



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Economic Development Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, June 15, 2021
Subject: Economic Development Financial Statements and Variance Projections as of May 31, 2021

Background:

This report is respectfully submitted in accordance with the County's Budget Variance Reporting policy, and provides a first projection to year-end based on expenditures and revenues to May 31, 2021 for Economic Development.

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

Operating

- Grants and subsidies currently shows no revenue to date. The entirety of grant funding relates to the Ride Well and Smart Cities programmes both of which will receive funding later in 2021. Any variances to funding amounts in 2021 will be offset by corresponding savings in expenditures as the grants are tied to programme spending.
- User fees and charges received to date consists of Ride Well passenger revenue (\$8,700) which is likely to continue to be adversely affected by COVID-19 and result in a negative variance. Tourism signage revenue has exceeded the budgeted amount for the year (\$15,300 received to date). Taste Real event initiatives have and will continue to be reduced as a result of the pandemic. Overall user fees and charges may experience a negative variance between \$20,000 and \$25,000.
- Salaries and wages are under budget as the department recently filled vacant positions as well as hiring additional summer students to support the department. Overall savings between \$30,000 and \$40,000 is anticipated by year-end.
- Supplies, materials and equipment expenditures are virtually unspent to date as the majority of costs (\$110,000) related to the Smart Cities programme have not been incurred due to COVID-19. Project development is underway with the expectation that spending will pick up over the remainder of the year. Budget spending will be dependent on the ability to get projects done in that timeline. At this time, we're not projecting any savings but will report back in the fall.
- Purchased services includes work on a number of projects that are underway or to be undertaken; including the Employment Land Assessment and Intensification Study, Business Resiliency, Talent Attraction, economic data collection and analysis, and Taste Real activities. At this time budgeted expenses related to Community Transportation as well as Smart Cities are underspent. Various savings are likely to result in planned projects and events, conferences and mileage in a range of \$20,000 to \$30,000.

- Transfer payments:
 - Payments made to date include funding for Business Support Agencies including payments to the Business Centre Guelph Wellington, Innovation Guelph, Launch It Minto as well as BR+E Fund payments to the Township of Guelph/Eramosa and Town of Minto. Additional Business Support Agency grants and BR+E funding will be processed over the remainder of the year with no variance anticipated.
 - Additional payments in this line item relate to the one-time budgeted funding of \$200,000 added in the 2021 budget to fund various business recovery efforts. To date just over \$150,000 has been transferred to Saugeen Economic Development Corporation, Community Futures Development Corporation of Wellington Waterloo as additional sponsorships to the Town of Minto and Township of Centre Wellington to aid businesses as they recover from the financial impacts of COVID-19.
 - The Community Improvement Plan Implementation Fund is likely to be at a reduced level due to the pandemic and temporary business closures. So far the County has approved six CIP requests that would provide \$47,500 and local Municipal staff have indicated there are more applications coming. Staff are working towards continued engagement with municipalities to provide grant funding to as many projects as possible and are optimistic the full funding will be committed. The 2021 TIEG grant payment will be made in the amount of \$45,064 after the full annual taxes have been collected – in November.

Capital

This report provides a summary of the 2021 capital spending for the period ending May 31, 2021.

The total approved budget of \$1,172,500 consists of 2 projects. One approved in previous years and one newly approved in 2021. The primary funding source for Economic Development capital is the General Capital Reserve which is funded by annual operating contributions collected through the tax levy.

The table below accounts for life to date spending and purchase order commitments for total available funding of \$804,685.

Economic Development	May 31 2021
Open Capital at Dec 31 2020	\$ 372,500
plus: 2021 Approved Capital budget	\$ 800,000
plus: 2021 In-Year Budget Adjustments	
2021 Total Approved Capital budget	\$ 1,172,500
less: Previous Years Capital Spending	\$ (345,776)
Available Capital Funding for 2021	\$ 826,724
2021 Capital Spending to date	\$ -
Open Purchase Orders	\$ (22,040)
Closed Projects	
Uncommitted Approved Funding	\$ 804,684

Economic Development Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
Wellington Signage Strategy	\$372,500	\$345,776	\$26,724	Work scheduled for 2021 includes the installation of the one remaining gateway sign in Clifford. This will complete the project in year with a minor positive variance anticipated.
SWIFT 2.0 Implementation	\$800,000	-	\$800,000	The SWIFT budget represents the municipal share of the fibre buildout throughout the County. The project will proceed once approval from upper levels of government is complete.
Total Economic Development	\$1,172,500	\$345,776	\$826,724	

Overall, Economic Development is close to budget on a variety of initiatives that are undertaken on a yearly basis and under budget on staffing. The Ride Well and Smart Cities projects represent significant revenue and expenditure amounts within the Economic Development budget, which will continue throughout the remainder of the year with an uncertain impact from the COVID-19 pandemic. Currently it is anticipated that there may be savings between \$50,000 and \$70,000 at year-end.

Recommendation:

That the Financial Statements and Variance Projections as of May 31, 2021 for Economic Development be approved.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer