

# County of Wellington 2024 Budget and 10-Year Plan

January 8, 2024

# Purpose of today's meeting

- ▶ Review 2024 Budget Process and significant budget updates since November
- ▶ Provide a background of the County's finances
- ▶ To provide Council with an overview of the 2024 Budget and 10-Year Plan in advance of January Committee meetings
- ▶ Opportunity for Council to review and discuss service levels and proposed capital projects



# Agenda

- ▶ 2024 Budget and 10-Year Plan
  - ▶ 2024 Budget Process
  - ▶ Highlights of the Proposed 10-Year Plan
  - ▶ Asset Management and Capital Financing
  - ▶ Reserves and Reserve Fund Balances & Activity
  - ▶ County Debt Management and Forecast
  - ▶ Capital Budget Details
  - ▶ Operating Budget Forecast
  - ▶ Recap and wrap-up



# County's Budget Process

- ▶ Year-round effort – budget monitoring takes place throughout the year
  - ▶ Monthly financial statements
  - ▶ Budget variance reporting
  - ▶ Capital budget amendments, as required
- ▶ 2024 Budget Schedule was approved by AF&HR in May
- ▶ Preliminary Budget and 10-Year Plan was presented to all committees in November
- ▶ CAO & Department Heads reviewed line-by-line budgets in December



# Budget Schedule to Date

Description	Deadline/Date
Treasury staff update 10-year plan model and salary model	Summer 2023
Departments submit major 10-year operating budget items, draft 10-year capital forecast and proposed 2024 user fees to Treasury	September 8, 2023
Staff Advisory Committee review of preliminary 10-year plan	Mid October 2023
Preliminary 10-year plan completed	Late October 2023
Staff develop detailed 2024 operating budgets	October - November 2023
Preliminary 10-year plan and 2024 user fees reviewed by all Standing Committees and Boards	November 2023
AF and HR Committee review of preliminary 10-year plan and 2024 user fees	November 21, 2023
County Council adopts 2024 user fees and receives 10-year plan for information	November 30, 2023
CAO & Department Head review of budgets	December 2023



# 2024 Budget Process – Next Steps

- ▶ January 8, 2024 – presentation to Council
- ▶ Budget reviews at Committee and Board meetings next 2 weeks
- ▶ Full budget package circulated to Council by January 12, 2024
- ▶ AF&HR review of budget on January 16, 2024
- ▶ AF&HR recommendations considered by Council on January 25, 2024



# 10-Year Plan Outlook in November

- ▶ 10-Year Plan projected a 4.8% budget increase for 2024
- ▶ Increases from 2.5% to 4.7% in 2025-2033



# Changes to the 10-Year Plan since November

## ▶ Budget Increases

- ▶ Reduction in OCIF funding (\$488K), offset by CCBF funding increase (\$49K)
  - ▶ Increased transfer to Roads Capital Reserves to maintain adequate capital funding for the 10-year plan (0.4% increase)

## ▶ Budget decreases

- ▶ Proposed SWS User Pay Bag increase of \$0.50 as of July 1, 2024
  - ▶ Increases bagged waste fee revenues by \$300K (0.2% decrease)
- ▶ Increased Canada Wide Early Learning and Child Care Funding and resulting changes to cost sharing formula reduces County costs by \$240K (0.2% decrease)
- ▶ Updated POA revenue forecast (\$69K) from the City of Guelph (0.1% decrease)
- ▶ All other changes (0.1% decrease)

## ▶ Total effect of all changes:

- ▶ Tax levy reduced by \$195,300 – tax impact drops to 4.6% in 2024





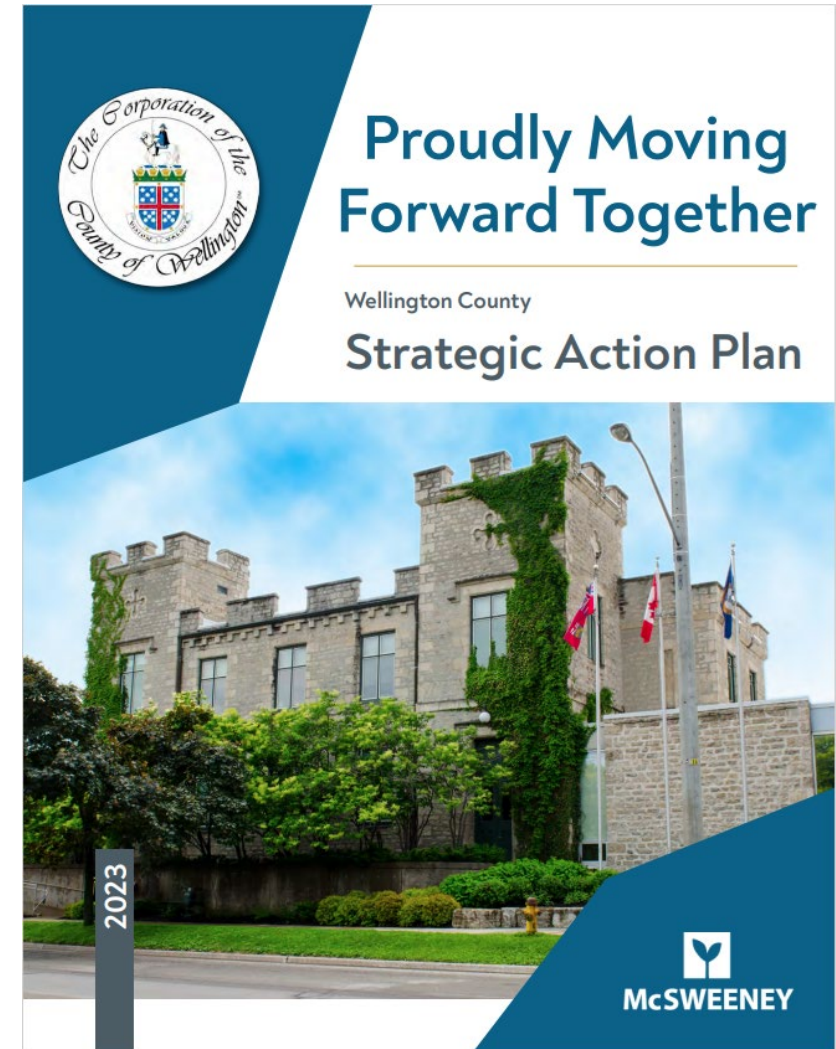
# Highlights of the proposed 10-year plan

- ▶ Projected tax increase of 4.6% in 2024, 4.7% in 2025 and a range of 2.5% to 3.8% from 2026-2033
- ▶ Estimated 2024 operating budget of \$301.4 million
- ▶ \$574.8 million capital investment over 10 years
  - ▶ \$75.6 million in 2024
- ▶ \$81.8 million in new debt issues over 10 years
  - ▶ \$61.3 million growth-related
  - ▶ \$20.5 million tax-supported

















# Strategic Action Plan

- ▶ Collaborative process involving elected officials and senior staff to provide direction that the County will be taking over the remaining term of Council
- ▶ “Proudly Moving Forward Together”
  - ▶ Is an update after the completion of the previous “Future Focused. People Invested” Plan.
  - ▶ Seeks to review what is similar, what has changed and how the County can adapt and improve since the last plan was completed
    - ▶ Offers strategic directions aimed at helping Wellington County navigate its new circumstances while ensuring the County continues to thrive
- ▶ Identifies four priority areas with strategic actions in each
  - ▶ Tackling a Major Community Opportunity – Housing
  - ▶ Doing What the County Does Best – Providing Critical Daily Services for Your Residents
  - ▶ Making the Best Decisions for the Betterment of the Community
  - ▶ Cherishing the County’s Most Valued Asset – its Staff

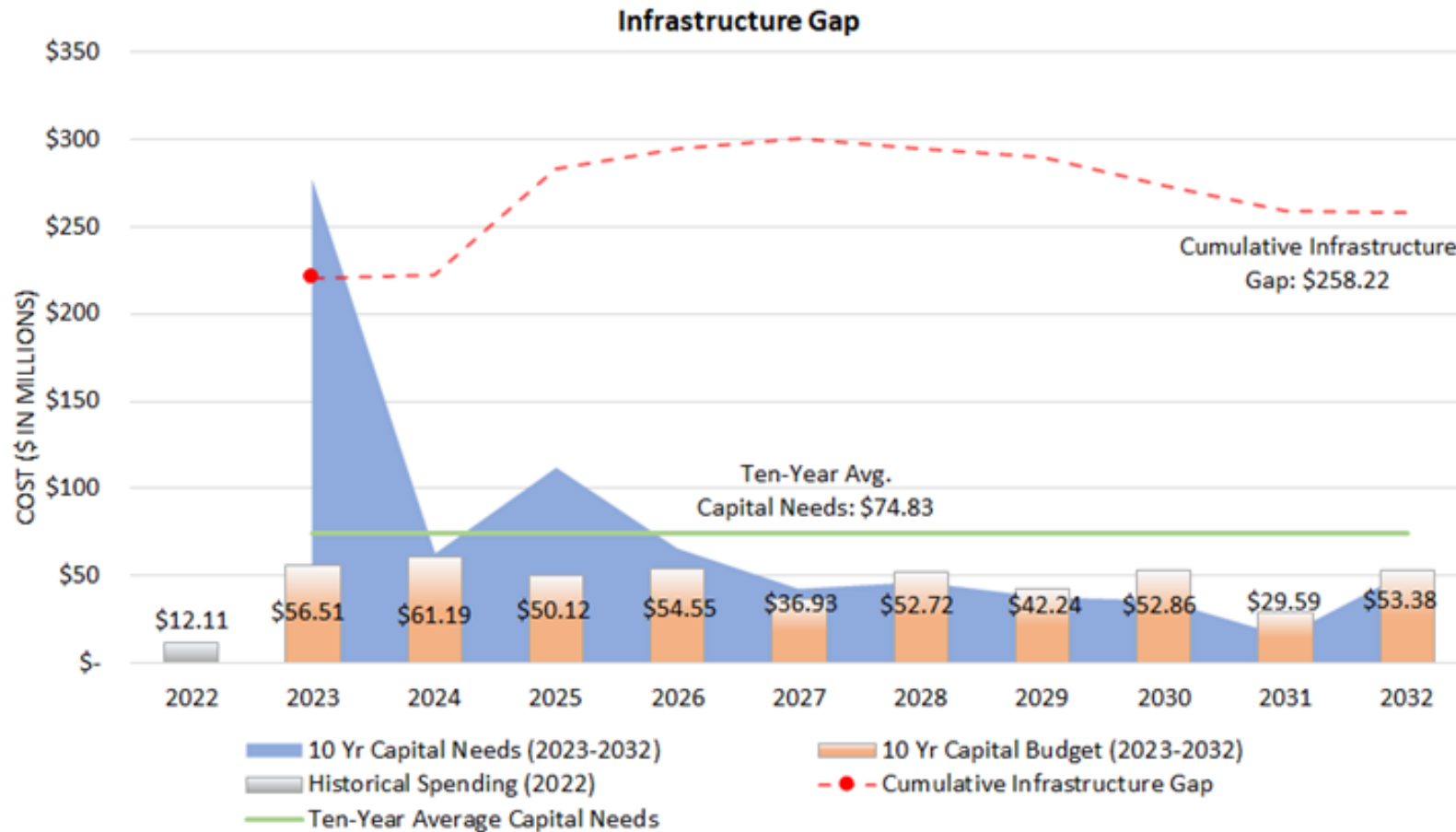


# Corporate Asset Management Planning

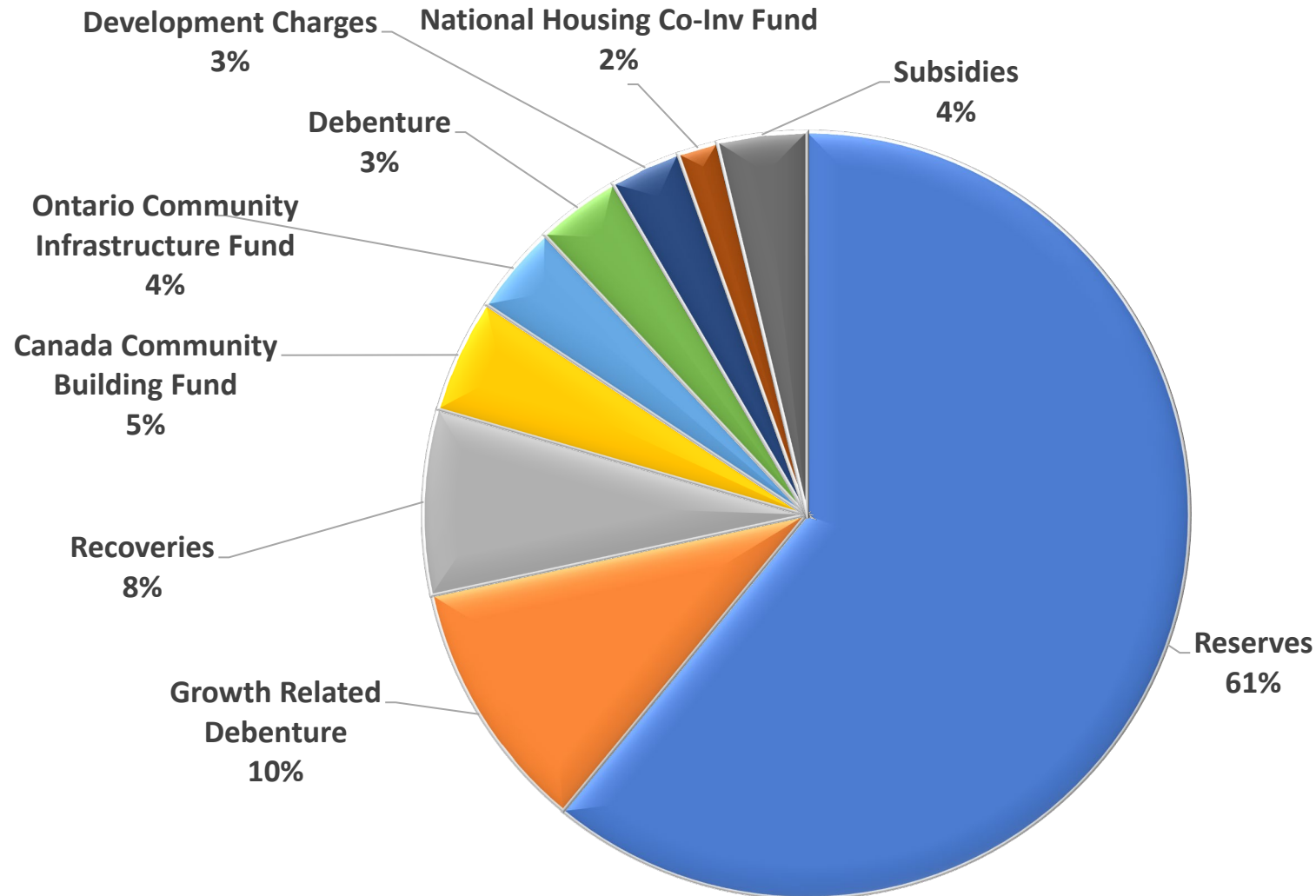
- ▶ Ontario Regulation 5887/17: Asset Management Planning for Infrastructure

Provincial Requirement	Completion Date	County Status	Results
Strategic Asset Management Policy	July 1, 2019		County Commitment to Continued Asset Management Planning and Reporting
Asset Management Plan for Core Assets: Roads, Bridges & Culverts, Stormwater Assets  Current Levels of Service	July 1, 2022		 Total Replacement Value of Core Assets <b>\$745 million</b>
			 Average Condition of Core Assets <b>Good</b>
			 Ten-Year Average Capital Needs <b>\$38 million</b>
			 Cumulative Infrastructure GAP <b>\$44 million</b>
Asset Management Plan All Municipal Assets: Buildings, Vehicles and Equipment, Furniture and Fixtures, Library Materials  Current Levels of Service	July 1, 2024		 Total Estimated Replacement Value of All Assets <b>\$1.3 billion</b>
			 Average Condition Work in Progress
			 Ten-Year Average Capital Needs Work in Progress
			 Work in Progress
Asset Management Plan All Municipal Assets  Proposed Levels of Service	July 1, 2025		Work in Progress
 COMPLETE  IN PROGRESS			

# Corporate Asset Management Planning



# 2024-2033 Capital Financing (\$574.8 million)



# 2024-2033 Capital Budget Highlights

- ▶ \$350.4 million – 61.0% of capital spending funded from own source revenue (reserves)
- ▶ \$80.6 million -14.0% funded through Federal and Provincial subsidies
  - ▶ \$27.6 million in Canada Community Building Fund (formerly Federal Gas Tax)
  - ▶ \$21.7 million in Ontario Community Infrastructure Fund (OCIF)
  - ▶ \$21.4 million federal/provincial subsidy Social and Affordable Housing, Roads
  - ▶ \$9.9 million in National Housing Co-Investment Fund (Social and Affordable Housing)
- ▶ \$81.8 million – 14.2% to be funded through Debt
  - ▶ \$61.3 million growth-related (recovered from DCs)
  - ▶ \$20.5 million tax supported
- ▶ \$45.0 million – 7.8% funded by Municipal Recoveries
- ▶ \$17.0 million – 3.0% funded by Development Charges





# Reserves and Reserve Fund Balances

- ▶ County's reserve and reserve fund balances totalled \$127.8 million as of December 31, 2022
  - ▶ Capital Reserves: \$71.4 million
  - ▶ Operating Reserves: \$31.8 million
  - ▶ Reserve Funds: \$24.6 million (more restrictive in use)
- ▶ Reserve and Reserve Fund balances currently sit at \$110.3 million in draft form
  - ▶ Capital projects still to be closed
  - ▶ Potential winter control savings to be allocated
  - ▶ Projected surplus still to be allocated (\$650K to \$1.6 million)



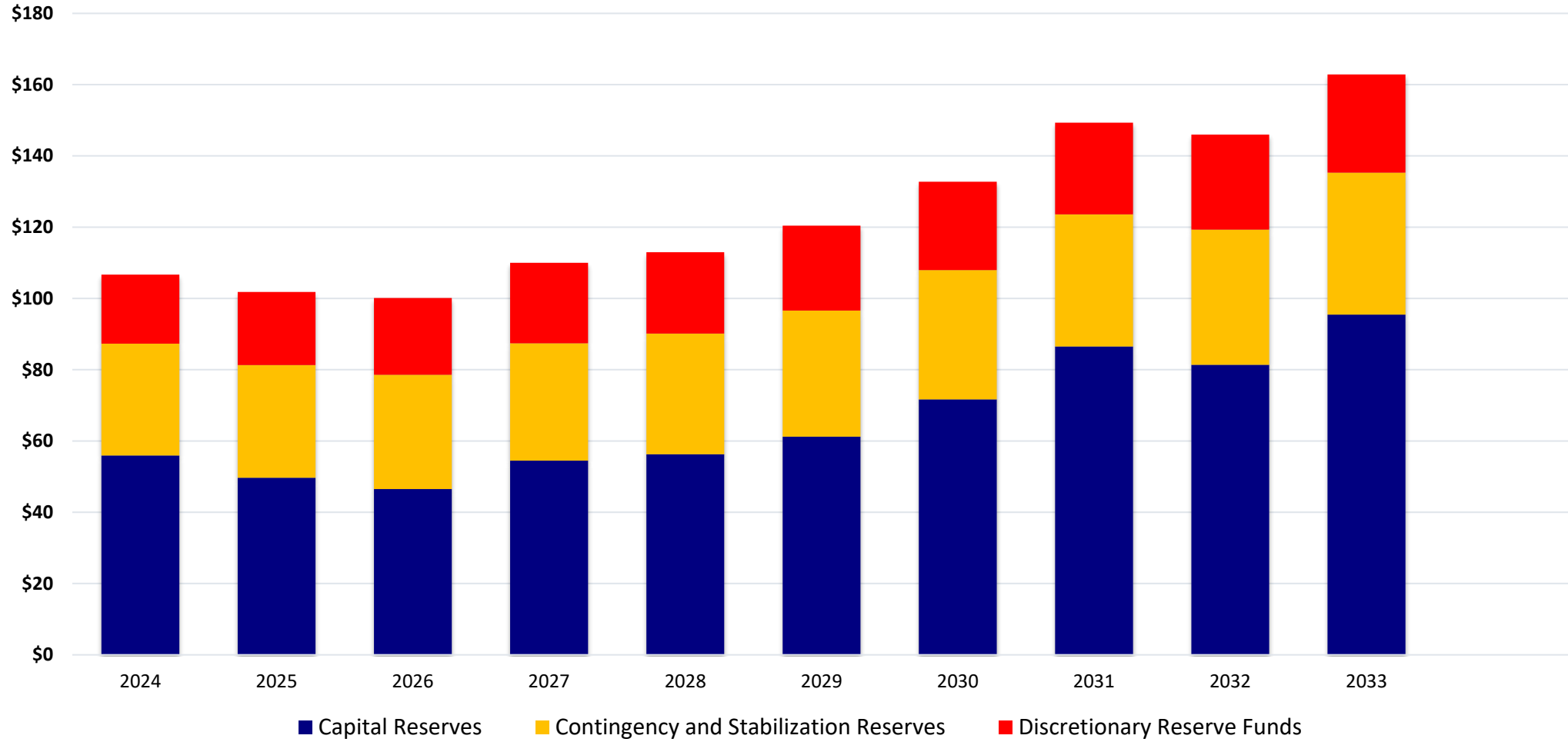
# Reserves and Reserve Funds

	Balance at Dec 31, 2022 (\$000s)	Projected Balance at Dec 31, 2023 (\$000s)	Projected Balance at Dec 31, 2024 (\$000s)
<b>Reserves</b>			
Operating Reserves			
Contingency & Stabilization Reserve	19,782	20,078	19,369
Winter Control Reserve	4,122	4,223	4,377
Shared Services Reserve	7,893	7,776	7,639
Capital Reserves	71,354	59,681	55,934
<b>Total Reserves</b>	<b>\$ 103,151</b>	<b>\$ 91,759</b>	<b>\$ 87,320</b>
<b>Reserve Funds</b>			
Future Liability Coverage Reserve Funds			
WSIB Self Insurance	3,989	3,934	3,742
Landfill Closure and Post Closure	9,913	10,334	11,035
Post Employment Benefits	2,162	2,365	2,601
Health Unit Debt Retirement	2,980	-	-
Donation Reserve Funds	382	680	753
Specific Purpose			
Housing Regeneration	4,563	507	514
Homeownership Loan Programme	645	686	703
<b>Total Reserve Funds</b>	<b>\$ 24,636</b>	<b>\$ 18,506</b>	<b>\$ 19,349</b>
<b>Total Reserves and Reserve Funds</b>	<b>\$ 127,787</b>	<b>\$ 110,265</b>	<b>\$ 106,669</b>

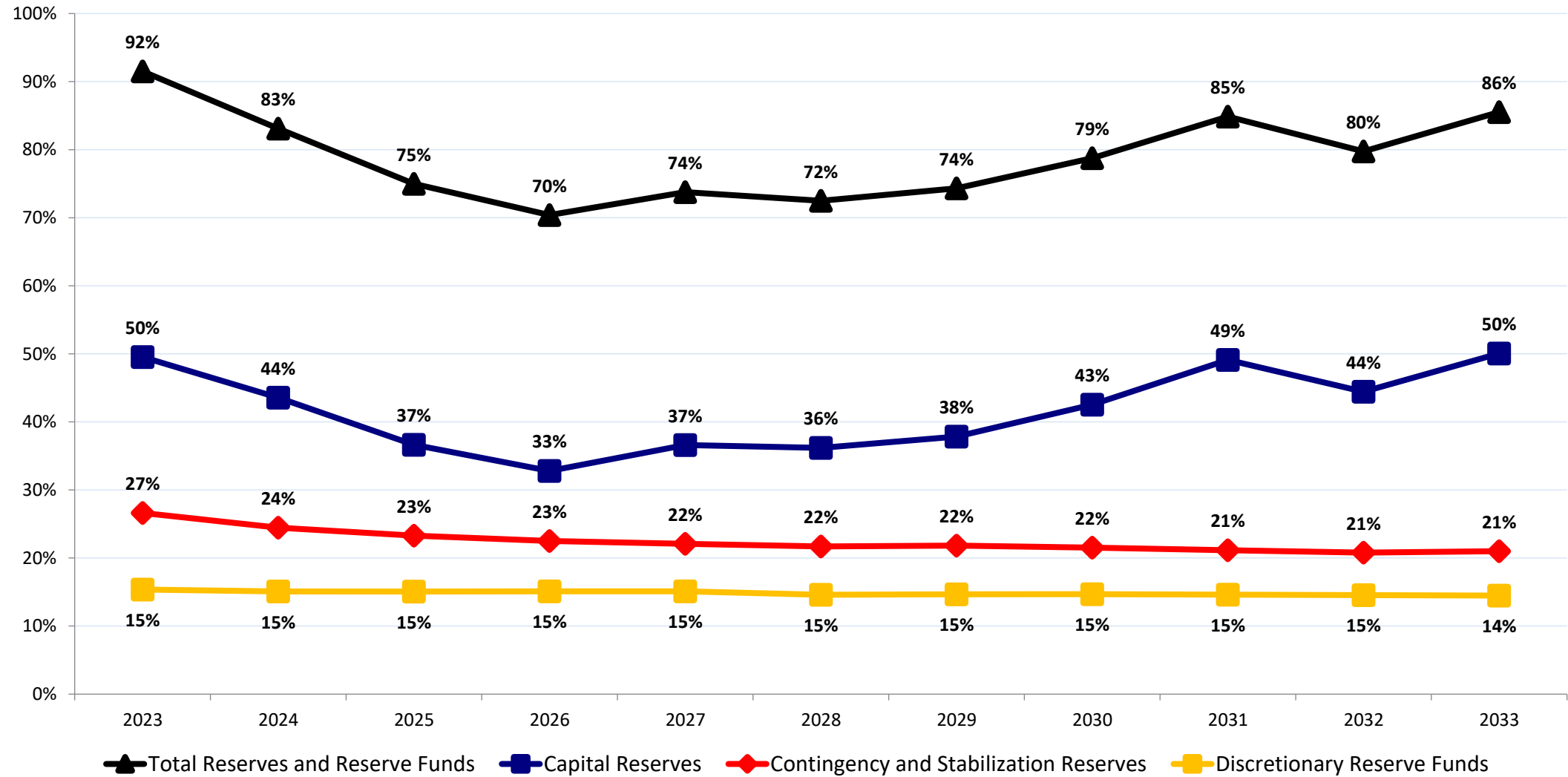


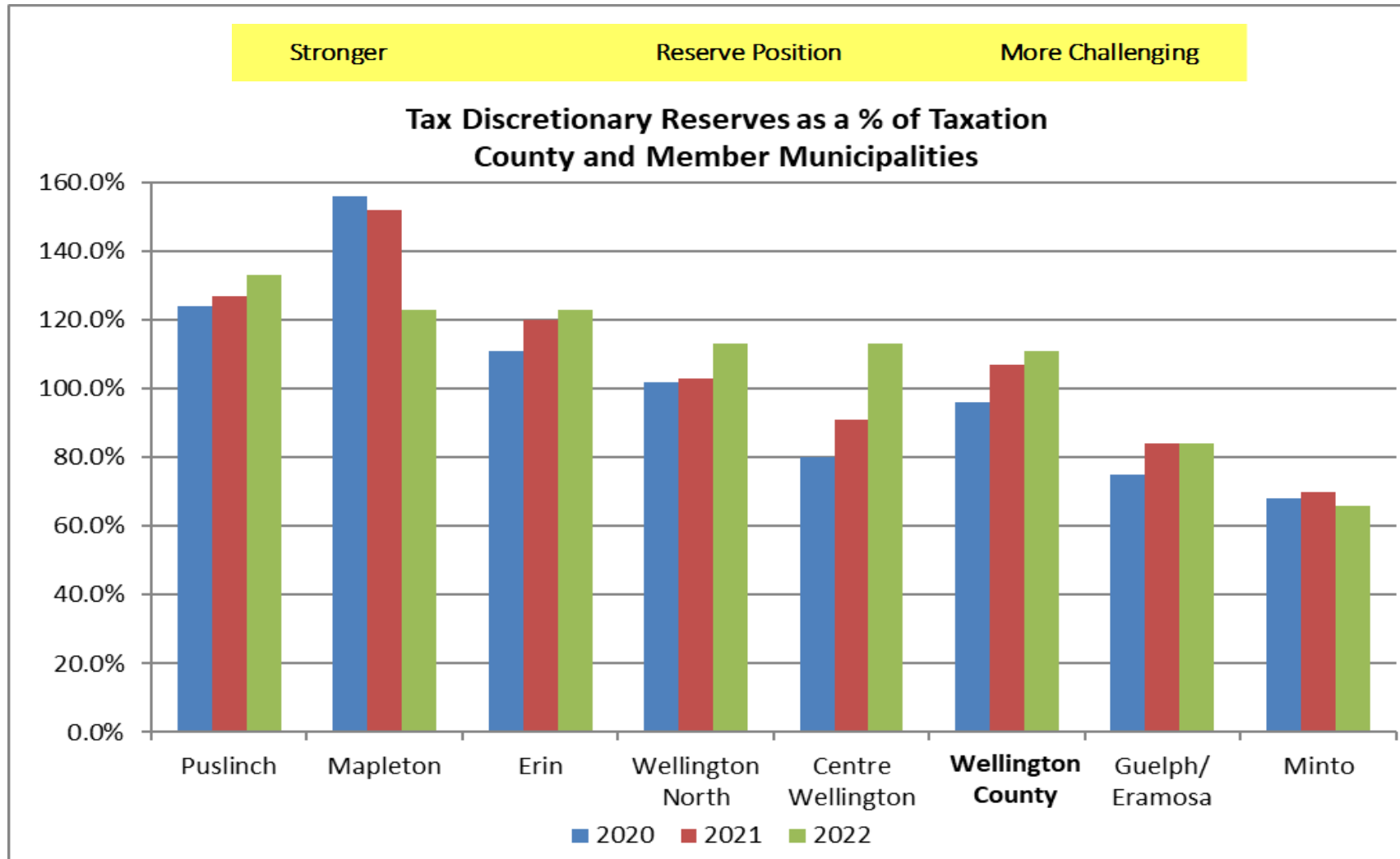


## Reserves and Reserve Funds Forecast 2024-2033 (\$ Million)



## Reserves and Reserve Funds as % of Tax Levy





**Note: Does not include Water and Wastewater Reserves**



# Contingency and Stabilization (Operating) Reserves

## Purpose:

- To mitigate significant increases in tax rates as a result of uncontrollable factors such as weather, economic conditions, interest rate fluctuations, unemployment levels, development trends and changes in subsidies, revenues or cost sharing agreements

*(Source: County of Wellington Reserves and Reserve Fund Policy effective June 2021)*

## Target:

- GFOA recommends, at a minimum, that the Contingency and Stabilization Reserve balance be maintained at a level of no less than two months of operating fund revenues or expenditures or 16.7%.
- Contingency and Stabilization Reserve 2022 Balance/2022 Own Source Revenues

$$= \$19,781,896 / \$142,943,386 = 13.84\%$$



# Capital Reserves

## Purpose:

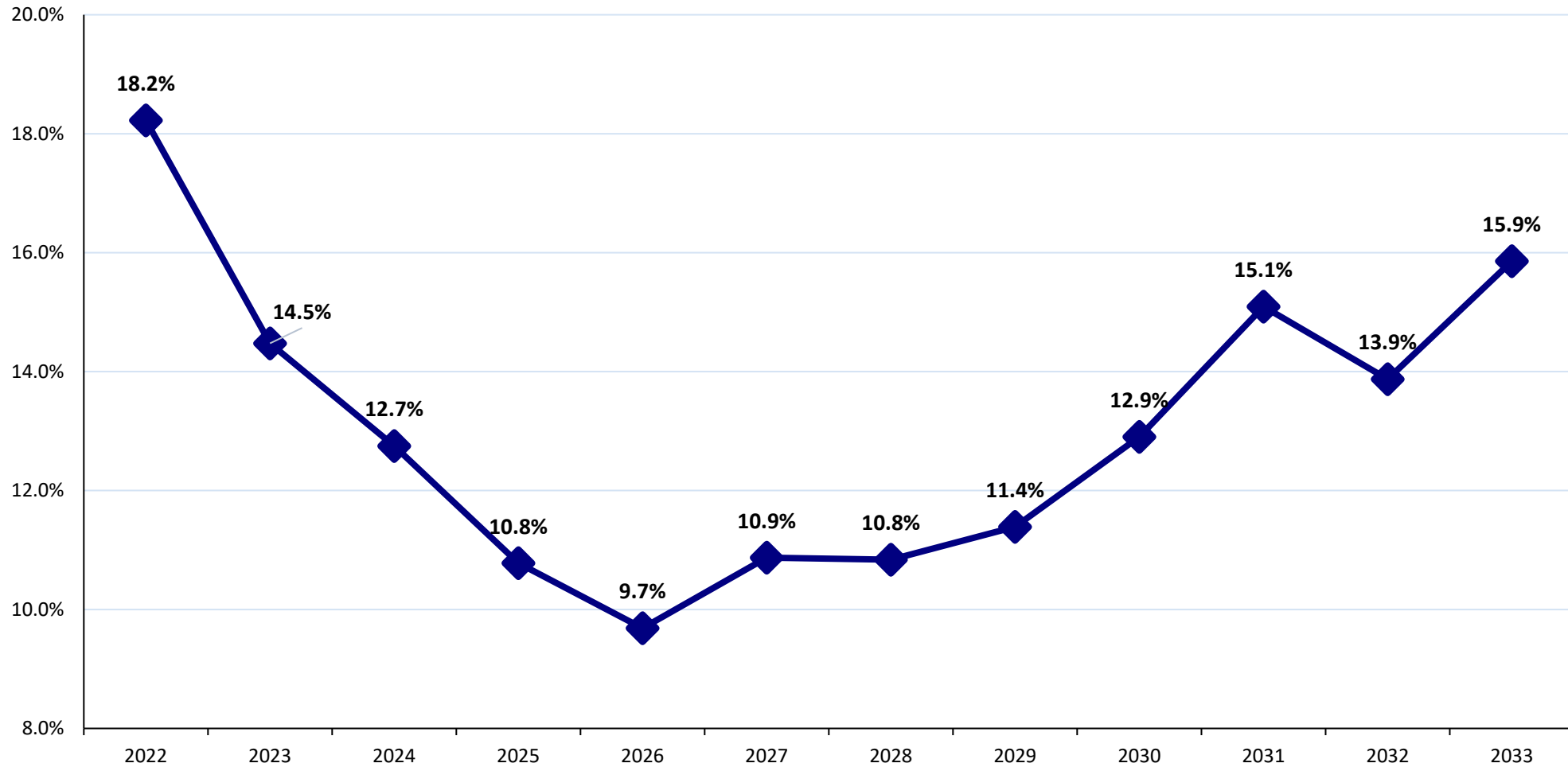
- To make provisions for replacements/renewals/acquisitions of assets and infrastructure that are currently being consumed and depreciated.
- Avoid spikes in funding requirements for capital projects by reducing the reliance on long-term debt. *(Source: County of Wellington Reserves and Reserve Fund Policy effective June 2021)*

## Target: *(Source: 2021 BMA Financial Policy: Reserves and Debt Management Third Party Review)*

- The ratio of existing capital reserves to accumulated amortization should be 100% or greater, meaning that the amount available in reserves at any time is equal to the amount of assets that has been depreciated or used (on an historical cost basis).
  - This indicator supports intergenerational equity – past generations did not contribute at the appropriate level which has led to an infrastructure deficit in Wellington County (2022 Backlog of \$44.4 million for core infrastructure assets only)
- Capital Reserve 2022 Balance/2022 Accumulated Amortization  
$$= \$71,354,368 / \$391,525,521 = 18.22\%$$



## Capital Reserves as % of Accumulated Amortization







# Future Liability Coverage Reserve Funds

## Purpose:

- Prudent and sustainable financial management strategies are needed to ensure future generations are not required to absorb a disproportionate share of currently incurred liabilities.

*(Source: 2021 BMA Financial Policy: Reserves and Debt Management Third Party Review)*

## Target:

- WSIB – 2022 Liability = \$1,441,023 / 2022 Reserve Balance = \$3,989,363   
(Note: This Reserve Fund also funds the Health and Safety Budget which ranges from \$474,900 in 2024 to \$1,461,000 in 2033)
- Landfill Closure and Post-Closure – 2022 Liability = \$9,417,141 / 2022 Reserve Balance = \$9,913,093 
- Post-Employment Benefit – 2022 Liability = \$2,163,322 / 2022 Reserve Balance = \$2,162,324 
- Health Unit Debt Repayment – 2023 Liability = \$2,753,000 / 2022 Reserve Balance = \$2,980,414 

These Reserve Funds are regularly reviewed and funding plans updated annually



# Reserves summary

- ▶ Reserves and reserve funds peaked at the end of 2022 at \$127.8 million
- ▶ Reserves are projected to drop by \$17.5 million in 2023 and another \$4.4 million in 2024
- ▶ Reserve balances are projected to decline by a further \$5.5 million until year 3 (2026) of the 10-year plan when they start to build back up
- ▶ Reserves and reserve funds as a % of the tax levy are projected to decline to 70% of the tax levy in the forecast
  - ▶ There is significant pressure on the County's reserves in the first three years of the capital forecast as inflation takes its toll before we completely phase-in the required increases to capital reserves
- ▶ General conclusions:
  - ▶ Contingency and Stabilization reserves are slightly underfunded
  - ▶ Capital reserves are well-underfunded
  - ▶ Future liability coverage reserve funds are adequate
- ▶ Estimates are conservative and can improve over time





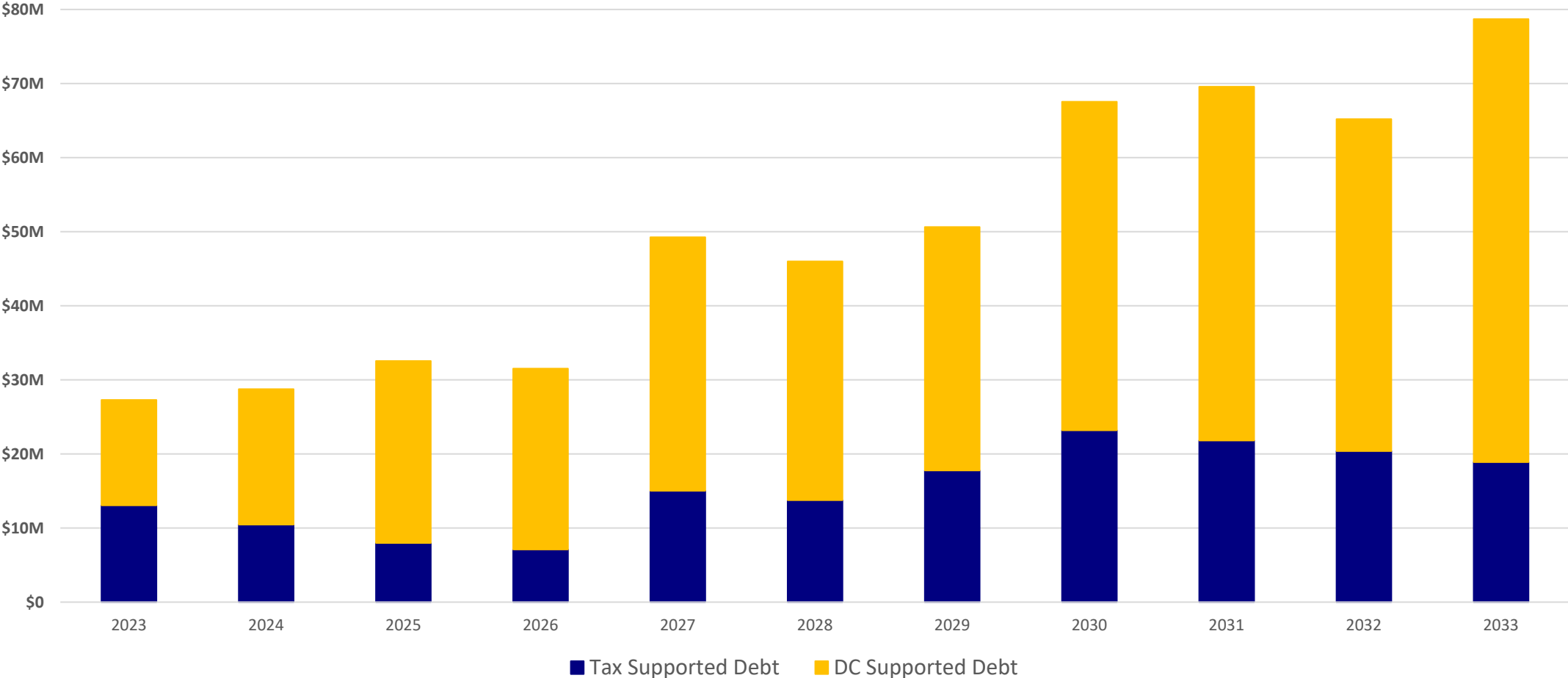
# Projected long term borrowing

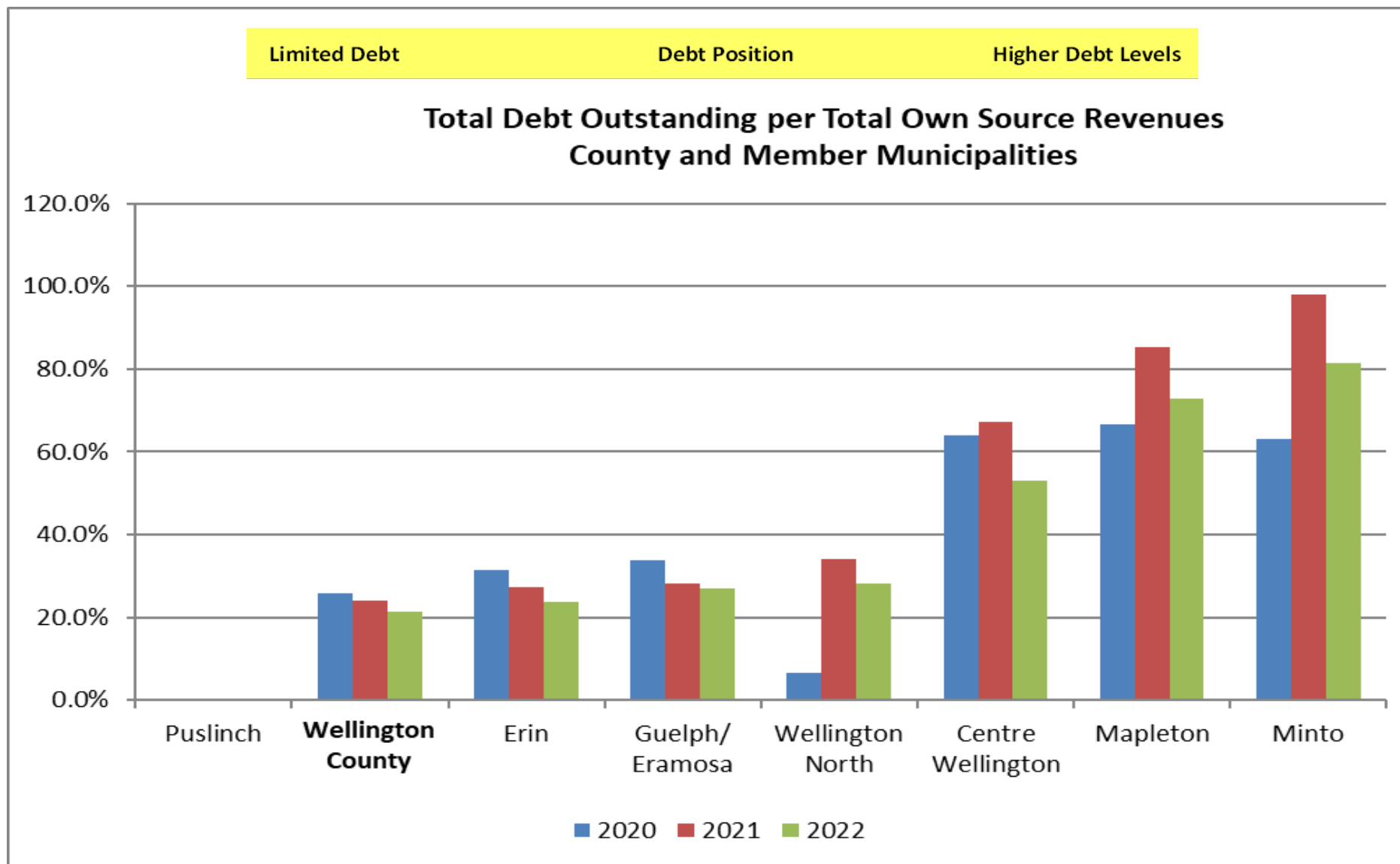
- ▶ \$81.8 million in new debt to be issued over the next ten years:
  - ▶ Tax-Supported Debt - \$20.5 million
    - ▶ Roads - \$11.0 million for the new Erin (2025/2026) and Brucedale (2028/2029) garages
    - ▶ Land Ambulance - \$9.5 million for the renovation of the Elmira Rd Ambulance Station (2024, 2026) and the new Erin ambulance station (2027/2028)
  - ▶ Growth-Related Debt - \$61.3 million
    - ▶ Roads - \$47.5 million
      - ▶ New garages: Arthur (2024), Erin (2025/2026), Brucedale (2028/2029), Harriston (2031/2032)
      - ▶ Roads Construction: WR124-WR32 to Guelph Rd (2025), WR10 at WR8 (2030)
    - ▶ Land Ambulance - \$10.0 million
      - ▶ New ambulance stations: Erin (2027/2028), Guelph/Eramosa (2029/2030), Arthur (2031/2032), Drayton (2033)
    - ▶ Library Services - \$3.4 million for new Erin Library Branch Construction (2024)
    - ▶ Solid Waste Services - \$400,000 for Elora Waste Facility upgrade



# County of Wellington Debt Outstanding 2023-2033

(\$ Million)

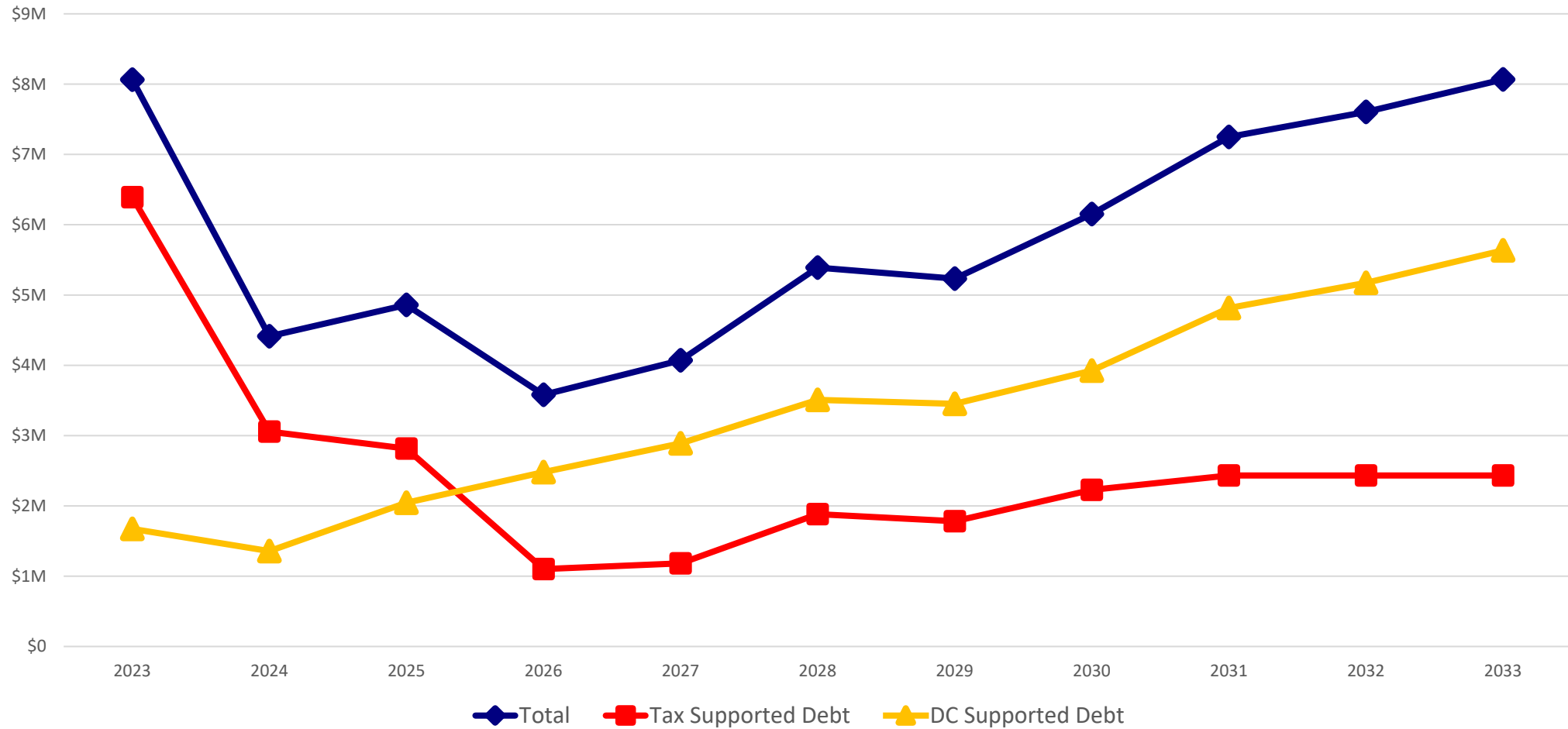




Note: Debt includes tax supported, Water & Wastewater and DC supported debt; Own Source Revenue does not include DC revenue earned

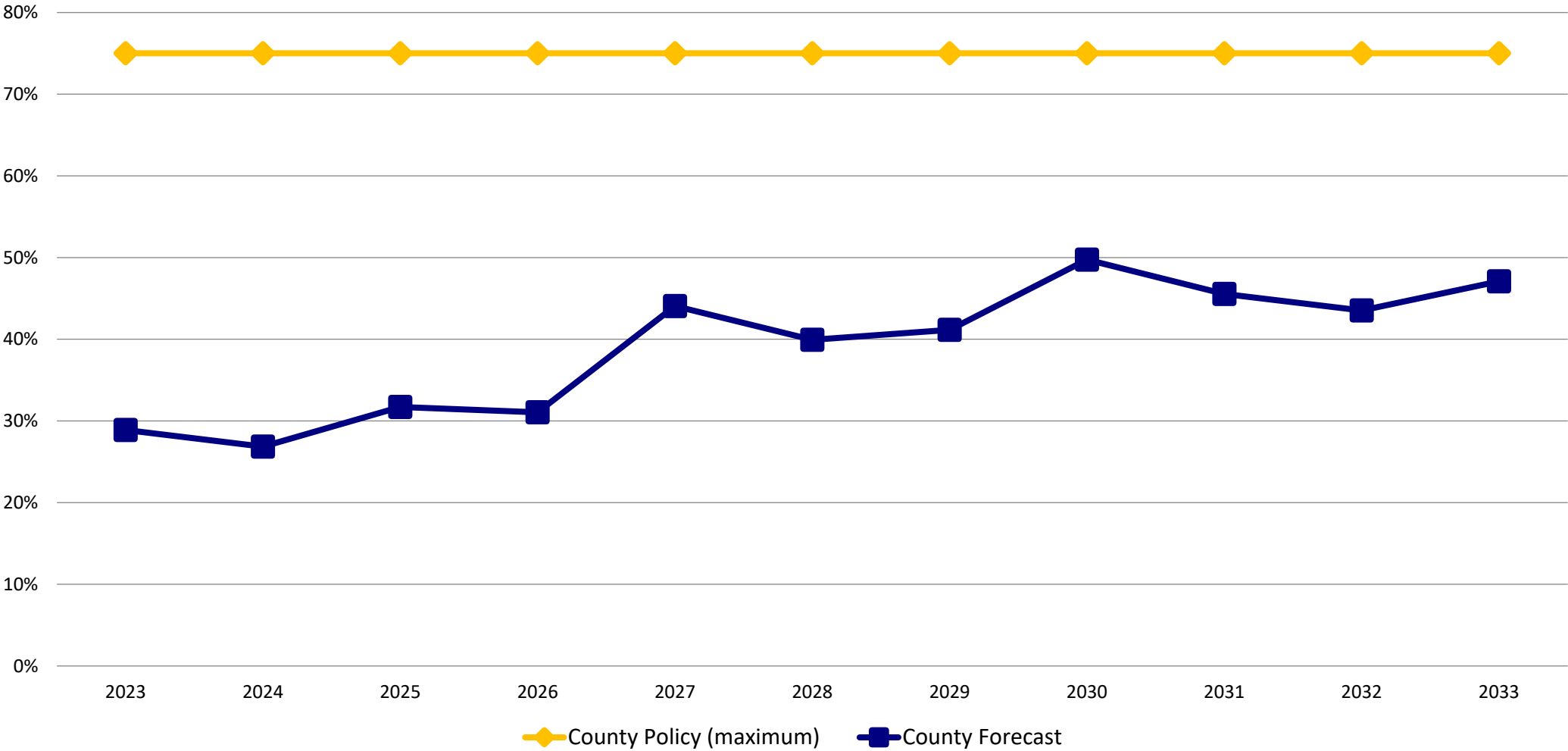


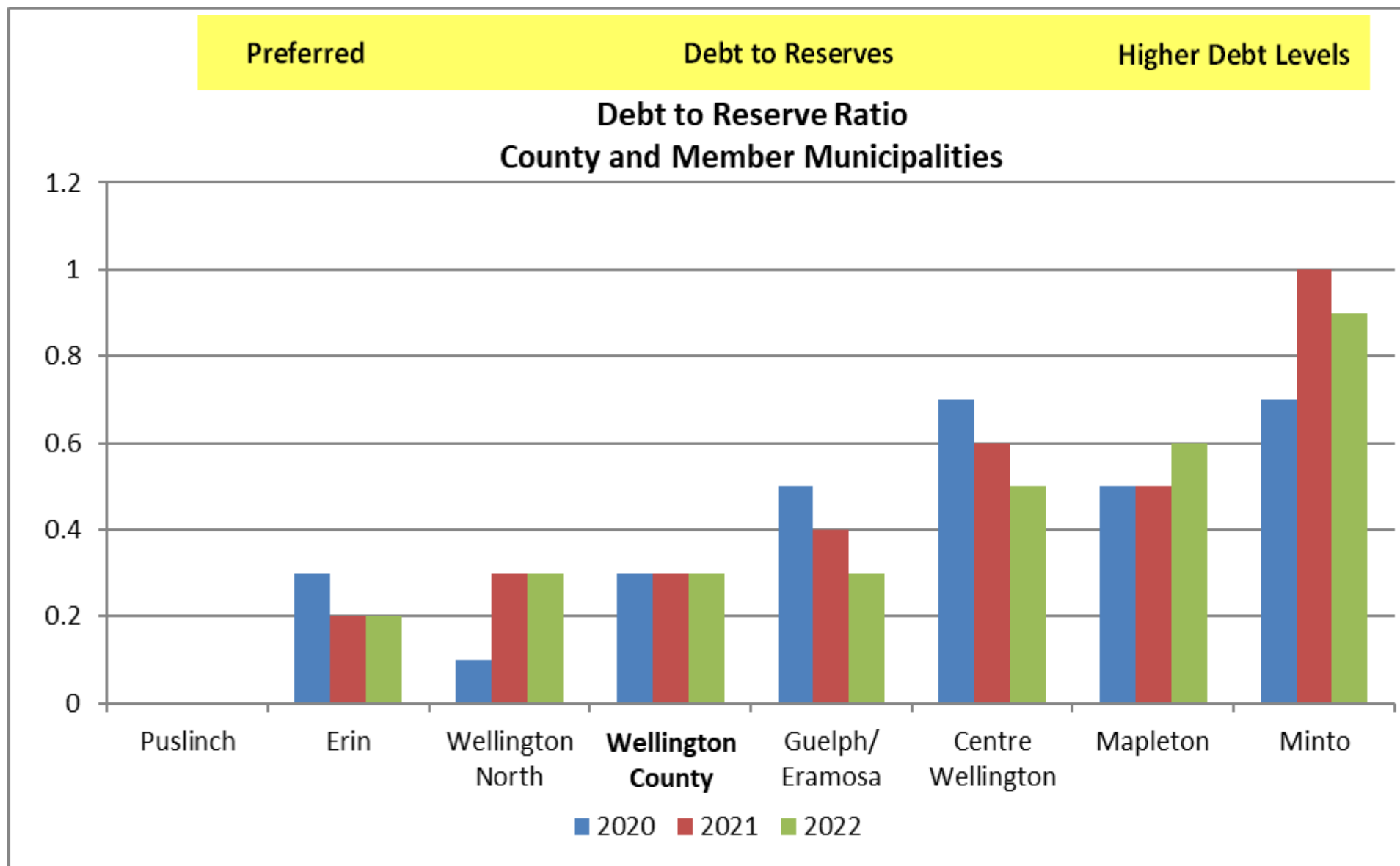
## County of Wellington Debt Servicing Charges 2023-2033 (\$ Millions)





# Debt Outstanding to Reserve Ratio





Note: Debt includes tax supported, Water and Wastewater and DC funded debt, Reserves include Water and Wastewater Reserves.

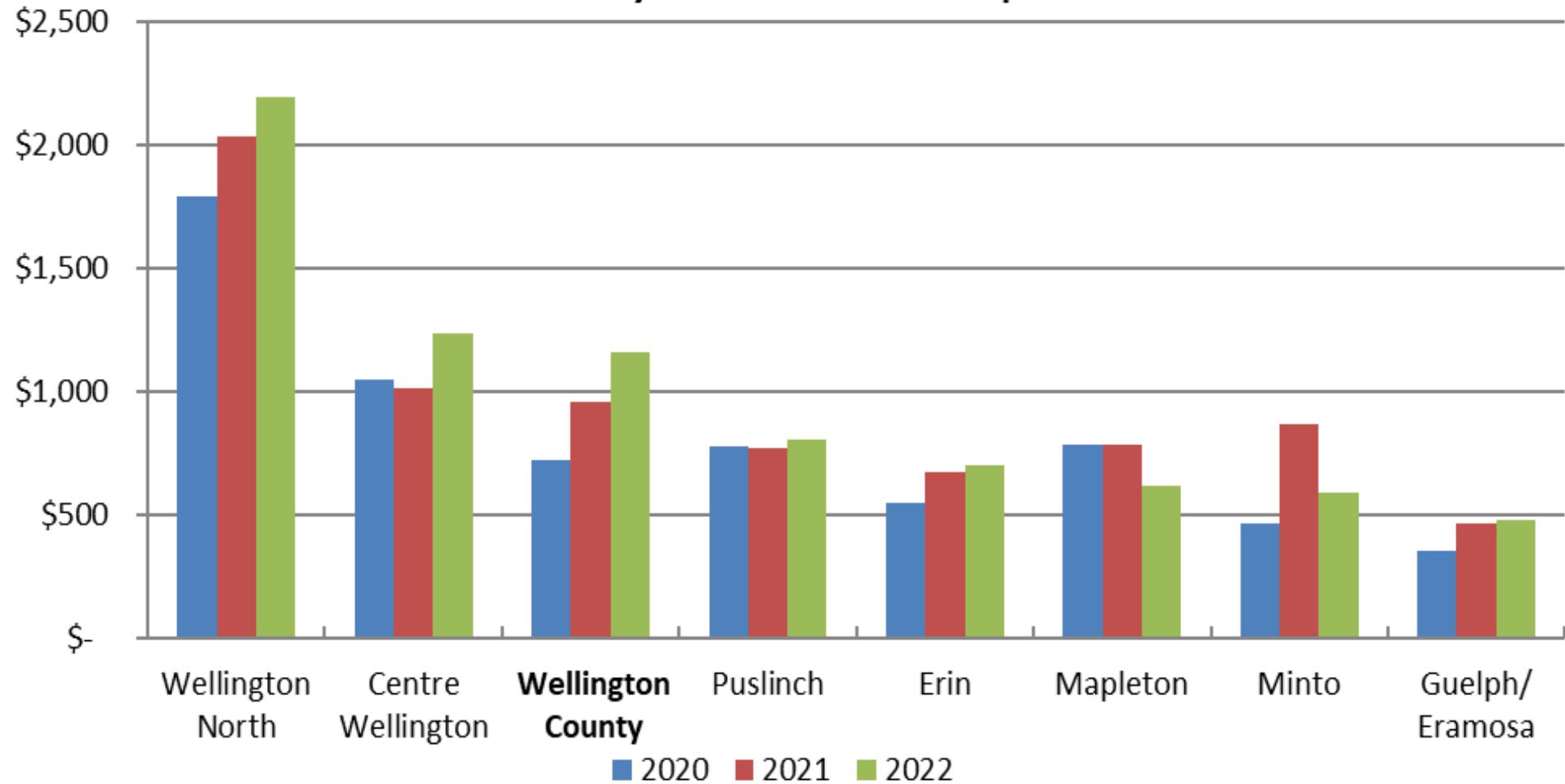


Stronger

Financial Position

More Challenging

### Financial Position per Capita County and Member Municipalities



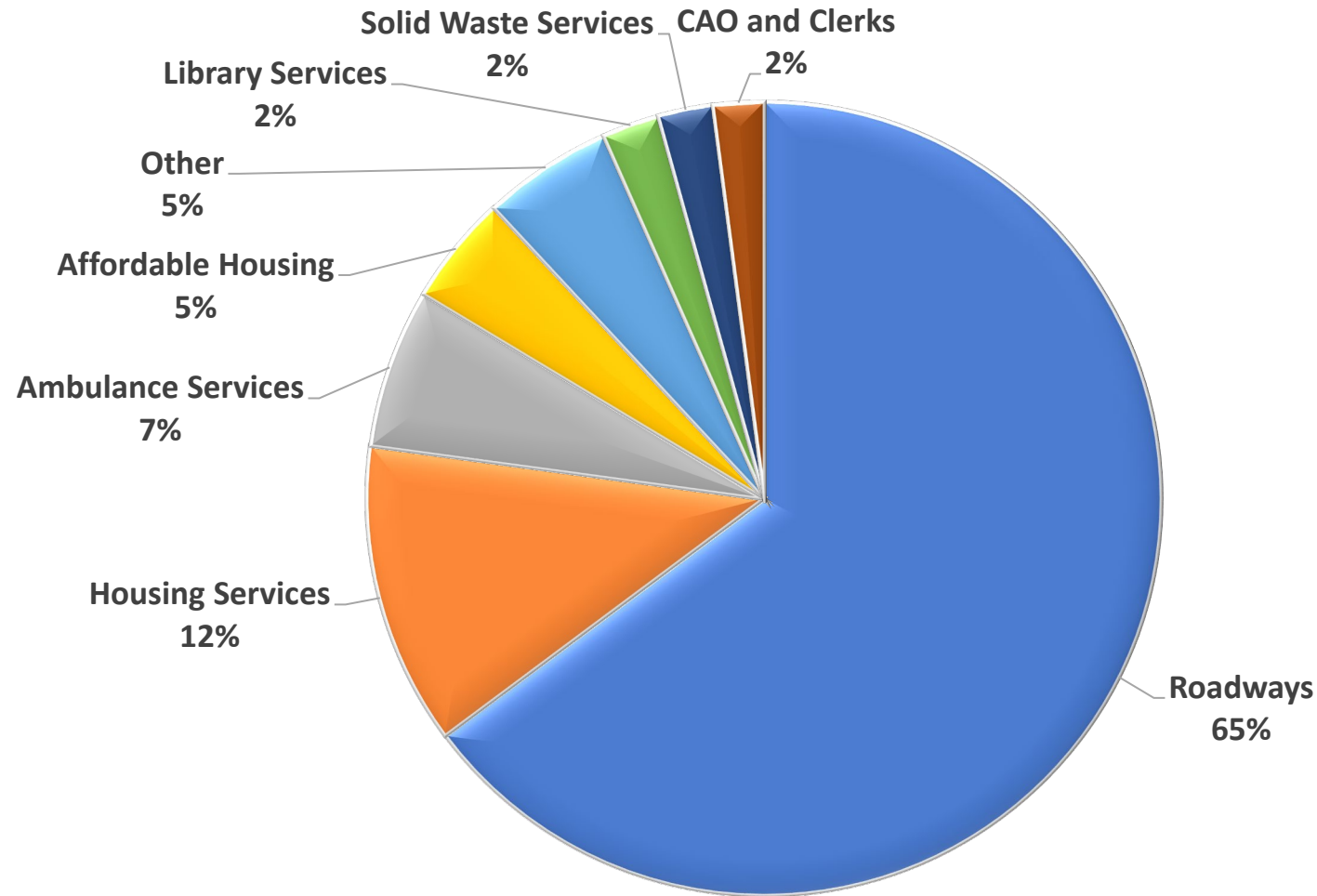


# Debt summary

- ▶ Debt outstanding will top out at \$78.7 million in 2033
  - ▶ \$18.9 million tax supported, \$59.8 million DC supported
- ▶ Debt servicing costs will top out at \$8.0 million in 2033
  - ▶ \$2.4 million tax supported, \$5.6 million DC supported
- ▶ County's tax supported debt levels and debt servicing costs remain relatively stable over the forecast period
- ▶ County's growth supported debt levels and servicing costs increase over the forecast period
  - ▶ Reflects the needs of a growing community, increased construction costs and provincially legislated development charge deferrals
- ▶ Debt to reserve ratio remains below the policy level over the 10-year forecast



# 2024-2033 Capital Expenditures (\$574.8 million)



**Other** includes:

Council, County Property, Ontario Works, Children's Early Years, POA, Police Services, Planning, Emergency Management, Economic Development, Long Term Care Homes, Museum and Green Legacy.



# 10 Year Capital Plan Highlights – Infrastructure

- ▶ Investment in County roads network
  - ▶ Roads Garages – the replacement of Arthur, Erin, Brucedale and Harriston Garages, as well as the rehabilitation of the Elora Garage
  - ▶ 231 kilometres of road improvements
  - ▶ Replacement or rehabilitation of 17 bridges and 5 culverts
  - ▶ 23 intersection improvements
  - ▶ 1 structural wall replacement
- ▶ Social and Affordable Housing Capital Improvements
  - ▶ Continuation of improvements to County owned social and affordable housing units, including \$9.2 million (\$12 million total) funded from the National Housing Co-Investment fund
  - ▶ Capital grant (\$3.9 million) provided to Stepping Stone to develop transitional housing at 23 Gordon Street, Guelph



# 10 Year Capital Plan Highlights – Services

- ▶ Ambulance Station Improvements
  - ▶ Proposed construction of 6 sites located throughout the County (4 locations identified over the forecast)
  - ▶ Construction delayed until the Ambulance Master Plan is updated (2027)
  - ▶ County contribution to two station upgrades in Guelph: Elmira Road and Gordon Street
- ▶ New Erin Library Branch Construction
  - ▶ Continued construction of the new Erin Library
- ▶ Wellington Place Mini-Master Plan
  - ▶ Implementation of plan approved in 2022, continuation of work in 2024-29
- ▶ Solid Waste Services
  - ▶ Facility upgrades at Elora and Rothsay Transfer Stations
  - ▶ Further development of Phase II of the Riverstown Landfill



# Capital Plan: Roads

- ▶ Garage Construction - \$68.1 million:

Garage	Timing	Design, Preliminary Site Works	Construction	Total Costs	Reserves	Debt-Tax Supported	Debt- Growth Supported	Total Funding
Arthur	2024	-	7.6	7.6	3.5	-	4.1	7.6
Erin	2025/2026	4.0	11.7	15.7	-	4.3	11.4	15.7
Bruce Dale	2028/2029	5.1	15.2	20.3	-	6.7	13.6	20.3
Harriston	2031/2032	5.6	16.9	22.5	6.7	-	15.8	22.5
Totals \$M				66.1	10.2	11.0	44.9	66.1

- ▶ Elora Garage Rehabilitation - \$800K in 2024-25 to extend the life of the facility to 2050
- ▶ Roads Equipment Replacements - \$41.6 million
- ▶ \$262.9 million investment over 10 years including:
  - ▶ \$105.5 million in roads construction projects (\$47.9 million growth related)
  - ▶ \$67.2 million in bridges and culverts
  - ▶ \$65.3 million in resurfacing projects
  - ▶ \$24.9 million in asset management activities



# Capital Plan: Roads

- ▶ Internal funding (68%):
  - ▶ \$242.7 million from County Reserves
    - ▶ \$201.2 million funded from the Roads Capital Reserve
    - ▶ \$41.5 million funded from the Roads Equipment Reserve
  - ▶ \$11.0 million in tax-supported debt
- ▶ External funding (32%):
  - ▶ \$53.5 million in Federal and Provincial Subsidies
    - ▶ \$27.6 million funded from Canada Community Building Fund (previously Gas Tax)
    - ▶ \$21.7 million funded from Ontario Community Infrastructure Fund (OCIF)
    - ▶ \$4.2 million funded from Investing in Canada Infrastructure Fund
  - ▶ \$63.9 million funded through Development Charges and growth-related debt
  - ▶ \$1.6 million in municipal recoveries



# Capital Plan: Solid Waste Services

- ▶ \$12.9 million in capital investment over 10 years
- ▶ \$4.8 million in improvements at active landfill sites and transfer stations
  - ▶ Riverstown Landfill (\$3.6 million) – development of Phase II
    - ▶ Excavation and Storm Water Retention Pond
  - ▶ Elora and Rothsay Transfer Station Improvements (\$700,000)
  - ▶ Site improvements at all other sites (\$555,000)
- ▶ \$7.2 million for equipment
  - ▶ Including the replacement of 7 pickups and 2 collection vans with electric vehicles
- ▶ \$790,000 to address closure costs for Riverstown Phase I



# Capital Plan: Social Housing

- ▶ \$57.1 million investment in the County's 1189 Social Housing units for improvements and upgrades
  - ▶ \$9.2 million federal grant funding (National Housing Co-Investment Fund)
  - ▶ Remainder cost shared with City of Guelph
  - ▶ County share funded from Housing Capital Reserve
- ▶ Capital grant for development of transitional housing at 23 Gordon St, Guelph (Stepping Stone) - \$3.9 million in 2024
- ▶ Climate Change Initiatives - \$2.5 million over ten years
- ▶ \$1.5 million in lifecycle repairs and replacements at 138 Wyndham St, Guelph





# Capital Plan: Affordable Housing

- ▶ Provision for Development of new County-owned Affordable Housing Units
  - ▶ \$24.0 million in planned investment – numbers are preliminary, and assumptions are used
  - ▶ New construction planned for 2025, 2026, 2029, 2032
  - ▶ \$2 million in Provincial subsidy (assumed) per year
  - ▶ \$4 million from the Housing Development Reserve per year
- ▶ County-owned Affordable Housing Buildings (131 units):
  - ▶ Facility improvements total \$1.7 million over the forecast
  - ▶ Funded by Housing Capital Reserve (\$1.1 million) and federal grant (\$640,000)



# Capital Plan: Land Ambulance

- ▶ Ambulance Station Redevelopment

- ▶ Projects delayed until the Ambulance Master Plan is updated (2027)

Ambulance Station	Timing	Land Purchase, Design, Prelim Site Works	Construction	Total Costs	Reserves	Debt-Tax Supported	Debt-Growth Supported	Total Funding
Erin	2027/2028	3.1	4.6	7.7	0.0	5.1	2.6	7.7
Guelph/Eramosa	2029/2030	5.5	5.0	10.5	5.8	0.0	4.7	10.5
Arthur	2031/2032	1.8	5.3	7.0	4.8	0.0	2.2	7.0
Drayton	2033	1.9	0.0	1.9	1.4	0.0	0.5	1.9
Totals \$M		12.2	14.9	27.1	12.0	5.1	10.0	27.1

- ▶ Funded through County Property Reserve, Development Charges and debt - to be leased back to ambulance service
- ▶ Other Land Ambulance Capital (County share approx. 40%)
  - ▶ Ambulances and related equipment - \$5.3 million (County portion) over 10 years
  - ▶ Station Upgrades - \$4.4 million Elmira Road (2024,2026) and \$400,000 Gordon Street (2030) (County portion)
  - ▶ Funded through Ambulance Reserve and debt



# Capital Plan: Library

- ▶ New Erin Branch Library Construction
  - ▶ Continued Construction (2024 - \$7.3 million; \$12.9 million total project cost)
  - ▶ Funded by a mix of reserves and growth-related debt
- ▶ Lifecycle replacements of building components of \$5.2 million
- ▶ Programming related projects for \$955,000
  - ▶ Software, Technology and Collection Enhancements
  - ▶ Courier Van Replacement
  - ▶ Library Master Plan in 2025
    - ▶ Review all aspects of library services and inform future programme initiatives



# Capital Plan: Museum and Wellington Place

- ▶ Wellington Place Mini-Master Plan
  - ▶ Work continues over 2024-29 to improve visitor experience on site

	2024	2025	2026	2027	2028	2029	Total
WP Museum Building Renovations			1,705,000				1,705,000
WP Museum Exterior Entrance	15,000						15,000
<b>Total Facilities</b>	<b>15,000</b>	<b>0</b>	<b>1,705,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,720,000</b>
WP East Park Lot/Vehicle Access	125,000						125,000
WP Museum Trail	30,000						30,000
WP Pavilion	600,000						600,000
WP Commons Recreation Area						850,000	850,000
WP Storage Building, Bicycle/Water Stations		1,600,000					1,600,000
<b>Total Wellington Place</b>	<b>755,000</b>	<b>1,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>850,000</b>	<b>3,205,000</b>
<b>Total Wellington Place Mini-Master Plan</b>	<b>770,000</b>	<b>1,600,000</b>	<b>1,705,000</b>	<b>0</b>	<b>0</b>	<b>850,000</b>	<b>4,925,000</b>

- ▶ Other projects include:
  - ▶ Building lifecycle replacements (\$900K), equipment (\$130K), and Wi-Fi improvements (\$50K)



# Capital Plan: Wellington Terrace

- ▶ \$2.4 million in facility improvements and lifecycle replacements of building components
- ▶ \$2.1 million for equipment and technology replacements
  - ▶ Nursing and Nutrition Services equipment throughout the forecast
  - ▶ Network equipment and Wireless Phone replacements (2027 and 2029)
  - ▶ Tablet replacements (2025 and 2029)
  - ▶ Resident van (2027)

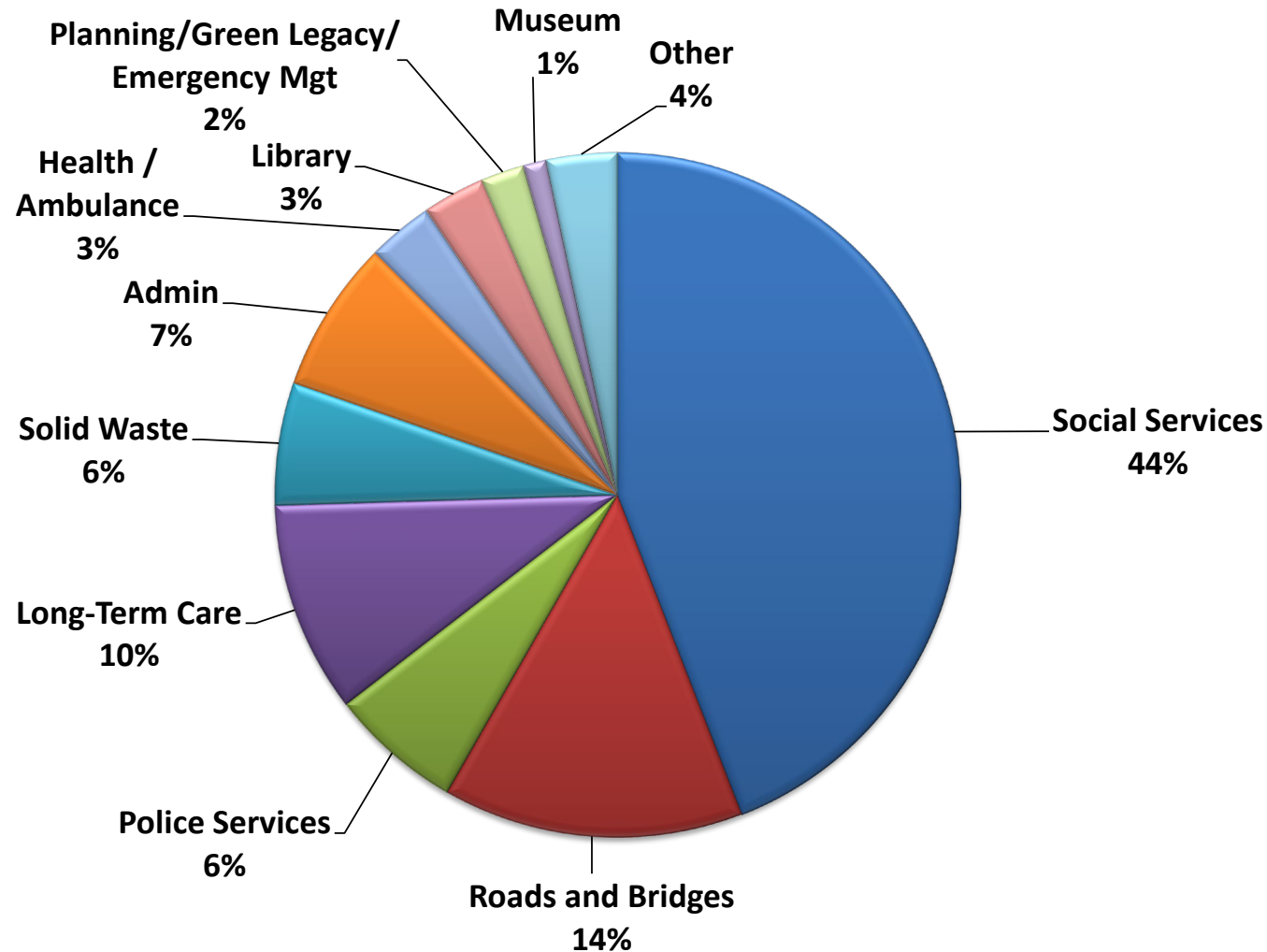


# Operating Budget Forecast

- ▶ \$301.4 million in expenditures and transfers in 2024
- ▶ Forecast to grow to \$387.0 million by 2033
  - ▶ Average annual increase of 3.4% over 10 years
  - ▶ Mainly driven by infrastructure requirements (capital transfers)
- ▶ Totals just over \$3.4 billion in projected spending over 10 years
- ▶ In 2024 -1% tax increase/decrease = \$1,231,500
- ▶ 2024 Assessment growth = 2.21%



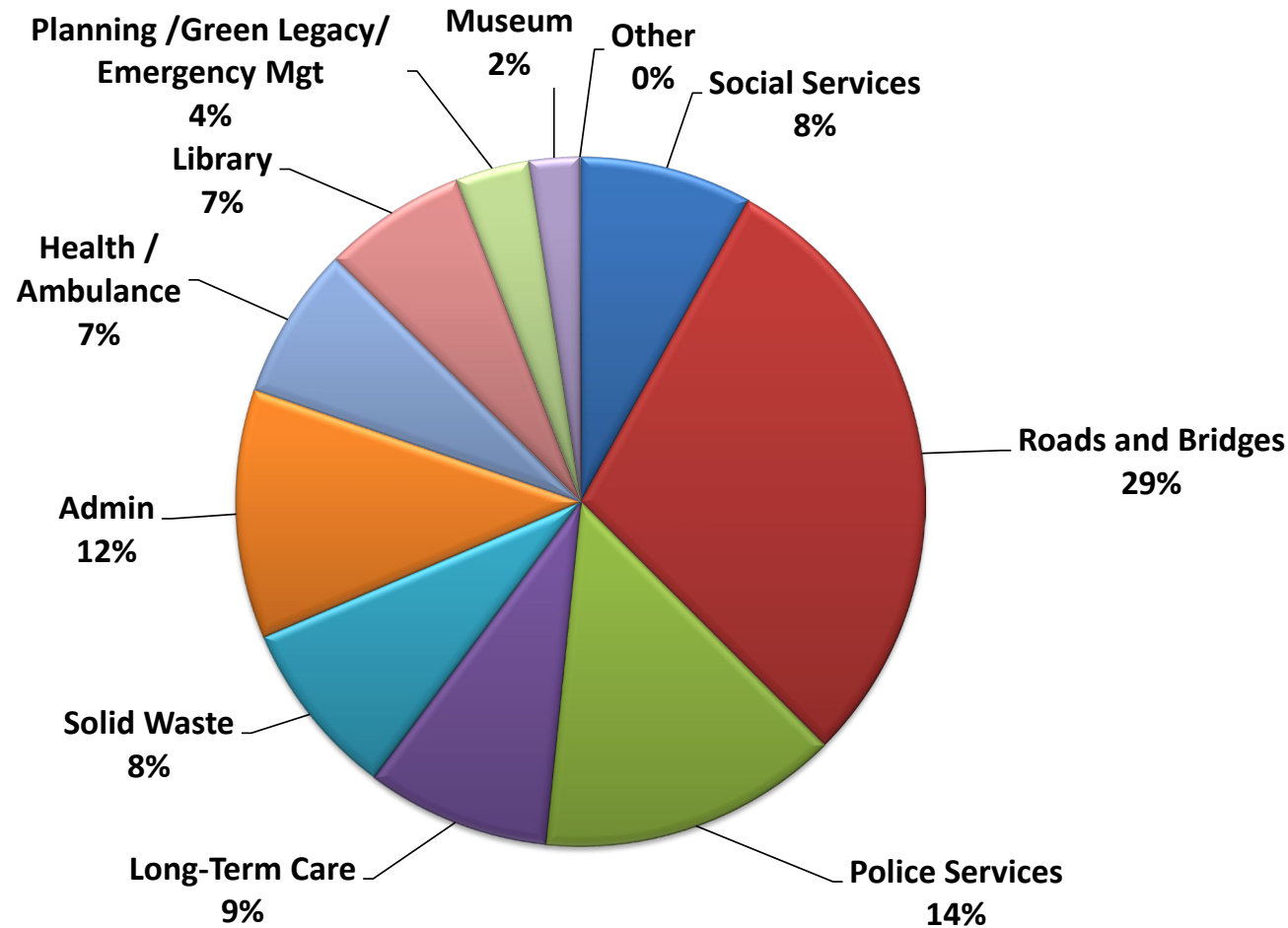
# Operating Budget By Department



**Other** includes: Property Assessment, Economic Development, Tax Write-offs, Corporate Legal, Transfer of Interest to Reserves, Provincial Offences and Grants to Organizations.



# Levy Requirement By Department



**Other** includes: Supplementary and Omitted Tax revenues, which have completely offset the expenses in the "Other" category listed on the prior slide.





# Operating Budget: Roads

- ▶ Capital Funding Requirements

- ▶ Have increased by \$1.7 million in 2024

- ▶ Approximately \$1.25 million of this for capital requirements in Roads (\$800K) and Equipment (\$450K)
    - ▶ Another \$450K was created by the loss of OCIF funding, offset by increase in Canada Community Building Fund allocation

- ▶ Other Inflationary Pressures

- ▶ Experiencing double-digit cost increases for insurance (\$173K), parts (\$100K), and the line painting contract (\$80K)

- ▶ Staffing changes include:

- ▶ Conversion of 10 current seasonal snowplow driver positions to full-time Equipment Operator positions to address ongoing difficulty in hiring for the seasonal positions.
  - ▶ Engineering Technologist to address ongoing road safety, speeding and public inquiries



# Operating Budget: Solid Waste Services

- ▶ Curbside Collection Contract
  - ▶ Significant inflationary increase for the waste, recycling, organics and leaf and yard waste collection and processing contracts
  - ▶ Represents an increase of over \$600K (9.1%)
- ▶ Recyclables Processing Contract
  - ▶ Changes to the contract due to operational changes and a soft recyclable materials sales market result in a net cost increase of over \$260K in 2024
- ▶ Revenue changes
  - ▶ Proposed user pay bag fee increase of \$0.50 on July 1<sup>st</sup>, 2024, results in a revenue increase of over \$300K



# Operating Budget: Police

## ▶ O.P.P. Contract

- ▶ \$17.4 million in 2024 (net of \$450,000 provision the annual contract reconciliation)
- ▶ The 2024 budget includes a new Media Relations Coordinator
- ▶ 10-year plan includes projected contract amounts and 1 new officer/year throughout the forecast

	2023 budget	2024 estimate	2025 estimate	2026 estimate	2027 estimate	2028 estimate	2029 estimate	2030 estimate	2031 estimate	2032 estimate	2033 estimate	2024/23 change
<b>OPP Base Contract</b> <small>*Net of Reconciliation Provision</small>	\$17,177,000	\$17,446,000	\$17,842,000	\$18,246,000	\$18,660,000	\$19,083,000	\$19,515,000	\$19,956,000	\$20,408,000	\$20,869,000	\$21,341,000	1.57%
<b>New Media Relations Coordinator (2024), 1 new Officer beginning in 2025</b>		\$106,500	\$336,500	\$539,000	\$749,100	\$967,000	\$1,192,900	\$1,427,000	\$1,669,600	\$1,920,900	\$2,177,000	
<b>OPP contract with new civilian and Officer positions</b>	\$17,177,000	\$17,552,500	\$18,178,500	\$18,785,000	\$19,409,100	\$20,050,000	\$20,707,900	\$21,383,000	\$22,077,600	\$22,789,900	\$23,518,000	2.19%



# Operating Budget: Social and Affordable Housing

- ▶ Homelessness Prevention and Support – significant investment of \$4 million to increase shelter spaces, rent supplements and funding for agencies supporting the most vulnerable
- ▶ Social Housing Unit Maintenance – an increase of \$1.2 million to support rising costs relating to the increased costs of materials and labour, asbestos related repairs and significant unit damages
- ▶ Staffing changes for 2024 include:
  - ▶ Three positions to support the Homelessness Prevention Programme
    - ▶ Housing Trainer (1 year contract)
    - ▶ Housing Data Analyst
    - ▶ Housing Stability Caseworker
  - ▶ Housing Project Manager: 2-year contract



# Operating Budget: Children's Early Years

- ▶ Provincial Funding Changes Include:
  - ▶ \$5.5 million increase in the Canada Wide Early Learning and Child Care (CWELCC) allocation.
    - ▶ This is 100% federal funding
    - ▶ Admin costs have been adjusted in accordance with cost sharing agreements
  - ▶ \$1.04 million reduction in a one-time transitional grant, impacting the municipal tax levy
- ▶ Staffing Changes in 2024 include the ending of a temporary Pedagogical leader



# Operating Budget: Ontario Works

- ▶ Provincial Funding Reductions:
  - ▶ \$1.1 million loss in provincial funding related to the Employment Services Transformation
- ▶ Staffing changes in 2024 include:
  - ▶ Restructuring related to the loss in provincial funding (reduction of 8.5 FTE)
  - ▶ Staffing changes for the integration of Social Services programme delivery including:
    - ▶ Transitioning two Intake Workers and adding two newly created Navigator positions
      - ▶ This position will assist clients with accessing all the services that they require
    - ▶ Adding reception support in Mount Forest



# Operating Budget: Long-Term Care

- ▶ Provincial Funding Enhancements:
  - ▶ Additional Direct Hours of Care funding of \$817,000
  - ▶ PSW Wage Enhancement of \$564,000
  
- ▶ Staffing changes include:
  - ▶ New positions:
    - ▶ Additional PSWs (2.6 FTE) to support higher resident acuity/needs in Apple Valley neighbourhood
    - ▶ Breakfast Preparation Cook (1.2 FTE) to facilitate food preparation and freshly made foods
    - ▶ Scheduling & Administration Clerk to alleviate scheduling pressures
  - ▶ Cost and service adjustments:
    - ▶ PSW Wage Enhancement Costs offset by provincial funding
    - ▶ Adjustments to the backfill calculation and part time benefits assumption
    - ▶ Removal of COVID screening positions



# Operating Budget: Ambulance Services

- ▶ Staffing changes include:
  - ▶ 18 additional paramedics (9 new in 2024, 9 new in 2026)
    - ▶ To mitigate pressures from increased call volumes and to improve response times
- ▶ County share of contract cost is increasing by \$861,000 in 2024
  - ▶ County is utilizing its Shared Services Stabilization Reserve to offset the provincial share of the additional paramedics in the first year, as provincial funding doesn't kick in until the following year
  - ▶ Net cost of the contract increase is \$719,000





# Operating Budget: Economic Development

- ▶ Ride Well
  - ▶ Improvements to service levels and hourly rates for drivers
  - ▶ Overall increase of over \$240K in 2024
- ▶ Smart Cities
  - ▶ Original grant funding ended in 2023
  - ▶ Two positions – Smart Cities Programme Manager and the Sustainability Programme Coordinator to continue and have been made permanent full-time positions
  - ▶ Overall, the Smart Cities budget will be increasing by \$170K in 2024
- ▶ Doctor Recruitment
  - ▶ \$50,000 added for the Ontario Health Team (of Wellington and Guelph) for doctor recruitment
- ▶ Budget Adjustment made by Council
  - ▶ Rural Broadband Capital project was closed and \$600K was put towards levy reduction
  - ▶ \$1 million was transferred to reserve to offset future Ride Well implementation costs



# Operating Budget: Planning

- ▶ Source Water Protection
  - ▶ County funds this programme – managed by Centre Wellington on behalf of all local municipalities
  - ▶ Funding is increasing by \$80,000 in 2024
    - ▶ Includes, annualization of SW Protection Coordinator added in 2023
    - ▶ Increases to children's programmes as well as additional monitoring and analysis
    - ▶ Partially offset by funding from City of Guelph and Region of Waterloo
- ▶ Staffing changes include:
  - ▶ New co-op student
- ▶ Planning Application Review Fees and Recoveries
  - ▶ Increasing by just under \$50,000 based on updated user fee schedule



# Operating Budget: Human Resources

- ▶ Staffing changes:
  - ▶ New Payroll Specialist approved in September 2023
  - ▶ New HR Recruitment Specialist proposed for 2024
    - ▶ Assist with increases in recruitment requirements
    - ▶ Allow current HR Generalists to focus on policy research and development
    - ▶ Support investigations and delivery of training initiatives
  - ▶ New Health and Safety Specialist in 2025
    - ▶ Assist with Health, Safety and Disability Management
- ▶ HRIS system maintenance and support contract increase of \$79,000



# Operating Budget: Admin & Property

## ▶ CAO & Clerks:

- ▶ Staffing changes: new Communications Officer, partially offset by removal of student
  - ▶ To assist with social media presence across multiple platforms
  - ▶ Keep up with increased requests and new projects from departments and local partners

## ▶ Property

- ▶ Staffing changes: new Maintenance Worker and Administrative Assistant
  - ▶ For work related to new buildings at 59, 69 and 75 Woolwich and other facilities
  - ▶ Admin position to assist with invoice payments, work orders and maintenance requests
- ▶ \$125,000 increase for servicing air quality improvements made during the pandemic

## ▶ Information Technology

- ▶ Software and license cost increases (\$172,000) due to inflationary pressures and pricing increases across the industry
- ▶ Increased capital transfer (\$100K) for IT infrastructure needs



# Operating Budget: Staffing Changes

2024 Staffing Summary				
2023 Approved staff complement (expressed as full-time equivalents)	747.4			
Annualization of positions approved in the 2023 budget	2.2			
	FTE	Gross Cost (Sal & Ben.)	Other Funding / Savings	Net County Cost
<b>2023 In-Year Staffing Adjustments</b>				
HR Payroll Coordinator	1.0	109,000		109,000
Terrace: Backfill Hours for Personal Support Workers, Registered Practical Nurses, and Registered Nurses	4.6	427,600	(427,600)	-
<b>Adjustments due to COVID-19</b>				
Terrace: Remove Terrace Aide	(3.1)	(183,300)	183,300	-
<b>Total 2023 In-Year Staffing Adjustments</b>	<b>2.5</b>	<b>\$ 353,300</b>	<b>\$ (244,300)</b>	<b>\$ 109,000</b>
<b>Adjusted 2023 Staff Complement</b>	<b>752.1</b>			



# Operating Budget: Staffing Changes

2024 Staffing Summary				
2024 Proposed Staffing Changes	FTE	Gross Cost (Sal & Ben.)	Other Funding / Savings	Net County Cost
CAO & Clerks: Communications Officer (Feb 1st start date), remove Student position	0.6	112,900	(14,500)	98,400
HR: Recruitment Specialist	0.8	82,000		82,000
Property: Maintenance Worker, Administrative Assistant	2.0	182,700		182,700
Roads: 10 FT Equipment Operators (April 1st start date), reduce Seasonal Winter Operators, add Engineering Technologist	6.4	755,100	(308,500)	446,600
Ontario Works Restructuring	(8.5)	(699,500)	545,100	(154,400)
Social Services Integration	1.1	96,600	(71,100)	25,500
Housing: Housing Stability Caseworker, Trainer, Housing Data Analyst, Housing Project Manager	3.5	409,300	(348,100)	61,200
Terrace: 3 FT Personal Support Workers, PT Personal Support Hours and Backfill, 1 FT Cook and Backfill (April 1st start), PT Laundry ESW Hours (April 1st start), 1 FT Scheduling Clerk (April 1st start)	4.3	382,400	(382,400)	-
Museum: 2 summer students	0.6	26,700		26,700
Planning: Co-op student	0.3	20,400		20,400
<b>Proposed changes to Staff Complement</b>	<b>11.1</b>	<b>\$ 1,368,600</b>	<b>\$ (579,500)</b>	<b>\$ 789,100</b>
<b>2024 Proposed Staff Complement (full time equivalents)</b>	<b>763.2</b>			

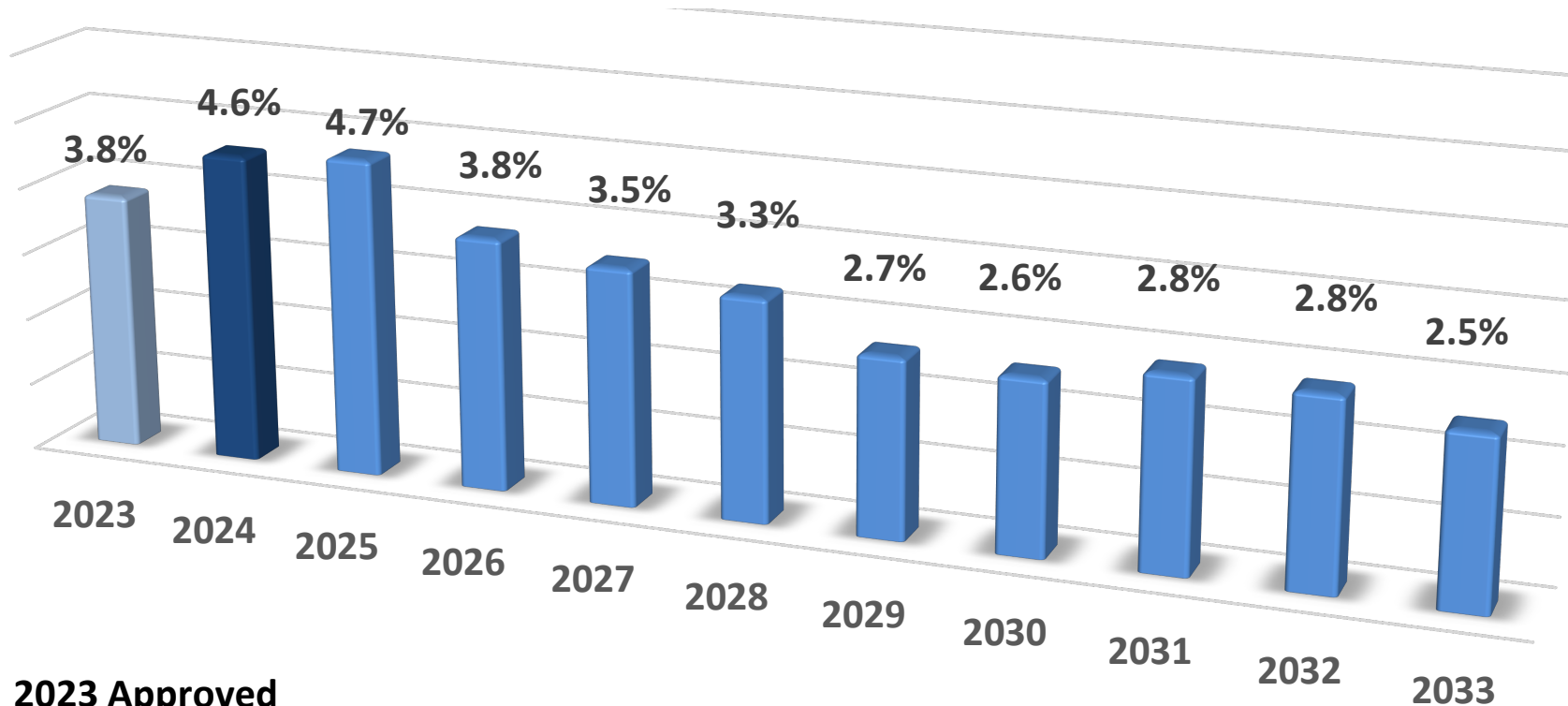


# 2024 Operating Budget Summary

- ▶ Service improvements planned for Ambulance, Homelessness Prevention and Long-Term Care
- ▶ Significant inflationary impacts across the board – especially in capital
- ▶ Largest departmental impacts:
  - ▶ Roads (capital, OCIF, parts, line painting, staffing, insurance) - \$2.6 million (2.1% levy impact)
  - ▶ Long-Term Care (direct hours of care, food, insurance) - \$1.3 million (1.1% levy impact)
  - ▶ SWS (curbside collection, recyclables processing, offset by bag sales revenue) - \$1.0 million (0.8% levy impact)
  - ▶ Ambulance (new paramedics) - \$719K - (0.6% levy impact)
  - ▶ Library (building maintenance costs, staffing) - \$577K – (0.5% levy impact)
- ▶ All other departments - \$2.2 million (1.8% levy impact)
- ▶ Offset by Assessment Growth (2.21% reduction to tax impact)
- ▶ Current tax impact at 4.6%



# County of Wellington Tax Impact (2024-2033)



**2023 Approved  
Budget**

**2024 Proposed Budget and  
2025-2033 Forecast**

