

Special City Council Meeting Agenda



Tuesday, March 5, 2019 – 2:00 p.m.

Council Chambers, Guelph City Hall, 1 Carden Street

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Open Meeting – 2:00 p.m.

Disclosure of Pecuniary Interest and General Nature Thereof

Special Council – Council Deliberations and Approval of Tax Supported Operating Budget

CS-2019-06

2019 Tax Supported Operating Budget

(Referred from the February 7, 2019 Special Council Meeting – Presentation of the Tax Supported Operating Budget)

Recommendation:

1. That the 2019 tax supported operating budget be approved with a property tax increase net of assessment growth of 3.93 per cent over 2018 and a property tax and payment-in-lieu of taxes levy of \$243,330,620 inclusive of the following:
 - a) a departmental base operating budget including user fee increases, totaling an increased net levy requirement of \$2,427,604 or 1.04 per cent.
 - b) capital financing and general revenues including a 1.00 per cent dedicated infrastructure levy, totaling an increased net levy requirement of \$3,867,656 or 1.65 per cent.
 - c) a local boards and shared services operating budget, totaling an increased net levy requirement of \$1,568,904 or 0.67 per cent.
 - d) Council in-year decisions totaling an increased net levy requirement of \$2,247,886 or 0.96 per cent.

- e) Increased assessment growth revenue of \$3,700,000 or 1.58 per cent.
 - f) Department growth budget requests totaling an increased net levy requirement of \$1,274,905 or 0.54 per cent.
 - g) local board growth budget requests totaling an increased net levy requirement of \$558,200 or 0.24 per cent.
 - h) department service enhancements and service review requests totaling an increased net levy requirement of \$1,030,800 or 0.44 per cent.
 - i) a departmental base operating budget reduction for 2019 NUME compensation of \$75,300 or 0.03 per cent.
 - j) reserve and reserve fund transfers (page 120 to 127) in the tax supported operating budget.
2. That the proposed user fees posted at <https://guelph.ca/city-hall/budget-and-finance/city-budget/2019-proposed-budget/> be approved and enacted through by-law.
 3. That a new Rental Property Reserve to align City-owned rental property revenue with associated maintenance and capital expenditures be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.
 4. That a new Parking Capital Reserve Fund to support the Council approved Parking Master Plan financial model be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.
 5. That the 2019 Downtown Guelph Business Association budget with gross expenditures of \$673,910 and a total levy of \$630,000 be approved.

**CS-2019-36 Budget Impacts per Ontario Regulations 284/09 and
Budget Public Sector Accounting Standards
Reconciliation**

Recommendation:

That report CS-2019-36 Budget Impacts per Ontario Regulation 284/09 and Budget Public Sector Accounting Standards Reconciliation be approved.

Special Resolutions

By-laws

Resolution to adopt the By-laws (Councillor Hofland)

Adjournment

Staff Report

To **City Council**

Service Area Corporate Services

Date Thursday, February 7, 2019

Subject **2019 Tax Supported Operating Budget**

Report Number CS-2019-06

Recommendation

That the following recommendations from Report CS-2019-06 titled 2019 Tax Supported Operating Budget be referred to March 5, 2019:

1. That the 2019 tax supported operating budget be approved with a property tax increase net of assessment growth of 3.93 per cent over 2018 and a property tax levy of \$243,330,620 inclusive of the following:
 - a) a departmental base operating budget including reserve and reserve fund transfers and user fee increases, totaling a net levy requirement of \$2,427,604 or 1.04 per cent
 - b) capital financing and general revenues including a 1.00 per cent dedicated infrastructure levy, totaling a net levy requirement of \$3,867,656 or 1.65 per cent
 - c) a local boards and shared services operating budget, totaling a net levy requirement of \$1,568,904 or 0.67 per cent
 - d) Council in-year decisions totaling a net levy requirement of \$2,247,886 or 0.96 per cent
 - e) assessment growth revenue of \$3,700,000 or 1.58 per cent
 - f) Department growth budget requests totaling a net levy requirement of \$1,274,905 or 0.54 per cent
 - g) local board growth budget requests totaling a net levy requirement of \$558,200 or 0.24 per cent
 - h) department service enhancements and service review requests totaling a net levy requirement of \$1,030,800 or 0.44 per cent
 - i) a departmental base operating budget reduction for 2019 NUME compensation of \$75,300 or 0.03 per cent
2. That the proposed user fees posted at <https://guelph.ca/city-hall/budget-and-finance/city-budget/2019-proposed-budget/> be approved and enacted through by-law.
3. That a new Rental Property Reserve to align City-owned rental property revenue with associated maintenance and capital expenditures be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.

4. That a new Parking Capital Reserve Fund to support the Council approved Parking Master Plan financial model be created and that Appendix A of the General Reserve and Reserve Fund Policy be updated and referred to the 2018 Year-end Reserve and Reserve Fund report for approval.

Executive Summary

Purpose of Report

To present the 2019 proposed tax supported operating budget, and provide details and background materials for Council's budget deliberations scheduled for March 5, 2019.

Further, to provide staff with an opportunity to formally present the tax supported operating budget to Council and receive questions and/or requests for additional information or clarification.

Key Findings

The staff recommended tax supported operating budget reflects a net tax levy requirement of \$243,405,920 or 3.96 per cent net of assessment growth. This was amended by a \$75,300 reduction as a result of Council's 2019 NUME compensation decision on January 10, 2019 resulting in a revised net tax levy of 3.93 per cent.

Included in the recommended budget are all the priority budget requests including the additional one per cent increase in the Dedicated Infrastructure Levy as well as the budget pressures resulting from in-year Council decisions.

The table below highlights the 2019 requested budget.

Table 1: 2019 Recommended Budget

	2019 Requested Budget	2019 Levy Impact
City department base budget increase	\$2,427,604	1.04%
Capital Financing and General Revenues (including 1% Dedicated Infrastructure Levy)	\$3,867,656	1.65%
Local Boards and Shared Services base budget increase	\$1,568,904	0.67%
Council in-year decisions	\$2,247,886	0.96%
Assessment Growth Revenue	(\$3,700,000)	(1.58%)
City department growth-related budget requests	\$1,274,905	0.54%
Local boards growth-related budget requests	\$558,200	0.24%
City department service enhancement budget requests	\$1,030,800	0.44%
Total Staff Recommended Tax Supported Budget	\$9,275,955	3.96%
Council approved NUME compensation	(\$75,300)	(0.03%)
Revised Total Tax Supported Budget	\$9,200,655	3.93%

Original budget estimates projected the 2019 net levy impact closer to a 4.50 per cent increase but the successful merger of Guelph Hydro Electric Systems Inc. with Alectra Utilities has resulted in net new on-going dividend revenue of \$1 million in 2019 which the City has applied towards the Dedicated Infrastructure Levy. This is consistent with the recommendation by staff through report CS-2019-02 2019-2028 Proposed Capital Budget and Forecast.

The City has also utilized a reserve strategy to fund one-time initiatives and one-time budget pressures totalling \$804,865 to further reduce the property tax impact as affordability continues to be a primary consideration. As a reminder, a reserve strategy was also used in the 2019 non-tax operating budget as the water and wastewater contingency reserves allowed for this flexibility. Healthy, well-managed reserves can allow for this budgetary flexibility. As a result of the recent reserve and reserve fund review, staff are confident in a recommendation to use the reserves in this type of strategic manner.

Further information on budget changes can be found in the tax supported operating budget book provided under separate cover.

Financial Implications

The financial implications resulting from this report are outlined in detail in the City's budget document. The amended 3.93 per cent increase over the prior year's net tax levy and growth requirement will allow for the continued delivery of City services.

Assessment growth revenue is sufficient to fund the 2019 growth-related operating costs with \$527,535 remaining to offset base and service enhancement budget pressures.

Report

The proposed 2019 tax supported operating budget represents the culmination of several months of work undertaken by City staff. The proposed budget has been prepared taking into account:

- city financial policies
- principles of predictability and affordability for the community
- budget estimates based on historic multi-year actuals
- targets for contingency and reserves which protect the City in an emergency situation and allow for the strategic replacement and investment in infrastructure
- legislated requirements
- approved levels of service
- in-year decisions by Council
- community input received through surveys and development of Master Plans related to programs and services that influence staff recommendations (for example, the Natural Heritage Action Plan)
- Corporate Administrative Plan
- recommendations for improving programs and services

As with previous years, the proposed base budget includes all annualized costs. In developing the City's operating budget, staff has worked to ensure that a balance exists between fiscal accountability and service demands. The tax supported operating budget was prepared in accordance with the Council-approved Budget Policy, Debt Management Policy, and General Reserve and Reserve Fund Policy.

This budget is based on a forecast that ensures that the City's financial position continues to remain strong. The recommended budget takes into consideration inflationary cost pressures such as compensation, hydro and natural gas, fuel and diesel, software maintenance costs and other contractual increases. It also includes estimated increases for outstanding labour contract negotiations, impacts of previous Council decisions, operating impacts from capital identified during the 2018 budget deliberations, and the one per cent Dedicated Infrastructure Levy. Revenue adjustments have also been incorporated to mitigate against rising property tax rates where possible and include increases to user fees for programs and services, food and beverage sales, investment income and parking fees.

Further, assessment growth revenue for the 2019 budget has been estimated at \$3.7 million which should be used to fund growth-related operating increases. Finally, the budget reflects that some grants ended in 2018 and the corresponding revenue and expenses have been removed from the budget.

City Departmental Base Operating Budget

The recommended City departmental base operating budget represents an increase of 1.04 per cent or \$2.43 million. The breakdown of budgetary changes and the tax levy impact is shown in Table 2.

Table 2: City Departmental Base Operating Budget Change

	2018 Approved Budget	2019 Requested Budget	2019 Budget Change \$	2019 Budget Change %	2019 Levy Impact
Revenue					
User Fees	(\$31,223,391)	(\$31,710,344)	(\$486,953)	1.6%	(0.21%)
Product Sales	(\$5,472,450)	(\$2,652,250)	\$2,820,200	(51.5%)	1.20%
Licenses and Permits	(\$513,600)	(\$535,800)	(\$22,200)	4.3%	(0.01%)
Penalties and Interest	(\$4,492,771)	(\$6,019,704)	(\$1,526,933)	34.0%	(0.65%)
External Recoveries	(\$10,069,040)	(\$10,268,524)	(\$199,484)	2.0%	(0.09%)
Grants	(\$11,767,961)	(\$12,316,427)	(\$548,466)	4.7%	(0.23%)
Total Revenue	(\$63,539,213)	(\$63,503,049)	\$36,164	(0.1%)	0.02%
Expenses					
Compensation	\$142,910,204	\$146,182,511	\$3,272,307	2.3%	1.40%
Utilities	\$7,900,330	\$7,977,800	\$77,470	1.0%	0.03%
Repairs and Rentals	\$10,998,608	\$11,733,308	\$734,700	6.7%	0.31%
Fuel	\$5,018,554	\$5,256,554	\$238,000	4.7%	0.10%

Consulting	\$2,140,457	\$1,745,897	(\$394,560)	(18.4%)	(0.17%)
Other Purchased Goods and Services	\$27,774,574	\$26,046,663	(\$1,727,911)	(6.2%)	(0.74%)
Other Transfers and Interdepartmental Charges	(\$3,757,852)	(\$3,566,418)	\$191,434	(5.1%)	0.08%
Total Expenditures	\$192,984,875	\$195,376,315	\$2,391,440	1.2%	1.02%
Net City department base impact	\$129,445,662	\$131,873,266	\$2,427,604	1.2%	1.04%

An adjustment to Solid Waste Resources' base budget is included in the above to reflect the impacts to the Material Recovery Facility (MRF) operations that have resulted from ending another municipality's recyclable material processing contract. This includes reductions in product sales, compensation, and other purchased goods and services. In addition, the Solid Waste Resources' budget further reflects adjustments to product sales to reduce revenue risk that is related to the sale of carbon credits and recyclable materials. The total adjustments to Solid Waste Resources represent a \$0.854 million or 0.36 per cent net levy impact.

Other key drivers to changes within department budgets include:

- user fees, licenses and permit fee increases
- investment income and dividend income increases
- stewardship Ontario grant increase for blue box recycling offset by grant reductions for climate change, healthy kids, and Diverse Adaptive Inclusive Recreation due to completion of grants
- compensation economic increases as outlined in collective agreements
- repairs and maintenance cost increases due to contractual increases for waste haulage, software maintenance, and janitorial services
- consulting cost decreases related to expiration of grants and other consulting reductions

City departments were given both revenue and expenditure targets that were unique to the service area that reflected operating needs. In most cases, departments were required to find efficiencies to be able to meet the expenditure targets and this has led to a base departmental increase of a net 1.2 per cent. Further reductions to the City department base budget would impact service delivery.

Capital Financing and General Revenue Base Operating Budget

The recommended capital financing and general revenue base operating budget represents an increase of 1.65 per cent or \$3.87 million. The breakdown of budgetary changes and the tax levy impact is shown in Table 3.

Table 3: Capital Financing and General Revenue Base Operating Budget Change

	2018 Approved Budget	2019 Requested Budget	2019 Budget Change \$	2019 Budget Change %	2019 Levy Impact
Capital Financing	\$31,189,405	\$34,670,181	\$3,480,776	11.2%	1.49%
Reserve Transfers	\$2,387,390	\$3,092,270	\$704,880	29.5%	0.30%
Supplementary and Education Taxes	(\$6,007,500)	(\$6,325,500)	(\$318,000)	5.3%	(0.14%)
Total	\$27,569,295	\$31,436,951	\$3,867,656	14.0%	1.65%

The key drivers of this budget increase include the following:

- increase transfers to capital reserve and reserve funds to continue along the path towards sustainable funding and closing the infrastructure gap
- increase in Tax Increment Based Grants in accordance with the Council-approved plan to fund Community Improvement Plan (CIP)
- increase additional taxation revenue due to growth

More detailed explanations of these budget changes can be found on pages 113 to 119 in the tax supported operating budget.

Local Boards and Shared Services Operating Budget

The recommended local board and shared services operating budget represents an increase of 0.67 per cent or \$1.57 million. This budget is discussed in further detail through staff report CS-2019-07 and will be presented by local boards on February 13, 2019.

Council In-year Decisions

Through the 2018 budget and other 2018 in-year reports, Council made a number of decisions that directly impact the 2019 base operating budget. The Transit Route 3 is recommended to be funded through a one-time transfer from the Contingency Reserve. These changes are outlined in Table 4 and include the link to the associated staff report for further information.

Table 4: Council In-year Decisions Summary

	Staff report	2019 Requested Budget	2019 Reserve Transfer (from)/to	2019 Levy Impact
2019 operating impacts from approved 2018 capital projects	CS 2017-81 2018-2027 Capital Budget and Forecast October 26, 2017 Page 48	\$350,360		0.15%
2018 Dedicated Infrastructure Levy – reserve funded in 2018	CS-2017-31 Dedicated Infrastructure Levy November 8, 2017 Page 10	\$1,170,526		0.50%
Transit Route 3 – half year cost to June 2019	PS-2018-22 Guelph Transit - Route 3	\$175,715	(\$175,715)	0.00%
Council Remuneration	CS-2018-56 Council Remuneration Advisory Committee Report	\$127,000		0.05%
Cancellation of on-street paid parking	IDE-2018-69 Downtown Parking Master Plan Update	\$600,000		0.26%
Total		\$2,423,601	(\$175,715)	0.96%

Assessment Growth Revenue

Assessment growth revenue included in the 2019 proposed budget is \$3.70 million. This is an increase over 2018 of \$1,420,373 and these revenues should be directed towards growth-related operating costs. Staff have included an alternative budget presentation of the growth-related costs included in the proposed 2019 operating budget in Table 7 for Council consideration. This has been provided as an extension of the “growth paying for growth” discussion and provides context for the future Assessment Growth Policy proposal expected to be before Council in mid-2019.

City Departmental Growth Budget Requests

City departmental growth requests total \$1,274,905 or 0.54 per cent tax levy impact. The requests include a total of 13 new full-time equivalent (FTE) positions

and are summarized in Table 4. Further information on these requests can be found on pages 130 through 142 in the 2019 Operating Budget materials.

Table 5: City Departmental Growth Budget Requests

	2019 Requested Budget	2020 Budget impact	2019 Levy Impact	2019 FTE
Paramedic Services – Paramedic Resources including a new shift in Fergus	\$519,800	(\$184,166)	0.22%	8
Fleet and Fleet Transit impacts from past growth capital	\$101,500	0	0.04%	0
Natural Areas Stewardship Technologist	\$140,800	(\$5,650)	0.06%	1
Planning Technician (Policy and Design)	\$95,850	(\$5,230)	0.04%	1
Traffic Safety Analyst	\$117,380	\$2,350	0.05%	1
Strategic Sourcing Procurement Agent	\$135,550	\$600	0.06%	1
Manager of Capital Strategy and Long-term Planning	\$164,025	\$1,160	0.07%	1
Total Growth Budget Requests	\$1,274,905	(\$190,936)	0.54%	13.0

Local Boards Growth Budget Requests

The recommended local board and shared services growth budget requests represent an increase of 0.24 per cent or \$0.558 million. This budget is discussed in further detail through staff report CS-2019-07 and will be presented by local board on February 13, 2019.

City Departmental Service Enhancement Budget Requests

City departmental service enhancement budget requests total \$1,030,800 or 0.44 per cent tax levy impact. The requests include a total of two new FTE positions known at this time although the Transit Service Review may also contain recommended FTEs and this will be discussed with Council once the service review results are finalized. The Transit Service Review will be presented to Council on January 29, 2019 and the 2019 operating budget includes a provision of \$500,000 in 2019 for the financial impacts resulting from the service review.

A summary of the requests can be found in Table 6 and further information can be found on pages 143 through 148 in the 2019 Operating Budget materials.

Table 6: City Departmental Service Enhancement Budget Requests

	2019 Requested Budget	2020 Budget impact	2019 Levy Impact	2019 FTE
Corporate Customer Service	\$345,800	\$162,000	0.15%	2
Corporate Career Path, Diversity and Inclusion funding	\$185,000	0	0.08%	0
Transit Service Review (note 1)	\$500,000	To be determined	0.21%	To be determined
Total Service Enhancement Budget Requests	\$1,030,800	\$162,000	0.44%	2

Note 1: The Transit Service Review budget request may also have an additional capital component relating to the Community Bus program pending the outcome of the Service Review Council conversation on January 29, 2019.

Other considerations

Although not recommended by staff, Council may consider the budget requests included pages 149 through 154 in the 2019 Operating budget materials. These are items that Council has requested staff to consider during the 2019 budget process but due to corporate priorities and affordability concerns, were not recommended.

Risks

The budget recommended for approval is a solid financial plan for 2019. However, the budget is built at a point in time based on assumptions and known financial data. A few key risks that Council should be aware of as they consider the 2019 tax supported operating budget are:

- outstanding labour negotiations and arbitration
- increasing WSIB costs related to presumptive illness legislation
- changing political landscape which could result in changes to budgeted government funding or other revenue sources
- deferring lifecycle replacements in parks, operations, and information technology could result in additional operating expenses above those budgeted
- economic changes beyond the City's control.

Financial Implications

Staff recommends an adjusted 3.93 per cent increase over the prior year's tax levy requirement inclusive of growth to allow for the delivery of on-going services,

progression towards sustainable capital funding and enhancements to some City services where need has been identified.

Growth Paying for Growth

The City has been working towards an alternative presentation of the operating budget materials in order to communicate the alignment of growth revenues with growth costs. Through the capital budget, staff have progressively been better able to plan and report on the capital cost of growth and this now needs to begin to be translated to the operating budget.

As previously mentioned, growth-related property tax revenue is estimated at \$3.70 million in 2019. Staff have gone through the 2019 recommended budget and have summarized the identifiable growth-related costs compared to this revenue in Table 7 below. In 2019, it can be concluded that growth revenues are paying for growth-related costs and there is \$527,535 assessment revenue remaining that is available to offset pressures in the base budget and service enhancements.

Table 7: Summary of Growth Costs and Assessment Growth Revenue

	2019 Requested Budget	2019 Levy Impact
Base budget (CIP Funding, Growth-related Capital Funding)	\$989,000	0.42%
Operating impact from 2018 approved capital projects	\$350,360	0.15%
City Departmental Growth Budget Requests	\$1,274,905	0.54%
Local Board and Shared Services Growth Budget Requests	\$558,200	0.24%
Total Growth-Related Operating Costs	\$3,172,465	1.36%
Assessment Growth Revenue	(\$3,700,000)	(1.58%)
Net Remaining 2019 Assessment Growth Revenue	(\$527,535)	(0.22%)

Reserve and Reserve Fund Transfers

The tax supported operating budget includes reserve and reserve fund transfers required to fund one-time initiatives, to strategically plan for future long-term budget impacts that are variable in nature and to mitigate financial risk. A summary of these transfers can be found on pages 120 through 127 in the 2019 operating budget materials.

As part of the 2019 budget, staff have improved the financial management and tracking of City-owned rental property income through the set up a new reserve to align rental property income with maintenance expenses. This will enable the city to

better analyze the financial impacts of rental properties and provide a self-funding mechanism for capital and maintenance costs of these properties.

Further, a new Parking Capital Reserve Fund is being created to begin the implementation of the Council approved Parking Master Plan funding model.

User fees

The [User Fee Guide](#) has been provided in an on-line only format in 2019 for cost savings and environmental benefits. The majority of the user fees are increasing by two per cent except for the following that increased at more than 50 per cent:

- mess makers class increase 86.1 per cent
- computers keep it running smoothly – 117.1 per cent
- monthly parking permit fees Arthur Street lot – 86.5 per cent
- monthly parking permit fees Norwich Street lot 148.7 per cent
- technical standards and safety authority letter – 100.0 per cent
- review/process application for oversized load permit - 398.2%

As in previous years, parks and recreation have reviewed all programs and have adjusted offerings to align with current demands for programs, camps and activities. Most program changes affect youth/teen table 12, child programs table 14, and camps for child, youth/teen table 16. New user fees have been added for energize Guelph table 13, film production table 55, parking table 95, and solid waste resources table 111.

Consultations

The tax supported operating budget was collaboratively developed by all City departments. Finance staff work with departments to assist in the budget preparation. After final budgets are submitted to Finance, analysis is completed and submissions are reviewed. The development of the budget is a lengthy, complex process. It requires everyone working together for a budget that is affordable to the citizens, provides financial stability for the City and ensures the community receives the best service in a cost-effective manner.

Public meeting notification was placed on the City's web page, posted to social media and advertised in the local newspaper. The City's recommended budgets are posted on the City's website at guelph.ca/budget. Delegations for the tax supported operating budget and Local Boards and Shared Services will be heard on Wednesday, February 20, 2019.

Corporate Administrative Plan

Overarching Goals

Service Excellence
Financial Stability
Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our People- Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

None

Attachments provided under separate cover:

2019 Tax Supported Operating Budget

2019 User Fee Guide (online only)

Report Author

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Approved By

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To	City Council
Service Area	Corporate Services
Date	Wednesday, February 13, 2019
Subject	2019 Local Boards and Shared Services Budgets
Report Number	CS-2019-07

Recommendation

That report CS-2019-07 titled 2019 Local Boards and Shared Services Budgets be referred to the March 5, 2019 Council meeting for final deliberation and approval.

Executive Summary

Purpose of Report

To present the 2019 Local Boards and Shared Services Budgets.

Key Findings

The 2019 Local Boards and Shared Services (LBSS) budgets represent approximately one-third of the City's tax supported operating budget net expenditures. There are various legislative and regulatory requirements governing the degree of control Council has over these budgets. The total 2019 net levy increase for the proposed LBSS base budget requests is \$1,568,904 or 0.67 per cent. Guelph Police Services Board also has a growth budget request totaling \$558,200 or 0.24 per cent.

Highlights for Council to consider when reviewing the 2019 LBSS budgets:

1. LBSS received an expenditure guideline which was consistent with other city departments;
2. Wellington-Dufferin-Guelph Public Health's shared cost allocation is based on Statistics Canada Census population as approved by Council on November 6, 2017;
3. continued requirement that \$130,000 be transferred to the Social Housing Contingency Reserve which is a result of The County of Wellington approved property tax exemption for County-owned social and affordable housing units;
4. The timing implications of receiving budget estimates from the LBSS and how staff incorporates the best estimate known at the time of budget material printing; and
5. City staff worked with the Guelph Police Service Board to utilize \$160,000 of the City's compensation reserve to mitigate one-time costs and phase-in escalating WSIB pressures in the 2019 budget with the understanding that if actual costs

result in an overall Police Services deficit the City could use the WSIB reserve to offset the deficit.

Financial Implications

This report provides context and information to Council related to the 2019 LBSS budgets. Council has minimal ability to change the budgets presented by the LBSS. Staff has reflected these budget requests in the 2019 Tax Supported Operating Budget released on January 24, 2019. The total LBSS proposed budget increase is \$2,127,104 or 0.91 per cent over the 2018 net tax levy requirement.

Report

As part of the City's budget process, the budgets for the LBSS are presented to Council on a separate night. The budgets for the LBSS represent approximately one-third of the City's net expenditures.

The budgets for the City's LBSS include the following agencies, boards and commissions:

- Guelph Public Library Board (GPL)
- Wellington-Dufferin-Guelph Public Health (WDGPH)
- Social Services and Social Housing (Social Services)
- Downtown Guelph Business Association (DGBA)
- Guelph Police Service Board (GPS)
- The Elliott

With the exception of the DGBA, the budgets for the City's share of these services are funded through the City property tax levy. The DGBA is funded from a Business Improvement Area (BIA) levy that members pay in addition to their municipal property taxes.

The major factor differentiating these budgets from those proposed by City departments is the additional legislation governing the actions Council can take to reduce or change a board or agency's budget. Some of the key constraints are discussed below:

- Council approves, or amends and approves, the total budget for a LBSS, but may not accept or reject specific items within the budget.
- Municipalities within a health unit must pay the expenses incurred for the Board of Health and Medical Officer. The amount paid is to be sufficient to enable the Board of Health to provide or ensure the provision of health programs and services in accordance with the Act and Regulations. Estimates are to be provided annually by the Board of Health.
- The City is obligated to pay the amounts required by the Consolidated Municipal Services Manager (CMSM) on demand. The City may be charged interest and penalties for non-payment.
- The Ministry of Health and Long-Term Care requires each municipality to contribute financial support to a designated long-term care facility.

A summary of the LBSS base budget requests is as follows:

	2018 Approved Budget	2019 Requested Budget	2019 Budget Change	2019 Budget Change	2019 Levy Impact
GPL	\$9,089,062	\$9,363,062	\$274,000	3.0%	0.12%
WDGPH	\$3,868,973	\$3,946,400	\$77,427	2.0%	0.03%
Social Services	\$22,341,117	\$22,109,117	(\$232,000)	(1.0%)	(0.10%)
The Elliott	\$1,514,557	\$1,553,634	\$39,077	2.6%	0.02%
GPS	\$40,301,300	\$41,711,700	\$1,410,400	3.5%	0.60%
Total	\$77,115,009	\$78,683,913	\$1,568,904	2.0%	0.67%

Further, the GPS have a growth-related budget request totalling \$558,200 or 0.24 per cent.

As mentioned previously in the report the DGBA is funded from a BIA levy that members pay in addition to their municipal property taxes. Information on the DGBA budget can be found on page 19 of the LBSS budget.

Further information on the GPS approved budget can be found on the GPS website. The [proposed 2019 Operating Budget](#) was approved on October 25, 2018 and the [minutes](#) from that same meeting are also available.

City staff worked with GPS to reduce this budget request by utilizing a reserve strategy and this [subsequent budget revision](#) was brought to the GPS meeting on January 17, 2019 for approval. Minutes for this meeting were not yet available at the time of writing this report.

The Social Services budget and ten-year capital plan as presented to the County of Wellington Social Services Committee is included in ATT-1 for information.

Financial Implications

This report provides context and information to Council related to the 2019 LBSS budgets. Council has minimal ability to change the budgets presented by the LBSS. Staff has reflected these budget requests in the 2019 Tax Supported Operating Budget released on January 24, 2019.

Consultations

Public meeting notification was placed on the City's webpage, posted to social media and advertised in the local newspaper. Draft copies of the budgets as provided to the City are posted on the City's website. Delegations can address

Council on Wednesday, February 20, 2019 and more information on how to register is available on the City's budget webpage.

Corporate Administrative Plan

Overarching Goals

Service Excellence
Financial Stability
Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better
Our People - Building a great community together
Our Resources - A solid foundation for a growing city

Attachments

ATT 1 – County of Wellington Preliminary 2019-2028 Ten-Year Plan: Social Services

Attachments provided under separate cover:

2019 Guelph Public Library Budget
2019 Wellington-Dufferin-Guelph Public Health Budget
2019 County of Wellington Social Services and Social Housing Budget
2019 The Elliott Budget
2019 Downtown Guelph Business Association Budget
2019 Guelph Police Service Budget

Report Author

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Approved By

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GM Finance/City Treasurer
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Recommended By

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COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Ken DeHart, County Treasurer
Date: Wednesday, November 14, 2018
Subject: **Preliminary 2019-2028 Ten-Year Plan: Social Services**

Background:

This forecast provides a high-level view of major budget issues and planned capital investments and serves as a guide for departments in preparing their detailed current year operating and capital budgets. The preliminary corporate ten-year plan will be considered by the Administration, Finance and Human Resources Committee on November 20, 2018 and the forecast will be updated at the time the budget is approved early in the New Year.

Housing Services – Operating

- The budget for the Community Homelessness Prevention Initiative (CHPI) programme includes an increase in funding from the province (\$339,100) which offsets the increase in programme expenditures and provides a decrease in net municipal cost of \$50,000.
- Rent revenue for the County-owned properties has been higher than expected in 2018 and an increase of 3% has been applied to the 2019 budget. Staff will monitor this revenue and make further adjustments if required in future years.
- Utilities for the County-owned units have been reduced by approximately \$400,000, as there have been significant savings in 2018, which primarily come from hydro.
- Non-Profit and cooperative housing subsidies have increased by \$142,000 due to the benchmark revaluation completed in 2018 for Maintenance and Administration.
- In order to accommodate future capital needs for Wellington Housing Corporation, their subsidy has increased by \$219,000, which is 100% a cost the County.
- A Maintenance Coordinator position has been created for 2019 (0.75 FTE – will be annualized in 2020). This created a net cost of \$63,800 (51,000 City and \$12,800 County).
- Reserve transfers have been continued throughout the ten-year forecast.

In accordance with the Capital Budget and Long Term Financing Policy, the list of capital works includes those initiatives that have a long-term benefit to the corporation and whose capital cost is at least \$25,000.

Housing Services – Capital

- Capital spending on County owned social housing units totals \$34.5 million over the ten-year forecast.
- The County portion of capital funding comes from the Housing Capital Reserve, the City portion of capital funding is based on the average prior year residence of tenants in county owned buildings.
- A detailed listing of projects is attached to this report.

Affordable Housing – Operating

- Beginning in 2018, an annual transfer of \$50,000 took place from the savings generated at Webster Place through the natural gas co-generation project to the Green Initiative Reserve as approved by Committee in February 2016. This transfer will occur annually from 2018-2023 for a total of six years, which is the estimated payback period for the project.
- The 2019 budget includes annualized rent revenue and expenditures for 250 Daly St. in Palmerston.
- The budgeted contribution to the County’s Housing Development Reserve Fund remains constant at \$500,000 over the ten-year plan, and contributions to the reserve also includes the net municipal revenue generated from each of the affordable housing properties to provide funding for future affordable housing opportunities.

Affordable Housing – Capital

- Facility improvements for affordable housing building total \$1.1 million over the ten-years and are funded through the Housing Capital Reserve.

Ontario Works - Operating

- The ten-year plan allows for a 1.5% caseload and cost increase.
- The Rural Transportation programme budget has been reduced by \$25,000 under Discretionary Benefits as this portion will be utilized as the municipal contribution for the Community Transportation grant and ride-sharing programme in the Economic Development department.

Ontario Works - Capital

- The ten-year capital plan includes facility improvements at the administration office located at 129 and 138 Wyndham Street and St. Andrews Street Fergus total \$905,000 over 10 years. The County’s portion of \$247,000 is funded from the Property Reserve, the City’s funding contribution for capital works is \$658,000.

Children’s Early Years - Operating

- The funding allocations for 2019 have yet to be received and the budget will be adjusted when the service contract has been finalized. The preliminary budget is currently based on the 2018 funding allocation.
- Parent fee revenues at all three directly operated child care centres have been increased in the 2019 budget to more accurately reflect the fees that have been collected during the current year and expectations moving forward. Staff will continue to monitor this revenue and make further adjustments as needed.
- A Manager of Early Years Administration position has been created (0.75 FTE – will be annualized in 2020), which has no effect to the City or County cost as it is covered by an increase of Administration and Child and Family Centre funding.
- Several positions have been created to accommodate the expansion of the Palmerston Child Care Centre and the new Wellington Place Child Care Centre. All positions will be covered by Expansion Plan funding and there will be no net municipal cost incurred.
 - The following positions have been created for Aboyne with the expected start date of July 1, 2019: 1 Supervisor, 11 full-time Teachers, 1 part-time Float Teacher, 9 part-time Teacher Assistants, 1 full-time Cook, and 1 part-time Cook. This increases the FTE by 9.6 for 2019 and will be annualized in 2020.

- Palmerston has removed the part-time Cook position but added a full-time Cook, and added 7 full-time Teachers and 6 part-time Teacher Assistants, which increases the FTE by 10.95 in 2019.
- Other changes with the Expansion Plan funding include reducing one-time grants to accommodate the increase in salaries and benefits at the two new locations.

Children’s Early Years – Capital

- \$100,000 is included in 2019 to fund the remainder of the tendered construction cost for the office space renovations at 133 Wyndham Street. Cost sharing represents County \$21,000 from the property reserve and a City contribution of \$79,000.

Overall Social Services 2019 Budget Impact

The preliminary 2019 Budget for Social Services reflects a tax levy decrease of 2.7% for the City and an increase of 0.2 % for the County.

COUNTY OF WELLINGTON					
2019 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL					
(all figures in \$000s)					
	Approved 2018 County Budget	2018 Budget Projections for 2019	Proposed 2019 County Budget	% Change from 2018 Projections for 2019	% Change from 2018 Approved Budget
City Tax Levy Requirement					
Social Housing	\$ 15,980	\$ 16,252	\$ 15,895	-2.2%	-0.5%
Ontario Works	\$ 2,753	\$ 2,848	\$ 2,837	-0.4%	3.1%
Children's Early Years	\$ 4,122	\$ 3,882	\$ 3,507	-9.7%	-14.9%
Total	\$ 22,854	\$ 22,982	\$ 22,239	-3.2%	-2.7%
County Tax Levy Requirement					
Social Housing	\$ 4,536	\$ 4,627	\$ 4,537	-1.9%	0.0%
Ontario Works	\$ 1,516	\$ 1,570	\$ 1,501	-4.4%	-1.0%
Children's Early Years	\$ 1,141	\$ 1,215	\$ 1,173	-3.5%	2.8%
Affordable Housing	\$ 500	\$ 500	\$ 500	0.0%	0.0%
Total	\$ 7,693	\$ 7,912	\$ 7,712	-2.5%	0.2%

The detailed 2019 operating budget and revised ten-year plan will be presented to the Committee in January.

Recommendation:

That the preliminary 2019-2028 Social Services Ten-Year Plan as set out in this report be endorsed and forwarded to the Administration, Finance and Human Resources Committee for inclusion in the County of Wellington’s Preliminary Ten-Year Plan.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer



COUNTY OF WELLINGTON
10 YEAR OPERATING BUDGET AND TAX RATE FORECAST
Social Housing

	Approved 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE											
Grants & Subsidies	8,040,600	8,248,300	7,965,900	7,920,400	7,764,600	7,905,600	7,792,700	7,370,800	7,105,500	7,290,400	6,433,200
Municipal Recoveries	13,523,900	13,632,400	14,008,700	14,451,800	14,999,100	15,305,300	15,840,000	16,469,800	16,100,200	16,042,900	17,269,900
Licenses, Permits and Rents	5,275,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000	5,435,000
User Fees & Charges	114,400	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Other Revenue		251,900	259,400	267,200	275,100	283,300	291,800	300,500	309,500	318,700	328,200
Total Revenue	26,953,900	27,585,800	27,687,200	28,092,600	28,492,000	28,947,400	29,377,700	29,594,300	28,968,400	29,105,200	29,484,500
EXPENDITURES											
Salaries, Wages and Benefits	3,859,100	3,993,300	4,153,800	4,279,000	4,410,100	4,547,000	4,695,300	4,841,900	4,994,400	5,150,900	5,311,100
Supplies, Material & Equipment	426,000	444,600	458,100	472,000	486,100	500,100	515,100	530,100	546,000	563,300	579,500
Purchased Services	5,100,700	5,174,100	5,388,700	5,611,400	5,845,100	6,087,200	6,339,300	6,601,100	6,874,500	7,158,100	7,470,800
Social Assistance	18,563,200	19,190,300	19,333,200	19,477,900	19,625,500	19,695,300	19,788,200	19,453,200	18,513,900	18,220,100	18,369,000
Transfer Payments	961,000	947,600	590,600	590,600	590,600	590,600	590,600	590,600	590,600	590,600	590,600
Insurance & Financial	268,200	290,900	301,900	312,800	324,000	335,700	348,000	360,700	372,500	388,100	394,000
Internal Charges	726,600	582,200	601,400	619,100	643,300	654,800	674,800	726,200	717,200	754,100	763,900
Total Expenditures	29,904,800	30,623,000	30,827,700	31,362,800	31,924,700	32,410,700	32,951,300	33,103,800	32,609,100	32,825,200	33,478,900
Net Operating Cost / (Revenue)	2,950,900	3,037,200	3,140,500	3,270,200	3,432,700	3,463,300	3,573,600	3,509,500	3,640,700	3,720,000	3,994,400
TRANSFERS											
Transfer from Reserves	(12,000)										
Transfer to Capital	85,000										
Transfer to Reserves	1,512,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Transfers	1,585,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TAX LEVY REQUIREMENT	4,535,900	4,537,200	4,640,500	4,770,200	4,932,700	4,963,300	4,573,600	4,509,500	4,640,700	4,720,000	4,994,400
yr/yr % change		0.0%	2.3%	2.8%	3.4%	0.6%	(7.9%)	(1.4%)	2.9%	1.7%	5.8%



**County of Wellington
10 Year Capital Budget
Social Housing**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Social Housing											
County Owned Housing Units	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000
Total Social Housing	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000
Total	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000
Sources of Financing											
Recoveries	2,263,000	2,341,000	2,413,000	2,491,000	2,564,000	2,641,000	2,715,000	2,790,000	2,868,000	2,941,000	26,027,000
Reserves	737,000	759,000	787,000	809,000	836,000	859,000	885,000	910,000	932,000	959,000	8,473,000
Total Financing	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
15 Social Services											
999 County Owned Units											
A01E, Vancouver/Edmonton											
Vancouver/Edmonton Site Improvements									15,000	145,000	160,000
Total A01E, Vancouver/Edmonton									15,000	145,000	160,000
A18C, Mohawk/Delaware											
Mohawk Delaware Windows/Siding	424,000	494,000									918,000
Mohawk/Delaware Driveway			15,000	83,000	80,000						178,000
Mohawk/Delaware Site Development				77,000							77,000
Total A18C, Mohawk/Delaware	424,000	494,000	15,000	160,000	80,000						1,173,000
A27C, 263 Speedvale											
263 Speedvale Bathroom Upgrades							412,000				412,000
263 Speedvale Lighting Replacement								118,000			118,000
263 Speedvale Roof Replacement				10,000	298,000						308,000
263 Speedvale Window Replacement					10,000	214,000					224,000
Total A27C, 263 Speedvale				10,000	308,000	214,000	412,000	118,000			1,062,000
A19C, Algonquin/Ferndale											
Algonquin/Ferndale Site Dev		10,000	114,000	67,000							191,000
Algonquin/Ferndale Siding Replacement			10,000	138,000	145,000	62,000					355,000
Algonquin/Ferndale Window Replacement				184,000	193,000	124,000					501,000
Algonquin/Ferndale Shingle Replacement			88,000			140,000			99,000		327,000
Algonquin/Ferndale Driveway Replacement					31,000		56,000				87,000
Total A19C, Algonquin/Ferndale		10,000	212,000	389,000	369,000	326,000	56,000		99,000		1,461,000
A20C, Applewood/Sunset											
Applewood / Sunset Window Rep	311,000	326,000									637,000
Applewood/Sunset Roofing Replacement					296,000						296,000
Total A20C, Applewood/Sunset	311,000	326,000			296,000						933,000
A22C, 576 Woolwich											
576 Woolwich Make Up Air Repl	196,000										196,000
576 Woolwich Elevator Modernization	8,000	136,000									144,000
576 Woolwich Kitchen Refurbishments		10,000	608,000								618,000
576 Woolwich Asphalt Replacement		15,000	275,000								290,000
576 Woolwich Lighting Replacement					223,000						223,000
576 Woolwich Window Replacement						15,000	125,000				140,000
576 Woolwich Roof Replacement										17,000	17,000
Total A22C, 576 Woolwich	204,000	161,000	883,000		223,000	15,000	125,000			17,000	1,628,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
A15C, 232 Delhi/33 Marlborough											
33 Marlborough Elevator Modernization	8,000	136,000									144,000
232 Delhi Window Replacement	10,000	341,000									351,000
Marlborough / Delhi Balconies	394,000										394,000
33 Marlborough Window Replacement		10,000	358,000								368,000
232 Delhi Elevator Modernization		11,000	182,000								193,000
33 Marlborough Kitchen Refurbishment			20,000	351,000							371,000
232 Delhi Kitchen Refurbishment				351,000							351,000
33 Marlborough Roofing Replacement				20,000	455,000						475,000
33 Marlborough Lighting Replacement				102,000							102,000
232 Delhi Lighting Replacement				102,000							102,000
33 Marlborough Parking Lot Replacement						10,000	110,000				120,000
232 Delhi Parking Lot Replacement						10,000	110,000				120,000
232 Delhi Roofing Replacement								12,000	773,000		785,000
33 Marlborough Mansard Roof Replacement									233,000		233,000
232 Delhi Bathroom Refurbishment									10,000	423,000	433,000
33 Marlborough Bathroom Refurbishment										20,000	20,000
Total A15C, 232 Delhi/33 Marlborough	412,000	498,000	560,000	926,000	455,000	20,000	220,000	12,000	1,016,000	443,000	4,562,000
A07C, Willow/Dawson											
Willow/Dawson Shingle Replacement		10,000	238,000	242,000							490,000
Willow/Dawson Siding Replacement		10,000	132,000	138,000	145,000						425,000
Total A07C, Willow/Dawson		20,000	370,000	380,000	145,000						915,000
A17C, 229 Dublin											
229 Dublin Elevator Modernization				10,000	165,000						175,000
229 Dublin Carport Ceiling Replacement					7,000	266,000					273,000
229 Dublin Lighting Replacement							168,000				168,000
229 Dublin Kitchen Refurbishment							10,000	574,000			584,000
229 Dublin Electric Heat Conversion								15,000	300,000		315,000
229 Dublin Balcony Replacement									327,000		327,000
Total A17C, 229 Dublin				10,000	172,000	266,000	178,000	589,000	627,000		1,842,000
A03C, 387 Waterloo											
387 Waterloo Make Up Air Unit Replacement	10,000	138,000									148,000
387 Waterloo Parking Lot				13,000	265,000						278,000
387 Waterloo Kitchen Refurbishments					10,000	521,000					531,000
387 Waterloo Window Replacement							15,000	658,000			673,000
387 Waterloo Siding Replacement							10,000	280,000			290,000
387 Waterloo Roofing Replacement										25,000	25,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total A03C, 387 Waterloo	10,000	138,000		13,000	275,000	521,000	25,000	938,000		25,000	1,945,000
A04C, 130 Grange											
130 Grange Kitchen Refurbishments							10,000	558,000			568,000
130 Grange Lighting Replacement			116,000								116,000
130 Grange Window Replacement					20,000	374,000					394,000
130 Grange Parking Lot								108,000			108,000
130 Grange Bathroom Refurbishments									10,000	554,000	564,000
Total A04C, 130 Grange			116,000		20,000	374,000	10,000	666,000	10,000	554,000	1,750,000
A06C, 411 Waterloo											
411 Waterloo Siding Replace	210,000										210,000
411 Waterloo Window Replacement						10,000	321,000				331,000
411 Waterloo Kitchen Cupboard Replacement						10,000	303,000				313,000
411 Waterloo Roofing Replacement								10,000	389,000		399,000
411 Waterloo Elevator Modernization									13,000	211,000	224,000
Total A06C, 411 Waterloo	210,000					20,000	624,000	10,000	402,000	211,000	1,477,000
A31C, 32 Hadati											
32 Hadati Make Up Air Replacement	10,000	300,000									310,000
32 Hadati Common Area Flooring Replacement						114,000					114,000
32 Hadati Electric Heat Conversion									17,000	322,000	339,000
32 Hadati Elevator Modernization								10,000	201,000		211,000
32 Hadati Retaining Wall										511,000	511,000
Total A31C, 32 Hadati	10,000	300,000				114,000		10,000	218,000	833,000	1,485,000
A25C, Edward St. Arthur											
110 Edward Roofing Replacement							10,000	118,000			128,000
Total A25C, Edward St. Arthur							10,000	118,000			128,000
A09C, 221 Mary St. Elora											
221 Mary Window Replacement					10,000	211,000					221,000
221 Mary Roofing Replacement								15,000	310,000		325,000
Total A09C, 221 Mary St. Elora					10,000	211,000		15,000	310,000		546,000
A05C, 14 Centre St. Erin											
14 Centre Window Replacement						10,000	159,000				169,000
14 Centre Elevator Modernization									13,000	211,000	224,000
14 Centre St Kitchen Refurbishments										10,000	10,000
Total A05C, 14 Centre St. Erin						10,000	159,000		13,000	221,000	403,000
A08C, 450 Ferrier Ct. Fergus											
450 Ferrier Elevator Modernization					10,000	174,000					184,000
Total A08C, 450 Ferrier Ct. Fergus					10,000	174,000					184,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
A26C, 500 Ferrier Ct. Fergus											
500 Ferrier Window Replacement			10,000	293,000							303,000
500 Ferrier Bathroom Refurbishments										10,000	10,000
500 Ferrier Elevator Modernization									13,000	211,000	224,000
Total A26C, 500 Ferrier Ct. Fergus			10,000	293,000					13,000	221,000	537,000
A30C, 51 John St. Harriston											
51 John St Window Replacement										190,000	190,000
Total A30C, 51 John St. Harriston										190,000	190,000
A11C, 450 Albert St. Mt. Forest											
450 Albert Balcony Rehab		95,000									95,000
450 Albert Elevator Modernization						11,000	182,000				193,000
Total A11C, 450 Albert St. Mt. Forest		95,000				11,000	182,000				288,000
A02E, Irwindale Palmerston											
Palm Families Windows/Siding	189,000										189,000
Total A02E, Irwindale Palmerston	189,000										189,000
A16C, 212 Whites Rd. Palmerston											
212 Whites Lighting Replacement					114,000						114,000
212 Whites Roofing Replacement					25,000	382,000					407,000
212 Whites Elevator Modernization							11,000	191,000			202,000
Total A16C, 212 Whites Rd. Palmerston					139,000	382,000	11,000	191,000			723,000
Social Housing Building Retrofits											
Housing Building Retrofit	1,230,000	1,058,000	1,034,000	1,119,000	898,000	842,000	1,588,000	1,033,000	1,077,000	1,040,000	10,919,000
Total Social Housing Building Retrofits	1,230,000	1,058,000	1,034,000	1,119,000	898,000	842,000	1,588,000	1,033,000	1,077,000	1,040,000	10,919,000
Total 999 County Owned Units	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000



COUNTY OF WELLINGTON
10 YEAR OPERATING BUDGET AND TAX RATE FORECAST
Affordable Housing

	Approved 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE											
Grants & Subsidies	203,300	202,000	201,400	184,700	184,700	184,700	184,700	184,700	184,700	184,700	184,700
Licenses, Permits and Rents	1,182,900	1,234,300	1,258,800	1,283,500	1,308,900	1,334,600	1,360,800	1,387,900	1,415,300	1,443,100	1,469,100
Total Revenue	1,386,200	1,436,300	1,460,200	1,468,200	1,493,600	1,519,300	1,545,500	1,572,600	1,600,000	1,627,800	1,653,800
EXPENDITURES											
Salaries, Wages and Benefits	83,600	86,000	87,800	90,000	92,200	94,900	97,400	100,700	104,200	107,300	110,400
Supplies, Material & Equipment	80,300	82,700	85,100	87,700	90,300	92,900	95,800	98,700	101,700	104,700	107,800
Purchased Services	632,700	639,500	658,800	678,700	699,000	720,000	741,600	763,900	786,800	810,400	834,800
Insurance & Financial	25,000	26,300	27,300	28,500	29,500	30,600	31,700	32,800	33,900	35,300	35,300
Debt Charges	298,600	296,100	294,800	176,700	176,100	175,200	174,000	172,500	170,600	168,400	170,800
Total Expenditures	1,120,200	1,130,600	1,153,800	1,061,600	1,087,100	1,113,600	1,140,500	1,168,600	1,197,200	1,226,100	1,259,100
Net Operating Cost / (Revenue)	(266,000)	(305,700)	(306,400)	(406,600)	(406,500)	(405,700)	(405,000)	(404,000)	(402,800)	(401,700)	(394,700)
TRANSFERS											
Transfer to Reserves	766,000	805,700	806,400	906,600	906,500	905,700	905,000	904,000	902,800	901,700	894,700
Total Transfers	766,000	805,700	806,400	906,600	906,500	905,700	905,000	904,000	902,800	901,700	894,700
TAX LEVY REQUIREMENT	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
yr/yr % change											



**County of Wellington
10 Year Capital Budget
Affordable Housing**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Affordable Housing											
250 Daly 2018 Retrofits	62,000	28,000	8,000	8,000	10,000	13,000	11,000	11,000	12,000	13,000	176,000
182 George St 2018 Retrofits	48,000	45,000	49,000	9,000	11,000	11,000	52,000	22,000	13,000	14,000	274,000
165 Gordon St 2018 Retrofits	29,000	54,000	32,000	33,000	36,000	36,000	54,000	40,000	44,000	44,000	402,000
169 Gordon St 2018 Retrofits	25,000	20,000	30,000	20,000	20,000	22,000	22,000	24,000	24,000	26,000	233,000
Total Affordable Housing	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Total	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Sources of Financing											
Reserves	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Total Financing	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000



COUNTY OF WELLINGTON
10 YEAR OPERATING BUDGET AND TAX RATE FORECAST
Children's Early Years Division

	Approved 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE											
Grants & Subsidies	22,278,600	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300	21,599,300
Municipal Recoveries	3,334,800	3,427,500	3,536,100	3,632,000	3,744,900	3,854,100	3,964,200	4,072,400	4,177,700	4,296,500	4,413,300
User Fees & Charges	429,500	960,000	1,173,400	1,196,800	1,220,800	1,245,100	1,270,000	1,295,500	1,321,500	1,347,900	1,374,900
Internal Recoveries	39,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Revenue	26,081,900	26,016,800	26,338,800	26,458,100	26,595,000	26,728,500	26,863,500	26,997,200	27,128,500	27,273,700	27,417,500
EXPENDITURES											
Salaries, Wages and Benefits	4,810,800	6,365,600	7,088,800	7,441,500	7,661,300	7,903,500	8,162,300	8,417,700	8,678,100	8,949,200	9,226,500
Supplies, Material & Equipment	250,200	528,700	544,600	561,000	577,800	595,100	612,900	631,400	650,400	669,800	689,900
Purchased Services	861,900	532,500	543,500	554,800	566,500	578,400	590,700	603,500	616,600	630,000	643,900
Social Assistance	20,495,700	18,826,600	18,424,200	18,151,200	18,069,900	17,937,100	17,773,500	17,634,600	17,465,300	17,326,200	17,165,800
Insurance & Financial	76,400	117,400	132,200	136,700	141,600	147,300	153,000	158,900	162,900	170,600	176,500
Minor Capital Expenses	10,000			10,000			13,000		9,600		
Internal Charges	717,900	819,000	842,500	881,900	892,100	918,100	944,200	978,000	1,009,500	1,029,900	1,057,600
Total Expenditures	27,222,900	27,189,800	27,575,800	27,737,100	27,909,200	28,079,500	28,249,600	28,424,100	28,592,400	28,775,700	28,960,200
Net Operating Cost / (Revenue)	1,141,000	1,173,000	1,237,000	1,279,000	1,314,200	1,351,000	1,386,100	1,426,900	1,463,900	1,502,000	1,542,700
TRANSFERS											
Total Transfers											
TAX LEVY REQUIREMENT	1,141,000	1,173,000	1,237,000	1,279,000	1,314,200	1,351,000	1,386,100	1,426,900	1,463,900	1,502,000	1,542,700
yr/yr % change		2.8%	5.5%	3.4%	2.8%	2.8%	2.6%	2.9%	2.6%	2.6%	2.7%



County of Wellington
10 Year Capital Budget
Children's Early Years Division

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Children's Early Years Division											
133 Wyndham, Office Space Reno	100,000										100,000
Total Children's Early Years Division	100,000										100,000
Total	100,000										100,000
Sources of Financing											
Recoveries	79,000										79,000
Reserves	21,000										21,000
Total Financing	100,000										100,000



COUNTY OF WELLINGTON
10 YEAR OPERATING BUDGET AND TAX RATE FORECAST
Ontario Works

	Approved 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE											
Grants & Subsidies	24,545,600	25,149,100	26,096,400	27,094,400	28,155,200	29,240,500	30,335,300	31,477,900	32,669,900	33,913,100	35,210,300
Municipal Recoveries	2,728,700	2,726,200	2,791,000	2,878,100	2,986,100	3,103,200	3,284,100	3,510,900	3,652,000	3,867,700	4,045,400
Other Revenue	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Internal Recoveries	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Total Revenue	27,317,300	27,918,300	28,930,400	30,015,500	31,184,300	32,386,700	33,662,400	35,031,800	36,364,900	37,823,800	39,298,700
EXPENDITURES											
Salaries, Wages and Benefits	6,286,900	6,359,500	6,472,400	6,628,800	6,820,200	7,029,700	7,260,500	7,488,000	7,722,400	7,963,700	8,213,000
Supplies, Material & Equipment	148,500	188,500	156,600	160,800	165,100	169,500	174,100	178,800	183,600	188,600	193,700
Purchased Services	481,300	468,900	513,500	518,900	522,200	527,300	542,300	558,400	575,000	592,000	609,500
Social Assistance	20,369,200	20,916,400	21,796,000	22,714,700	23,674,700	24,677,600	25,726,000	26,822,300	27,967,700	29,164,300	30,414,200
Transfer Payments	25,300	26,300	26,800	27,300	27,800	28,400	29,000	29,600	30,200	30,800	31,400
Insurance & Financial	88,900	110,400	113,100	116,700	120,700	124,900	129,600	134,500	136,400	144,500	150,000
Minor Capital Expenses									12,000	6,000	
Internal Charges	1,433,100	1,349,600	1,393,600	1,435,000	1,488,700	1,519,100	1,565,300	1,669,900	1,663,300	1,741,900	1,770,600
Total Expenditures	28,833,200	29,419,600	30,472,000	31,602,200	32,819,400	34,076,500	35,426,800	36,881,500	38,290,600	39,831,800	41,382,400
Net Operating Cost / (Revenue)	1,515,900	1,501,300	1,541,600	1,586,700	1,635,100	1,689,800	1,764,400	1,849,700	1,925,700	2,008,000	2,083,700
TRANSFERS											
Total Transfers											
TAX LEVY REQUIREMENT	1,515,900	1,501,300	1,541,600	1,586,700	1,635,100	1,689,800	1,764,400	1,849,700	1,925,700	2,008,000	2,083,700
yr/yr % change		(1.0%)	2.7%	2.9%	3.1%	3.3%	4.4%	4.8%	4.1%	4.3%	3.8%



County of Wellington
10 Year Capital Budget
Ontario Works

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
129 Wyndham Generator Upgrade	40,000										40,000
129 Wyndham Security									40,000		40,000
129 Wyndham: Elevator		150,000									150,000
129 Wyndham: Flooring Replacements			35,000								35,000
129 Wyndham: Rooftop HVAC Replacement				225,000							225,000
129-133 Wyndham, Stone Work	100,000										100,000
138 Wyndham St: Replace Heat Exchanger									66,000		66,000
138 Wyndham St: Roof Top AC										100,000	100,000
138 Wyndham: Carpet Replacement							54,000				54,000
138 Wyndham: Fire Alarm System									20,000		20,000
Fergus OW: Roof Replacement			75,000								75,000
Total	140,000	150,000	110,000	225,000			54,000		126,000	100,000	905,000
Sources of Financing											
Recoveries	111,000	119,000	28,000	178,000			43,000		100,000	79,000	658,000
Reserves	29,000	31,000	82,000	47,000			11,000		26,000	21,000	247,000
Total Financing	140,000	150,000	110,000	225,000			54,000		126,000	100,000	905,000

MEMO

DATE February 13, 2019

TO **City Council**

FROM Corporate Services

DIVISION Financial Services

DEPARTMENT Finance

SUBJECT 2019 Local Boards and Shared Services Budgets

Subsequent to the 2019 Local Boards and Shared Services Budgets released on Thursday January 31, 2019, staff have received updated budget information from the County of Wellington ("County") for the Social Services budgets. Therefore, information shared with Council at the Local Boards and Shared Services budget presentation night will differ from information published in the budget binder and staff report CS-2019-07 Local Boards and Shared Services Budgets. Staff have included the County of Wellington Committee Report dated January 9, 2019 in ATT-1 to this memo.

The Social Services budget being presented on February 13, 2019 by the County is approximately \$450,000 higher than the published proposed tax supported budget documents or a 0.19 per cent increase to the proposed property tax levy. As a reminder to Council, in 2018, the City budgeted approximately \$650,000 less than the requirement presented by the County for the Social Service budgets due to the continued annual surplus position of these services. The County is currently projecting a favourable variance for 2018 as well and therefore staff would be comfortable recommending continuing this strategy of budgeting less than the County requirement for one further year. This practice does come with risk, and therefore the City may need to rely upon the Social Housing Contingency Reserve in the event that the County does not experience a surplus in 2019.

In summary, staff are recommending not to adjust the 2019 Social Service budgets for the \$450,000 of increased costs as approved by the County in their amended budget submission. Staff will monitor the variance through 2019 and recommend using the Social Housing Contingency Reserve if required.

ATT-1 County of Wellington Committee Report 2019 Budget – Social Services



Tara Baker, CPA, CA
GM Finance/City Treasurer
Corporate Services
519-822-1260 Ext. 2084
tara.baker@guelph.ca



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Ken DeHart, County Treasurer
Date: Wednesday, January 9, 2019
Subject: 2019 Budget – Social Services

Background:

The 2019 budget package for Social Services is respectfully submitted for the Committee's consideration.

Attachments:

- Programme information page
- Proposed 2019 Social Services Operating Budget
- Proposed 2019-2028 Individual Programme Budgets
- Proposed 2019-2028 Capital Budgets
- Explanation of major budget items

Overall Budget Impact

The following table provides a comparison of the 2019 tax levy impacts for the City and County relative to the approved 2018 budget.

COUNTY OF WELLINGTON 2019 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL (all figures in \$000s)					
	Approved 2018 County Budget	2018 Budget Projections for 2019	Proposed 2019 County Budget	% Change from 2018 Projections for 2019	% Change from 2018 Approved Budget
City Tax Levy Requirement					
Social Housing	\$ 15,980	\$ 16,252	\$ 16,135	-0.7%	1.0%
Ontario Works	2,753	2,848	2,875	1.0%	4.4%
Children's Early Years	4,122	3,882	3,681	-5.2%	-10.7%
Total	\$ 22,854	\$ 22,982	\$ 22,691	-1.3%	-0.7%
County Tax Levy Requirement					
Social Housing	\$ 4,536	\$ 4,627	\$ 4,554	-1.6%	0.4%
Ontario Works	1,516	1,570	1,507	-4.0%	-0.6%
Children's Early Years	1,141	1,215	1,220	0.4%	6.9%
Affordable Housing	500	500	500	0.0%	0.0%
Total	\$ 7,693	\$ 7,912	\$ 7,780	-1.7%	1.1%

The tax impact of the overall 2019 Social Services Budget is an increase of 1.1% for the County and a 0.7% decrease for the City. There are also a number of future challenges which could have significant budget impacts in the medium and longer term including:

- End of operating agreements for Social Housing providers (uncertainty due to the decrease in provincial funding and uncertain renewal amounts for the providers). If operators do not continue to work with the County, the County could face the possibility of not meeting the service level standard mandated by the Province.
- Future Affordable Housing capital investment opportunities.
- State of the local economy driving need for social housing. The current robust economy is driving a need for increased affordable housing spaces to support local business expansion. An economic downturn could also drive a need for increased spaces if unemployment rates increase.
- The significant growth in responsibilities due to the Expansion Plan and Early Learning and Child Care (ELCC) funding in the Children’s Early Years division and its impact on future budgets.
- The PC government’s philosophies, plans and funding uncertainty for all Social Services divisions, with an emphasis on Children’s Early Years.

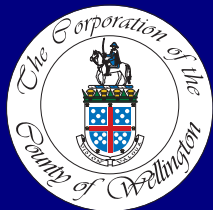
Recommendation:

That the attached 2019 Operating and Capital Budget and 2019-2028 Ten-Year Plan for Social Services be approved and forwarded to the Administration, Finance and Human Resources Committee.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer



Programme Overview

Programme/Service:	Social Housing
Department:	Social Services
Governance:	Social Services Committee

Programme Description

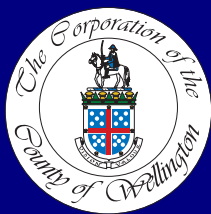
- Administration and management of 1,189 County-owned social housing units for low income tenants
- Administration and funding of 1,461 non-profit and co-operative housing units owned by 19 non-profit housing corporations for low and moderate income tenants
- Administration of approximately 406 housing units under rent supplement agreements with landlords to reduce rents for low income tenants
- Coordinated Access - maintaining the Centralized Waiting List for social housing access
- Administration of Home Ownership agreements
- Community Homelessness Prevention Initiative – Several homelessness programmes including rent bank, emergency energy funds, housing stability programme, emergency shelter payments, and agency grants are provided.
- Housing and Homelessness Plan – local community plan with strategic directions to support municipal and community outcomes in social/affordable housing and homelessness.
- As Consolidated Municipal Service Manager, the County delivers these services in a specific geographic area which includes both the County of Wellington and the City of Guelph. The net municipal cost is apportioned to the County and City based on the prior residence of the tenant.

2019 Budget Highlights

- The budget includes the addition of a full time Maintenance Coordinator with a start date of April 1, 2019.
- Payments to non-profit and cooperative housing providers reflect an increase of \$300,000 (2.5%) relative to the 2018 budget, due to the benchmark revaluation completed in 2018 for Maintenance and Administration.
- Staff have reduced utility lines (hydro, gas and water) at our County-owned units by \$420,000 to reflect lower costs experienced in 2018.
- Rent revenue for the County-owned properties has been higher than expected in 2018 and an increase of 3% has been applied to the 2019 budget.
- The 2019-2028 capital budget invests \$34.5 million in facility improvements at County owned units. The County's portion is funded through the Housing Capital Reserve and the City portion of capital funding is based on the average prior year residence of tenants in county owned buildings.

Staff Complement		
(Full time equivalents)	2018	2019
Social Housing	43.4	44.2
Total	43.4	44.2
Current employee count: 66		

COUNTY OF WELLINGTON



2019 OPERATING BUDGET

Programme/Service: Social Housing

Department: Social Services

Governance: Social Services Committee

	2017	2017	2018	2018	2019	\$ Change	% Change
	Actuals	Budget	Preliminary Actuals	Budget	Budget	Budget	Budget
Revenue							
Grants & Subsidies	\$8,077,091	\$7,761,100	\$8,900,436	\$8,040,600	\$8,248,300	\$207,700	2.6%
Municipal Recoveries	14,476,827	15,229,100	13,024,650	13,523,900	13,871,900	348,000	2.6%
Licenses, Permits and Rents	5,530,792	5,087,000	5,094,280	5,275,000	5,435,000	160,000	3.0%
User Fees & Charges	72,484	49,200	69,908	114,400	18,200	(96,200)	(84.1%)
Other Revenue	-	-	90,000	-	251,900	251,900	-
Internal Recoveries	62,790	-	-	-	-	-	-
Total Revenue	\$28,219,984	\$28,126,400	\$27,179,274	\$26,953,900	\$27,825,300	\$871,400	3.2%
Expenditure							
Salaries, Wages and Benefits	\$3,758,705	\$3,788,700	\$3,628,306	\$3,859,100	\$3,996,800	\$137,700	3.6%
Supplies, Material & Equipment	498,750	384,400	362,384	426,000	448,200	22,200	5.2%
Purchased Services	6,832,029	7,008,700	4,360,491	5,100,700	5,174,100	73,400	1.4%
Social Assistance	18,271,809	18,235,200	19,586,705	18,563,200	19,349,200	786,000	4.2%
Transfer Payments	1,015,066	1,015,100	961,008	961,000	947,600	(13,400)	(1.4%)
Insurance & Financial	222,503	307,500	298,002	268,200	291,100	22,900	8.5%
Internal Charges	780,487	723,000	710,274	726,600	672,000	(54,600)	(7.5%)
Total Expenditure	\$31,379,349	\$31,462,600	\$29,907,170	\$29,904,800	\$30,879,000	\$974,200	3.3%
Net Operating Cost / (Revenue)	\$3,159,365	\$3,336,200	\$2,727,896	\$2,950,900	\$3,053,700	\$102,800	3.5%
Transfers							
Transfer from Reserve	(\$2,561)	(\$12,000)	\$ -	(\$12,000)	\$ -	\$12,000	(100.0%)
Transfer to Capital	-	-	85,000	85,000	-	(85,000)	(100.0%)
Transfers to Reserve	1,502,561	1,512,000	2,011,776	1,512,000	1,500,000	(12,000)	(0.8%)
Total Transfers	\$1,500,000	\$1,500,000	\$2,096,776	\$1,585,000	\$1,500,000	(\$85,000)	(5.4%)
NET COST / (REVENUE)	\$4,659,365	\$4,836,200	\$4,824,672	\$4,535,900	\$4,553,700	\$17,800	0.4%

COUNTY OF WELLINGTON

**2019-2028 Budget Forecast (Operating & Capital)
SOCIAL HOUSING
(all figures in \$000's)**

	# of units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Programme Expenditures												
Tenant Subsidies:												
-Non Profit and Coop Housing	1,461	\$ 12,086	\$ 12,387	\$ 12,449	\$ 12,511	\$ 12,574	\$ 12,566	\$ 12,629	\$ 12,285	\$ 11,255	\$ 10,868	\$ 10,922
-County Owned Social Housing	1,189	10,943	10,923	10,960	11,336	11,734	12,140	12,560	12,991	13,434	13,892	14,370
-Rent Subsidies	406	2,224	2,228	2,232	2,236	2,240	2,244	2,248	2,252	2,256	2,260	2,264
Wellington Housing Corporation	35	426	645	649	653	658	654	601	525	530	535	540
Community Homelessness Prevention Initiative		4,488	4,777	4,873	4,969	5,067	5,167	5,273	5,379	5,488	5,600	5,713
Administration		2,988	2,920	3,021	3,116	3,214	3,303	3,408	3,543	3,622	3,750	3,854
Transfer to Reserves		1,512	1,500	1,500	1,500	1,500	1,500	1,000	1,000	1,000	1,000	1,000
Total Programme Expenditures		\$ 34,667	\$ 35,379	\$ 35,684	\$ 36,321	\$ 36,986	\$ 37,574	\$ 37,719	\$ 37,975	\$ 37,584	\$ 37,905	\$ 38,663
yr/yr % change		-4.1%	2.1%	0.9%	1.8%	1.8%	1.6%	0.4%	0.7%	-1.0%	0.9%	2.0%
Programme Funding												
County Owned Social Housing Rent		\$ 5,275	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435
Federal Subsidy		3,006	2,875	2,508	2,462	2,307	2,448	2,335	1,913	1,647	1,832	975
Provincial Subsidy		5,034	5,373	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458	5,458
Recoveries		114	270	278	285	293	302	310	319	328	337	346
Reserve Transfers		720	738	763	787	812	836	861	886	910	935	959
Total Programme Revenue		\$ 14,149	\$ 14,691	\$ 14,442	\$ 14,427	\$ 14,305	\$ 14,479	\$ 14,399	\$ 14,011	\$ 13,778	\$ 13,997	\$ 13,173
yr/yr % change		2.7%	3.8%	-1.7%	-0.1%	-0.8%	1.2%	-0.6%	-2.7%	-1.7%	1.6%	-5.9%
Municipal Property Taxes												
yr/yr % change		-8.3%	0.8%	2.7%	3.1%	3.6%	1.8%	1.0%	2.8%	-0.7%	0.4%	6.6%
City of Guelph		\$ 15,981	\$ 16,134	\$ 16,586	\$ 17,106	\$ 17,731	\$ 18,116	\$ 18,729	\$ 19,438	\$ 19,147	\$ 19,169	\$ 20,476
County of Wellington		\$ 4,536	\$ 4,554	\$ 4,657	\$ 4,787	\$ 4,950	\$ 4,980	\$ 4,591	\$ 4,527	\$ 4,659	\$ 4,739	\$ 5,013
Staffing Levels												
# of Full Time Equivalent positions		43.4	44.2									



**County of Wellington
10 Year Capital Budget
Social Housing**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Social Housing	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000
Total	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000
Sources of Financing											
Recoveries	2,263,000	2,341,000	2,413,000	2,491,000	2,564,000	2,641,000	2,715,000	2,790,000	2,868,000	2,941,000	26,027,000
Reserves	737,000	759,000	787,000	809,000	836,000	859,000	885,000	910,000	932,000	959,000	8,473,000
Total Financing	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
15 Social Services											
999 County Owned Units											
A01E, Vancouver/Edmonton											
Vancouver/Edmonton Site Improvements									15,000	145,000	160,000
Total A01E, Vancouver/Edmonton									15,000	145,000	160,000
A18C, Mohawk/Delaware											
Mohawk Delaware Windows/Siding	424,000	494,000	15,000	83,000	80,000						918,000
Mohawk/Delaware Driveway				77,000							178,000
Mohawk/Delaware Site Development											77,000
Total A18C, Mohawk/Delaware	424,000	494,000	15,000	160,000	80,000						1,173,000
A27C, 263 Speedvale											
263 Speedvale Bathroom Upgrades							412,000				412,000
263 Speedvale Lighting Replacement								118,000			118,000
263 Speedvale Roof Replacement				10,000	298,000						308,000
263 Speedvale Window Replacement					10,000	214,000					224,000
Total A27C, 263 Speedvale				10,000	308,000	214,000	412,000	118,000			1,062,000
A19C, Algonquin/Ferndale											
Algonquin/Ferndale Site Dev		10,000	114,000	67,000							191,000
Algonquin/Ferndale Siding Replacement			10,000	138,000	145,000	62,000					355,000
Algonquin/Ferndale Window Replacement				184,000	193,000	124,000					501,000
Algonquin/Ferndale Shingle Replacement			88,000			140,000			99,000		327,000
Algonquin/Ferndale Driveway Replacement					31,000		56,000				87,000
Total A19C, Algonquin/Ferndale		10,000	212,000	389,000	389,000	326,000	56,000		99,000		1,461,000
A20C, Applewood/Sunset											
Applewood / Sunset Window Rep	311,000	326,000									637,000
Applewood/Sunset Roofing Replacement					296,000						296,000
Total A20C, Applewood/Sunset	311,000	326,000			296,000						933,000
A22C, 576 Woolwich											
576 Woolwich Make Up Air Repl	196,000										196,000
576 Woolwich Elevator Modernization	8,000	136,000									144,000
576 Woolwich Kitchen Refurbishments		10,000	608,000								618,000
576 Woolwich Asphalt Replacement		15,000	275,000								290,000
576 Woolwich Lighting Replacement					223,000						223,000
576 Woolwich Window Replacement						15,000	125,000				140,000
576 Woolwich Roof Replacement		161,000	883,000		223,000	15,000	125,000			17,000	1,628,000
Total A22C, 576 Woolwich	204,000	161,000	883,000		223,000	15,000	125,000			17,000	1,628,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
A15C, 232 Delhi/33 Marlborough											
33 Marlborough Elevator Modernization	8,000	136,000									144,000
232 Delhi Window Replacement	10,000	341,000									351,000
Marlborough / Delhi Balconies	394,000										394,000
33 Marlborough Window Replacement		10,000	358,000								368,000
232 Delhi Elevator Modernization		11,000	182,000								193,000
33 Marlborough Kitchen Refurbishment			20,000	351,000							371,000
232 Delhi Kitchen Refurbishment				351,000							351,000
33 Marlborough Roofing Replacement				20,000	455,000						475,000
33 Marlborough Lighting Replacement				102,000							102,000
232 Delhi Lighting Replacement				102,000							102,000
33 Marlborough Parking Lot Replacement						10,000	110,000				120,000
232 Delhi Parking Lot Replacement						10,000	110,000				120,000
232 Delhi Roofing Replacement								12,000	773,000		785,000
33 Marlborough Mansard Roof Replacement									233,000		233,000
232 Delhi Bathroom Refurbishment									10,000	423,000	433,000
33 Marlborough Bathroom Refurbishment									20,000		20,000
Total A15C, 232 Delhi/33 Marlborough	412,000	498,000	560,000	926,000	455,000	20,000	220,000	12,000	1,016,000	443,000	4,562,000
A07C, Willow/Dawson											
Willow/Dawson Shingle Replacement		10,000	238,000	242,000							490,000
Willow/Dawson Siding Replacement		10,000	132,000	138,000	145,000						425,000
Total A07C, Willow/Dawson		20,000	370,000	380,000	145,000						915,000
A17C, 229 Dublin											
229 Dublin Elevator Modernization				10,000	165,000						175,000
229 Dublin Carpet Ceiling Replacement					7,000	266,000					273,000
229 Dublin Lighting Replacement							168,000				168,000
229 Dublin Kitchen Refurbishment							10,000	574,000			584,000
229 Dublin Electric Heat Conversion								15,000	300,000		315,000
229 Dublin Balcony Replacement									327,000		327,000
Total A17C, 229 Dublin				10,000	172,000	266,000	178,000	589,000	627,000		1,842,000
A03C, 387 Waterloo											
387 Waterloo Make Up Air Unit Replacement	10,000	138,000		13,000	265,000	521,000					148,000
387 Waterloo Parking Lot					10,000						278,000
387 Waterloo Kitchen Refurbishments							15,000	658,000			673,000
387 Waterloo Window Replacement							10,000	280,000			290,000
387 Waterloo Siding Replacement										25,000	25,000
387 Waterloo Roofing Replacement											

County of Wellington
2019-2028 Housing Capital Details
 County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total A03C, 387 Waterloo	10,000	138,000		13,000	275,000	521,000	25,000	938,000		25,000	1,945,000
A04C, 130 Grange											
130 Grange Kitchen Refurbishments							10,000	558,000			568,000
130 Grange Lighting Replacement											116,000
130 Grange Window Replacement					20,000	374,000		108,000			394,000
130 Grange Parking Lot			116,000								108,000
130 Grange Bathroom Refurbishments									10,000	554,000	564,000
Total A04C, 130 Grange			116,000		20,000	374,000	10,000	666,000	10,000	554,000	1,750,000
A06C, 411 Waterloo											
411 Waterloo Siding Replace	210,000										210,000
411 Waterloo Window Replacement						10,000	321,000				331,000
411 Waterloo Kitchen Cupboard Replacement						10,000	303,000				313,000
411 Waterloo Roofing Replacement								10,000	389,000		399,000
411 Waterloo Elevator Modernization									13,000	211,000	224,000
Total A06C, 411 Waterloo	210,000					20,000	624,000	10,000	402,000	211,000	1,477,000
A31C, 32 Hadati											
32 Hadati Make Up Air Replacement	10,000	300,000									310,000
32 Hadati Common Area Flooring Replacement						114,000					114,000
32 Hadati Electric Heat Conversion									17,000	322,000	339,000
32 Hadati Elevator Modernization								10,000	201,000		211,000
32 Hadati Retaining Wall										511,000	511,000
Total A31C, 32 Hadati	10,000	300,000				114,000		10,000	218,000	833,000	1,485,000
A25C, Edward St. Arthur											
110 Edward Roofing Replacement							10,000	118,000			128,000
Total A25C, Edward St. Arthur							10,000	118,000			128,000
A09C, 221 Mary St. Elora											
221 Mary Window Replacement					10,000	211,000					221,000
221 Mary Roofing Replacement								15,000	310,000		325,000
Total A09C, 221 Mary St. Elora					10,000	211,000		15,000	310,000		546,000
A05C, 14 Centre St. Erin											
14 Centre Window Replacement						10,000	159,000				169,000
14 Centre Elevator Modernization									13,000	211,000	224,000
14 Centre St Kitchen Refurbishments										10,000	10,000
Total A05C, 14 Centre St. Erin						10,000	159,000		13,000	221,000	403,000
A08C, 450 Ferrier Ct. Fergus											
450 Ferrier Elevator Modernization					10,000	174,000					184,000
Total A08C, 450 Ferrier Ct. Fergus					10,000	174,000					184,000

County of Wellington
2019-2028 Housing Capital Details
County Owned Units

Project Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
A26C, 500 Ferrier Ct. Fergus											303,000
500 Ferrier Window Replacement			10,000	293,000						10,000	10,000
500 Ferrier Bathroom Refurbishments									13,000	211,000	224,000
500 Ferrier Elevator Modernization			10,000	293,000					13,000	221,000	537,000
Total A26C, 500 Ferrier Ct. Fergus			10,000	293,000					13,000	221,000	537,000
A30C, 51 John St. Harriston											
51 John St Window Replacement										190,000	190,000
Total A30C, 51 John St. Harriston										190,000	190,000
A11C, 450 Albert St. Mt. Forest											
450 Albert Balcony Rehab		95,000									95,000
450 Albert Elevator Modernization						11,000	182,000				193,000
Total A11C, 450 Albert St. Mt. Forest		95,000				11,000	182,000				288,000
A02E, Inwindale Palmerston											
Palm Families Windows/Siding	189,000										189,000
Total A02E, Inwindale Palmerston	189,000										189,000
A16C, 212 Whites Rd. Palmerston											
212 Whites Lighting Replacement					114,000						114,000
212 Whites Roofing Replacement					25,000	382,000					407,000
212 Whites Elevator Modernization							11,000	191,000			202,000
Total A16C, 212 Whites Rd. Palmerston					139,000	382,000	11,000	191,000			723,000
Social Housing Building Retrofits											
Housing Building Retrofit	1,230,000	1,058,000	1,034,000	1,119,000	898,000	842,000	1,588,000	1,033,000	1,077,000	1,040,000	10,919,000
Total Social Housing Building Retrofits	1,230,000	1,058,000	1,034,000	1,119,000	898,000	842,000	1,588,000	1,033,000	1,077,000	1,040,000	10,919,000
Total 999 County Owned Units	3,000,000	3,100,000	3,200,000	3,300,000	3,400,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000	34,500,000

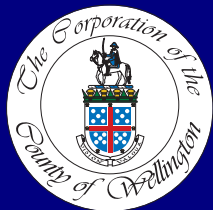
COUNTY OF WELLINGTON
2019 Budget – Social Services
Explanation of Significant Budget items

Social Housing - Operating

- The budget includes the addition of a full time Maintenance Coordinator with a start date of April 1, 2019. This created a net cost of \$63,800 (\$51,000 City and \$12,800 County).
- Payments to non-profit and cooperative housing providers reflect an increase of \$300,000 (2.5%) relative to the 2018 budget, due to the benchmark revaluation completed in 2018 for Maintenance and Administration.
- In order to accommodate future capital needs for Wellington Housing Corporation, their subsidy has increased by \$219,000 to \$645,000 (2018 - \$426,000), which is 100% a cost to the County.
- Rent revenue for the County-owned properties has been higher than expected in 2018 and an increase of 3% (\$160,000) has been applied to the 2019 budget. Staff will monitor this revenue and make further adjustments if required in future years.
- Staff have reduced utility lines (hydro, gas and water) at our County-owned units by \$420,000 to reflect lower costs experienced in 2018.
- The budget for the Community Homelessness Prevention Initiative (CHPI) programme includes an increase in funding from the province (\$339,100) which offsets the increase in programme expenditures and provides a decrease in net municipal cost of \$50,000.
- The budget estimates a City tax levy requirement for housing in the amount of \$13.87 million. This is an increase of 2.6% over the 2018 requirement. The County tax levy requirement is \$4.55 million. This is an increase of 0.4% over the 2018 requirement.

Social Housing - Capital

- Capital spending on County owned social housing units totals \$34.5 million over the ten year forecast. The Housing Capital Reserve funds the County's portion of \$8.5 million and the City portion (\$26 million) of capital funding is based on the average prior year residence of tenants in county owned buildings.



Programme Overview

Programme/Service:	Affordable Housing
Department:	Social Services
Governance:	Social Services Committee

Programme Description

Under the Affordable Housing Programme the County provides the following services in both Guelph and Wellington:

- New Rental Housing – administer capital incentives to multi-residential owners to build and operate new rental housing for moderate income households available at affordable market rents
- Owns and operates four County-owned housing projects

This budget specifically reflects operating costs and revenues associated with County-owned affordable housing projects including:

- Fergusson Place, a 55-unit rental housing project in Fergus
- Webster Place, a 55-unit rental housing project in Fergus
- 182 George Street, a 10-unit rental housing project in the village of Arthur
- 250 Daly Street, an 11-unit rental housing project located in Palmerston
- An annual contribution to the Housing Development Reserve Fund

2019 Budget Highlights

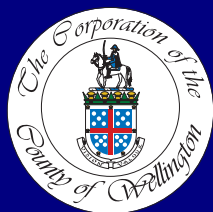
Operating Budget:

- The County's budgeted contribution from the tax levy to the Housing Development Reserve Fund remains at \$500,000 in 2019
- The 2019 budget includes annualized rent revenue and expenditures for 250 Daly St. in Palmerston, which opened in 2018.

Capital Budget:

- Capital Retrofits for County owned affordable housing units total \$1.1 million over the 10-year forecast and are fully funded from reserve.

Staff Complement		
(Full time equivalents)	2018	2019
Affordable Housing	1.1	1.1
Total	1.1	1.1
Current employee count: 2		



COUNTY OF WELLINGTON

2019 OPERATING BUDGET

Programme/Service: Affordable Housing
 Department: Social Services
 Governance: Social Services Committee

	2017 Actuals	2017 Budget	2018 Preliminary Actuals	2018 Budget	2019 Budget	\$ Change Budget	% Change Budget
Revenue							
Grants & Subsidies	\$205,111	\$205,200	\$195,266	\$203,300	\$202,000	(\$1,300)	(0.6%)
Licenses, Permits and Rents	802,327	848,200	1,088,304	1,182,900	1,216,300	33,400	2.8%
User Fees & Charges	2,306	-	17,480	-	18,000	18,000	-
Total Revenue	\$1,009,744	\$1,053,400	\$1,301,050	\$1,386,200	\$1,436,300	\$50,100	3.6%
Expenditure							
Salaries, Wages and Benefits	\$47,167	\$44,500	\$80,873	\$83,600	\$86,000	\$2,400	2.9%
Supplies, Material & Equipment	44,081	57,400	33,794	80,300	82,700	2,400	3.0%
Purchased Services	492,320	559,300	477,621	632,700	639,500	6,800	1.1%
Insurance & Financial	21,999	22,400	24,553	25,000	26,300	1,300	5.2%
Debt Charges	299,819	300,500	297,898	298,600	296,100	(2,500)	(0.8%)
Internal Charges	360	-	-	-	-	-	-
Total Expenditure	\$905,746	\$984,100	\$914,739	\$1,120,200	\$1,130,600	\$10,400	0.9%
Net Operating Cost / (Revenue)	(\$103,998)	(\$69,300)	(\$386,311)	(\$266,000)	(\$305,700)	(\$39,700)	14.9%
Transfers							
Transfer from Reserve	(\$56,935)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transfers to Reserve	660,934	569,300	500,000	766,000	805,700	39,700	5.2%
Total Transfers	\$603,999	\$569,300	\$500,000	\$766,000	\$805,700	\$39,700	5.2%
NET COST / (REVENUE)	\$500,001	\$500,000	\$113,689	\$500,000	\$500,000	\$ -	-

COUNTY OF WELLINGTON

2019-2028 Budget Forecast (Operating & Capital)
AFFORDABLE HOUSING
(all figures in \$000's)

	# of units	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Programme Expenditures												
Fergusson Place	55	\$ 692	\$ 700	\$ 710	\$ 703	\$ 713	\$ 724	\$ 734	\$ 745	\$ 756	\$ 767	\$ 779
Webster Place	55	503	513	523	533	544	555	565	577	588	599	611
182 George Street (Arthur)	10	108	111	113	115	117	120	122	124	127	129	132
Palmerston	11	83	113	115	117	120	122	124	127	129	132	135
Reserve Transfer		500	500	500	500	500	500	500	500	500	500	500
Total Programme Expenditures		\$ 1,886	\$ 1,936	\$ 1,960	\$ 1,968	\$ 1,994	\$ 2,019	\$ 2,046	\$ 2,073	\$ 2,100	\$ 2,128	\$ 2,156
yr/yr % change		21.4%	2.7%	1.2%	0.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Programme Funding												
Affordable Housing Rent		\$ 1,183	\$ 1,234	\$ 1,259	\$ 1,284	\$ 1,309	\$ 1,335	\$ 1,361	\$ 1,388	\$ 1,415	\$ 1,443	\$ 1,472
Provincial Subsidy		203	202	201	185	185	185	185	185	185	185	185
Total Programme Revenue		\$ 1,386	\$ 1,436	\$ 1,460	\$ 1,468	\$ 1,494	\$ 1,519	\$ 1,546	\$ 1,573	\$ 1,600	\$ 1,628	\$ 1,656
yr/yr % change		31.6%	3.6%	1.7%	0.5%	1.7%	1.7%	1.7%	1.8%	1.7%	1.7%	1.8%
Municipal Property Taxes												
		\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
yr/yr % change		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



**County of Wellington
10 Year Capital Budget
Affordable Housing**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Affordable Housing											
250 Daly 2018 Retrofits	62,000	28,000	8,000	8,000	10,000	13,000	11,000	11,000	12,000	13,000	176,000
182 George St 2018 Retrofits	48,000	45,000	49,000	9,000	11,000	11,000	52,000	22,000	13,000	14,000	274,000
165 Gordon St 2018 Retrofits	29,000	54,000	32,000	33,000	36,000	36,000	54,000	40,000	44,000	44,000	402,000
169 Gordon St 2018 Retrofits	25,000	20,000	30,000	20,000	20,000	22,000	22,000	24,000	24,000	26,000	233,000
Total Affordable Housing	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Total	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Sources of Financing											
Reserves	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000
Total Financing	164,000	147,000	119,000	70,000	77,000	82,000	139,000	97,000	93,000	97,000	1,085,000

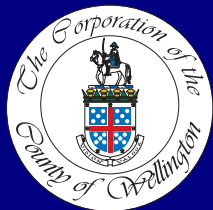
COUNTY OF WELLINGTON
2019 Budget – Social Services
Explanation of Significant Budget items

Affordable Housing - Operating

- The 2019 budget includes annualized rent revenue and expenditures for 250 Daly St. in Palmerston, which opened in 2018.
- The combined operations of the affordable housing building are expected to generate a surplus of \$305,700. A portion of the projected annual surplus (\$50,000) will be transferred to the Green Initiatives Reserve (to repay the capital cost of the Webster Place co-gen system) and any remaining surplus will be transferred to the Housing Development Reserve Fund for future Affordable Housing opportunities.
- The County's budgeted contribution from the tax levy to the Housing Development Reserve Fund remains at \$500,000 for 2019.

Affordable Housing – Capital

- Facility improvements at the four County owned affordable housing buildings total \$1.1 million over the ten-years and are funded through the Housing Capital Reserve.



Programme Overview

Programme/Service:	Ontario Works
Department:	Social Services
Governance:	Social Services Committee

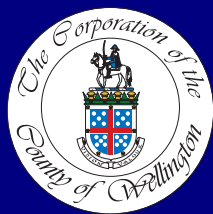
Programme Description

- Ontario Works provides temporary financial assistance to residents in need while they are actively assisted in becoming employed and achieving self reliance. Income assistance includes allowances for basic needs, shelter, as well as other benefits prescribed in the regulations to those applicants who meet mandatory eligibility requirements. Employment supports include the development of participation plans, counseling, life skills programmes, training and placements.
- The Cost Recovery Division is primarily responsible for programme accountability. These services include eligibility review, assisting in the pursuit of family support, overpayment recovery and client appeal processes.
- Employment Resource Centre: Offers a wide range of employment services including access to computers, local job postings, photocopying, public telephones and material on employment related topics.
- Employment and Life Skills Workshops are delivered to all members of the public on numerous employment and life skills topics facilitated by professional staff.
- Immigrant Settlement Services: Assists newcomers in our community in gaining access to the economic, social, health, cultural, educational, and recreational services that they require.
- Grant funding to local agencies or collaborative groups to address important social issues such as domestic violence, substance misuse, elder abuse and poverty.
- As Consolidated Municipal Service Manager, the County delivers these services in a specific geographic area which includes both the County of Wellington and the City of Guelph. The net municipal cost is apportioned to the County and City based on the residence of the recipient.

2019 Budget Highlights

- Budget estimates for 2019 reflect a 1.5% adjustment for projected caseload increase, as well as a 1.5% adjustment for rate increase.
- The County has entered into an agreement with the Red Cross for Disaster Relief Services at a net municipal cost of \$22,200 per year (13,000 City and 9,000 County).
- The 2019-2028 capital budget includes facility improvements at the administrative offices in Guelph and Fergus.

Staff Complement		
(Full time equivalents)	2018	2019
Ontario Works	68.8	68.7
Total	68.8	68.7
Current Employee Count: 72		



COUNTY OF WELLINGTON

2019 OPERATING BUDGET

Programme/Service: Ontario Works

Department: Social Services

Governance: Social Services Committee

	2017 Actuals	2017 Budget	2018 Preliminary Actuals	2018 Budget	2019 Budget	\$ Change Budget	% Change Budget
Revenue							
Grants & Subsidies	\$23,513,689	\$23,155,400	\$22,175,905	\$24,545,600	\$25,189,500	\$643,900	2.6%
Municipal Recoveries	2,943,675	3,075,500	2,462,847	2,728,700	2,764,100	35,400	1.3%
Other Revenue	33,716	28,000	39,100	32,000	32,000	-	-
Internal Recoveries	19,004	11,000	16,579	11,000	11,000	-	-
Total Revenue	\$26,510,084	\$26,269,900	\$24,694,431	\$27,317,300	\$27,996,600	\$679,300	2.5%
Expenditure							
Salaries, Wages and Benefits	\$6,055,286	\$6,203,900	\$5,716,361	\$6,286,900	\$6,373,100	\$86,200	1.4%
Supplies, Material & Equipment	286,385	165,200	146,432	148,500	157,700	9,200	6.2%
Purchased Services	485,670	468,200	486,047	481,300	511,100	29,800	6.2%
Social Assistance	19,667,371	19,563,900	19,833,248	20,369,200	20,916,400	547,200	2.7%
Transfer Payments	25,326	24,800	25,833	25,300	26,300	1,000	4.0%
Insurance & Financial	77,955	80,400	76,323	88,900	110,700	21,800	24.5%
Internal Charges	1,355,322	1,344,400	1,437,398	1,433,100	1,407,800	(25,300)	(1.8%)
Total Expenditure	\$27,953,315	\$27,850,800	\$27,721,642	\$28,833,200	\$29,503,100	\$669,900	2.3%
NET COST / (REVENUE)	\$1,443,231	\$1,580,900	\$3,027,211	\$1,515,900	\$1,506,500	(\$9,400)	(0.6%)

COUNTY OF WELLINGTON

2019-2028 Budget Forecast (Operating & Capital)

ONTARIO WORKS

(all figures in \$'000's)

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Programme Expenditure											
Income Support	\$ 19,568	\$ 20,126	\$ 20,988	\$ 21,889	\$ 22,831	\$ 23,815	\$ 24,844	\$ 25,921	\$ 27,046	\$ 28,222	\$ 29,451
Ontario Works Administration & Support	8,260	8,338	8,569	8,790	9,056	9,319	9,619	9,968	10,236	10,575	10,876
Ontario Works Capital	30	140	150	110	225	-	-	54	-	126	100
Ontario Works Minor Capital	-	-	-	-	-	-	-	-	12	6	-
Immigrant Settlement Services	376	424	406	406	406	408	421	441	447	464	475
Addiction Services Initiative	136	142	146	149	153	158	163	167	172	177	183
Funding for Agencies	493	473	481	489	496	504	512	521	529	538	546
Total Programme Expenditure	\$ 28,863	\$ 29,643	\$ 30,740	\$ 31,833	\$ 33,167	\$ 34,204	\$ 35,559	\$ 37,072	\$ 38,443	\$ 40,108	\$ 41,631
yr/yr % change	3.4%	2.7%	3.7%	3.6%	4.2%	3.1%	4.0%	4.3%	3.7%	4.3%	3.8%
Programme Funding											
Provincial Subsidy	\$ 24,193	\$ 24,784	\$ 25,749	\$ 26,749	\$ 27,785	\$ 28,835	\$ 29,929	\$ 31,072	\$ 32,264	\$ 33,507	\$ 34,804
Federal Subsidy	352	406	406	406	406	406	406	406	406	406	406
Other	43	43	43	43	43	43	43	43	43	43	43
Reserve Transfer	6	29	31	82	47	-	-	11	-	26	21
Total Programme Revenue	\$ 24,594	\$ 25,262	\$ 26,229	\$ 27,280	\$ 28,281	\$ 29,284	\$ 30,378	\$ 31,532	\$ 32,713	\$ 33,982	\$ 35,274
yr/yr % change	5.7%	2.7%	3.8%	4.0%	3.7%	3.5%	3.7%	3.8%	3.7%	3.9%	3.8%
Municipal Property Taxes	\$ 4,269	\$ 4,381	\$ 4,511	\$ 4,553	\$ 4,886	\$ 4,920	\$ 5,181	\$ 5,540	\$ 5,730	\$ 6,126	\$ 6,357
City of Guelph	\$ 2,753	\$ 2,875	\$ 2,964	\$ 2,961	\$ 3,239	\$ 3,208	\$ 3,393	\$ 3,666	\$ 3,767	\$ 4,087	\$ 4,247
County of Wellington	\$ 1,516	\$ 1,507	\$ 1,547	\$ 1,592	\$ 1,648	\$ 1,713	\$ 1,789	\$ 1,874	\$ 1,951	\$ 2,033	\$ 2,110
Staffing Levels	2018	2019									
# of Full Time Equivalent positions	68.8	68.7									



**County of Wellington
10 Year Capital Budget
Ontario Works**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
129 Wyndham Generator Upgrade	40,000										40,000
129 Wyndham Security									40,000		40,000
129 Wyndham: Elevator		150,000									150,000
129 Wyndham: Flooring Replacements			35,000								35,000
129 Wyndham: Rooftop HVAC Replacement				225,000							225,000
129-133 Wyndham, Stone Work	100,000										100,000
138 Wyndham St: Replace Heat Exchanger									66,000		66,000
138 Wyndham St: Roof Top AC										100,000	100,000
138 Wyndham: Carpet Replacement							54,000				54,000
138 Wyndham: Fire Alarm System									20,000		20,000
Fergus OW: Roof Replacement			75,000								75,000
Total	140,000	150,000	110,000	225,000			54,000		126,000	100,000	905,000
Sources of Financing											
Recoveries	111,000	119,000	28,000	178,000			43,000		100,000	79,000	658,000
Reserves	29,000	31,000	82,000	47,000			11,000		26,000	21,000	247,000
Total Financing	140,000	150,000	110,000	225,000			54,000		126,000	100,000	905,000

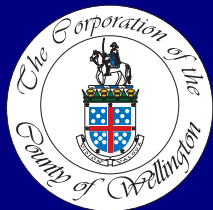
COUNTY OF WELLINGTON
2019 Budget – Social Services
Explanation of Significant Budget items

Ontario Works - Operating

- The 2019 budget allows for a caseload and cost increase of 1.5%. This is fully funded by the province so there is no net impact to the County's budget from this increase.
- The County has entered into an agreement with the Red Cross for Disaster Relief Services at a net municipal cost of \$22,200 per year (\$13,000 City and \$9,000 County).
- The Rural Transportation programme budget has been reduced by \$25,000 under Discretionary Benefits as this portion will be utilized as the municipal contribution for the Community Transportation grant and ride-sharing programme in the Economic Development department.
- The projected tax levy requirement in 2019 for the City is \$2.76 million, which is 1.3% higher than the 2018 budget. For the County, the 2019 projected tax levy requirement is \$1.51 million, or 0.6% lower than the 2018 budget, reflecting the residency of the Ontario Works caseload.

Ontario Works – Capital

- The ten-year capital plan includes facility improvements at the administration offices at 129 and 138 Wyndham St and the Fergus Ontario Works office.
- The County's 10-year capital contribution of \$247,000 is fully funded from the Property Reserve, and includes 100% of the Fergus office projects. The City's funding contribution for 10-year capital works is \$658,000.



Programme Overview

Programme/Service:	Children's Early Years Division
Department:	Social Services
Governance:	Social Services Committee

Programme Description

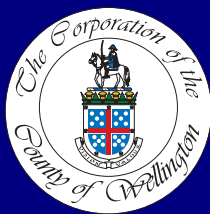
- **Children's Early Years Management:** Planning and overall management of the children's early years delivery system for the service delivery area. Provision of General Operating Grants, Special Needs Resource Programmes, Community Grants, Capacity Building, and Wage Enhancement Grants.
- **Child Care Subsidies:** Provides financial assistance to eligible families to pay for child care spaces at a licensed child care programme with which the County of Wellington has a purchase of service agreement.
- **Private Home Child Care:** Through our licensed home child care programme, providers are contracted throughout the County and the City to provide more flexible child care options, especially for those families preferring a home environment or working irregular hours.
- **Special Needs Intake:** Intake and screening using standardized developmental assessments to ensure consistent access to specialized support services for children with special needs who meet the criteria established under the Day Nurseries Act.
- The County of Wellington operates four licensed child care centres: Willowdale Child Care and Learning Centre (licensed capacity of 32 spaces); Mount Forest Child Care and Learning Centre (licensed capacity of 32 spaces); Palmerston Child Care and Learning Centre (licensed capacity of 49 spaces); and Wellington Place Child Care Centre (licensed capacity of 64). All centres offer inclusive child care programming with specialized support to children identified with or at risk of developmental delays.

2019 Budget Highlights

- The funding allocations for 2019 have yet to be received and is currently based on the 2018 allocation.
- Parent fee revenue at all three directly operated child care centres have been increased to reflect the fees that are expected to be collected in 2019.
- Staffing changes include the following : 1 Manager of Early Years Administration, 1 Manager of Early Years Planning, and 1 Quality Child Care Visitor.
- Staffing changes that are covered 100% by Expansion Plan funding include the following: Wellington Place—1 Supervisor, 11 Teachers, 1 Float Teacher, 9 Teacher Assistants, and 1 FT and PT Cook, Palmerston—7 Teachers, 6 Teacher Assistants, 1 FT Cook, removal of 1 PT Cook.
- \$100,000 is included in 2019 to fund the remainder of the tendered construction cost for the office space renovations at 133 Wyndham Street.

Staff Complement		
(Full time equivalents)	2018	2019
Child Care Services	24.6	26.7
Child Care Centres	32.7	53.3
Total	57.3	80.0
Current employee count: 89		

COUNTY OF WELLINGTON



2019 OPERATING BUDGET

Programme/Service: Children's Early Years Division

Department: Social Services

Governance: Social Services Committee

	2017 Actuals	2017 Budget	2018 Preliminary Actuals	2018 Budget	2019 Budget	\$ Change Budget	% Change Budget
Revenue							
Grants & Subsidies	\$14,821,907	\$13,873,600	\$19,174,640	\$22,278,600	\$21,599,300	(\$679,300)	(3.0%)
Municipal Recoveries	2,743,497	2,823,700	2,764,561	3,334,800	3,602,400	267,600	8.0%
User Fees & Charges	532,319	337,000	542,404	429,500	960,000	530,500	123.5%
Other Revenue	-	-	3,200	-	-	-	-
Internal Recoveries	20,618	354,900	19,295	39,000	30,000	(9,000)	(23.1%)
Total Revenue	\$18,118,341	\$17,389,200	\$22,504,100	\$26,081,900	\$26,191,700	\$109,800	0.4%
Expenditure							
Salaries, Wages and Benefits	\$4,240,277	\$4,225,100	\$4,721,017	\$4,810,800	\$6,550,300	\$1,739,500	36.2%
Supplies, Material & Equipment	245,365	232,000	525,909	250,200	528,700	278,500	111.3%
Purchased Services	290,971	439,900	381,514	861,900	532,000	(329,900)	(38.3%)
Social Assistance	13,441,028	12,385,500	20,719,863	20,495,700	18,826,600	(1,669,100)	(8.1%)
Insurance & Financial	57,553	63,000	63,777	76,400	121,100	44,700	58.5%
Minor Capital Expenses	-	28,600	1,781	10,000	10,000	-	-
Internal Charges	653,407	1,029,600	695,842	717,900	843,200	125,300	17.5%
Total Expenditure	\$18,928,601	\$18,403,700	\$27,109,703	\$27,222,900	\$27,411,900	\$189,000	0.7%
Net Operating Cost / (Revenue)	\$810,260	\$1,014,500	\$4,605,603	\$1,141,000	\$1,220,200	\$79,200	6.9%
Transfers							
Transfer to Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Total Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
NET COST / (REVENUE)	\$810,260	\$1,014,500	\$4,605,603	\$1,141,000	\$1,220,200	\$79,200	6.9%

COUNTY OF WELLINGTON

2019-2028 Budget Forecast (Operating & Capital)
CHILDREN'S EARLY YEARS
(all figures in \$000's)

	# of spaces	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Programme Expenditure												
Subsidized Child Care Spaces	720	\$ 4,219	\$ 4,298	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219	\$ 4,219
Subsidized Child Care Operations		7,519	7,392	5,742	5,667	5,582	5,522	5,432	5,377	5,302	5,254	5,197
Support for Children with Special Needs	950	2,690	2,554	2,491	2,499	2,504	2,509	2,514	2,519	2,524	2,524	2,524
Child Care Administration and Planning		3,030	3,076	5,286	5,466	5,575	5,674	5,787	5,886	5,997	6,108	6,219
Child Care Capital		1,000	100	-	-	-	-	-	-	-	-	-
Directly Operated Child Care Programmes	113	3,847	5,910	4,430	4,527	4,668	4,833	4,977	5,146	5,285	5,447	5,608
Transfer Payments to Agencies		3,262	2,362	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347	2,347
Ontario Early Years Child and Family Centres		2,039	1,787	1,707	1,707	1,707	1,707	1,707	1,707	1,707	1,707	1,707
Municipal Funding for Agencies		77	77	77	77	77	77	77	77	77	77	77
Total Programme Expenditure		\$ 27,683	\$ 27,556	\$ 26,300	\$ 26,464	\$ 26,651	\$ 26,845	\$ 27,032	\$ 27,229	\$ 27,418	\$ 27,615	\$ 27,812
yr/yr % change		50.4%	-0.5%	-5.0%	0.5%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Programme Funding												
Provincial Subsidy		\$ 22,264	\$ 21,599	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310	\$ 19,310
Recoveries		39	30	30	30	30	30	30	30	30	30	30
County Operated Child Care Centre Fees		430	960	590	601	613	626	638	651	664	677	690
Reserve Transfers		213	21	-	-	-	-	-	-	-	-	-
Total Programme Revenue		\$ 22,946	\$ 22,610	\$ 19,930	\$ 19,941	\$ 19,953	\$ 19,966	\$ 19,978	\$ 19,991	\$ 20,004	\$ 20,017	\$ 20,030
yr/yr % change		57.5%	-1.5%	-11.9%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Municipal Property Taxes		\$ 4,738	\$ 4,945	\$ 6,370	\$ 6,523	\$ 6,698	\$ 6,879	\$ 7,054	\$ 7,238	\$ 7,414	\$ 7,604	\$ 7,794
City of Guelph		\$ 4,122	\$ 3,681	\$ 3,846	\$ 3,948	\$ 4,066	\$ 4,189	\$ 4,303	\$ 4,425	\$ 4,542	\$ 4,668	\$ 4,795
County of Wellington		\$ 1,141	\$ 1,220	\$ 1,300	\$ 1,322	\$ 1,354	\$ 1,393	\$ 1,431	\$ 1,473	\$ 1,515	\$ 1,552	\$ 1,595

Staffing Levels	2018	2019
# of Full Time Equivalent positions	57.3	80.0



County of Wellington
10 Year Capital Budget
Children's Early Years Division

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	10 Year Total
Social Services											
Children's Early Years Division											
133 Wyndham, Office Space Reno	100,000										100,000
Total Children's Early Years Division	100,000										100,000
Total	100,000										100,000
Sources of Financing											
Recoveries	79,000										79,000
Reserves	21,000										21,000
Total Financing	100,000										100,000

COUNTY OF WELLINGTON
2019 Budget – Social Services
Explanation of Significant Budget items

Children’s Early Years – Operating

- The funding allocations for 2019 have yet to be received and the budget will be adjusted when the service contract has been finalized. The preliminary budget is currently based on the 2018 funding allocation. The 2018 budget includes 2017 expansion funding that was carried forward to 2018 (one-time funding totaling \$1,659,629); 2018 ongoing provincial funding was \$21,599,300.
- Projected parent fee revenue at all three directly operated child care centres have been increased by \$530,500 (123.5%) to reflect the fees that are expected to be collected in 2019 (Willowdale - \$52,700, Mt. Forest - \$72,900, Palmerston - \$206,700, Wellington Place - \$198,200).
- Administrative staffing changes include the following:
 - One full time Manager of Early Years Administration with a start date of April 1, 2019, which has no effect to the City or County cost as it is covered by an increase of Administration and Child and Family Centre funding.
 - One full time Manager of Early Years Planning with a start date of April 1, 2019, which is a \$68,200 cost to the City and \$18,900 cost to the County.
 - One full time Quality Child Care Visitor with a start date of April 1, 2019, which is a \$49,900 cost to the City and \$13,800 cost to the County.
- Several positions have been created to accommodate the expansion of the Palmerston Child Care Centre and the new Wellington Place Child Care Centre. All positions will be covered by Expansion Plan funding and there will be no net municipal cost incurred.
 - The following positions have been created for Wellington Place with the expected start date of July 1, 2019: 1 Supervisor, 11 full-time Teachers, 1 part-time Float Teacher, 9 part-time Teacher Assistants, 1 full-time Cook, and 1 part-time Cook. This increases the FTE by 9.6 for 2019 and will be annualized in 2020.
 - Palmerston has removed the part-time Cook position but added a full-time Cook, and added 7 full-time Teachers and 6 part-time Teacher Assistants, which increases the FTE by 10.95 in 2019.
- The projected tax levy requirement in 2019 for the City is \$3.6 million, which is 8.0% higher than the 2018 budget. For the County, the 2019 projected tax levy requirement is \$1.2 million, or 6.9% higher than the 2018 budget.
- The projected tax levy requirement for the City is higher than the County due to the 2019 budget being adjusted to reflect the actual caseload split between the City and County for Fee Subsidy.

Children’s Early Years - Capital

- Renovations of 133 Wyndham Street began in 2018 to convert the existing space to accommodate Children’s Early Years administration and move towards integrated intake and consolidation of social services in downtown Guelph. The 2018 budget included a provision of \$500,000 in 2019 to complete the construction. Savings at the time of tender reduced the requirement to \$100,000. Cost sharing represents County \$21,000 from the property reserve and a City contribution of \$79,000.

Staff Report



To **City Council**

Service Area Corporate Services

Date Tuesday, March 5, 2019

Subject **Budget Impacts per Ontario Regulations 284/09 and Budget Public Sector Accounting Standards Reconciliation**

Report Number CS-2019-36

Recommendation

That report CS-2019-36 Budget Impacts per Ontario Regulation 284/09 and Budget Public Sector Accounting Standards Reconciliation be approved.

Executive Summary

Purpose of Report

1. To provide Council with the budget impact of amortization, post-employment benefit costs and landfill post-closure costs in accordance with Ontario Regulation 284/09.
2. To provide a reconciliation of the 2019 City of Guelph budgets to the presentation required by the Public Sector Accounting Standards (PSAS) for the annual financial statements.

Key Findings

This report is required annually by legislation.

The impact of estimated amortization, post-employment benefit costs and landfill post-closure costs in 2019 totals \$51,745,000 (Table 1).

While Ontario Regulation 284/09 requires that the report to Council should include budget information for the items detailed above, there is also a requirement to report an approved budget on the same basis as the annual financial statements. The financial statements are prepared in accordance with PSAS and for this reason further impacts of debt, reserve and reserve fund transfers and other capital-related revenues and expenses are presented in the PSAS adjusted 2019 budget (ATT-1). The reconciliation shows both the required adjustments under Ontario Regulation 284/09, as well as the additional amendments for accrual accounting resulting in a 2019 estimated surplus of \$59,784,059 (2018 - \$82,765,739).

Financial Implications

There are no direct financial implications associated with this report. The intent of this report is to estimate the reconciliation of the 2019 proposed cash-based budget to a PSAS compliant budget.

Report

In 2009, the Public Sector Accounting Board (PSAB) made significant changes to its reporting requirements, the most notable being the adoption and recognition of Tangible Capital Assets (TCA). Starting in 2009 all municipalities were required to follow the new financial reporting standards, but they could continue to prepare budgets on a cash basis. In order to bridge the information gap on amounts being presented for budget purposes versus financial reporting purposes; the Ontario Regulation 284/09 was developed. The requirements as contained in Ontario Regulation 284/09 allow municipalities to exclude the following non-cash expenses from their municipal budgets:

- amortization expense on tangible capital assets;
- post-employment benefit costs; and
- landfill post-closure costs.

If a municipality chooses to exclude non-cash items, they're required to prepare a report outlining the impact of these items on their annual budget.

The City of Guelph does not budget for the full impact of amortization, post-employment benefit costs and landfill post-closure costs and therefore this report informs Council of the full impact if these costs had been included in the 2019 Budget.

1. Amortization Expense

The 2019 amortization expense is estimated to be \$49,000,000.

Amortization is an accounting treatment that recognizes the cost of tangible capital assets over their useful lives, rather than in the year the asset was purchased. This has been included in Table 1 to calculate the total impact on the 2019 budget.

In order to help meet the annual financial commitment required for asset replacement, the City of Guelph includes in its 2019 Tax Supported Operating and Non-Tax Supported Operating budgets contributions of \$72,697,367 to capital reserves. These contributions will provide funding for capital replacement and rehabilitation.

2. Post-employment Benefit Costs

Post-employment benefit costs are benefits to be paid to employees after retirement up to the age of 65. These include medical and dental benefits for eligible retirees and other retirement benefits earned during employment. Additionally, the City has Workplace Safety and Insurance Board (WSIB) expenditures that are administered on a self-insured basis and for this reason, the City must account for future potential WSIB expenditures related to current employees.

Post-employment benefit costs to be paid in the future are partially included in the City's budgets. The City budgets an annual transfer to reserves to set aside funding for the ultimate payment of these costs over the long-term as well as to fund the expected in-year cost of these benefits. The 2019 budget includes reserve transfers of \$3,600,000 to fund both the in-year and long-term costs. The 2019 estimated impact of the increase in liability related to these benefits is \$1,700,000 and is included in Table 1.

3. Landfill Post-closure Costs

Although Ontario Regulation 284/09 allows municipalities to exclude landfill post-closure costs from their budgets, the City of Guelph continues to budget for the current year costs related to the closure of its landfill site in 2003. Under PSAS requirements in 2009, the City recognized a liability in their financial statements which amounted to the present value of costs related to monitoring the closed landfill site for 30 years from the date of closure. Each year there is a cost or recovery related to the liability, as assumptions on the estimates change and we get a year closer to meeting our 30 year monitoring requirement. Since the change in assumptions and the time value of money is a non-cash item, it's unbudgeted and the impact is included in the schedule below.

The increase in the estimated liability for landfill post-closure costs of \$1,045,000 is included in Table 1 to show its impact on the City's surplus.

Table 1: Ontario Regulation 284/09 Budget Impact

Amortization of Tangible Capital Assets	\$(49,000,000)
Post-employment benefit liability	\$(1,700,000)
Increase in landfill post-closure liability	\$(1,045,000)
Total Impact	\$(51,745,000)

PSAS Accounting Requirements

PSAB sets financial accounting and reporting standards for municipalities and other levels of government. These standards require the City to record revenues and expenses on an accrual basis. This means that revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred. In addition, transfers between reserve funds and internal charges and recoveries among City departments must be eliminated from the financial statements as these are not considered revenues or expenses under PSAS. Finally there are a number of transactions that are presented differently on the financial statements compared to the City budgets including debt principal payments, capital asset acquisitions and the disposition of long-term liabilities and receivables. The year-end surplus or deficit must be reported after recognizing all these PSAS accounting impacts.

To reflect the impact of all accounting as required by PSAS, the City reports the surplus after necessary adjustments.

ATT-1 2019 City of Guelph Tax Supported and Non-tax Supported Budgets (Unconsolidated) Public Sector Accounting Standards Reconciliation shows the reconciliation of the City's approved 2019 budget to a budget restated in accordance to PSAS format and states the amended accumulated surplus at the year-end. This reconciliation shows both the required adjustments under Ontario Regulation 284/09, as well as the additional amendments for accrual accounting resulting in a 2019 estimated surplus of \$59,784,059 (2018 - \$82,765,739). The main contributors to the change year-over-year include a decrease in revenues related to contributed subdivision assets of \$5 million, a reduction in expenditures related to capital and debt expenses of \$10.5 million, increases to expenditures related to landfill, contaminated sites and amortization approximately of \$7 million.

Any changes Council makes to the recommended 2019 tax supported operating budget will be reflected in the attachment after budget approval. There is no requirement for staff to bring back an updated report to Council with these changes.

Financial Implications

There are no direct financial implications associated with this report. The intent of this report is to estimate the reconciliation of the 2019 proposed cash-based budget to a PSAS compliant budget.

Consultations

No consultations were required.

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our People- Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 2019 City of Guelph Tax Supported & Non-tax Supported Budgets
(Unconsolidated) Public Sector Accounting Standards Reconciliation

Departmental Approval

Jade Surgeoner, CPA, CA, CIA
Manager, Financial Reporting and Accounting

Report Author

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Approved By

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ATT-1 to CS-2019-36
2019 City of Guelph Tax Supported & Non-tax Supported Budgets (Unconsolidated)
Public Sector Accounting Standards Reconciliation

2019 Budget (Prepared on a Cash Basis)	
Revenues	\$
Operating	(431,119,463)
Capital	(87,370,000)
Total Revenues	(518,489,463)
Expenses	
Operating	431,119,463
Non-tangible Capital	10,700,000
Capital	76,670,000
Total Expenditures	518,489,463
Net Budget	-
Adjustments Required to Reconcile to an Accrual Based Budget	
<i>Reductions to Revenues</i>	
Transfers from Reserves/Reserve Funds ⁽¹⁾	51,305,000
<i>Increases to Revenues</i>	
Contributed Subdivision Assets ⁽²⁾	(4,600,000)
<i>Reductions to Expenditures</i>	
Transfers to Reserve/Reserve Funds ⁽³⁾	(71,277,000)
Capital Expenses ⁽⁴⁾	(76,670,000)
Debt Principal Payments ⁽⁵⁾	(12,650,000)
<i>Increases to Expenditures</i>	
Post-closure Landfill Liability ⁽⁶⁾	1,045,000
Contaminated Sites ⁽⁷⁾	500,000
Tax Increment Based Grant Program ⁽⁸⁾	1,862,941
Post-employment Benefit ⁽⁹⁾ Amortization of Tangible Capital Assets ⁽¹⁰⁾	1,700,000 49,000,000
Annual (Surplus)/Deficit	(59,784,059)

- (1) "Transfers from Reserve/Reserve Funds" are the budgeted amounts transferred from reserves to fund expenditures, mainly related to capital work. These are not considered revenue under PSAB accounting because transfers are not revenues received from external sources. Funds are recorded as revenue at the time they are received as part of tax revenue or grant revenue.
- (2) "Contributed Subdivision Assets" are non-cash accounting revenue recognised upon the City taking ownership of new subdivision infrastructure within the City limits. The City budgets for costs of maintenance and replacement of assets in the year when the service is required.
- (3) "Transfers to Reserve/Reserve Funds" are the budgeted contributions to reserves to fund future expenditures included in the City's operating budget. These are not considered as expenses under PSAB accounting because transfers represent re-allocation of funds internally and are not actual payments to external entities. Funds are recorded as expenses when goods / services are received by the City.
- (4) "Capital Expenses" is the amount budgeted to be spent on capital projects in the City's capital budget. Capital acquisition costs are not considered as expenses under PSAB accounting as they are capitalized on the balance sheet as tangible capital assets and amortized as an expense over the useful life of the assets
- (5) "Debt principal payments" are included in the City's operating budget in order to set aside the funds required to pay the principal portion of the current year's debt obligations. These are not considered an expense under PSAB accounting; instead debt principal is recorded as a reduction of the City's long-term debt liability. This includes any gain/losses on the fair market value of interest rate SWAPs.
- (6) "Increase in Post-closure Landfill Liability" is a non-cash accounting cost that is excluded from the City's operating budget. The City, in conformance with PSAB accounting rules, set up a liability in 2009 that accounted for the present value of the total expected costs associated with the closure of the landfill site in 2003. The City continues to budget on a cash basis for the annual post closure costs necessitating an adjustment to reduce/increase the initial estimated liability.
- (7) "Increase in Contaminated Sites" is a non-cash accounting cost that is excluded from the City's operating budget. The City, in conformance with PSAB accounting rules, set up a liability in 2015 that accounted for the present value of the total expected costs associated with the City's contaminated sites. The City continues to budget on a cash basis for the annual remediation costs necessitating an adjustment to reduce/increase the initial estimated liability.
- (8) "Tax Increment Based Grant Program" is included as a transfer to reserves in the City's operating budget in order to set aside the funds required to cover the long-term obligations expected under the program. These are considered expenses under PSAB and are recorded when the grant is provided.
- (9) "Post -employment Benefits" are expenditures related to benefits earned over the life of employees' service and are paid upon retirement or injury. The City budgets for contributions to reserves annually to fund future obligations but under PSAB, the expenditures are recorded over the life of the employee.
- (10) "Amortization of tangible capital assets" is a non-cash expense and is therefore not included in the City's operating budget. However, amortization is considered an expense under PSAB accounting and has been added to expenditures for financial reporting purposes.