



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Administration, Finance and Human Resources Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, June 15, 2021
Subject: **County-Wide 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. Each standing Committee of Council as well as the Police Service and Library Boards has received financial statements and variance projections for its particular area of operation. This report summarizes all of the major issues covered at each meeting. Attached are a high-level variance analysis, a development charge collection summary, and the complete set of County financial statements.

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

Highlights of the financial statements and variances are as follows:

- ❑ **Roads:** There is approximately \$3.4 million of winter control budget remaining, although some costs for work done by other municipalities on the County's behalf have yet to be processed. Costs in the previous five years for winter control for the period from October to December have averaged just over \$1.9 million, with a high of \$2.2 million (inflated into 2020 dollars). Given previous years' experience it is expected that winter control will come in lower than the budgeted amount. Any savings or overages will be transferred to or from the Winter Control reserve, which currently has a balance of \$2.8 million.

Salaries, wages and benefits to date appear to be on budget. The amounts include savings due to a vacancy in the Operations Manager position which is offset by winter control staffing costs that are significantly higher in the early winter months. The department is making changes to staffing positions in order to better meet the growing asset management and capital infrastructure needs along with addressing current operational needs. Taking into account the expected changes as well as the vacancy to date, savings of \$60,000 to \$80,000 is anticipated.

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

- ❑ **Waste Management:** Bag sales to the end of May are tracking below budget and if the trend continues we could be \$40,000 to \$50,000 short of our revenue target. Tipping fees are tracking below targeted levels to this point, sitting at 37% of the budgeted level of \$1.71 million. Tipping fees traditionally pick up in the summer months with the increase of construction and renovation activities. Staff are not projecting a significant variance at this time. A legal provision has been set up for expenses associated with a claim made against the County related to the delivery of inadequate equipment. This will result in a negative variance at year-end. It is unlikely the claim will be resolved in 2021, but a favourable outcome could result in this provision being reversed creating a positive variance in a future year.

The year-end variance will largely depend on bag sales and tipping fee levels through the rest of the year and expenditures on services provided in the summer and fall. The overall Solid Waste Services year-end variance is anticipated to be negative in the range of \$60,000 to \$80,000. Staff will continue to monitor revenues and expenditures closely and report back in the fall with an updated projection to year-end.

- ❑ **Police Services:** The County was successful in obtaining Community Safety and Policing (CSP) grant funding for the 2020-2022 two-year grant cycle to support police actions to improve the response to and support for those affected by human trafficking and sexual violence. Confirmation was not received until after the budget process was completed and therefore the expected revenues (\$81,000) and offsetting corresponding expenditures for 2021 have not been budgeted for. Record checks are down significantly, as only essential checks have been performed and will likely have a shortfall of \$20,000 to \$30,000.

As the majority of the police budget pertains to the contract costs, staff cannot provide an accurate forecast of the overall variance to the budget until the OPP contract reconciliation for 2020 is received in the fall. Revenues and expenditures incurred directly by the County are tracking to budget.

- ❑ **Ontario Works:** Grant and subsidies are currently under budget by approximately \$1.8 million due to lower expenditures on social assistance. This is directly related to Ontario Works caseload decreasing as clients access federal benefits during the COVID-19 pandemic. Salaries, wages and benefits are currently under budget due to vacancies and gapping and year-end projected savings are approximately \$385,000. Supplies and purchased services are tracking under budget driven by savings in postage, training and education, conferences, mileage and memberships in light of COVID. These savings are projected to be \$255,000 at year-end. Anticipated savings in discretionary benefits are made up of lower dental, optical, medical travel and funeral expenses in light of COVID and total \$210,000 (\$155,000 County and \$55,000 City). Transfer payments are expected to be over budget by \$115,000 as a result of County Council's decision to provide a funding allocation to the Integrated Youth Services Network in response to the current mental health crisis being experienced in our community. The 2021 allocation will be funded using Federal Safe Restart funding creating no impact of the municipal levy. The 2022 and 2023 funding commitments will be addressed through the regular budget process. Overall, municipal savings of \$850,000 (\$285,000 County and \$565,000 City) are projected for year-end.
- ❑ **Children's Early Years:** The grants and subsidies line is tracking under budget, however, staff are reviewing the needs of our community partners to ensure they are supported during the challenging times created by the COVID-19 pandemic, and it is expected that the entire budgeted provincial subsidy allocation will be fully spent at year-end. Parent fees are tracking below budget as parents had the option to not utilize their full time spot during the multiple stay at home orders. With capacity below 100%, it is expected that the County will be under budget by \$60,000 at year-end. Salaries and benefits are tracking quite low at this point in the year as a result of staff leaves that have not been backfilled due to our directly operated centres not operating at full capacity as well as some administrative gapping and vacancies. It is anticipated that savings seen to date will be reallocated into the community to support the child care system as they manage the pandemic, and zero savings are expected at year-end for both the County and City.
- ❑ **Housing:** It is expected that there will be approximately \$25,000 in savings at year-end due to lower than expected costs in legal fees, conferences, office supplies, security, and consultants. Rent revenue collected at our county-owned social housing units is tracking to be \$58,000 under budget at year-end. The rent supplement programme is currently showing \$44,000 in savings, but as the Housing team increases the amount of units we are able to support, and year-end savings will be minimized. Overall, year-end savings are projected to be approximately \$50,000 (\$20,000 County and \$30,000 City).

- ❑ **Wellington Terrace:** Grants and subsidies are tracking a little over \$1 million ahead of budget. This relates directly to additional funding received from the Ministry of Long Term Care to assist the sector in maintaining the health and safety of residents and support staff working on the front lines during this pandemic. A summary of additional funding committed as of the end of the end of May is shown below:

Purpose	Amount
Emergency funding to support screening, staffing, supplies, minor capital and other costs to maintain the health and safety of residents and staff in long term care	\$982,104
PSW Top-up funding to support the hourly wage increase of \$3 for January –June 2021	\$190,520
TOTAL	\$1,172,624

While overall operating expenditures at the Wellington Terrace appear to be significantly ahead of budget at the end of May, these over expenditures reflect increased staffing and care costs directly related to the COVID-19 pandemic. All additional costs have been covered by provincial grants. To date, funding commitments by the province have been received to the end of June. It is anticipated that funding will continue until the end of 2021 offsetting any pandemic related costs. It is projected that the Terrace may see small year-end savings of approximately \$50,000 as a result of limited ability to provide resident events to this point in the year.

- ❑ **Museum and Archives:** Revenue is significantly below budget with a portion of this offset by savings on expenditures. It remains difficult to determine the expected full year impact on the Museum and Archives as a result of the COVID-19 pandemic as programming, attendance and registrations are likely to continue to be depressed. At this time a positive variance between \$10,000 and \$20,000 is anticipated by year-end.
- ❑ **Library:** Rent revenue is expected to fall short of budget with a negative variance between \$25,000 and \$30,000 as a result of COVID. Under user fees and charges, lost revenue for the Jan-June period is expected to be in the range of \$40,000 to \$45,000 due to the library facility shutdowns. The Library department will not be collecting late fees until at least September. Salaries, Wages and Benefits are tracking below budget at this time. The majority of the impact on staffing from COVID is a result of vacancies for maternity leaves and other library positions that have been delayed as the department has operated at a lower capacity. Savings due to these circumstances could be in a range of \$60,000 to \$80,000. Building related expenses including grounds maintenance, rug service and telephone will experience savings in the area of \$30,000 to \$40,000 as the Library locations have open for curbside service only. At this time, an overall positive variance between \$30,000 and \$40,000 is anticipated by year-end.
- ❑ **Land Ambulance:** Contract costs appear to be tracking on budget at this point in the year. The first quarter reconciliation did reflect costs that were slightly ahead of County budget. It is difficult to predict the financial implications for the remainder of the year. At this time, staff project a negative variance between \$100,000 and \$150,000 if costs remain in line with what has been reported in Q1.
- ❑ **POA Revenues:** POA revenues are currently sitting in a negative position of \$9,000. This amount includes unreconciled budgeted transfers of \$20,342 from April and May. Similar to the trend seen in the later part of 2020, the Q1 reconciliation reflected expenses being higher than revenues due to court closures. If POA fines continue to be dramatically reduced as a result of COVID-19 for the remainder of the year, there could be a negative variance between \$160,000 and \$200,000 at year end.

- ❑ **Public Health:** Transfers to Wellington-Dufferin-Guelph Public Health are made quarterly and are sitting at 50% of budget as a result. To date, all additional pandemic related costs experienced by Public Health have been fully funded by the Province and it is anticipated that this will continue. The County has incurred a total of approximately \$400,000 in municipal costs in support of the vaccination effort. There is an expectation that these costs will be funded by the Ministry of Health, although confirmation has not been received at this time.
- ❑ **Planning:** Legal and consultant fees are below budget at this time. These expenses are largely attributable to on-going aggregate appeals (OMB/LPAT). These expenses as well as conferences, mileage and other professional fees are likely to produce savings in the range of \$20,000 to \$30,000 in 2020. Salaries, wages and benefits are under budget as a result of staffing vacancies and gapping as the positions have been filled. A positive variance between \$30,000 and \$40,000 is anticipated. It is likely that savings will result from the delay in hiring of a contract position to aid with Source Water Protection. Overall, it is expected that a positive variance of between \$60,000 and \$80,000 may result for the Planning Department.
- ❑ **Emergency Management:** Emergency Management is on budget at the end of May taking into consideration a number of full year costs having been incurred and one quarter of Fire Training Officer payments. A positive variance between \$10,000 and \$20,000 is anticipated for all activities within Emergency Management. All COVID-19 related expenses are being allocated to a new business unit within Emergency Management (EM) in order to isolate the financial impact due to the pandemic. Currently the most significant impact (\$127,000) has been the installation of HVAC equipment at various property buildings to enhance the air quality and reduce the possible transmission of COVID-19 particles. In addition to the building expenses a variety of advertising expenses (\$104,000) have been incurred to promote safety protocols, supporting local businesses, vaccination information and promotion of mental health. To date the additional expenses that have flowed through this business unit total over \$275,000. It is the expectation that the majority if not all of these expenses will be offset with upper level governmental funding that the County has already received.
- ❑ **CAO & Clerks:** Savings are anticipated for conferences, travel, training and education and various staff related expenses. Overall a positive variance between \$100,000 and \$130,000 is projected.
- ❑ **Treasury:** Salaries, wages and benefits are under budget due to vacancies and gapping. Supplies. Materials and Equipment are under budget as computer software and hardware purchases are still to be completed and office supplies and related expenses are lower as a result of the provincial shutdown. Purchased services is under budget, however additional auditor and consulting fees will be processed throughout the remainder of the year. There will also be savings related to conferences, training and education. Overall it is anticipated that the Treasury department will have savings of between \$80,000 and \$100,000 this year.
- ❑ **HR:** There are a number of annual expenditures that have been delayed or reduced as a result of COVID-19. These include staff recognition, training and education, mileage, meeting expenses and conferences. The scope and nature of these activities is likely to be modified for the remainder of the year. Consulting and legal fees are also down to this point in the year. Savings between \$60,000 and \$80,000 are projected.
- ❑ **County Council:** Various expenses related to Council activities that have been impacted by COVID-19 include travel, conferences, special events and activities. While some of these activities may still take place in 2021 there are a number of them that will be reduced in participation and scope. At this time staff anticipate savings of between \$80,000 and \$100,000 in 2021.
- ❑ **General Revenues and Expenditures:** As a result of County Council's decision to allocate the 2020 surplus to two projects that were originally supposed to be debt financed in 2021, the County will no longer incur any legal or commission costs for debt issuance. This will result in savings of \$100,000. General write-offs are difficult to determine at this point in the year, but risks remain elevated as a result of the pandemic.

- ❑ **Supplementary Taxes / Write-offs:** Estimated supplementary taxes based on supplementary runs to June are \$2,310,309 overall, of which \$1,253,659 is the County's share compared to a budget of \$1.5 million. This is surprisingly strong in the early part of the year during a pandemic. Additional revenue will depend on MPAC's ability to pick up further properties prior to the five remaining supplementary runs taking place on the first of each month, July through November. County and local municipal staff are supporting this process through remitting electronic records directly to MPAC. At this point, we're projecting at least a \$500,000 favourable variance from supplementary and omitted tax revenues.

In March 2021, the interim decision of the Assessment Review Board on the gravel pit appeals yielded a positive result. The principles identified in the decision are in the process of being applied to the representative cases. There will then be an appeal period, after which the final decisions will need to be applied to the remaining 44 appeals in the County's southern municipalities. This process is expected to take several months. At this point, we're uncertain of the timing of final decisions, settlement of the appeals and resulting revenue.

Although amounts are unknown, there is potential for increased write-offs due to business shutdowns and people being out of work. The risk has been mitigated by measures taken by all three levels of government. Further updates will be provided in the fall.

Capital Projects

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

For 2021, County Council approved a capital budget of \$34.4 million in addition to the open capital budget of \$69.9 million that carried forward from 2020. To date, in year budget adjustments result in \$575,000 in project savings. The total approved corporate capital budget of \$103,761,500 consists of 194 projects. 122 approved in previous years and 72 newly approved in 2021. The table below accounts for life to date spending and purchase order commitments for total available funding of \$34,691,504.

	May 31, 2021
Open Capital at Dec 31, 2020	69,965,100
plus: 2021 Approved Capital Budget	34,371,400
plus: 2021 In-Year Budget Adjustments	(575,000)
2021 Total Approved Capital Budget	103,761,500
less: Previous Years Capital Spending	(45,112,266)
Available Capital Funding for 2021	\$ 58,649,234
2021 Capital Spending to Date	(6,301,299)
Open Purchase Orders	(16,924,717)
Closed Projects (20)	(731,714)
Uncommitted Approved Funding	\$ 34,691,504

In-Year Budget Adjustments

Capital budgets may be amended throughout the year at time of tender or as approved by council. To May 31, 2021 twelve projects have been amended, resulting in \$575,000 in project savings. The following table provides project specific details.

Project	Original Budget	Council approved adjustments	Adjusted Budget
WR 32, Culvert C320130 Rehab	450,000	60,000	510,000
WR 18, Bothwich Drain B018105	1,175,000	(515,000)	660,000
WR 32, C32114 Rehab	1,100,000	(265,000)	835,000
WR 109, Bridges 128, 129 & 141	-	1,300,000	1,300,000
WR 109, Mallet River B109129	600,000	(600,000)	-
WR 109, Maitland River B109128	550,000	(550,000)	-
WR 109, Bridge B109141	150,000	(150,000)	-
WR 18, Fergus to Dufferin Stage 1	2,100,000	780,000	2,880,000
WR 30, WR 39 to WR 86	1,000,000	(385,000)	615,000
WR 18 at Betty Line	845,000	(845,000)	-
WR 18 Intersections	660,000	475,000	1,135,000
Drayton Paramedicine Programme	-	120,000	120,000
	\$ 8,630,000	\$ (575,000)	\$ 8,055,000

Distribution	
Reserve Draw	\$ 110,000
Municipal Recovery	\$ (98,000)
Development Charges	\$ (202,000)
Federal Gas Tax	\$ (385,000)
	\$ (575,000)

Closed Projects

Departmental staff completed a review of open capital and determined that the following projects are now complete and ready to close. The table below provides project specific details.

Closed Projects to May 31, 2021	Budget	Actuals	Remaining Budget	County Reserves	Comments
Admin Centre: Cooling Systems	264,000	219,282	44,718	44,718	Work complete. Project closed
Badenoch: Exterior Rehab	80,000	53,735	26,265	26,265	
Admin Centre: Heating Systems	30,000		30,000	30,000	Work completed under separate project
Property Building Retrofits	135,000	37,742	97,258	97,258	2020 project remained open for final invoicing in 2021. Closed January 2021
Intranet Upgrade	67,000	57,001	9,999	9,999	Work complete. Project closed
2020 Ambulance IT Replacements	25,000	24,734	266	266	Work complete. Project closed
Roads Equipment 2020	2,285,000	2,168,727	116,273	116,273	2020 project remained open for final invoicing in 2021. Closed February 2021
2020 Pavement Preservation	500,000	449,187	50,813	50,813	
WR 18 at Beatty Line to Hwy 6	25,000	-	25,000	25,000	Projects have been reprioritized and will be initiated at a later date.
WR 22 Culvert C22110, Rehab	200,000	-	200,000	200,000	
WR 7 Culvert C071040 Rehab	50,000	-	50,000	50,000	
WR 109, Mallet River B109129	-	-	-	-	Projects consolidated into new project at time of tender
WR 109, Maitland River B109128	-	-	-	-	
WR 109, Bridge B109141	-	-	-	-	
129 Wyndham: VVT HVAC System	50,000	45,792	4,208	1,147	Projects cost shared with City of Guelph, County savings to reserve.
Marlborough Elevator Modernize	144,000	127,436	16,565	3,609	
576 Woolwich Elevator Modernize	144,000	113,628	30,372	7,010	
Nutrition Services Hardware	60,000	39,026	20,974	20,974	Work complete. Project closed
Collection Enhancement	60,000	60,066	(66)	(66)	
Fergus Carnegie Window Replace	90,000	80,930	9,070	9,070	
	4,209,000	3,477,286	731,714	692,336	

Capital Project Details

Property Services

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

The total approved budget of \$2,687,000 consists of 17 projects. Thirteen approved in previous years and four newly approved in 2021. The primary funding source for property capital is the County Property 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 \$988,382.

Property Services	May 31, 2021
Open Capital at Dec 31, 2020	\$2,284,000
plus: 2021 Approved Capital Budget	\$403,000
plus: 2021 In-Year Budget Adjustments	\$0
2021 Total Approved Capital Budget	\$2,687,000
less: Previous Years Capital Spending	(\$1,192,286)
Available Capital Funding for 2021	\$1,494,714
2021 Capital Spending to Date	(\$195,282)
Open Purchase Orders	(\$210,067)
Closed Projects (4)	(\$100,983)
Uncommitted Approved Funding	\$988,382

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

Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
129 Wyndham: Tenant Elevator	\$200,000	\$0	\$200,000	Staff received the consultant report and are preparing for tender
15 Douglas: Window Replacement	\$120,000	\$0	\$120,000	Contractor is engaged and PO issued, minor savings are anticipated.
2021 Building Condition Audits	\$47,000	\$0	\$47,000	The project will complete assessments on facilities that were not completed in 2016. Work will be initiated this year.
2021 Property Building Retrofits	\$135,000	\$8,761	\$126,239	Project includes several building improvements across multiple facilities. To date, commitments total \$69,000 and work continues throughout 2021
Admin Centre: Cooling Systems	\$264,000	\$219,282	\$44,718	Project is complete and ready to close.
Admin Centre: Heating Replace	\$30,000	\$0	\$30,000	Upon staff review, this project is no longer required and can close. Funds will return to the Property reserve.

Property Capital	LTD Budget	LTD Actuals	Remaining Budget	Comments
Admin Centre: Pave Corner Lot	\$40,000	\$0	\$40,000	Staff continue to monitor the condition of the lot.
Badenoch: Exterior Rehabilitation	\$80,000	\$53,735	\$26,265	Project is complete and ready to close.
County Space Needs Study	\$100,000	\$0	\$100,000	Project remains open for future use to examine space needs for County staff.
Courthouse: HVAC Upgrades	\$135,000	\$7,815	\$127,185	Project scope includes work on the cooling tower and chiller and is currently under review for options
Courthouse: Interior Upgrade	\$51,000	\$0	\$51,000	The project contains several components; staff are currently working to schedule contractors around the court schedules.
COVID HVAC Upgrades	\$400,000	\$150,785	\$249,215	Project scope includes the installation of humidification systems in county facilities and is ongoing.
Gaol: Facility Improvement	\$50,000	\$39,105	\$10,895	2021 works complete the repointing of the stone wall. Staff are working with the mason on scheduling for the summer.
Admin Centre: Lighting Upgrade	\$40,000	\$0	\$40,000	Staff are looking to secure incentive funding for LED upgrades. Consultants have been engaged to assess our buildings.
Courthouse: Lighting Upgrade	\$40,000	\$0	\$40,000	
Gaol: Lighting Upgrade	\$50,000	\$0	\$50,000	
Guelph Office Relocation	\$905,000	\$908,085	(\$3,085)	Project carried forward to 2021 to complete office space in the Engineering Services division. Work is complete with a minor negative variance. Project will be closed over the summer.
Total Property	\$2,687,000	\$1,387,568	\$1,299,432	

CAO and Clerks

The CAO & Clerks capital budget addresses the ongoing replacements and upgrades to the information technology infrastructure of the corporation and is overseen by IT staff. The following provides a summary of the 2021 capital spending for the period ending May 31, 2021.

The total approved budget of \$1,177,000 consists of 12 projects. Nine approved in previous years and three newly approved in 2021. The primary funding source for IT 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 \$559,627.

CAO & Clerks	May 31, 2021
Open Capital at Dec 31, 2020	\$747,000
plus: 2021 Approved Capital Budget	\$430,000
plus: 2021 In-Year Budget Adjustments	\$0
2021 Total Approved Capital Budget	\$1,177,000
less: Previous Years Capital Spending	(\$512,220)
Available Capital Funding for 2021	\$664,780
2021 Capital Spending to Date	(\$72,306)
Open Purchase Orders	(\$22,848)
Closed Projects (1)	(\$9,999)
Uncommitted Approved Funding	\$559,627

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

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
Technical Services				
2020 Network Replacement	\$100,000	\$64,181	\$35,819	Work continues in 2021 with completion by year-end. Staff anticipate minor savings.
2021 Main Core Switches	\$120,000	\$0	\$120,000	Staff are currently planning for this project and works will initiate this year
2021 Wifi Unit Replacement	\$100,000	\$0	\$100,000	Works will be initiated in 2021 and carry forward to 2022
Advanced Malware Security	\$50,000	\$42,473	\$7,527	Works are substantially complete, staff are conducting one final review to see if any invoicing is outstanding
Archive Storage Replacement	\$35,000	\$0	\$35,000	Project approved in 2020 and was delayed due to COVID. Staff plan to proceed in 2021
Fire Suppression Data Centre	\$50,000	\$0	\$50,000	This has been active since 2016. The current location of the data centre has presented challenges. Staff intend to work with a consultant to determine the best solution.
Firewall and VPN Replacement	\$70,000	\$51,660	\$18,340	Works are substantially complete, staff are conducting one final review to see if any invoicing is outstanding
Point-to-Point Radios Guelph	\$30,000	\$0	\$30,000	Project originally budgeted for in 2019, however after further review it was determined they would be ok for another couple of years. Replacements will be initiated in 2021.
Asset Management Software	\$350,000	\$265,441	\$84,559	The software implementation is nearing completion, final billing is anticipated in the fall.

CAO & Clerks	LTD Budget	LTD Actuals	Remaining Budget	Comments
Application Services				
Financial Systems Software	\$45,000	\$35,598	\$9,402	Project is fully committed and will be complete in year
Kronos: Library Implementation	\$160,000	\$68,172	\$91,828	Staff anticipate work to be completed by fall within budget
Information Management				
Intranet Upgrade	\$67,000	\$57,001	\$9,999	Project complete and ready to close. Savings will be transferred to General Capital Reserve.
Total CAO and Clerks	\$1,177,000	\$584,526	\$592,474	

Operating Budget Summary

The attached Schedule "A" sets out the year-end variance projections. A surplus of between \$1.0 million to \$1.7 million is projected at this point in the year, and the range of potential variances reflects the variability that may occur as the year progresses. The most significant factors which will determine the County's final year-end position in 2021 are as follows:

- The extent to which services throughout the County have been and continue to be impacted from the COVID-19 pandemic and any additional offsetting Provincial funding available
- Supplementary taxes and tax write-offs
- The timing of the settlement of the gravel pit appeals and related revenues
- The OPP contract reconciliation for 2020
- The severity of the winter weather and its impact on roads and building operations (heat/hydro/energy/snow removal) costs
- Updates from the City of Guelph on potential Land Ambulance and POA variances

The next variance projection update will be in October based on September month-end results.

Capital Summary

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

Development Charge Update

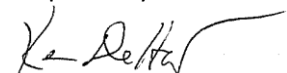
The attached charts (Schedule C) show year to date development charges collections with a comparison to the same period last year and a summary of annual development charge collections since 2016.

Overall development charges collected to date are 40.1% lower than this time last year. Throughout 2020, residential permits in Centre Wellington and Guelph/Eramosa represented 75% of residential collections in 2020. The 2021 trend to date indicates a rise in both residential and non-residential in Wellington North and Mapleton.

Recommendation:

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

Respectfully submitted



Ken DeHart, CPA, CGA
County Treasurer

Schedule "A"

COUNTY OF WELLINGTON					
2021 OPERATING BUDGET VARIANCE ANALYSIS AS OF MAY 31, 2021					

	2021 Budget	May 31/21 net actual	May 31/21 actual as a % of budget	Projected variance to Dec. 31/21	
				Scenario 1	Scenario 2
<u>Programmes and Services</u>					
Roads and Bridges	30,240.3	21,774.7	72%	50.0	100.0
Police Services	17,724.7	7,583.2	43%	(50.0)	50.0
Long-Term Care Home	9,452.0	3,947.1	42%	40.0	60.0
Solid Waste Services	8,597.3	4,297.8	50%	(80.0)	(60.0)
County Library System	7,435.0	3,540.1	48%	30.0	40.0
Ambulance Services	5,305.5	2,576.1	49%	(150.0)	(100.0)
Social Housing	4,679.0	2,861.2	61%	10.0	30.0
Public Health	2,773.6	1,602.3	58%	0.0	0.0
County Museum and Archives	2,196.8	894.4	41%	10.0	20.0
Planning and Development	2,152.4	710.8	33%	60.0	80.0
Economic Development	1,962.4	942.2	48%	50.0	70.0
Children's Early Years	1,573.6	592.8	38%	0.0	50.0
Ontario Works	1,308.9	513.2	39%	270.0	300.0
Affordable Housing	1,000.0	720.1	72%	0.0	0.0
Green Legacy	874.7	371.6	42%	20.0	25.0
Emergency Management	738.0	363.8	49%	10.0	20.0
Community Grants	458.8	118.7	26%	0.0	0.0
Provincial Offences	(186.4)	89.0	-48%	(200.0)	(160.0)
Subtotal	98,286.6	53,499.2	54%	70.0	525.0
<u>General Government</u>					
Office of the CAO and Clerk	4,543.1	2,360.3	52%	100.0	130.0
Treasury	2,115.7	1,043.4	49%	80.0	100.0
County Council	1,271.1	451.7	36%	80.0	100.0
County Property	1,223.5	955.9	78%	10.0	15.0
Human Resources	1,103.5	503.7	46%	60.0	80.0
Subtotal	10,256.9	5,314.9	52%	330.0	425.0
<u>Non-Programme Expenditures and Revenues</u>					
General Expenses/Revenues	2,617.4	617.3	24%	100.0	150.0
Tax Levy Requirement	(108,828.1)	(54,414.1)	50%	0.0	0.0
PILs and Supplementary Taxes	(2,332.8)	(452.1)	19%	500.0	600.0
Subtotal	(108,543.5)	(54,248.9)	50%	600.0	750.0
Net Total	0.0	4,565.2		1,000.0	1,700.0
Variance % of Tax Levy				0.9%	1.6%
Variance % of Operating Expenditures				0.6%	1.0%

Schedule "B"

Summary of Capital Projects to May 31, 2021						
Department	Approved Budget	Current Year	Previous Years	Total	% of Budget	Remaining Budget
Roads and Engineering	\$70,411,700	\$3,789,770	\$33,216,357	\$37,006,127	53%	\$33,405,573
Social Services	\$11,314,300	\$2,072,743	\$2,929,489	\$5,002,232	44%	\$6,312,068
Solid Waste Services	\$6,690,000	-\$19,568	\$2,930,934	\$2,911,365	44%	\$3,778,635
Museum & Archives at WP	\$5,082,000	\$2,352	\$2,901,350	\$2,903,701	57%	\$2,178,299
Property Services	\$2,822,000	\$197,886	\$1,227,424	\$1,425,310	51%	\$1,396,690
Long-Term Care Homes	\$1,695,000	\$2,315	\$543,565	\$545,880	32%	\$1,149,120
Land Ambulance	\$1,629,000	\$0	\$240,572	\$240,572	15%	\$1,388,428
Office of the CAO/Clerk	\$1,177,000	\$72,306	\$512,220	\$584,526	50%	\$592,474
Economic Development	\$1,172,500	\$0	\$345,776	\$345,776	29%	\$826,724
Library Services	\$990,000	\$134,907	\$116,814	\$251,721	25%	\$738,279
Planning	\$455,000	\$15,873	\$124,971	\$140,844	31%	\$314,156
Police Services	\$140,000	\$0	\$0	\$0	0%	\$140,000
POA Administration	\$103,000	\$0	\$22,794	\$22,794	22%	\$80,206
Emergency Management	\$80,000	\$32,715	\$0	\$32,715	41%	\$47,285
Total Capital	\$103,761,500	\$6,301,299	\$45,112,266	\$51,413,565	50%	\$52,347,935

Schedule "C"

County of Wellington Year To Date Development Charges 2020 vs. 2021						
Collected To Date May 31, 2021	2020 # of Units	DCs collected to 05/31/20	2021 # of Units	DCs collected to 05/31/21	\$ Change	% Change
Single Dwelling	97	\$ 523,766	66	\$ 364,666	\$ (159,100)	-30.4%
Apartments - 2+ Bedrooms	1	\$ 3,395	6	\$ 21,042	\$ 17,647	519.8%
Apartments - 1 Bedroom	2	\$ 4,950	4	\$ 10,228	\$ 5,278	N/A
Other Multiples	23	\$ 98,233	12	\$ 52,428	\$ (45,805)	-46.6%
Special Care Dwellings	0	\$ -	0	\$ -	\$ -	0.0%
Non-Residential (sq ft)	131,646	\$ 207,416	33,598	\$ 53,721	\$ (153,695)	-74.1%
Total		\$ 837,760		\$ 502,085	\$ (335,675)	-40.1%

County of Wellington YTD and 5 Year Development Charge Collection History						
	2016	2017	2018	2019	2020	2021 YTD
Single Dwelling	\$ 1,167,900	\$ 1,497,266	\$ 1,185,983	\$ 2,035,462	\$ 2,036,474	\$ 364,666
Apartments - 2+ Bedrooms	\$ 17,908	\$ 23,700	\$ 63,020	\$ 145,985	\$ 122,633	\$ 21,042
Apartments - 1 Bedroom	\$ 10,980	\$ 6,767	\$ 73,708	\$ 2,475	\$ 7,507	\$ 10,228
Other Multiples	\$ 305,468	\$ 387,258	\$ 139,358	\$ 463,008	\$ 316,054	\$ 52,428
Special Care Dwellings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Residential	\$ 266,847	\$ 430,703	\$ 480,781	\$ 453,536	\$ 486,157	\$ 53,721
Total	\$1,769,103	\$2,345,694	\$1,942,850	\$3,100,466	\$2,968,825	\$ 502,085