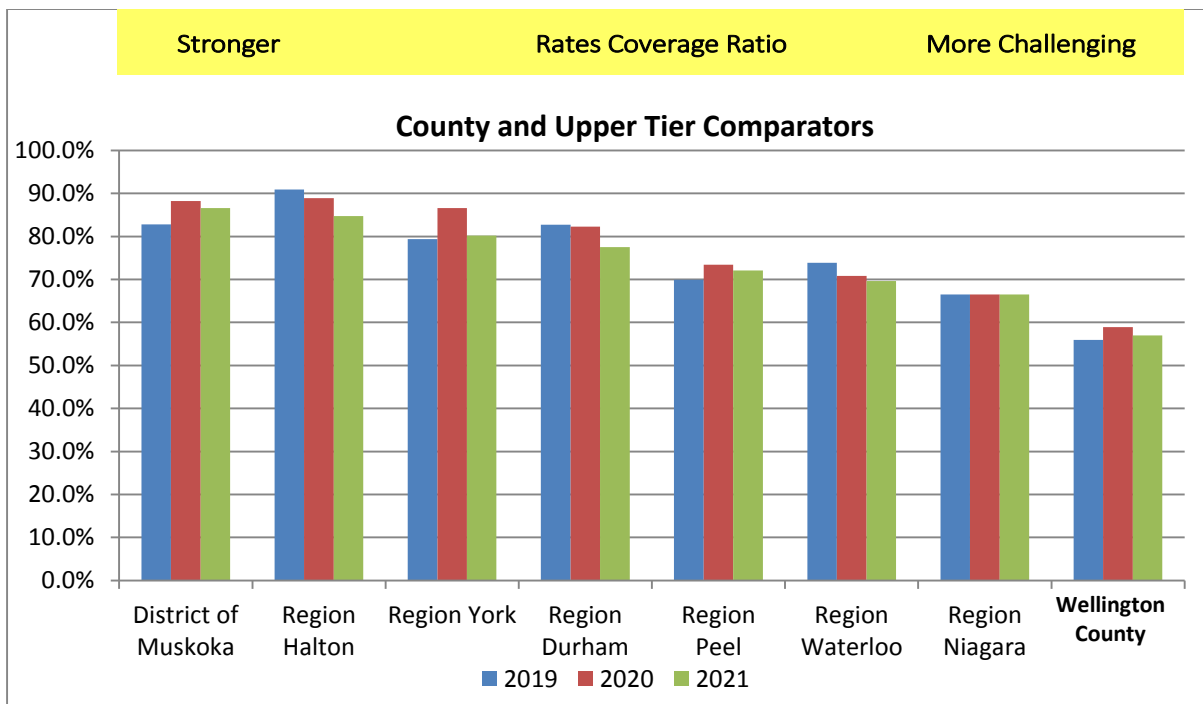


VULNERABILITY – Addresses a municipality’s vulnerability to external sources of funding that it cannot control and its exposure to risks.

Indicator 6: Rates Coverage Ratio

The Rates Coverage Ratio provides a measure of the municipality’s ability to cover its costs through its own sources of revenue. Water and Wastewater expenditures and revenues are included in this indicator. It measures own source revenue as a % of total expenditures. According to the MMAH, a basic target is 40%-60%; an intermediate is 60%-90% and an advanced target is 90% or greater.





Recommendation:

That the BMA Municipal Study – Financial Indicators report be received for information.

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

Schedule A – Summary of Indicators (2021)

County and Member Municipalities

Ranking 1 = Lowest Challenge 8 = Greatest Challenge		Centre Wellington	Erin	Guelph/ Eramosa	Mapleton	Minto	Puslinch	Wellington North	Wellington County
Indicators									
1	Financial Position Per Capita	\$1,012	NA	\$463	\$785	\$865	\$765	\$2,035	\$954
		2		7	5	4	6	1	3
2	Net Financial Liabilities Ratio	-0.98	NA	-0.51	-0.76	-0.66	-0.97	-1.66	-0.72
		2		7	4	6	3	1	5
3	Asset Consumption Ratio	41.2%	NA	40.8%	63.8%	49.3%	61.7%	54.5%	46.5%
		2		1	7	4	6	5	3
4	Tax Discretionary Reserves as a % of Taxation	91.0%	NA	84.0%	152.0%	70.0%	127.0%	103.0%	107.0%
		5		6	1	7	2	4	3
	Tax Discretionary Reserves per Capita	\$485	NA	\$459	\$1,150	\$457	\$706	\$652	\$1,172
		5		6	2	7	3	4	1
	Tax Discretionary Reserves as a % of Own Source Revenues	71.0%	NA	66.0%	127.0%	54.0%	89.0%	78.0%	88.0%
		5		6	1	7	2	4	3
5	Tax Debt Interest as % of Own Source Revenue (less W & WW Revenue)	0.8%	NA	0.5%	2.1%	2.3%	0.0%	0.0%	0.9%
		4		3	6	7	1	1	5
	Tax Debt Charges as a % of Own Source Revenues (less W & WW Revenue)	2.5%	NA	6.9%	7.3%	16.8%	0.0%	3.1%	2.9%
		2		5	6	7	1	4	3
	Tax Debt Outstanding per Capita	\$242	NA	\$56	\$528	\$704	\$0	\$367	\$318
		3		2	6	7	1	5	4
	Debt Outstanding Per Own Source Revenue	67.1%	NA	28.1%	85.4%	97.9%	0.0%	34.2%	24.0%
		5		3	6	7	1	4	2
	Debt to Reserve Ratio	0.6	NA	0.4	0.5	1	0	0.3	0.3
		6		4	5	7	1	2	2
6	Rates Coverage Ratio	92.9%	NA	92.1%	101.4%	93.9%	97.3%	97.0%	57.0%
		5		6	1	4	2	3	7

Schedule B – Summary of Indicators (2021)

County and Upper-Tier Comparators

Ranking 1 = Lowest Challenge 8 = Greatest Challenge		District of Muskoka	Region Durham	Region Halton	Region Niagara	Region Peel	Region Waterloo	Region York	Wellington County
Indicators									
1	Financial Position Per Capita	\$1,736	\$2,875	\$3,094	(\$45)	\$540	(\$1,031)	\$244	\$954
		3	2	1	7	5	8	6	4
2	Net Financial Liabilities Ratio	-0.81	-1.91	-2.42	0.03	-0.43	0.77	-0.16	-0.72
		3	2	1	7	5	8	6	4
3	Asset Consumption Ratio	52.9%	38.1%	27.8%	45.0%	31.6%	34.6%	30.6%	46.5%
		8	5	1	6	3	4	2	7
4	Tax Discretionary Reserves as a % of Taxation	120.0%	191.0%	238.0%	46.0%	139.0%	44.0%	282.0%	107.0%
		5	3	2	7	4	8	1	6
	Tax Discretionary Reserves per Capita	\$1,842	\$1,916	\$1,760	\$388	\$1,073	\$425	\$2,814	\$1,172
		3	2	4	8	6	7	1	5
	Tax Discretionary Reserves as a % of Own Source Revenues	97.0%	168.0%	191.0%	35.0%	113.0%	38.0%	238.0%	88.0%
		5	3	2	8	4	7	1	6
5	Tax Debt Interest as % of Own Source Revenue (less W & WW Revenue)	0.1%	0.3%	0.5%	2.6%	0.6%	2.9%	2.3%	0.9%
		1	2	3	7	4	8	6	5
	Tax Debt Charges as a % of Own Source Revenues (less W & WW Revenue)	0.6%	1.6%	1.4%	8.1%	0.4%	7.5%	0.3%	2.9%
		3	5	4	8	2	7	1	6
	Tax Debt Outstanding per Capita	\$62	\$134	\$154	\$652	\$110	\$864	\$970	\$318
		1	3	4	6	2	7	8	5
	Debt Outstanding Per Own Source Revenue	26.4%	9.5%	29.8%	61.7%	68.2%	86.3%	185.7%	24.0%
		3	1	4	5	6	7	8	2
	Debt to Reserve Ratio	0.2	0.1	0.2	1.4	0.5	1.8	0.8	0.3
		2	1	2	7	5	8	6	4
6	Rates Coverage Ratio	86.6%	77.5%	84.7%	66.5%	72.1%	69.6%	80.2%	57.0%
		1	4	2	7	5	6	3	8

Schedule C – Summary of Indicators (2021)

County and Broader Group Comparators

Ranking 1 = Lowest Challenge 6 = Greatest Challenge		Bruce County	City of Guelph	Simcoe County	Dufferin County	Elgin County	Grey County	Wellington County
Indicators								
1	Financial Position Per Capita	\$20	\$1,621	(\$88)	\$466	\$344	\$487	\$954
		6	1	7	4	5	3	2
2	Net Financial Liabilities Ratio	-0.02	-0.63	0.14	-0.62	-0.36	-0.64	-0.72
		6	3	7	4	5	2	1
3	Asset Consumption Ratio	45.0%	47.3%	32.4%	46.6%	49.7%	57.3%	46.5%
		2	5	1	4	6	7	3
4	Tax Discretionary Reserves as a % of Taxation	64.0%	60.0%	121.0%	103.0%	39.0%	112.0%	107.0%
		5	6	1	4	7	2	3
	Tax Discretionary Reserves per Capita	\$447	\$1,066	\$587	\$611	\$303	\$672	\$1,172
		6	2	5	4	7	3	1
	Tax Discretionary Reserves as a % of Own Source Revenues	53.0%	50.0%	96.0%	82.0%	32.0%	88.0%	88.0%
		5	6	1	4	7	2	2
5	Tax Debt Interest as % of Tax Own Source Revenue	1.3%	1.1%	0.7%	0.8%	0.5%	0.1%	0.9%
		7	6	3	4	2	1	5
	Tax Debt Charges as a % of Tax Own Source Revenues	7.1%	0.0%	2.3%	2.8%	2.0%	3.3%	2.9%
		7		3	4	2	6	5
	Tax Debt Outstanding per Capita	\$208	\$917	\$204	\$170	\$240	\$6	\$318
		4	7	3	2	5	1	6
	Debt Outstanding Per Own Source Revenue	24.6%	35.8%	33.3%	22.8%	25.4%	0.7%	24.0%
		4	7	6	2	5	1	3
	Debt to Reserve Ratio	0.5	0.4	0.3	0.3	0.8	0	0.3
		6	5	4	3	7	1	2
6	Rates Coverage Ratio	62.5%	83.8%	48.2%	58.7%	65.7%	55.9%	57.0%
		3	1	7	4	2	6	5



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **Financial Indicator Review – Ministry of Municipal Affairs and Housing (MMAH)**

Background:

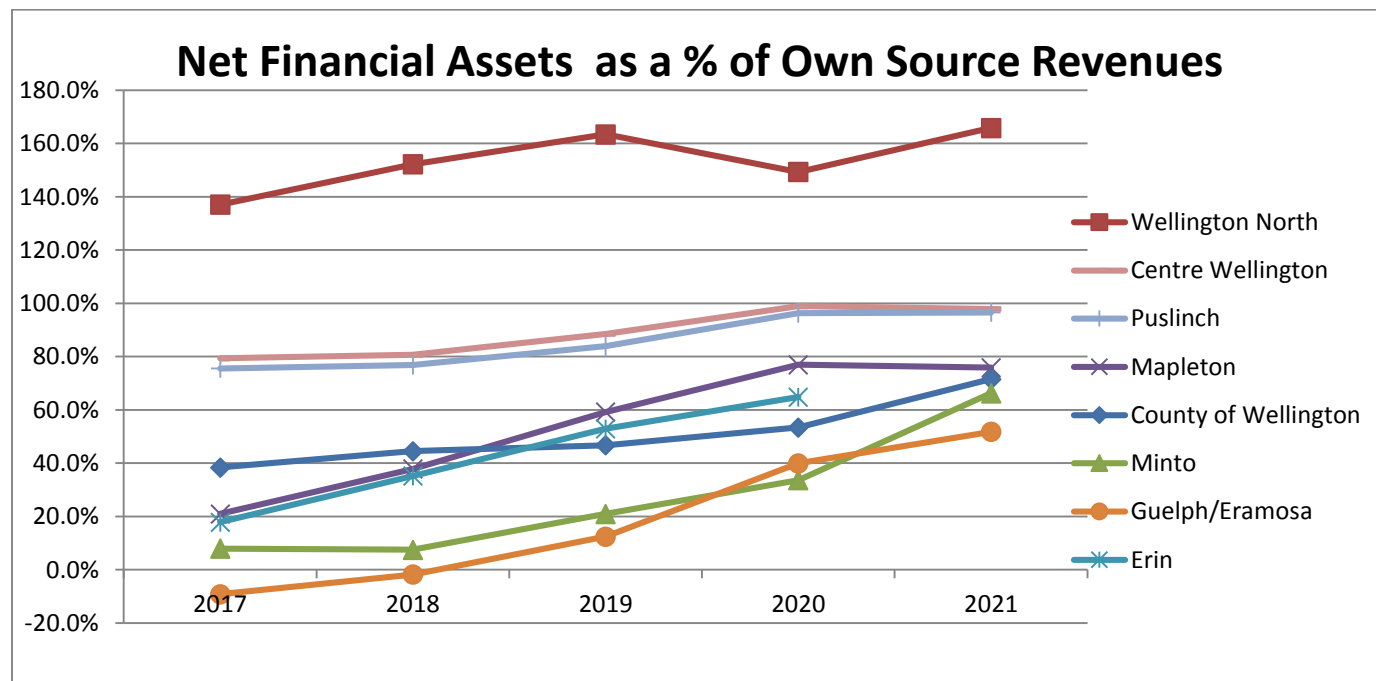
Each year staff from the Ministry of Municipal Affairs and Housing (MMAH) prepares certain financial indicators for each municipality based on information contained in the standard Financial Information Return (FIR). This report is based on information contained in each member municipality's 2017 to 2021 FIRs. Note that at the time of completing this report, 2021 FIR information was not available for the Town of Erin.

These financial indicators provide a snapshot at a particular moment in time. When the information is plotted over time, trends can be used to monitor changes in financial condition and alert the municipality to future challenges. Note that member municipality indicators include Water and Wastewater information as applicable. An explanation of the purpose of each ratio is included to assist with the interpretation of the ratios.

Indicator 1:

Net Financial Assets (Net Debt) as a % of Own Source Revenues

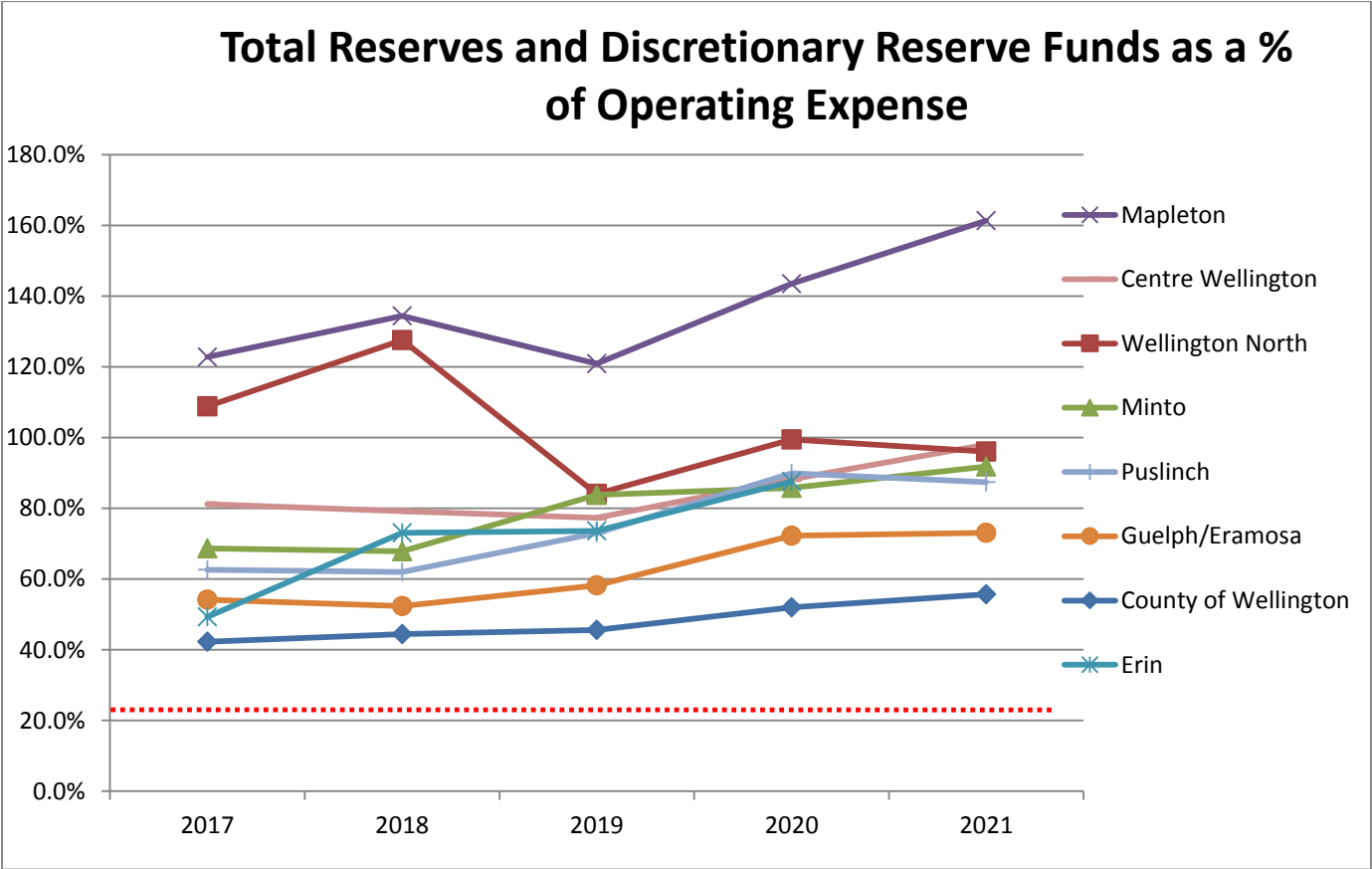
This ratio indicates the extent to which financial liabilities of the municipality could be met by sources of revenue within the municipality's control. It is a measure of a municipality's ability to pay its annual obligations with its financial assets (excludes tangible capital assets).



According to MMAH, any % greater than -50% can be interpreted to mean that the municipality faces a low challenge in meeting future funding requirements. Moderate and high challenges would be indicated with (-50% to -100%) and (<-100%) respectively. The Ministry considers the County and its member municipalities to be facing a low challenge in this measure.

Indicator 2:
Total Reserves and Discretionary Reserve Funds as a % of Operating Expenses

This indicator provides information as to how much money is set aside for future needs and contingencies. It measures how much is set aside in Reserves and Reserve Funds in proportion to a municipality’s annual operating expenses.

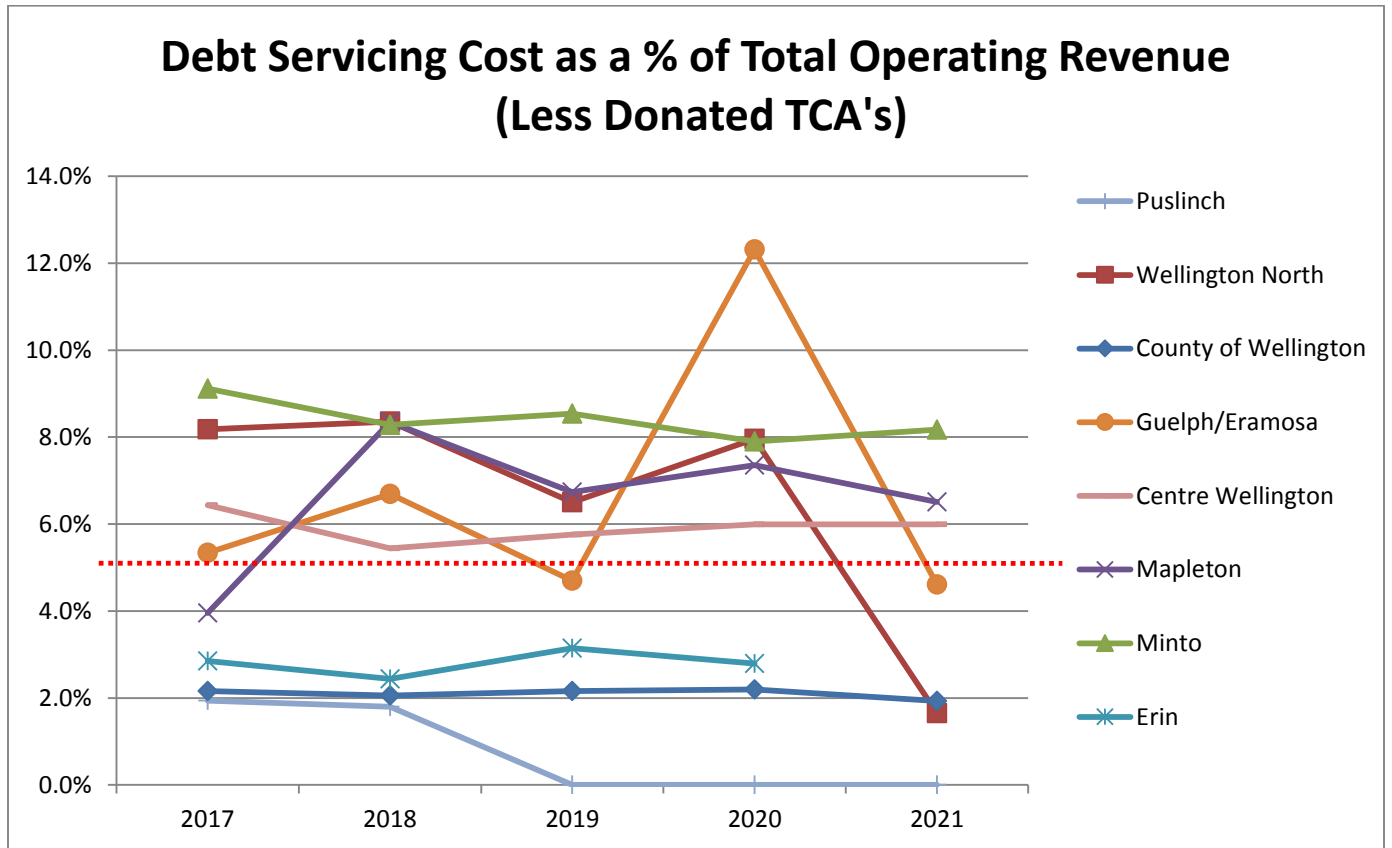


MMAH indicates that any % greater than 20% can be interpreted to mean that the municipality faces a low challenge in having adequate reserve and reserve funds to meet future needs and contingencies. The County of Wellington and all member municipalities face a low challenge according to the Ministry.

Indicator 3:

Debt Servicing Cost as a % of Total Operating Revenue (Less Donated TCA's)

This ratio indicates how much of each dollar raised in revenue is spent on servicing the municipality's debt. Note the Debt Servicing and Operating Revenues include Water and Wastewater amounts. (TCA is an abbreviation for Tangible Capital Assets)

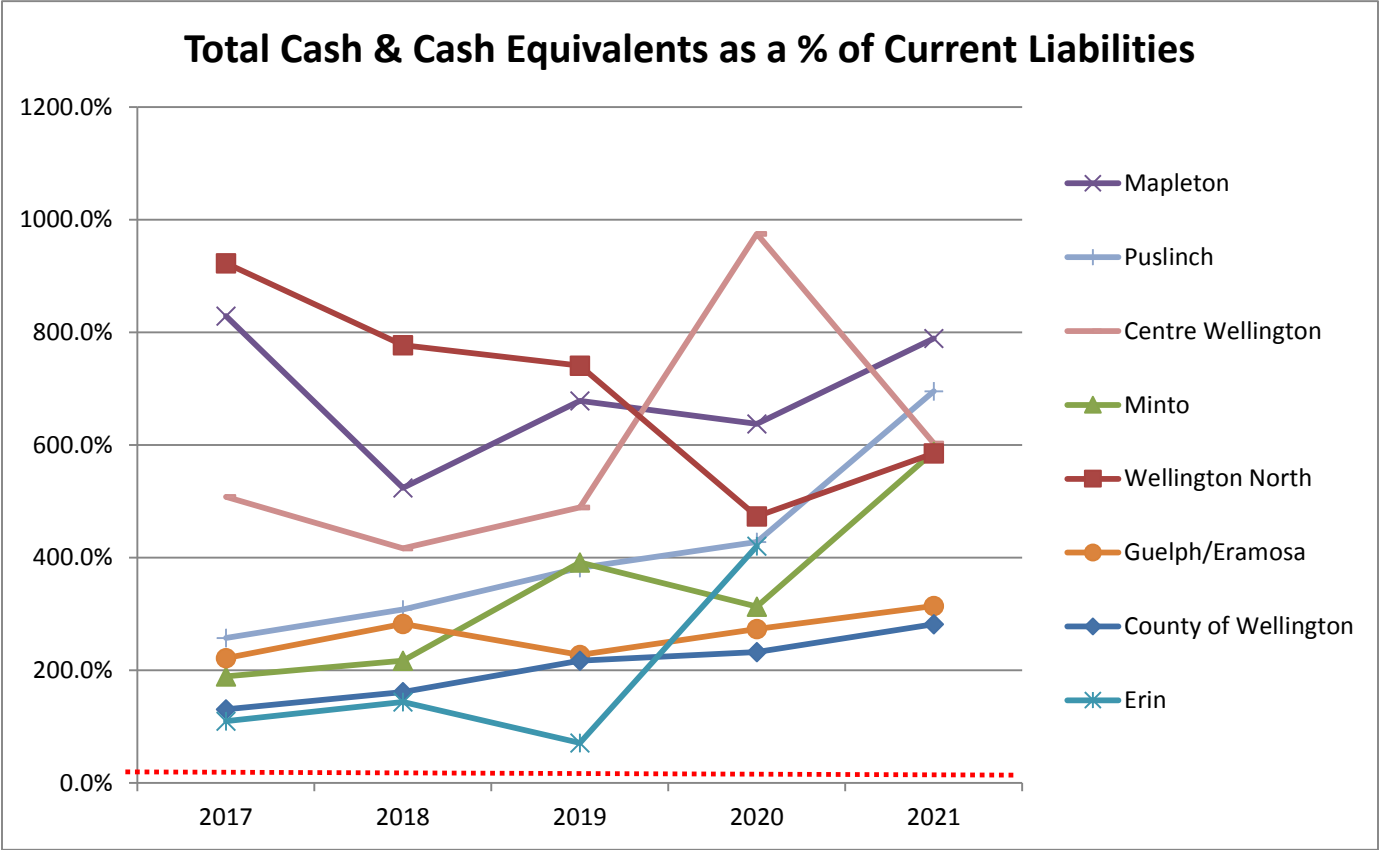


The Ministry considers any % lower than 5% to mean that the municipality faces low challenges related to municipal debt levels. Moderate and high challenges would be indicated with (5% to 10%) and (>10%) respectively. The large spike in Guelph/Eramosa's ratio for 2020 indicated a one-time balloon repayment of previously issued debt of \$1.26 million and has returned to prior levels in 2021. Wellington North also had a \$1 million balloon payment in 2020 which significantly reduced debt servicing cost for 2021.

Indicator 4:

Total Cash & Cash Equivalents as a % of Current Liabilities

This ratio indicates how much cash and cash equivalents could be available to cover the municipality’s current liabilities. It measures how much liquid assets are available to cover its annual current obligations.

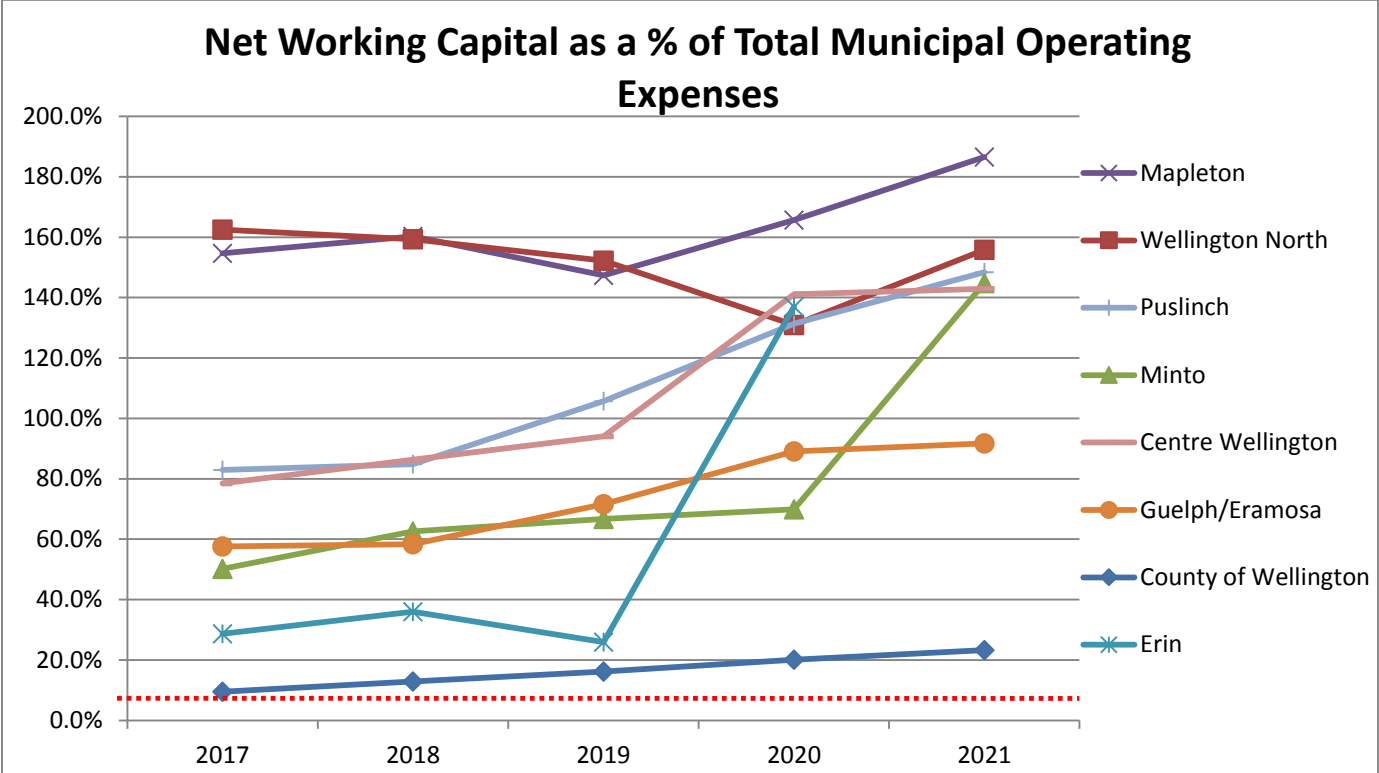


MMAH interprets the measure to mean that any % greater than 50%, the municipality faces low challenges related to cash flow. Moderate and high challenges would be indicated with (25% to 50%) and (<25%) respectively. According to the Ministry, the County and all its member municipalities face a low challenge in this measure. Note that Centre Wellington received \$2.35 million cash from an Infrastructure Ontario loan acquired in November 2020.

Indicator 5:

Net Working Capital as % of Total Municipal Operating Expenses

This ratio indicates how much cash, receivables and inventory less short-term debt could be available to cover operating expense. It measures how much ‘free’ liquid assets are available to cover its annual operating expenses.

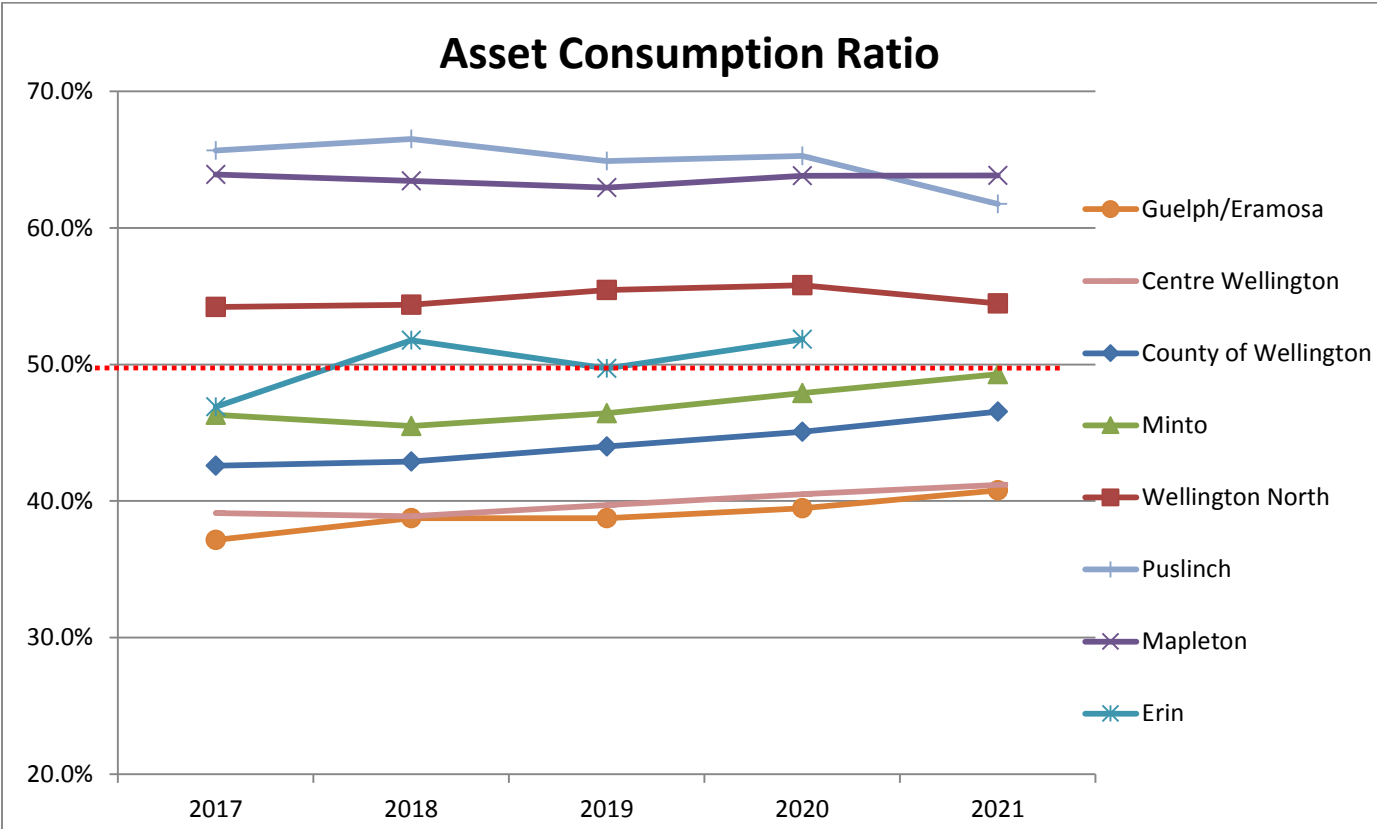


According to MMAH, any % greater than 10% can be interpreted to mean that the municipality faces low challenges related to liquidity. Moderate and high challenges would be indicated with (-10% to 10%) and (<-10%) respectively. The County of Wellington and all its municipalities are considered to face a low challenge in this measure. The spike in this ratio for the Town of Erin in 2020 is related to \$13.5 million received in connection with early payment of Front Ended Services and the Wastewater Treatment Plant components of the development charges.

Indicator 6:

Asset Consumption Ratio
(Closing Amortization Balance as a % of Total Cost of Capital Assets)

This ratio measures the age of a municipality’s physical assets. It measures the extent to which depreciable assets have been consumed by comparing the amount of the assets that have been used up and their cost.

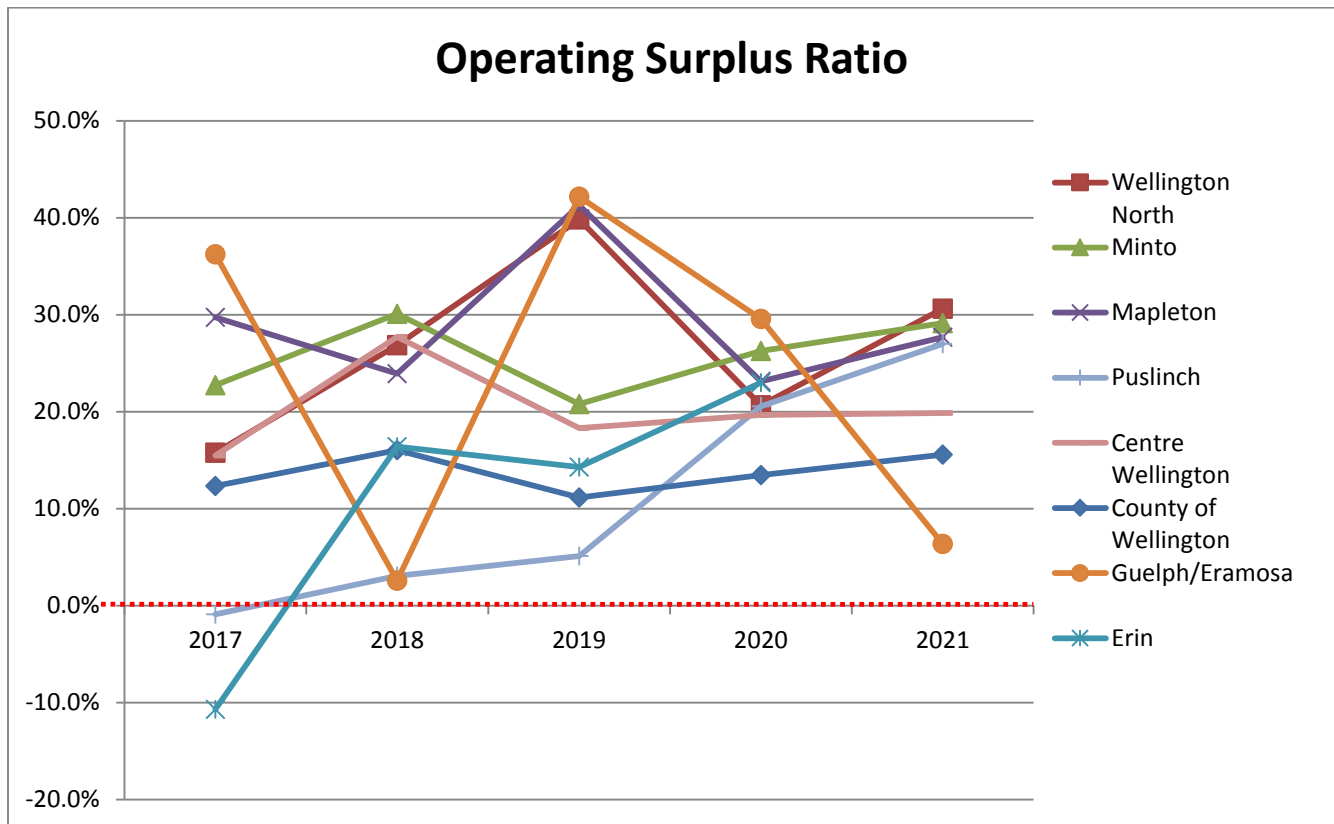


The Ministry indicates that any % lower than or equal to 50% can be interpreted to mean that the municipality faces low challenges related to the age of its infrastructure. Moderate and high challenges would be indicated with (51% to 75%) and (>75%) respectively. For 2021, according to the Ministry, Guelph/Eramosa, Centre Wellington, the County of Wellington and Minto each face a low challenge in this measure while Wellington North, Puslinch and Mapleton face a moderate challenge.

Indicator 7:

Operating Surplus Ratio (Annual Surplus – Donated TCA's/Own Source Revenues)

This ratio measures a municipality's ability to cover operational costs and have funds available for other purposes. It measures the annual operating surplus as a percentage of the municipality's Own Source Revenue.



The Ministry indicates that any % greater than 0% can be interpreted to mean that the municipality faces low challenges related to operational expenditures. Moderate and high challenges would be indicated with (0% to -30%) and (<-30%) respectively.

Recommendation:

That the Financial Indicator Review – Ministry of Municipal Affairs and Housing report be received for information.

Respectfully submitted,

Ken DeHart, CPA, CGA
County Treasurer



Schedule A – Summary of Indicators (2021) County and Member Municipalities

Ranking 1 = Lowest Challenge 8 = Greatest Challenge Indicators		Centre Wellington	Erin	Guelph/ Eramosa	Mapleton	Minto	Puslinch	Wellington North	Wellington County
1	Net Financial Assets or Net Debt as % of Own Source Revenues	97.9%	0	51.8%	75.8%	66.3%	96.5%	165.8%	71.5%
		2	N/A	7	4	6	3	1	5
2	Total Reserves and Discretionary Reserve Funds as a % of Operating Expenses	98.0%	0	73.1%	161.3%	91.8%	87.5%	96.1%	55.7%
		2	N/A	6	1	4	5	3	7
3	Debt Servicing Cost as a % of Total Operating Revenue (less Donated TCA's)	6.0%	0	4.6%	6.5%	8.2%	0.0%	1.7%	1.9%
		5	N/A	4	6	7	1	2	3
4	Total Cash and Cash Equivalents as a % of Current Liabilities	602.7%	0	314.2%	789.2%	588.0%	695.1%	584.9%	281.8%
		3	N/A	6	1	4	2	5	7
5	Net Working Capital as a % of Total Municipal Operating Expenses	142.9%	0	89.1%	186.6%	144.9%	148.4%	155.9%	23.3%
		5	N/A	6	1	4	3	2	7
6	Asset Consumption Ratio	41.2%	0	40.8%	63.8%	49.3%	61.7%	54.5%	46.5%
		2	N/A	1	7	4	6	5	3
7	Operating Surplus Ratio	19.9%	0	6.4%	27.7%	29.1%	24.1%	30.6%	15.6%
		5	N/A	7	3	2	4	1	6



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of Roads Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: **Ontario Community Infrastructure Fund – 2023 Allocation**

Background:

In 2014 the province launched the Ontario Community Infrastructure Fund. The funding provides assistance to small, rural and northern communities for the renewal and rehabilitation of critical infrastructure. Since 2015, the County and member municipalities have received annual funding to assist with their respective capital projects.

Funding allocations have been determined by the province by using a formula and the information on a Municipalities Finance Information Return (FIR). The detailed calculation methodology for prior years had been shared with municipalities. The table below summarizes the funding received to date:

	2015	2016	2017	2,018	2,019	2,020	2,021	2022
Township of Centre Wellington	293,039	293,039	560,277	793,377	1,216,174	1,271,559	1,271,559	2,596,074
Town of Erin	59,729	59,729	115,575	164,408	258,604	260,016	260,016	548,545
Township of Guelph/Eramosa	114,783	114,783	205,742	291,713	450,444	445,088	445,088	918,994
Township of Mapleton	109,189	109,189	189,259	267,874	409,528	399,840	399,840	862,237
Town of Minto	130,960	130,960	223,161	315,205	476,143	506,543	506,543	994,250
Township of Puslinch	42,878	42,878	75,822	107,836	169,421	168,923	168,923	331,262
Township of Wellington North	294,841	294,841	500,471	705,210	1,050,428	1,030,120	1,030,120	1,903,374
County of Wellington	464,769	464,769	840,760	1,190,382	1,823,229	1,863,466	1,863,466	3,759,468
Total OCIF Funding Received	1,510,188	1,510,188	2,711,067	3,836,005	5,853,971	5,945,555	5,945,555	11,914,204

Funding had been increasing over the years and contributed to the County's ability to complete various bridge and roads works.

OCIF Funding Model Changes

Starting in 2023, the provincial government has indicated that municipalities grant allocations are now determined by estimating the Current Replacement Values (CRV) for core infrastructure owned by the municipality and the municipality's economic condition. The formula will no longer be based on closing cost balance values for core infrastructure from FIR data, but will use the Current Replacement Values (CRV) and CRV estimates of a municipalities core infrastructure assets.

To ensure that municipalities with greater requirements to replace core infrastructure and more challenging economic conditions receive proportionally larger grants, the amount of funding per \$100,000 of total core infrastructure is calculated using an "infrastructure index." Municipalities with a higher infrastructure index will receive a proportionally larger grant per \$100,000 of core infrastructure. A smoothing mechanism has been introduced to keep funding changes to plus or minus 15 percent of the previous year's allocation for 2023.

(Source: [Ontario Community Infrastructure Fund | ontario.ca](https://www.ontario.ca/govt/ocif-funding-model-changes))

2023 Impact on the County and its Member Municipalities

The change in the calculation of the OCIF allocation has resulted in a significant redistribution of funding within Wellington County, with five municipalities experiencing a funding increase and three municipalities, including the County, seeing a reduction in their funding:

	2022	2023	\$ Redistribution	% Change
Township of Centre Wellington	2,596,074	2,985,485	389,411	15%
Town of Erin	548,545	466,263	-82,282	-15%
Township of Guelph/Eramosa	918,994	781,145	-137,849	-15%
Township of Mapleton	862,237	991,573	129,336	15%
Town of Minto	994,250	1,143,388	149,138	15%
Township of Puslinch	331,262	380,951	49,689	15%
Township of Wellington North	1,903,374	1,979,171	75,797	4%
County of Wellington	3,759,468	3,252,789	-506,679	-13%
Total OCIF Funding	11,914,204	11,980,765	66,561	1%

The County is receiving \$506,679 less in OCIF funding in 2023, representing a potential loss of over \$5 million over 10 years. The County's 2023 capital budget has been amended to account for this reduction by funding projects from reserves. In turn, these reserves have an increased transfer from the operating budget to make up the shortfall.

Provincial Plan Moving Forward

The Ministry of Infrastructure will work with government partners to develop and implement a standardized method for collecting CRVs and other data from municipal asset management plans. CRVs will continue to be used in future OCIF funding allocations and data from asset management plans will be used to gauge asset management investments and the state of core infrastructure of municipalities.

The continued work on implementing the initiatives of the County's Asset Management Plan should help inform the Province on the County's required investments to maintain core infrastructure.

Recommendation:

That the County Treasurer's report re: Ontario Community Infrastructure Fund – 2023 Allocation be received for information.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, January 17, 2023
Subject: Ontario Regulation 284/09 – 2023 Budget

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 to support this goal.

The County of Wellington's 2023 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) and contributions from other municipalities towards capital projects.

The estimated 2023 amortization cost for the County of Wellington (not including the Health Unit or Wellington Housing Corporation) is approximately \$25.3 million.

Funding for Capital Asset Renewal Projects - 2023 Capital Budget	
Tax Levy funded Reserves	28,042,500
Municipal Recoveries	5,449,000
Canada Community Building Fund	4,457,500
Other Government Subsidies	2,857,000
Total Funding for Capital Asset Renewal	\$ 40,806,000

2. The budget includes the current year's expense for eligible retired employees. In addition, the County has a well 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 fund. 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.

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 – 2023 Budget be approved.

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

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).

Contents

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.



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Michele Richardson, Assistant Director of Human Resources
Date: January 17, 2023
Subject: Wellington Terrace Recruitment Strategy

Background

Ontario is experiencing a health care human resources crisis to which Wellington Terrace has not been immune. In response to this crisis, the Wellington Terrace Recruitment Strategy was initiated in September 2022 to attract talent to work in all departments at Wellington Terrace with a stronger focus on recruitment for Nursing and Nutrition Services.

Recruitment Strategy Initiatives

The following initiatives were included in the Wellington Terrace Recruitment Strategy:

- **Social Media Campaign** – Facebook, Instagram, LinkedIn. A second campaign will start mid-January.
- **Recruitment Signage** - Advertising on the roadside LED museum sign (continues).
- **Employment Agencies** - Established relationships with external recruiting agencies 2nd Chance and Agilec - Both agencies will post our postings on their job boards. 2nd Chance will come tour the facility and learn more about the positions in February 2023.
- **External Job Fairs** – The HR Generalists attended Georgian College in Orangeville on November 3, 2022 and promoted PSW and RPN positions. Georgian will run another job fair in early 2023 and we will attend. The HR Generalists also attended a career fair at Centennial Collegiate in Guelph on November 16, 2022 to promote positions at the Terrace to high school students and parents (700+ attendees), including student and co-op opportunities.
- **Long Term Care Career Promotion** – The HR Generalists have connected with the Upper Grand District School Board Career Education Council regarding their programme for job experience placements for graduated high school students. This programme is a paid placement through 2nd Chance Employment Services and provides students with on the job experience. The Wellington Terrace has been added to the database and will be contacted by the co-op department regarding student placements in July once they have graduated. The HR Generalists have also connected with the local high school and have been added to the list for potential high school co-op students in February.
- **Job Boards** - Nursing positions continue to be posted on job boards at Conestoga College, Georgian College and the Registered Practical Nurses Association of Ontario (RPNAO).

- **Walk-in Wednesday** – The first Walk-in Wednesday was held on November 23, 2022. This was heavily advertised on social media, local employment agencies, newspaper, radio, museum roadside signage and the County's website. At this event, a booth was set up in the Clearing, HR employees engaged those attending to promote open positions at the Wellington Terrace, encourage a career in long-term care and County Swag was given out. Another Walk in Wednesday is scheduled for February 1, 2023.
- **Secondary Positions** – A promotional e-mail was sent to all County employees advising they can work a second job at the County of Wellington.
- **Internet Recruitment** - Vacant positions continue to be posted on Indeed, as well as the County of Wellington website.
- **Partnering with Economic Development** – Currently exploring opportunities with the County of Wellington Economic Development Division for Talent Attraction to Wellington Terrace.

Between the period of October 1, 2022 to December 31, 2022, there were 32 new employees hired at Wellington Terrace. The breakdown includes 19 new hires in the Nursing Division, eight (8) in Nutrition Services and five (5) new Environmental Services Employees. This total includes six (6) County employees that were hired into secondary positions at Wellington Terrace in various divisions. During this time, the hiring of employees has outpaced employee exits where 10 employees transitioned out of the Terrace during this time.

The Walk-in Wednesday was a considerable success. Out of the 12 attendees, two (2) were hired in the following days as Terrace employees. We look forward to repeating this successful initiative.

Currently we have an open posting for Nursing Students to work as Part Time Casual Personal Support Workers (PSW) to provide summer relief, we also have eight (8) Part Time Casual Personal Support Workers (PSW) and one (1) Part-time Casual Terrace Aide in Nursing. All other divisions have a full roster.

Overtime hours have remained fairly consistent averaging approximately 627 hours per month from October 2 to December 24, 2022.

Hours of work being supplemented using a third party agency have decreased significantly in Nursing during this period:

- October - 910 hours
- November - 615 hours
- December - 440 hours

In Nutrition Services, there was an increase of third party agency hours in December when 52.5 hours were used, from 22.5 hours of agency time being used in both October and November. This was mainly due to an extended absence of a full time employee.

One of the biggest staffing challenges Wellington Terrace is currently facing is hours absent from work due to illness which has remained fairly consistent from October to December 24, averaging approximately 5133 hours per month.

The Terrace Recruitment Strategy remains a top priority for the Human Resources Department as we continue to navigate challenges in the attraction and retention of employees working in long-term care.

Recommendation

THAT the 'Wellington Terrace Recruitment Strategy' report be received for information".

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. Richardson', with a stylized, flowing script.

Michele Richardson
Assistant Director of Human Resources