



Administrative Report

Office of the Chief Administrative Officer/ Treasurer

To: Warden Tom Bain and Members of County Council

**From: Robert Maisonville
Chief Administrative Officer/Treasurer**

Date: December 6, 2017

Subject: 2018 Budget – External Commitments

Report #: 2017-R12-ADM-1206-RM

Purpose

To provide Council with the 2018 budget estimates for External Commitments (see Appendix A).

Discussion

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.

Prior Year Performance

A net favourable variance of \$246,000 is projected for 2017. As a result of operational savings (due to reduced Ontario Works Caseloads) Social Services costs are anticipated to be \$408,000 below budget. This was partially offset by higher than expected Social Housing costs related to increased property taxes and reduced rent recoveries.

The 2017 Budget included a multi-year funding plan to bring broadband connectivity to Southwestern Ontario (through SWIFT). While the initiative has been underway for several years and Council had approved the funding plan in principal, no significant payments had been made to SWIFT until

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2016 / 2017. Payments made in 2017 that related to prior year commitments were funded by the Rate Stabilization Reserve, in accordance with the prior year budget approval.

Proposed Budget

The 2018 proposed budget includes an increase of \$744,000 over the prior year, for a total County Responsibility of \$26,752,150.

The continuation of provincial uploading (2018 is the final year), stable caseloads and savings in administrative and program delivery costs have resulted in significant reductions in the County share of Social Services costs. These savings will be partially offset by anticipated shifts in regional weighted assessment, as well as a recommended increase in funding for Pathway to Potential.

Social Housing operating costs have increased marginally (\$187,000) over the prior year, however a significant increase in funding for future capital projects has been recommended (\$435,000). The region's housing stock is in need of renewal, and a long term funding strategy for capital works has been proposed. Since 2011, the County has been contributing to the Capital Reserve (2017 - \$165,000) in anticipation of these capital requests. This accumulated reserve funding will be depleted in 2018 and a higher annual contribution will be necessary for 2018 and beyond. In addition, it is anticipated that the annual capital commitment will need to increase and/or the Corporation's Facility Asset Renewal funding may need to be directed toward supporting the housing stock in future years if Federal and Provincial funding sources are not secured.

Other estimated increases for 2018 include the Windsor Essex County Health Unit (\$97,000) and Property Assessment (MPAC) (\$35,000).

Following Council's approved long-term funding plan, the 2018 proposed budget also includes an increased contribution to reserve of \$600,000 for the New Windsor Essex Hospital System (NWEHS), for a 2018 total of \$2,690,000. While the exact amount of the future commitment is yet unknown, a multi-year plan of redirecting amounts previously budgeted for expired commitments and stable increases to the levy began in 2016, and continues into 2032.

In addition, the 2018 Budget continues to provide \$300,000 in support of multi-year capital funding commitments to the Windsor Regional Hospital and Hospice (Leamington location).

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Recommendation

That Report Number 2017-R12-ADM-1206-RM be received and further that the 2018 Departmental Budget Estimates for External Commitments be approved.

Respectfully Submitted

Robert Maisonville

Originally Signed by

Robert Maisonville, Chief Administrative Officer

Appendix No.	Title of Appendix
Appendix A	2018 Budget – External Commitments