Report CCR-PCD-01-14

To: Chair and Members of the Planning and Community Development Committee
From: Sharon Vokes, Clerk and Randy Scherzer, Director of Planning & Development
Meeting Date: December 17, 2013
Subject: Year End Budget Report and Treatment of Year End Budget Surplus/(Deficit)
Status: Recommendation adopted by Committee as presented per Resolution PCD04-14 December 17, 2013; Endorsed by County Council January 9, 2014 per Resolution CC14-14;

Recommendation(s)

THAT Report CCR-PCD-01-14 regarding the year-end budget report and treatment of year-end budget surplus/(deficit) be received;

AND THAT any functions under the control of the Planning and Community Development Committee ending the year with a deficit be funded from reserves related to the specific function;

AND FURTHER THAT $53,900 for the following projects included in the 2013 budget be transferred to reserves to be carried forward to 2014 and funded from the respective reserves:

- Abandoned Landfill Study - $6,500
- Glenelg Klondyke Trail Development - $3,300
- Culvert#1 on the CP Rail Trail - $16,600
- Historic Machinery and Equipment Building - $25,000
- Food safety regulation training project - $2,500

AND FURTHER THAT donations made to Grey Roots for specific purposes be allocated to the appropriate reserve (i.e. $10,000 to develop an exhibit on the apple industry in Grey County, church, etc);

AND FURTHER THAT the remaining surplus be allocated as follows:
$15,000 of Economic Development surplus to be allocated to Tourism reserve to be brought forward in 2014 for completion of the Tourism website redevelopment, along with $10,000 to be brought forward from the Information Services reserve for this project

Any remaining surplus from the functions of Planning, Economic Development, Tourism, Trails and Grey Roots to be allocated to the respective reserves

Agriculture and Forestry surplus to be allocated 30% to Trails, 30% to Grey Roots and the remainder split equally between Planning, Economic Development and Tourism.

Background

The purpose of this report is not to provide an in-depth review of each function and what is specifically attributing to any projected surplus or deficit as that was provided at the October Committee meeting via Report CCR-PCD-28-13 Analysis of Financial Statements to September 30, 2013.

Staff have, however, reviewed the statements to the end of October and do note some areas that have changed from the report presented in October:

- Planning Operating – change from within budget projection to $10,000 surplus
- Forestry Operating – change from $75,000 projected surplus to $80,000 projected surplus
- Trails Operating – change from $10,000 projected surplus to $15,000 projected surplus
- Economic Development – change from within budget projection to $20,000 surplus as a result of staff’s efforts for shared costing of collaborative trade shows

Based on the above projection changes, the total projected surplus has changed from $90,000 to $130,000.

The following is a breakdown of the functions within the portfolio of the Planning and Community Development Committee as of October 31, 2013:

<table>
<thead>
<tr>
<th>2013 Budget as of October</th>
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<tbody>
<tr>
<td>Function</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Planning - Operating</td>
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<tr>
<td>Planning - Capital</td>
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<tr>
<td>Agriculture</td>
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<td>Forestry - Operating</td>
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Recommendations for Distribution of Surplus/Funding of Deficits

Staff have considered the different needs of the functions under the control of the Planning and Community Development Committee and note that all areas other than Agriculture and Forestry would benefit from having surplus funds applied to the various reserves. None of these functions have large capital budgets or the ability to fund unforeseen expenses within the respective operating budgets. It is also true that the largest capital needs fall under Trails and Grey Roots.

Staff are recommending that any deficits be funded from the respective functional reserves.

There are five projects that were budgeted in 2013 but will not be completed within the current budget year. It is recommended that $53,900 for the following projects be transferred to reserve to complete them in 2014:

- Abandoned Landfill Study - $6,500
- Glenelg Klondyke Trail Development - $3,300
- Culvert#1 on the CP Rail Trail - $16,600
- Historic Machinery and Equipment Building - $25,000
- Food safety regulation training project - $2,500.

In addition, the redevelopment of the tourism website is entering its final stages but will not be complete until 2014. What is left is the actual coding of the site which includes a combination of software known as customer relations management (CRM) software, content management software (CMS) and coding associated with the software.

It is estimated that approximately $35,000 is required to complete the website project and only $10,000 was provided in the 2014 Tourism budget as it had been anticipated that more work would have been completed in 2013. The cost of the project is to be shared with the IT Department as the CRM software will provide the underlying technology for the other County websites. The recommendation endorsed by the Corporate Services Committee within Report FR-CS-08-14 Corporate Services Financial Report and Treatment of Year-End Surplus/(Deficit) Positions provided for

<table>
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<tr>
<th></th>
<th>Trails - Operating</th>
<th>Trails - Capital</th>
<th>Tourism</th>
<th>Economic Development</th>
<th>Intelligent Community</th>
<th>Grey Roots - Operating</th>
<th>Grey Roots - Capital</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58,780</td>
<td>48,990</td>
<td>6,128</td>
<td>15,000</td>
<td>0</td>
<td>1,931,772</td>
<td>117,300</td>
<td>3,666,749</td>
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<tr>
<td></td>
<td>75,000</td>
<td>62,510</td>
<td>497,905</td>
<td>0</td>
<td>0</td>
<td>1,609,693</td>
<td>97,750</td>
<td>3,055,613</td>
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<td></td>
<td>478,270</td>
<td>398,610</td>
<td>474,400</td>
<td>0</td>
<td>0</td>
<td>1,586,799</td>
<td>21,218</td>
<td>3,254,756</td>
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<td></td>
<td>291,770</td>
<td>243,150</td>
<td>231,138</td>
<td>20,000</td>
<td>0</td>
<td>(7,300)</td>
<td>(2,700)</td>
<td>130,000</td>
</tr>
</tbody>
</table>
$10,000 to be placed in the Information Services reserve for this purpose, but did not provide for a mechanism for bringing the funding forward to 2014. The recommendation contained within this report provides for an allocation to reserve of $15,000 as well as approving the use of the $15,000, plus the $10,000 within the IS reserve for completing the tourism website project in 2014.

It is recommended that the remaining surplus be allocated as follows:

- $10,000 from Grey Roots to be allocated to reserve for purpose of developing an exhibit on the apple industry in Grey County (donation from Bill Vail and family), as well as other donations which have been made for a specific purpose such as construction of the church
- Any surplus from the functions of Planning, Economic Development, Tourism, Trails and Grey Roots to be allocated to the respective reserves
- Agriculture and Forestry surplus to be allocated 30% to Trails, 30% to Grey Roots and the remainder split equally between Planning, Economic Development and Tourism.

Financial / Staffing / Legal / Information Technology

Considerations

There are no staffing, legal or information technology considerations related to this report. Based on year-to-date amounts, it is anticipated that the budgets under the control of the Planning and Community Development Committee will end the year with a surplus of approximately $130,000.

It is noted that while the majority of the surplus is derived from Forestry, it is not recommended to transfer surplus to the Forestry reserve. It is anticipated that the Forestry reserve will have a balance of approximately $175,000 at the end of 2014 which is adequate at this time. It should be noted that in the event that approval is not granted by the Niagara Escarpment Commission to harvest the Pretty River Tract as contemplated in the 2014 budget, that another property or properties will be selected for harvest to offset at least a portion of the revenue loss. Alternatively, the budget shortfall will need to come from the Forestry reserve.

Link to Strategic Goals / Priorities

It is important to achieve a balanced budget from year to year where possible in order to allow Council to respond to corporate goals and objectives.

Respectfully submitted by,