



Administrative Report

Office of the Director of Financial Services/Treasurer

To: Warden and Members of County Council

**From: Sandra Zwiers
Director of Financial Services/Treasurer**

Date: Wednesday, January 16, 2019

Subject: 2019 Budget – External Commitments

Report #: 2019-0116-FIN-R002-SZ

Purpose

To provide Council with the 2019 budget estimates for External Commitments (see Appendix A).

Background

The External Commitments section encompasses those programs provided by external agencies for services delivered to the benefit of ratepayers of the County of Essex. The commitments are categorized as legislated, long-term discretionary, current discretionary and discretionary grants.

Discussion

Prior Year Performance

Contributions to external boards and agencies are projected to have a net favourable variance of \$694,700.

Savings of \$585,000 in Social Services expenditures was the single most significant factor, due largely to sustained reductions in Ontario Works caseloads. To a lesser extent, operational variances were experienced in Social Housing costs, Public Health and Physician Recruitment.

Some of the Social Housing capital renewal projects that were included in the 2018 Budget were deferred, however these expenditures are funded by the Capital reserve and therefore do not impact the operational surplus.

Proposed Budget – Current Year

The proposed budget for 2019 amounts to \$28,873,860, an increase of \$2.1 million (7.9%) over prior year.

The final year of the multi-year provincial uploading of Ontario Works was in 2018. 2019 estimates assume stability in Ontario Works caseload levels and related administrative costs. Social Housing operating costs are budgeted to increase due to increases in program delivery, utilities and general maintenance costs. A significant impact to the 2019 Budget relates to an increase in capital contributions of \$450,000 to address aging housing infrastructure that requires maintenance and repair. The total value of planned asset renewal over the next 5 to 7 years is \$10 million.

The County's commitment to supporting the New Windsor Essex Hospital System is reflected in the 2019 Budget at an increase of \$1.2 million. Increasing contributions earlier in the funding model timeline as capacity allows, will result in higher investment returns over the term and will reduce the amount of debt financing required in the future to complete the Corporation's total commitment of approximately \$100 million.

Other increases to the 2019 Budget include amounts for operational cost increases of the Windsor Essex County Health Unit, Municipal Property Assessment Corporation and a new regional initiative, ProsperUs that focuses on addressing child poverty.

Financial Implications

The financial ability to incorporate contributions for regional initiatives has been made possible by the consistent effort by the Corporation to manage current and long term operational and capital requirements through a stable long term fiscal focus. Financial capacity realized through regional assessment growth has helped advance these contributions which will build greater flexibility in the future to reduce planned debt financing and further mitigate any negative impact on the Corporation's tax base.

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Recommendation

That Report Number 2019-0116-FIN-R002-SZ be received and further that the 2019 Departmental Budget Estimates for External Commitments be approved.

Respectfully Submitted

Sandra Zwiery

Originally Signed by

Sandra Zwiery, Director of Financial Services/Treasurer

Concurred With,

Robert Maisenville

Originally Signed by

Robert Maisenville, Chief Administrative Officer

Appendix No.	Title of Appendix
A	2019 Budget – External Commitments