

To:	Warden Hicks and Members of Grey County Council
Committee Date:	February 25, 2021
Subject / Report No:	FR-CW-06-21
Title:	2020 Year-End Transfers
Prepared by:	Kevin Wepler, Director of Corporate Services
Reviewed by:	Kim Wingrove
Lower Tier(s) Affected:	None
Status:	Recommendation adopted by Committee as presented per Resolution CW45-21

Recommendation

1. That Council receive Report FR-CW-06-21 titled 2020 Year-End Transfers and approve the recommendations, as contained and estimated in Report FR-CW-06-21, regarding transfers to and from Reserve; and
2. That Council approve any surplus/deficit arising in the 2020 budget be transferred to/(from) the respective departmental reserves.

Executive Summary

The purpose of this report is to provide information to Council regarding the estimated year-end surplus/deficit amounts per functional area and to provide staff with the authority to make the following adjustments necessary to finalize the County's 2020 year-end financials:

- Year-end surplus and deficit transfers – Identifies surplus and/or deficit and recommends on how to allocate surplus or fund deficits.
- Year-end transfers for purchases that were budgeted to occur in 2020 and need to be carried forward to 2021 – Recommends the transferring of taxation and/or the allocation of reserve funding that projects can be undertaken in 2021.
- Year-end transfers for donations for specific purposes – Donations received for specific purposes are recommended transferred to reserve to be utilized for these purposes when undertaken.

Background and Discussion

Each Department has reviewed its actual to budget figures as of mid-February 2021 and has projected a year-end position by estimating results still to happen. These projections have been used to recommend 2020 transfers to and from reserves. These transfers are estimates and will be finalized once all 2020 budgeted and endorsed transactions have been completed.

Council will receive the final year-end figures when the audited financial statements are presented in May 2021.

In addition to year-end surplus and deficit transfers, this report deals with transfers for purchases that were budgeted to occur in 2020 but that have been delayed until 2021. The County's auditors require a Council resolution authorizing staff to transfer unspent funds to reserve for use in the 2021 budget. A number of projects that were planned for in 2020 did not proceed as the work had been impacted by the COVID-19 pandemic.

Where COVID-19 departmental specific funding is projected to not be sufficient to fund these 2020 COVID-19 costs, the allocation of funding from the Federal-Provincial Safe Restart Agreement – Municipal Operating Funding is being allocated to these budgets to assist with these expenditures. County staff anticipate the requirement to report back to the province on the use of these provincial funds. No guidelines have been provided by the province on what expenditures are deemed eligible or non-eligible COVID-19 costs and pressures. Staff have allocated costs to COVID-19 cost centres based on what staff believe to be costs and pressures incurred as a result of the pandemic.

The County has also received donations to be used for specific purposes. These funds are required to be transferred to reserve to be used for these specific purposes.

The non-budgeted transfers included in this report are estimates at this time and the actual transfers to and from reserves may vary once all 2020 budgeted and endorsed transactions have been completed.

Summary

The following table summarizes the projected year-end surplus or deficits by functional area that have been estimated by each Department. The 2020 year-end financial review projects a year-end surplus of \$2,722,500. As reported previously, savings continue to occur as a result of the pandemic, with reduced expenditures in materials and supply lines, maintenance activities, staff training, travel and meals, etc. As well, the County has experienced savings in capital construction projects costs coming in under budget. It should be noted a number of projects have been delayed, annual maintenance work deferred, and positions left vacant for a significant period of time, all as a result of the pandemic, and while this has created surplus funds for 2020, this will create challenges in undertaking this work in 2021.

Summary of Projected Year-End Surplus / (Deficit) by Function

2020 Budget by Function	Projected Year-End Surplus/(Deficit)
Corporate Services	\$157,700
Planning and Community Development	\$332,700
Social Services	\$1,087,100
Transportation and Public Safety	\$1,145,000
Total	\$2,722,500

Surplus / (Deficit) Transfers To / From Reserve

The following table lists the functional area surplus/deficit amounts and the transfers to/from reserve to fund any surplus / (deficits).

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/From Reserve Amount
Corporate Services	Portfolio Projected Surplus/(Deficit)	\$157,700	
	One-Time Funding Reserve		\$157,700
Planning & Community Development	Portfolio Projected Surplus/(Deficit)	\$332,700	
	Planning – General Reserve		\$56,300
	Forestry – General Reserve		\$30,400
	Trails – General Reserve		\$4,000
	Economic Development – One-Time Funding Reserve		(\$98,000)
	Tourism – One-Time Funding Reserve		\$70,000
	Grey Roots – One-Time Funding Reserve		\$28,000
	Grey Roots – General Reserve		\$121,000
	Grey Roots – Heritage Buildings Reserve		\$121,000
Social Services	Portfolio Projected Surplus/(Deficit)	\$1,087,100	
	Social Services – One Time Funding Reserve		\$420,100
	Housing – Housing Capital Reserve		\$194,000
	Housing – Housing Operating Reserve		\$94,000
	LTC – Grey Gables - Lee Manor Reserve		\$225,000

Department/Function	Reserve / Notes	Projected Surplus/ (Deficit)	Estimated To/From Reserve Amount
	LTC – Lee Manor – Lee Manor Reserve		\$75,000
	LTC – Rockwood Terrace – Lee Manor Reserve		\$150,000
	LTC – Redevelopment – LTC Redevelopment Reserve		(\$71,000)
Transportation & Public Safety	Portfolio Projected Surplus/(Deficit)	\$1,145,000	
	Paramedic Services – One-Time Funding Reserve		\$170,000
	Transportation Services - General Reserve		\$975,000
Total Surplus/(Deficit)		\$2,722,500	\$2,722,500

Non-Budgeted Transfers to/from Reserve for Use in 2021

The following table lists purchases that were budgeted or endorsed to occur in 2020, but due to various factors have been delayed until 2021. Where projects were funded from taxation in 2020, these funds are being recommended to be transferred to reserve for use in 2021. Projects budgeted from reserves in 2020 that were delayed are being recommended to be funded from reserve in 2021. Staff is recommending the transfer of these projects to/from reserve for use in the 2021 budget.

Departmental Budget	Project	Reserve	2020 Project Funding to Reserve Transfer Amount*	2021 Project Amount From Reserve**
Property	Carrier Controls System Upgrade	Administration Capital Replacement Reserve		\$55,000
	HVAC System	Administration Capital Replacement Reserve	\$9,600	\$9,600
Planning	Climate Change Action Plan	Energy Audit		\$18,700
	Growth Management Strategy	Planning – ArcGIS Server		\$15,100
	Development/Community Benefit Charges	Development Charges – General Government		\$3,800
Agriculture	Grey Ag Services Computer Replacement	Planning - General		\$4,900
Grey Roots	Grey County Gallery Update	Grey Roots General Reserve	\$17,000	
Housing	Air Makeup Replacement 41 Mark St. Markdale	Housing Reserve	\$30,000	
	Air Makeup Replacement 159 Parker St. Meaford	Housing Reserve	\$55,000	
	Air Makeup Replacement 305 14 th St. West Owen Sound	Housing Reserve	\$60,000	
	Air Makeup Replacement 85 Lemon St. Thornbury	Housing Reserve	\$15,000	\$75,000
	Asphalt Replacement 157 Nelson St. Meaford	Housing Reserve	\$30,000	
	Brick Repointing 50 McNab St Chatsworth	Housing Reserve	\$15,000	\$15,000

Departmental Budget	Project	Reserve	2020 Project Funding to Reserve Transfer Amount*	2021 Project Amount From Reserve**
	Building Condition Assessment	Housing Reserve	\$102,200	
	Concrete Patio & Privacy Screens 248 7 th Ave E Owen Sound	Housing Reserve	\$25,000	
	Energy Audit 305 10 th St West Owen Sound	Housing Reserve		\$6,500
	Exterior Door Replacements 40 Artemesia St Dundalk	Housing Reserve	\$25,000	

Departmental Budget	Project	Reserve	2020 Project Funding to Reserve Transfer Amount*	2021 Project Amount From Reserve**
	Exterior Door Replacements Family Units Meaford	Housing Reserve	\$25,000	
	Exterior Doors & Suite Doors 208 Queen St Durham	Housing Reserve	\$75,000	
	Parking Lot 80 Victoria St Meaford	Golden Town Reserve	\$150,000	
	Roof (Steel) and Eavestrough Family Units Durham	Housing Reserve		\$40,000
Housing (continued)	Roof Replacement and Eavestrough 250 12 th Avenue Hanover	Housing Reserve	\$150,000	
	Roof Replacement and Eavestrough 99 Argyle St Markdale	Housing Reserve	\$100,000	
	Roof Replacement 159 Parker St Meaford	Housing Reserve	\$150,000	
	Sidewalk Repair 490 7 th Ave	Housing Reserve	\$20,000	\$20,000

	East Owen Sound			
	Suite Door Lock Replacement 305 14 th St West Owen Sound	Housing Reserve	\$83,700	
	Window Replacement 80 Victoria St Meaford	Golden Town Reserve	\$220,000	
	Window Replacement 121 William St Meaford	Golden Town Reserve	\$40,000	
	Windows & Doors East Side Family Unit Owen Sound	Housing Reserve		\$57,000
Grey Gables	Copper Pipe Replacement	Grey Gables Reserve	\$5,500	
	Generator	Grey Gables Reserve	\$38,700	
	Heating & Cooling System	Grey Gables Reserve	\$20,000	
	Hot Water Heating System (boiler)	Grey Gables Reserve	\$22,000	
	Laundry Equipment	Grey Gables Reserve	\$15,000	
	Long Term Care Floor Replacement	Grey Gables Reserve	\$10,000	
	Retaining Wall	Grey Gables Reserve	\$20,000	
Lee Manor	Replacement of Split Air Conditioners	Lee Manor Reserve	\$50,000	
Rockwood Terrace	Dryer	Rockwood Terrace Reserve	\$8,600	

Departmental Budget	Project	Reserve	2020 Project Funding To Reserve Transfer Amount*	2021 Project Amount From Reserve**
Paramedic Services	Patient Care Equipment		\$3,300	
	Station Furniture		\$3,600	
	Station Maintenance		\$6,000	\$6,100
Transportation Services	Work Management Software Acquisition and Implementation	Transportation General Reserve		\$90,000
	Grey Road 15 Retaining Wall & Hydro Moves: 28th St (15033)	Transportation General Reserve	\$237,900	
	Structure 009-900 Grey Road 9 Lot 13, Conc XIII/XIV, Normanby	Transportation General Reserve	\$500,000	
	Structure 900-272: Orchardville Bridge Removal	Transportation General Reserve	\$127,500	

* Projects funded from taxation in 2020 with funds being recommended to be transferred to reserve for use in 2021.

**Projects budgeted in 2020, that have been delayed and being recommended to be funded from reserve in 2021 and/or were not included in the 2021 budget.

Donation Transfers to Reserve

The following table lists the unbudgeted transfers to reserve that have been donated to be used for a specific purpose.

Department/Function	Reserve / Notes	Estimated Amount
Grey Gables	Grey Gables Donations Reserve	\$9,513
Lee Manor	Lee Manor Donations Reserve	\$2,560
Rockwood Terrace	Rockwood Terrace Donations Reserve	\$37,483
Rockwood Terrace	LTC Redevelopment Reserve	10,320
Grey Roots	Grey Roots – Store Reserve	\$4,000

COVID Relief Funding

Due to the measures that must be taken to mitigate the impact of COVID-19 on the public's health and financial well-being, all levels of government have stepped up to provide assistance. Funding is being utilized in the 2020 budget based on the financial tracking of expenditures and pressures related to COVID-19. Where COVID-19 departmental specific funding is projected to not be sufficient to fund these 2020 COVID-19 costs and pressures, the allocation of funding from the Federal-Provincial Safe Restart Agreement – Municipal Operating Funding is being allocated to these budgets to assist.

The County will be expected to report back to the province with details on the County's 2020 COVID-19 costs and pressures, and the use of these provincial funds in a template to be provided by the ministry. Staff have allocated costs to COVID-19 cost centres based on what they believe to be costs and pressures incurred as a result of the pandemic. Any unallocated COVID-19 funding will be recorded as deferred revenue for use in 2021.

Legal and Legislated Requirements

The Treasurer appointed by the municipality, as per the Municipal Act, is responsible for providing council with information with respect to the financial affairs of the municipality. This report gives staff the authority to transfer surplus funds into reserve, or fund shortfalls out of reserve, as required by the 2021 budget.

Financial and Resource Implications

The information contained in this report details the non-budgeted transfers to/from reserves and the carryover of these and other sources of funding that is being recommended for use in the 2021 budget or for future potential expenses.

Relevant Consultation

- Internal: Departmental Managers, Senior Management Team and CAO
- External

Appendices and Attachments

[FR-CW-26-20 Corporate Financial Update and Year End Projection as of September 30, 2020](#)