

**SECOND REPORT OF THE CORPORATE SERVICES COMMITTEE
Finance and Property Division**

April 1, 2010
Council Chambers
Walkerton, Ontario

To the Warden and Members of Bruce County Council

We your Committee beg leave to report as follows:

We have met with the Department Heads and discussed budget requests for 2010. The next page identifies the approved 2009 budget, compared to the 2010 recommendations.

Overall, the levy requirements increased 1.51% and raises an additional \$505,399. The tax rates will decrease 5.82% from the 2009 tax rate primarily as a result of the 6.1% increase in taxable assessment. 1.5% of the increase is directly attributed to growth, which translates into a 0% affect on the levy taking into account the 1.5% assessment growth.

For comparison purposes, a residential property assessed at \$155,161 in 2009 would have paid \$695.33. That same property assessed at \$164,579, to reflect the new reassessment, will pay \$694.60 in 2010, a decrease of 74¢ for County purposes.

	Approved 2009 Net	2009 Actuals	Recommended 2010 Net	% Change	
EXPENDITURES (NET)					
1	General Government	1,286,560	1,221,443	1,479,419	14.99%
2	Tax Write-offs	225,000	272,219	225,000	0.0%
3	Human Resources	1,260,508	1,202,916	1,352,700	7.31%
4	Savings from ACCLAIM	0	-	-	-
5	County Art Show	5,000	2,271	5,000	
6	911 Emergency Program	71,000	62,745	30,500	-57.04%
7	Emergency Preparedness	36,611	40,093	55,510	51.62%
8	Assessment Services	1,413,342	1,413,342	1,450,642	2.64%
9	Beaver Compensation	9,000	12,420	9,000	
10	Coyote Compensation	5,000	5,000	10,000	0.0%
11	Highways	9,870,925	9,870,924	10,069,000	2.01%
12	Health Unit	1,067,902	1,060,845	1,089,375	2.01%
13	Ambulance Services	3,766,826	3,695,354	4,111,476	9.15%
14	Social Housing	1,810,840	1,810,840	2,422,676	33.79%
15	Ontario Works - Administration	681,041	504,650	787,339	15.61%
16	Social Assistance Programs	3,291,958	3,443,732	2,202,760	-33.09%
17	Community Investment Grants	126,000	114,111	136,000	7.94%
18	Child Care	668,321	657,495	747,248	11.81%
19	Community Replacement Reserve	31,770	31,770	31,770	
20	Resource Centres	96,174	95,940	107,382	11.65%
21	Brucelea Haven	*832,712	682,712	975,381	17.13%
22	Gateway Haven	*973,227	918,227	977,024	0.39%
23	Library	2,548,672	2,548,668	2,588,890	1.58%
24	Museum	1,127,303	1,177,828	1,160,635	2.96%
	Recovery of Previous Deficit	50,525			
25	Planning	1,124,192	1,015,640	1,140,463	1.45%
26	Tourism & Agriculture/Ec. Dev	774,916	764,178	916,162	18.00%
27	Reforestation	200,641	203,514	201,434	.40%
28	Waste Management	120,000	124,193	121,000	00.83%
29	Water Resource Program	52,123	52,123	0	-100.00%
30	CN Rail Corridor	76,409	76,409	40,000	-47.65%
31	Debenture Payment	3,012,055	3,012,055	3,012,055	
	Deficit Recovery	*-205,000			
	Transfer to Reserves	0			
	TOTAL EXPENDITURES	36,411,553	36,093,657	37,455,841	2.29%
REVENUES					
32	Transfer from Previous Surplus	200,000	-570,238	588,888	
33	Transfer from Reserves				
34	Transfer from Reserves (WSIB)	200,000	200,000	200,000	%
35	Supplementary Taxes	400,000	736,505	500,000	25.0%
36	Payments in Lieu of Taxes	434,297	428,450	434,297	0.00%
37	Investment Income	75,000	14,038	75,000	0.0%
38	Provincial Offences	400,000	578,790	500,000	25.0%
39	Homes Per Diem Subsidy	921,771	921,756	921,771	
40	Preferred Accommodation	218,000	218,004	218,000	0.0%
41	Museum Capital Donations	55,000	55,000	5,000	-91.00%
	TOTAL REVENUES	2,904,068	2,582,305	3,442,956	-11.7%
42	TOTAL LEVY	33,507,485	33,511,352	34,012,884	1.51%

* adjustment to Brucelea and Gateway re: Use of 2009 Surplus

1. GENERAL GOVERNMENT

This department is reflecting an increase of 14.9% or \$192,859. This budget includes an additional \$59,000 to annualize the Deputy-Clerk position which was implemented in 2009. There is also \$30,000 included in the budget to reflect a start date later in the year for a Facilities Manager, if approved. Liability Insurance increased 30% and \$15,000 is included for the Transfer to the Insurance Reserve to cover the cost of deductible during the year. The balance of the Invest in Ontario funding has been applied to the 2010 Cayley Street capital projects. \$15,000 is included as a Transfer to Reserves for Electronic Records Management. IT requirements are according to the IT Department's recommendations and also include an expenditure of \$22,000 for the replacement of laptops for Members of Council.

2. HUMAN RESOURCES

This budget reflects an increase of 7.31% or \$92,192. This budget includes one new full-time position, an IT Helpdesk Clerk commencing April 1st, 2010 at an estimated cost of \$39,646. Health and Safety is including approximately \$10,000 to employ a summer student and are recommending that this be financed from the WSIB Reserve.

The Wide Area Network Program was approved in 2009 and the expenditure will incur in 2010. An additional \$25,000 is to be transferred to reserves for future purposes and \$25,000 is included as the ongoing operation fees.

IT hardware and software has been evaluated in all departments and reflected in each individual budget. This budget reflects the forecast for Human Resources / IT and includes LANDesk licensing - \$24,000 and backup appliance - \$50,000.

3. ASSESSMENT SERVICES

The Ontario Property Assessment Corporation has advised that there will be an increase in MPAC rates for 2010. A \$37,300 (2.64%) increase is reflected in the County's share of this service.

4. 911 EMERGENCY PROGRAM

This budget reflects a significant decrease as a result of the new agreement for the Central Emergency Report Bureau (CERB). The previous agreement required the County to contribute to capital expenditures which is no longer required and therefore a savings of \$40,500.

5. EMERGENCY PREPAREDNESS / JEPP FUNDING

The level of spending for operations is expected to remain the same at \$41,611, however, pre-budget approval was given to submit an application under JEPP funding, and, if approved, would provide for the purchase of laptops and cases for the Emergency Operation Centre (EOC) and trailer at a total cost of \$36,570, requiring a County contribution of \$24,200 in addition to the 100% cost for the cases of \$12,550.

6. BEAVER/COYOTE COMPENSATION

The last couple of years, we have ran a deficit in this compensation program and experienced an increase in coyote claims. As a result in the compensation being increased to \$100, the budget has been increased by \$5,000.

7. HIGHWAYS

The request for Highway purposes reflects a 2% increase (\$198,075) over the 2009 estimates. This department has been successful in receiving senior levels of government financing over the last number of years and while total expenditures has increased 13.5%, there has also been an increase of 31% in revenue in part due to the doubling of the Federal Gas Tax to \$2,035,000.

This budget intends to use \$3,982,000 from Bridge Reserves and a \$160,000 transfer from the Financing Reserve.

8. GREY-BRUCE HEALTH UNIT

The Health Unit continues to be funded 75/25 with the Ministry and the two participating municipalities. Bruce County's share of the budget will increase 2.01% or \$21,473.

9. LAND AMBULANCE

Paramedic staffing increased \$255,195 which reflects the approved level of staffing with no additional enhancement other than the annualization of the Shift Supervisors and the associated backfill. A 1% increase of the Collective Agreement has been included effective April 1, 2010. Overtime hours and other benefits are based on a three-year average.

Capital includes \$102,741 for Electronic ACR (paperless charting). 50% funding from the province has been anticipated for the last several years, but has not been forthcoming. It is offset from Reserves of \$54,325 for this purpose.

Replacement toughbooks will also be purchased in 2010 at a cost of \$92,000, of which \$69,000 is currently in reserves for this purpose. Two vehicles are scheduled to be replaced in 2010 at a cost of \$260,000.

Stretchers will be purchased at a cost of \$35,000; training manikin \$8,250; oxygen equipment of \$5,000, \$26,000 which will be financed from reserves established in prior years for these specific purchases.

Overall, the County contribution for Land Ambulance will increase 9.15% or \$344,650.

10. ONTARIO WORKS

Overall, the Bruce County Ontario Works Department will decrease 18.03% but still includes a 6% increase in social assistance programs and projects and includes a 9% growth in caseload in addition to the 2% increase in client benefits. The 2010 budget benefits from the savings projected as a result of the Ontario Disability Support Program (ODSP). As a result, Provincial subsidy has increased significantly and the cost of Social Assistance programs to the County decreased \$1,089,198. Childcare has increased 11.81% or \$78,927. Provincial funding for the Ontario Early Years has remained the same since 2001 and dollars continue to be stretched to the limit. Formally called the National Child Benefit Supplement, Community Investment Grants 100% funded by the County, reflect a \$10,000 increase to add to an already approved \$10,000 for the Crystal Meth initiative. Social Services administration experienced a 15.6% increase or \$106,298 due to the reduction in provincial subsidy.

11. SOCIAL HOUSING

The request from the Social Housing Division requires an increase of 33.5% or \$606,948. Of the \$606,948, \$500,000 is a transfer to reserves for future social housing capital projects, not specifically earmarked for current or future stock. Social Housing Renovation and Retrofit Program (SHRRP) funding totals \$881,337 to allow for additional expenditures in 2010. Rents are projected to fall in 2010, due in part to the vacant houses that are to be sold as well as current market rents being adjusted to Rent Geared to Income (RGI) as a number of tenants have experienced losses in investments. This budget does not reflect a transfer from reserves as in previous years. In 2009, the transfer was \$445,777. It does however include capital expenditures of \$1,843,000 and maintains capital expenses at a similar level in addition to the SHRRP contribution. It is worthy to note that the new build for affordable housing is underway and will require approximately \$2.5 million in long-term financing.

12. GATEWAY HAVEN

Overall, the Gateway Haven budget will increase 0.39% and reflects \$200,775 in capital including \$56,200 to the Building Reserve. The electric maxi-lifts which were scheduled to be purchased in 2010 have been deferred to either 2011 or as a Friends of Gateway fundraising project. An emergency ramp will be installed in the amount of \$42,600 which will be financed in part from a capital donation of \$21,450. Collective Agreements are reflected to increase 1% and are incorporated into this budget. Overall, the Gateway Haven Budget will increase .4% or \$3,797.

13. BRUCELEA HAVEN

The Brucelea Haven budget includes student summer employment for buildings and grounds in the amount of \$4,681 while all other staff hours are maintained. Collective Agreements are reflected at a 1% increase. Brucelea's Capital Budget was significant this year as a number of projects are required. Capital totals \$240,542 which is an 88% increase over the 2009 level of capital spending. Significant projects include:

- Handrails - \$20,000;
- IT, including the Nurse Call Station upgrade - \$40,250;
- Hi-low beds - \$24,000;
- Lawn Tractor - \$12,000;
- \$57,000 is to be transferred to reserves as is \$81,892 towards the Building Reserve.

Overall, the County contribution for Brucelea increased 17.1% or \$142,669.

14. LIBRARY

The Library Board's budget request reflects an increase of 1.58% or \$40,218. In 2009, circulation in the Library experienced a significant increase of over 9%. This budget maintains the expenditure for books at the same level, \$240,000 and includes a 1% increase in Branch Rent. The Library Board has made a decision to eliminate Library Service Agreements and reduce the revenue by \$14,445. 1% has been included to reflect the increase in the Collective Agreement. This budget utilizes \$20,000 of accumulated surplus.

15. MUSEUM

The operational costs for the Museum decreased 7%, however, when combined with capital expenditures, the County contribution for Museum purposes increase 2.96% or \$33,332.

The Museum has made adjustments to their overall organizational chart which the Curator has indicated is a step forward. There are savings in salaries and benefits to the Museum as the full-time Marketing Co-ordinator position was proving difficult to fill in its original capacity.

The Museum is undertaking a number of fundraising projects in 2010 and revenues are projected to increase and reflect 2010 actual results. Information Technology is a large component of the capital for the Museum this year totaling \$70,575. A permanent exhibit will be developed utilizing the Stokes Bay Range Lighthouse of which \$20,000 will be financed from the Forestry Reserve.

16. PLANNING AND DEVELOPMENT

The last number of years, revenues have been forecast on the levels the County reached in several years past, as it has always been believed that the same of level of activity will not continue. A modest increase of \$20,000 has been made to the 2009 estimated revenues.

Salaries reflect a contract planner to provide replacement hours for a maternity leave in the Planning Department. Travel has been increased \$12,000 to reflect the growth in the department over the last several years as this expenditure line has now been adjusted to reflect actual experience.

Capital projects include \$20,000 for County Official Plan updates, \$20,000 ortho-rectified photos, IT - \$43,772 for a total of \$83,772, \$32,117 of which will be financed from reserves.

Renovations of \$20,000 for the Park Street offices have been deleted from the budget and will not proceed in 2010.

Overall the Planning Department is increasing 1.45% or \$16,271.

17. TOURISM, AGRICULTURE AND ECONOMIC DEVELOPMENT

This budget reflects a significant increase of 18.23% or \$141,246.

Adjustments in salaries and benefits and the annualizing of one position and the return of a maternity leave accounts for \$68,500 of this increase. The balance of the increase is substantially found in the programs with increased spending in the Adopt a Downtown Program from \$20,000 to \$60,000; \$20,000 which is financed from the reserve.

18. REFORESTATION

This budget is reflecting a .4% increase of \$793 and for the most part continues similar service levels as in 2010. This modest increase has been achieved by utilizing \$11,674 in additional funds from the reserves over the 2009 level. Product sales are once again forecast at \$85,000 and includes the salaries for the Trail Builder Manager and the eight month contract worker who are generally supported by employees that we are able to obtain wage subsidy grants to offset the expenditure.

19. WASTE MANAGEMENT

The Waste Management Budget has been separated this year to identify the cost of waste diversion and disposal. The Household Hazardous Waste Days are projected to cost \$102,000 in addition to the associated advertising. This budget for the first time includes a contract employee, specifically assigned to waste management responsibilities. The Department expects to undertake the following activities:

- a. Municipal hazardous and special waste program
- b. Promotion and education
- c. Assist locals in 3 R's Initiatives
- d. Promoting take back program
- e. Investigation of alternate diversion technologies
- f. Monitoring and reporting on the Municipal and County Diversion Programs

With respect to disposal, the County is responsible for:

- Facilitating the shared information between municipalities through a Waste Management Technical Sub-Committee;
- Preparing the annual County of Bruce Status Report on Waste Management;
- Monitoring the capacity and operations of existing landfill sites as reported in the individual annual Landfill reports required by the Ministry of the Environment;
- Investigation of alternative disposal technologies;
- Working with the consultants to undertake the Annual Landfill Reports to better understand the term and landfill site capacity;
- Investigating and reviewing the Master Plan process for Waste Management System.

This budget is reflecting only an increase of \$1,000 which has been achieved by reducing the annual transfer of \$50,000 set aside in the Planning Reserve as per prior years to \$15,000.

20. CNR CORRIDOR

The 2010 requirements are \$36,409 less than 2009 with a reduction in the allocation for fencing of \$16,000. Last year a significant repair to the decking of three trussel bridges on the CN Line was completed. The balance in the Reserve of \$37,400 has been carried over to purchase a brush cutter in the amount of \$3,000 and for major tree removal of \$25,000.

21. WATER RESOURCE PROGRAMS

We have diversified our commitments to water resource-related projects and initiatives this year we expect to contribute \$20,000 to the Well Aware Program; \$5,000 to the Great Lake Mayors; \$50,000 – Soil and Crops, and eliminate the internal program.

There are currently funds in the reserve to accommodate these costs in full, therefore, no contribution will be required, and as a result, a savings of \$52,123 in this expenditure line.

22. PAYMENTS-IN-LIEU

Payments-in-lieu are based on the 2009 assessments and tax rates.

23. TAX WRITE-OFFS / SUPPLEMENTARY TAXES

This expenditure and revenue line has been maintained at the same level for a number of years, however, we have experienced increases in supplementary taxes in the last three-year period, and as a result, supplementary tax revenue has been increased by \$100,000.

24. HOMES PER DIEM

\$921,771 is included to offset the debenture payment and is calculated at \$10.35 per day for 244 beds.

25. PROVINCIAL OFFENCES

The County of Grey, with our input have prepared a budget for the 2010 operation of the Provincial Offences responsibility. This budget includes rental to the County for the Court facility; 50% cost of a POA Clerk's salary and benefits, along with other miscellaneous costs. It was previously agreed that Bruce and Grey would share the cost of Provincial Offences, based on population. It is expected that Bruce County's share of the revenue after expenses will total approximately \$500,000, which is \$100,000 greater than the 2009 estimates.

26. INVESTMENT INCOME

Interest income is used to be paid to the reserve and the balance is applied to the consolidated budget. We are estimating the same revenue as 2009.

27. WSIB

The County transferred to WSIB Schedule II in 2003 but continued to internally charge the departments at the same WSIB rates. In 2005, an Actuarial was engaged to prepare a report and provide recommendations on an acceptable level for Reserve purposes. We have reviewed that actuarial report and there is no question that the Reserve Fund is in an excellent position and as a result, the contributions for 2010 will be reduced by \$200,000 and is reflected in this budget.

28. USE OF SURPLUS

Effective 2009, all departments with the exception of the Library will be consolidated into one surplus /deficit account. Preliminary year-end 2009 results total \$613,648 with a yearend accumulated surplus of \$1,422,231. \$588,888 of that surplus is used to offset the 2010 operation. When we have reviewed the financial statements, it is likely that we will recommend the balance of the surplus be transferred to the Working Finance Reserve.

29. INVESTMENT / DEBENTURE PAYMENT

The debenture payment has been calculated to reflect the financing required for the Homes for the Aged and the Museum and Park Street addition projects. The transaction for the OSIFA loan was completed in October, 2007 whereby \$8,556,271 was debentured for a 25 year period at a rate of 5.32%.

30. MUSEUM CAPITAL DONATIONS

\$5,000 in capital donations is included in the consolidated budget to offset the debenture payment.

31. SUMMARY

Overall, this budget requires a 1.51% increase in taxation which is offset by the increase in actual assessment growth of 1.51%. As previously mentioned, \$505,399 is the increase in the amount to be levied. It is valuable to note that approximately \$331,000 of that is a direct result of positions that were created in 2009 and have been annualized in this budget, along with a 1% increase to the gross salary projections of \$28 million.

All of which is respectfully submitted.



Mike Smith, Department Councillor