



THE CORPORATION OF THE COUNTY OF BRUCE
REPORT OF THE CORPORATE SERVICES COMMITTEE
FINANCE AND PROPERTY DIVISION

April 7, 2011
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 2011. The next page identifies the approved 2010 budget, compared to the 2011 recommendations.

Overall, the levy requirements increased 1.69% and raises an additional \$573,679. The residential tax rate will decrease 5.5% from the 2010 tax rate primarily as a result of the 7.46% increase in taxable assessment. 1.52% of the increase is directly attributed to growth, which translates into a 0.17% increase on the levy taking into account the 1.52% assessment growth.

For comparison purposes, a residential property assessed at \$164,579 in 2010 would have paid \$694.59. That same property assessed at \$178,025, to reflect the new reassessment, will pay \$709.74 in 2011, an increase of \$15.15 for County purposes.

	Approved 2010 Net	2010 Actuals	Recommended 2011 Net	% Change	
EXPENDITURES (NET)					
1	General Government	1,479,419	1,534,000	1,724,246	16.55%
2	Tax Write-offs	225,000	210,350	225,000	0.0%
3	Human Resources	1,352,700	1,267,097	1,707,304	26.21%
4	County Art Show	5,000	3,836	5,000	-
5	911 Emergency Program	30,500	32,674	31,000	1.64%
6	Emergency Preparedness	55,510	33,884	44,459	-19.91%
7	Assessment Services	1,450,642	1,450,642	1,502,880	3.60%
8	Beaver Compensation	9,000	14,840	9,000	0.0%
9	Coyote Compensation	10,000	23,000	30,000	0.0%
10	Highways	10,069,000	10,145,292	10,308,500	2.38%
11	Health Unit	1,089,375	1,083,594	1,127,592	3.51%
12	Ambulance Services	4,111,476	4,137,135	4,415,917	7.40%
13	Social Housing	2,422,676	2,463,844	2,864,898	18.25%
14	Ontario Works - Administration	787,339	334,914	623,479	-20.81%
15	Social Assistance Programs	2,202,760	2,201,446	786,625	-64.29%
16	Community Investment Grants	136,000	93,478	157,523	15.83%
17	Child Care	747,248	670,309	798,954	6.92%
18	Community Replacement Reserve	31,770	31,770	32,258	1.54%
19	Resource Centres	107,382	101,819	97,092	-9.58%
20	Innovation Fund	0	0	50,827	100.00%
21	Brucelea Haven	975,381	796,227	1,102,312	13.01%
22	Gateway Haven	977,024	908,445	1,276,671	30.67%
23	Library	2,608,890	2,600,985	2,756,336	6.47%
24	Museum	1,160,635	1,157,613	1,248,742	7.59%
25	Planning	1,126,830	1,070,150	1,200,009	6.49%
26	Tourism	733,513	679,152	736,389	0.39%
27	Economic Development	184,282	184,154	262,844	42.63%
28	Agriculture/ Forestry	29,184	29,184	22,966	.40%
29	Parks/Trails/CN Trails	212,250	191,587	219,498	3.41%
30	Employee Wellness	12,000	6,519	12,000	7.59%
31	Waste Management	121,000	103,244	137,000	7.44%
32	Debenture Payment	3,012,055	3,012,056	3,012,055	
	TOTAL EXPENDITURES	37,475,841	36,573,240	38,529,376	2.87%
REVENUES					
33	Transfer from Previous Surplus	608,888	-826,716	700,000	
34	Transfer from Reserves	0	0	0	
35	Transfer from Reserves (WSIB)	200,000	200,000	250,000	25.0%
36	Supplementary Taxes	500,000	853,742	700,000	40.0%
37	Payments in Lieu of Taxes	434,297	468,764	478,042	10.07%
38	Investment Income	75,000	113,374	75,000	0.0%
39	Provincial Offences	500,000	606,459	600,000	20.0%
40	Homes Per Diem Subsidy	921,771	921,756	921,771	
41	Preferred Accommodation	218,000	218,000	218,000	0.0%
42	Museum Capital Donations	5,000	5,000	-	-100.00%
	TOTAL REVENUES	3,462,956	2,560,379	3,942,813	-11.7%
44	TOTAL LEVY	34,012,885	34,012,861	34,856,563	1.69%

1. GENERAL GOVERNMENT

This department is reflecting an increase of 16.6% or \$244,827. This budget includes an additional \$49,000 to annualize the Purchasing Coordinator position which was implemented in 2010. There is also \$58,000 included in the budget to reflect the hiring of a Purchasing Analyst effective August 1st and associated restructuring within the Finance Department effective June 1st, 2011. Insurance costs increased \$33,000 which includes a 10% increase in the Insurance Program for 2011, and also considers that the 2010 Insurance Program was underestimated. \$15,000 is included for the Transfer to the Insurance Reserve to cover the cost of deductibles during the year.

Facility costs increased 16.6% which allows capital projects to proceed in 2011 and a Transfer to Reserves for the Park Street Facility of \$51,000 and \$50,000 for the Cayley Street Facility for future capital projects.

\$20,000 is included as a Transfer to Reserves for Electronic Records Management and \$18,303 for IT purposes. A \$40,000 Transfer to Reserves to install a geothermal heating and cooling system at the Library Headquarters' Facility in 2012 has been deleted, but will be reconsidered in the 2012 Capital Forecast.

2. HUMAN RESOURCES

This budget reflects an increase of 26.2% or \$354,604. It includes the cost to annualize the IT HelpDesk Clerk which was approved in 2010. \$128,000 has been included to facilitate the hiring of two new full-time positions, a Network Analyst and a HelpDesk Clerk and to engage a one-year contract employee for web design purposes. Health and Safety is including approximate \$12,000 to employ a summer student and are recommending that this be financed from the WSIB Reserve. In order to accommodate the new staff, office renovations of \$10,000 and furniture of \$8,500 are also included in this budget.

Other capital expenditures include:

- hardware systems and server replacements - \$60,000;
- software replacement - \$54,850;
- network infrastructure - \$67,500;
- backup appliances - \$56,000; and
- Transfers to Reserves
 - Servers - \$25,000;
 - Vehicles - \$5,000;
 - Microsoft Office - \$2,200;
 - Project Management Portal - \$15,000;
 - Wide Area Network - \$25,000

There is approximately \$103,600 in Reserves to be applied to these capital expenditures.

3. ASSESSMENT SERVICES

The Ontario Property Assessment Corporation has advised that there will be an increase in MPAC rates for 2011. A \$52,238 (3.6%) increase is reflected in the County's share of this service.

4. 911 EMERGENCY PROGRAM

This budget reflects the cost of the new agreement for the Central Emergency Report Bureau (CERB) which remains similar to the 2010 estimate.

5. EMERGENCY PREPAREDNESS / JEPP FUNDING

The level of spending for operations will remain similar to that of 2010, excluding the part-time salary and wages for a summer student. As always, pre-budget approval is implemented in order to submit an application under JEPP funding, and if approved would provide for the purchase of remote area lighting, portable batteries and a video data projector at a cost of \$7,550, requiring a County contribution of \$4,152. Overall, the County contribution for Emergency Management will decrease \$11,051 or 19.9%. This budget excludes the hiring of a part-time CEMC that was originally included in the preliminary budget.

6. BEAVER/COYOTE COMPENSATION

The cost of this program increased significantly in 2010 as a result of the compensation being increased to \$100. To reflect the actual program in 2011, the coyote compensation has been increased from \$10,000 to \$30,000 and the beaver compensation remains at \$9,000.

7. HIGHWAYS

The request for Highway purposes reflects a 2.38% increase (\$239,500) over the 2010 estimates. This department has been successful in receiving senior levels of government financing over the last number of years, however the 2011 budget does not include any revenue with the exception of the federal gas tax in the amount of \$1,963,000, but there are a number of projects that are financed from 2010 carryovers and \$55,000 revenue from the Infrastructure Stimulus Fund (ISF) Federal/Provincial contribution.

Total expenditures are just over \$14,000,000 requiring a County contribution of \$10,308,500. The budget includes a \$30,000 contribution towards the corporate Bikeways Master Plan, an increase of \$120,000 for snow removal and an increase of \$145,000 for culvert maintenance.

There is \$1,250,000 expenditures for bridge and culverts for capital purposes and a Transfer to Reserves for bridge purposes of \$22,000.

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 3.51% or \$38,217.

9. EMERGENCY SERVICES (LAND AMBULANCE)

Paramedic salaries remain constant which reflects the approved level of staffing with no additional enhancements. The two approved additional Paramedic Shift Supervisors and the associated backfill are included in the administration salary costs and reflect an increase of \$125,975 with a July 1st start date. This will provide 24/7 supervisory coverage where currently the County is covered 12/7.

Bruce County will be one of the host municipalities for the 2011 Annual AMEMSO Conference and as a result, \$5,000 has been included for this purpose.

Capital includes \$396,751 of which \$270,000 is for the replacement of two vehicles. There is also funding for three stretchers, 3 training mannequins, oxygen equipment, backboards and straps, station furniture and fixtures. \$8,250 is being transferred from reserves for the purchase of the training mannequins.

Transfer to Capital Reserves includes \$42,000 for defibrillator replacement and \$2,500 for equipment bags. \$27,500 is being transferred to reserves for the replacement of the toughbook laptops. This budget includes \$5,000 for the purchase of supplies to introduce the new Continuous Positive Airway Pressure (CPAP) skill-set and the annual electronic paperless charting service fee of \$29,000.

The Fire Coordinator stipend of \$1,000 was previously included in the General Government Budget and is now included in this budget and increased to \$5,000.

In April, 2010, we received notice of an increase in the Provincial subsidies. To date, the announcement has not been made yet for 2011 and this budget does not reflect any projected increase in the Provincial Subsidy.

Overall the County contribution for Land Ambulance will increase 7.4% or \$304,441.

10. ONTARIO WORKS

Overall, the Bruce County Ontario Works Department will decrease 36.53%% but still includes a 5% growth in caseload in addition to the 1% increase in cost of living. The 2011 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 \$1,416,135. Childcare has increased 6.92% or \$51,706.

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, Social Service Grants, 100% funded by the County, reflect a \$20,000 increase to add to an already approved \$20,000 for the Crystal Meth initiative. Social Services administration experienced a 20.81% decrease or \$163,860 due to the increase in provincial subsidy related to the administration of ODSP. While the shift from the County to the Province for the ODSP Program will not conclude until 2018, the most significant transfer for costing purposes has been completed in 2011 and further savings will be minimal in future years.

Earlier this year, the Ministry of Community and Social Services announced a change in the funding formula for cost of administration and employment support on funding available to the County. The new funding formula allowed for additional revenue for 2011 in the amount of \$153,145. This adjustment has been incorporated into the budget.

11. SOCIAL HOUSING

The request from the Social Housing Division requires an increase of 18.25% or \$442,222. In 2010, \$500,000 was transferred to reserves and subsequently earmarked for the new build project. The 2011 budget includes \$250,000 for this same purpose. The Bruce County Housing Corporation capital budget identifies the need to continue with a similar level of capital projects as prior years, but unfortunately, the same level of revenues from the Social Housing Renovation and Retrofit Program (SHRRP) are no longer available and a County contribution of \$669,424 will be required to meet this expectation. The reduction in the \$500,000 transfer to reserves accommodates for \$250,000 for this additional expenditure, while still transferring \$300,000 to reserves for future capital costs.

The New Build for Affordable Housing will be completed in 2011 and approximately \$2.5 million in long term financing will be required.

12. GATEWAY HAVEN

Overall, the Gateway Haven budget will increase 30.67% or \$299,647. This budget had to accommodate a Case Mix Index (CMI) adjustment which resulted in decreased provincial subsidy of almost \$100,000. It also reflects an increase in hydro costs and the terms and conditions of the negotiated CAW contract. In order to continue to meet the requirements of the new Long Term Care Act, \$30,000 has been included in this budget to address quality improvement and a further \$17,000 to contract Social Worker services.

Capital spending totals \$174,156. \$105,866 of that expenditure to be transferred to reserves including \$57,866 to the Building Reserve.

13. BRUCELEA HAVEN

The Brucelea Haven budget also accommodates the terms and conditions of the negotiated Collective Agreement with CAW. It also provides for the hiring of a Quality Assurance Educator effective May 1st in the amount of \$48,455. This new position will also include administrative responsibilities. There is 2.5 additional dietary hours effective May 1st, however the proposed additional weeks for the Maintenance student and the Social Worker have been deleted.

A capital project to refurbish the handrails and associated problem, originally included at \$225,000, has been deleted from this budget.

Brucelea's Capital Budget totals \$181,156 including \$84,703 - Building Reserve and \$52,000 for other assigned reserves, washer /dryer, Arjo equipment and flooring.

Overall, the County contribution for Brucelea Haven increased 13.01% or \$126,931.

14. LIBRARY

The Library Board's budget reflects an increase of 6.47% or \$167,446 and utilizes \$7,000 of a previously accumulated surplus. The amount of material borrowed from the Library system increased a staggering 9% in 2009 and the Director was uncertain, that after that huge of an increase, any increase might follow in 2010. Statistics have identified thought that there is an additional increase of 1% in 2010, building on the foundation of the Library during these times of economic uncertainty.

A number of branches have exhibited phenomenal increases; Port Elgin – 18%; Ripley – 55%, Chesley – 8%, Tara – 11%, and the Library Board anticipates seeing further evidence of increases in areas of walk-in traffic and on-line use of our services. As a result of the continued growth, the Library Board is recommending the budget include a part-time Assistant Supervisor for the Tara-Chesley-Paisley Branches. It also includes additional hours for the part-time van driver. The Library will make a purchase of \$45,000 of e-books in 2011 with special funding and they will also increase the book budget by \$10,000; \$5,000 for e-books and \$5,000 for traditional purposes. \$9,000 of DVD purchases will also be made in 2011.

The terms and conditions of the negotiated Collective Agreement are also incorporated in this budget.

15. MUSEUM

The operational costs for the Museum increased 5% and capital expenditures also increased 5.9%. Unfortunately, the operational revenues decreased, combining for a County contribution increase of 7.59% or \$88,107.

The Museum is preparing for the HMS General Hunter Exhibit, opening to take place in June 2012. In order to be able to move forward with the project in 2012 and still feature the Grossology Exhibit, \$95,000 will be borrowed from the Working Capital Reserve in 2011.

In 2011, the Collection's Registrar retired. This budget reflects a realignment of duties and the hiring of a full-time Archives Technician and part-time Junior Collection's Clerk.

Other capital includes the completion of the Stokes Bay / Marine Lighthouse Project, IT technology, a stackable washer/dryer, microfilm reader/scanner, roof repairs, front stone work repair and some minor upgrades for accessibility purposes.

16. PLANNING AND DEVELOPMENT

The revenues forecasted for Planning application purposes has remained constant over the last number of years. This budget reflects a modest increase of \$12,000.

Salaries reflect a contract Planner, currently providing replacement hours for a maternity leave in the Planning Department to continue on for one year, effective July, 2011. This budget also reflects an increase for legal services - \$50,000. Capital costs include the completion of the digital air photos in 2011 - \$23,000, IT -\$24,000 and \$20,000 for the County's Official Plan Updates. This budget reflects utilizing the \$16,000 of unspent Official Plan Reserves for this purpose.

The Water Resource Program will cost \$81,736, but will be financed in total from the Reserve.

Overall, the Planning Division is increasing 6.5% or \$73,179.

17. ECONOMIC DEVELOPMENT

This program is increasing 42.6% or \$78,562 and can be attributed to the County's desire to increase spending in the "Spruce the Bruce" project of \$65,000, the ongoing support of the Grey Bruce Local Food Project and the Signage and Wayfinding Project.

18. TOURISM

The Tourism Division reflects a small increase of 0.4% or \$2,876. \$20,034 is being Transferred from Reserves; \$15,000 for the preparation of the map and \$5,034 for the Saugeen Canoe Product Development Project. There is a savings in expenditures as a result of a vacant position. Early in 2011, approximately \$25,000 under last year's estimates. Advertising for Tourism purposes has increased \$40,000 and includes the cost of further promotion of the Adventure Passport Program with a large scale event in Wiarton.

The Department will continue to manage the Tourism Centre Grant Program which generates an administration fee of approximately \$9,000.

19. AGRICULTURE / FORESTRY

This budget for this Division includes the purchase of a new truck which will be financed from the Product Sale Forestry Reserve. The old truck will be retained and located at the Lindsay Tract.

Agricultural grants remain at the same level as prior years. Overall, this budget reflects a 21.3% decrease or County contribution of \$6,218 less than 2010.

20. PARKS /TRAILS/ CN TRAILS

This budget reflects an increase of 3.41% or \$7,248. The most significant purchase is that of mechanical equipment including a mini-excavator - \$18,000 and a mini-dump - \$8,000. The cost of this equipment is intended to be financed from the County Forestry Reserve (the former St. Edmunds Township). \$40,000 is forecast for fencing and corridor improvements and \$20,000 for the County Bikeway's Master Plan, coupled with \$30,000 included in the Highways Budget.

21. WASTE MANAGEMENT

The Waste Management Budget is divided into two separate programs; Municipal Hazardous and Special Waste and Waste Diversion and Disposal. The Municipal Hazardous Waste Division includes the contract to host the Household Hazardous Waste Days. This year the program will increase from 10 sites to 15 sites and it is estimated that the costs will increase from \$102,000 to \$160,000. This budget also includes 60% of the Waste Management Coordinator position approved in January, 2011 with the remaining 40% financed from the Highways Administration Budget.

Waste Diversion and Consultant fees increased from \$10,000 to \$20,000 and supplies include \$7,000 for the purchase of recyclable park benches to be located in high profile areas throughout the County. The budget is reflecting an increase of 13.2% or 16,000.

22. PAYMENTS-IN-LIEU

Payments-in-lieu are based on the 2010 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 \$200,000. It has been noted that there is currently an appeal of the Golf Course Assessments, and if successful, may have a negative effect on the County taxation revenue.

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 2011 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 \$600,000, which is \$100,000 greater than the 2010 estimates, but equal to the 2010 actuals.

26. INVESTMENT INCOME

Interest income is paid on the reserve account balance and the remainder is applied to the consolidated budget. We are estimating the same revenue as 2010.

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. A subsequent actuarial review has been completed and continues to confirm that the reserve is at an appropriate level. The Reserve Fund is in an excellent position and as a result, the contributions for 2011 will be reduced by \$250,000 and is reflected in this budget.

28. USE OF SURPLUS

Effective 2010, all departments with the exception of the Library were consolidated into one surplus /deficit account. Preliminary year-end 2010 results total a surplus of approximately \$800,000 with a yearend accumulated surplus of approximately \$2.1 million. \$700,000 of that surplus is used to offset the 2011 operation.

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%. The original \$26 million was debentured April 11, 2002 at 6.73% and will mature October, 2022.

30. MISCELLANEOUS

- We have recently learned that the Province has completed the 2009 reconciliation on the Ontario Municipal Partnership Fund. The County does not receive any funding under this Program and was not eligible for funding as a result of the reconciliation.
- This budget does not include any funding for the Gateway Rural Health Research Institute, a financial request that was referred to the Corporate Services Committee. It will be given further consideration during 2011 when further information is available.
- Committee had considered an allocation of 1% of the County Levy or \$340,000 to Reserves for Long Term Care Future Development. This amount is not included in the recommended budget.
- IT External Consultants – Five Year Plan – Committee has directed that consultant's be engaged to complete an Operational Review of the Information Technology Division. It is expected that this would be financed from the remaining surplus. A recommendation will be brought forward once the details have been required.

31. SUMMARY

Overall, this budget requires a 1.69% increase in taxation which is offset by the increase in actual assessment growth of 1.52%. As previously mentioned, \$573,679 is the increase in the amount to be levied.

All of which is respectfully submitted.

Mike Smith, Department Councillor