



Committee Report

To: Warden Janice Jackson
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: May 19, 2022

Re: First Quarter 2022 Financial Statement Review

Staff Recommendation:

The First Quarter 2022 Financial Statement Review Report is for information.

Background:

Finance staff have been meeting with the various directors to review the financial statements and projections based on current activity and trending.

The purpose of this report is to identify emerging areas of concern which will be monitored closely to ensure mitigating steps are proactively taken where possible. Forecasts are calculated based on previous spending patterns in comparison to the current year's spending to date and budget, incorporating known events which may alter the subsequent spending pattern. Currently the forecast is projecting a yearend deficit of approximately \$149,102.

The current spending reflects ongoing impacts of the COVID-19 Pandemic, especially in long term care and paramedic services. For the purpose of this report, the potential impacts of the COVID-19 pandemic on the yearend projected financial position have been estimated, including current known information and making assumptions about timelines for a phased return to normal. Announcements regarding funding are pending the provincial election in many cases, and further adjustments may occur as a result. This information has been provided to inform committee of the potential but uncertain impacts.

In the first quarter of 2022 the county has experienced a considerable number of vacancies throughout the organization which has resulted in Salaries and Benefits surpluses in many departments. In some cases, in order to ensure the continued and safe provision of services the county utilized external consultants and agency staff to provide services. These external resources are generally being provided at an increased cost relative to internal staff and are anticipated to absorb any anticipated savings created by the vacancies.

The next update will be prepared for the period ending June 30, 2022 and presented to the Corporate Services Committee in early August.

OFFICE OF THE CAO (\$4,696 surplus forecasted at yearend)

- Legal Fees are currently projected at budget; however the settlement of the land claim would suggest that spending on legal fees will be less than this amount. Any surplus has not yet been estimated until further information is available.
- Salaries and Benefits are projected to incur a deficit of \$18,000 mainly as a result of overlap of the CAO position early in the year and benefits being higher than budget.
- Council Expenses are projected to be approximately \$24,000 under budget due to result of virtual meetings in the first quarter of the year.

WORKPLACE ENGAGEMENT SERVICES (\$30,582 surplus forecasted at yearend)

- A Salaries and Benefits surplus of \$30,000 is mainly the result of vacancies and new staff placement lower on the salary grid.
- Current projections suggest that the Health and Safety Program will see a surplus of \$68,000 largely due to salaries and benefits, resulting in a lower transfer from reserve.

LONG TERM CARE & SENIOR SERVICES (\$530,335 projected deficit at yearend)

- The report reflects projected funding based on budget expectations.
- Increased per diems were announced in May and have not yet been factored into this projection but will be reflected for the second quarter report. Resident acuity adjustments that impact funding levels have not been announced yet.
- Further Pandemic related funding is not yet confirmed for the year but is anticipated as the expectations of enhanced protocols continue. The Ministry has indicated an expectation that LTC homes will begin to decrease pandemic spending as the year progresses. If additional pandemic funding is not sufficient to cover expenses, Safe Restart funding will be considered.

Brucelea Haven (\$1,190,290 deficit forecasted at yearend)

- Emergency funding of \$388,000 has been received to March 31. These funds are being used to offset projected labour and outbreak supplies costs of \$434,000 and \$142,000 respectively. Projected expenditures currently exceed confirmed funding by \$188,000. Safe Restart Funding will be used to cover the excess costs if future funding is not adequate.
- Administration is projecting a \$10,000 deficit due to unbudgeted software needs
- Salaries and Benefits across divisions (excluding Nursing) are generating a surplus of \$288,000 because of not being able to fill all shifts.
- Nursing is projecting a \$1,477,000 deficit in the program overall. Salaries and benefits are projecting a surplus of \$578,000 but the use of agency staffing to provide coverage more than offsets this at an estimated cost of \$1,850,000.
- The county's portion of projected high needs expenditures reflects a deficit of \$150,000. The province reimburses up to 95% of cost, but the county must cover the remaining amounts.

- BSO (Behavioural Supports Ontario) spending in Nursing is being monitored to ensure that all available funding is being claimed. The team is investigating options to increase eligible spending.
- Other Accommodation programs are projecting a surplus of \$50,000 in maintenance and supplies, partially offset by higher than budgeted utilities costs of \$22,000.
- Raw food is trending toward a \$55,000 deficit at year end based on average weekly spending and is being monitored closely. Pending funding announcements could reduce this overage.

Gateway Haven (\$600,625 surplus forecasted at yearend)

- Emergency funding of \$345,000 has been received to March 31. These funds are being used to offset projected labour and outbreak supplies costs of \$298,000 and \$261,000 respectively, creating a projected deficit of \$214,000, which could be offset by Safe Restart funding.
- Administration is projecting a \$10,000 deficit due to unbudgeted software needs
- Salaries and Benefits across divisions (excluding Nursing) are generating a projected surplus of \$114,000 as a result of not being able to fill all shifts.
- Nursing is projecting a \$504,000 surplus with the largest contributor being a \$588,000 salaries and benefits surplus mainly due to vacant positions. High needs, incontinence and medical and nursing supplies costs are trending to an overspend of \$53,000.
- Raw food is trending toward a \$28,000 deficit at year end. The trend is based on average weekly spending and is being monitored closely. Pending funding announcements could reduce this overage.

Senior Services (\$59,330 surplus forecasted at yearend)

- The rollout of this program has yet to materialize due to the need to focus efforts towards Long Term Care as the impact of the pandemic continues.

PARAMEDIC SERVICES (\$249,922 deficit forecasted at yearend)

- Salaries and benefits are trending towards a deficit of \$259,000 for the department including a \$53,000 projected deficit in Administration, based on current information. Finance and Payroll are working together to determine whether some salaries are eligible for Community Paramedicine funding. If eligible the projected deficit will be decreased as necessary in the second quarter report.

MUSEUM (\$209,519 surplus forecasted at yearend)

- Admission, membership and programming revenues and mitigating Safe Restart funding are currently projected at budget until the impact of the pandemic on 2022 operations becomes clearer.
- Salaries and benefits are currently projecting a \$116,000 surplus as a result of several vacancies and new staff placement lower on the salary grid.

- The COVID Relief Grant has been used in the first quarter for pandemic related expenditures including supporting basic operations such as salaries, utilities, building maintenance and insurance in the amount of \$84,000, which increases the surplus.
- Current legal bills related to the planned archives expansion are \$5,000 up to early May. These costs are unknown and therefore unbudgeted. Additional costs related to the claim are not determinable at the present time.

TRANSPORTATION & ENVIRONMENTAL SERVICES (\$394,664 deficit forecasted at yearend)

- Administration is projecting a \$111,000 surplus driven by surpluses in salaries and benefits, equipment usage related to fewer vehicle hours being charged to Administration and other materials and supplies offset with small projected deficits in utilities and insurance.
- Winter Control is currently projecting a deficit of \$512,000 because of higher-than-expected staffing and equipment costs for snow plowing and sanding in the first quarter of 2022. These projections estimate the impact of the winter materials inventory at the end of April to account for the end of the 2021/2022 winter season. This number is expected to change dependent on the severity of the start of the 2022/2023 winter season and could be all or partially offset by the county's winter controls reserve if requested.
- Other operating programs had not yet commenced regular spring activity as of the end of March and are therefore being projected at budget.
- As of the first quarter, no Capital projects had been identified as at risk of going over the 2022 budget amount.

CORPORATE SERVICES (\$2,862 surplus forecasted at yearend)

- A variety of accounts are forecasting small surplus/deficits.

INFORMATION TECHNOLOGY (\$16,258 surplus forecasted at yearend)

- A variety of accounts are forecasting small surplus/deficits.

LIBRARY (\$83,966 surplus forecasted at yearend)

- Salaries and benefits are currently projecting a \$74,000 surplus due to vacancies and new staff. A few of the vacancies were filled during the first quarter.
- A variety of lines are projecting small surplus/deficits, that are mostly offsetting.

HUMAN SERVICES (\$300,103 surplus projected at yearend)

- Housing Services is forecasting a \$76,000 surplus.
 - Mainly driven by a salaries and benefits surplus.
- Housing Facilities Program is trending towards a \$7,000 surplus.
 - \$346,000 in costs incurred related to the fire at 401 Cayley Street are expected to be offset by insurance proceeds.

- Rental income is projected at a \$149,000 deficit at year end but is offset by a \$132,000 projected surplus in maintenance costs.
- Income & Employment Support Programs are trending towards a \$139,000 surplus. There is projected surplus in admin of \$86,000 mostly due to a surplus in salaries and benefits. Indigent funerals are currently predicting a \$23,000 surplus.
- Children's Services Programs are projecting a \$79,000 surplus mostly related to Salaries and Benefits savings in both administration and programming.

LAND USE PLANNING and ECONOMIC DEVELOPMENT (\$238,080 surplus projected at yearend)

- Land Use Planning is trending towards a total \$96,000 surplus. Planning salaries and benefits are currently projecting a surplus of \$131,000 due to vacancies, which is being partially offset by a deficit in consulting of \$58,000 to help deliver services.
- An anticipated surplus in the Economic Development division of \$142,000 is mostly due to a surplus in salaries and benefits.

NON-DEPARTMENTAL (\$139,754 surplus projected at yearend)

- Payments in lieu and supplementary taxes are estimating a surplus of \$87,000.
- Tax write-offs are projecting a \$113,000 deficit based on the average of actual results for the past three years.
- We have not projected the impact of estimated supplementary taxes and write-offs due to limited information available.
- Municipal Property Assessment Corporation (MPAC) assessment services are estimating a \$97,000 surplus.
- Facilities is anticipating a surplus of \$50,000 overall, mainly related to lower than budgeted spending to date at the Cayley Street facility.

Financial/Staffing/Legal/IT Considerations:

There are no staffing, legal or IT considerations associated with this report.

Interdepartmental Consultation:

Departments have received their March month end financial statements and have met with the Financial Analysts for detailed reviews. Monthly meetings for financial reviews are offered to all Departments.

Link to Strategic Goals and Elements:

None identified.

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