

# Staff Report



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To	<b>City Council</b>
Service Area	Corporate Services
Date	Wednesday, November 20, 2019
Subject	<b>2020 Local Boards and Shared Services Budgets</b>
Report Number	CS-2019-82

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## Recommendation

1. That report CS-2019-82 titled 2020 Local Boards and Shared Services Budgets dated November 20, 2019 be referred to the December 3, 2019 Council meeting for final deliberation and approval.
  2. That the 2020 Downtown Guelph Business Association budget with gross expenditures of \$695,450 and a total levy of \$660,000 be approved.
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## Executive Summary

### Purpose of Report

To present the 2020 Local Boards and Shared Services (LBSS) budgets.

### Key Findings

The 2020 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 proposed 2020 net increase for the LBSS budget is \$4,928,773 or a 2.02 per cent net property tax levy increase.

Highlights for Council to consider when reviewing the 2020 LBSS budgets:

1. LBSS were communicated a budget development guideline which was consistent with other city departments;
  - a. An expenditure target increase to accommodate inflationary cost pressures
  - b. Revenue increase to be reflective of current market conditions
  - c. 2020 operating impacts from approved 2019 capital projects to be phased in as projects are completed
  - d. No growth or services enhancements unless it is considered urgent based on audit or service review recommendations or it has been identified as a 2020 priority in the Strategic Plan
  - e. Council also requested a budget reduction strategy be implemented with options for Council to consider as part of the 2020 budget approval
2. Wellington-Dufferin-Guelph Public Health's (WDGPH) shared cost allocation is based on Statistics Canada census population as approved by Council on November 6, 2017;

3. The Guelph Police Services (GPS) budget as reported in this City budget document differs from the operating budget approved by the GPS Board as it has been restated to include certain costs that were approved in the GPS capital budget. This is required to provide consistency with the presentation of the City budget. In addition, not all annualized costs have been included in the 2020 GPS budget. A number of the new positions have been phased-in and will have additional costs of approximately \$1 million included in the 2021 budget.

## **Financial Implications**

This report provides context and information to Council related to the 2020 LBSS budgets. Council has minimal ability to change the budgets presented by the LBSS. The total LBSS proposed budget increase is \$4,928,773 or 2.02 per cent over the 2019 net tax levy requirement.

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## **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 organizations:

- Guelph Public Library Board (GPL)
- GPS
- WDGPH
- Social Services and Social Housing (Social Services) as provided by the County of Wellington
- The Elliott
- Downtown Guelph Business Association (DGBA)

With the exception of the DGBA, the budgets for the City's share of these services are funded through the City of Guelph property tax levy. The DGBA is funded from a business improvement area (BIA) levy that members pay along with 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 budget requests is as follows:

	2019 approved budget	2020 budget	2020 budget change	2020 budget change	2020 levy impact
GPL	\$9,363,062	\$9,622,212	\$259,150	2.77%	0.11%
GPS	\$42,019,900	\$46,141,500	\$4,121,600	9.81%	1.69%
WDGPH	\$3,946,400	\$4,025,400	\$79,000	2.00%	0.03%
Social Services	\$22,109,117	\$22,551,317	\$442,200	2.00%	0.18%
The Elliott	\$1,553,634	\$1,580,457	\$26,823	1.73%	0.01%
<b>Total</b>	<b>\$78,992,113</b>	<b>\$83,920,886</b>	<b>\$4,928,773</b>	<b>6.24%</b>	<b>2.02%</b>

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 23 of the LBSS budget.

Further information on the GPS Board approved budget can be found on the [GPS Board website](#). The proposed 2020 operating budget was approved by the GPS Board on October 9, 2019 with an addition of 30.5 full-time equivalents and a total budget of \$46,141,500. Costs related to a number of the new positions have been phased-in and therefore, there will be additional costs budgeted for these positions in 2021.

The City budget for the County of Wellington Social Service was estimated at a two per cent increase from the 2019 approved budget. This estimate may not agree to the final budget figures to be presented by the County of Wellington as they were not yet available at the time the City was finalizing the draft 2020 operating budget. When the budget is made available by the County, staff will assess the budget and recommend a strategy to address the difference.

The Elliott has also requested one-time funding of \$100,000 for infrastructure and camera installation to meet long-term care safety requirements for residents and staff. City staff have not included this request in the budget submission as staff are awaiting further information from The Elliott which might assist City staff to find opportunities to leverage existing City expertise in this area to assist and mitigate some or all of the cost. As this is a one-time funding request, City staff would suggest Council fund from the Tax Rate Operating Contingency Reserve if deemed a priority. The motion Council would need to approve is "that Council approve \$100,000 for infrastructure and camera installation for the Elliott to meet long-term care safety requirements in 2020, to be funded from the Tax Rate Operating Contingency Reserve."

The City's Executive Team and Finance staff met with key members from the LBSS organizations on October 3, 2019 to discuss the 2020 requested budgets and challenges that each board or agency is facing, as well as to provide context of the City's financial pressures. The City and LBSS organizations agreed the meeting was

beneficial and will continue to meet periodically in 2020 and discuss opportunities for working together to achieve efficiencies or cost savings.

### **Financial Implications**

This report provides context and information to Council related to the 2020 LBSS budgets. Council has minimal ability to change the budgets presented by the LBSS. The total LBSS proposed budget increase is \$4,928,773 or 2.02 per cent over the 2019 net tax levy requirement.

### **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 Thursday, November 27, 2019 and more information on how to register is available on the City's budget webpage.

### **Strategic Plan Alignment**

The proposed budget will help build, strong, safe, and healthy communities by aligning City efforts with local and provincial partners.

### **Attachments**

Attachments provided under separate cover:

2020 Guelph Public Library Budget

2020 Guelph Police Service Budget

2020 Wellington-Dufferin-Guelph Public Health Budget

2020 County of Wellington Social Services and Social Housing Budget

2020 The Elliott Budget

2020 Downtown Guelph Business Association Budget

### **Departmental Approval**

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### **Report Author**

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**Approved By**

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