

JULY 9, 2025

COMMITTEE OF THE WHOLE REPORT

REPORT NO. CW-051-2025

BUDGET VARIANCE ANALYSIS MAY 2025

**KATIE CLARKE
DEPUTY TREASURER**

**PAT HUFFMAN
TREASURER**

RECOMMENDATIONS

THAT the Committee of the Whole recommends that the Budget Variance Analysis for May 2025 as attached to Report No. CW-051-2025 be accepted.

FINANCIAL IMPLICATIONS

Currently, there are no financial implications associated with this report however; any final year-end deficit will be transferred from the Tax Rate Stabilization Reserve as per Policy ADM-020. The current balance in the Tax Rate Stabilization Reserve is \$4,723,088. There are no major financial issues that staff have identified for this report.

STRATEGIC INITIATIVES

To support Section 4.2 of the Counties' Strategic Initiatives, this report assists with maintaining the financial sustainability of the Counties by providing monthly financial analysis.

CLIMATE CHANGE IMPLICATIONS

Where possible reports are provided in a digital format to reduce the Counties carbon footprint.

ACCESSIBILITY CONSIDERATIONS

This report can be made available in alternate accessible formats on request.

The United Counties of Leeds and Grenville makes every effort to provide services in a manner that is inclusive, to ensure accessibility barriers are reduced or eliminated where possible.

COMMUNICATIONS CONSIDERATIONS

There are no communications implications as a result of this report. The report will be on the Counties' website for public consumption.

BACKGROUND

In February 2025, Council approved the 2025 Budget with operating expenses of \$165,774,253 and a net capital budget of \$88,661,429. Monthly budget variance reports are presented to the Committee of the Whole beginning in June of each year with projections being presented in September and continuing until the end of the year. The purpose of this report is to highlight any significant variances as of May 31, 2025 for both the operating budget and capital budget.

DISCUSSION/ALTERNATIVES

Operating Budget:

The attached operating budget variance report compares the 2025 approved budget with the 2025 year to date actuals to arrive at the dollar variance and percentage of budget spent with the month of May representing 41.7% of the year. Wages and

benefits are averaging 38% as payroll is paid one week behind. This report only includes paid expenditures. If goods and services have been provided but not yet paid, these transactions are not reflected in the actuals.

The following is an overview of any significant variances for the Operating Budget:

Council:

- Budgeted revenue includes the \$120,000 transfer from the Dedicated Hospital Reserve to fund year 2 of the 5 year commitment to the Kingston General Hospital, \$212,500 to fund year 6 of the 10 year commitment to the Brockville General Hospital Foundation, an \$90,000 to fund year 3 of 10 for the Kemptville District Hospital Donation. The monies will be disbursed later in December with the offsetting reserve transfers occurring at the same time
- The \$75,000 donation to Sherwood Park Manor for year 2 of the 5 year commitment to their redevelopment fundraising campaign will occur in December
- The \$75,000 one-time donation to Ronald McDonald Foundation has been paid
- Budgeted transfers from reserves included \$30,000 operating carry over from the 2024 budget for strategic planning. This revenue has been transferred into the operating budget. An additional \$58,725 was budgeted as a transfer from the Stabilization Reserve to help fund the Health Care Recruitment initiatives. This transfer will occur at year-end when all expenses have been paid
- Insurance costs were distributed in January for the first six months of the year
- Wages and benefits as well as mileage will be over budget due to the new Corporate Services and Finance Committee as this committee was unbudgeted
- Professional development is 75% spent as the ROMA Conference occurred in January and the registration costs for the AMO conference in August have been paid for
- Memberships have been paid for the year
- Legal fees, contracted services and computer equipment are currently under budget

Administration:

- Wages and benefits are under budget due to staff vacancies
- Office supplies, mileage and travel, meeting expenses, professional development, and legal expenses are currently under budget as expenses will occur later in the year
- Insurance costs were distributed in January for the first six months of the year

- Consulting costs are over budget due to the timing of the CAO Recruitment invoices
- Computer license renewals for Video streaming and eScribe will be paid in July and August
- Accessibility Committee expenses are under budget

Corporate Services:

- Budgeted transfers of \$252,774 from the Stabilization Reserve to the HR operating budget will occur at year-end to help fund the HR Project Manager assisting with MVL Recruiting, the HRIS Coordinator and to fund the Compensation Review
- Overall wages and benefits are under slightly budget due to staff vacancies
- Insurance costs were distributed for the first six months of the year
- Audit fees have been expensed for the year
- Legal expenses are over budget
- Consultants and network charges are under budget in IT but consultants are trending over budget in Accounting Services and Human Resources
- IT computer licensing is 58% expended with Microsoft licensing to occur later in the year
- Memberships have been expensed for the year in IT and Accounting Services but are currently under budget for HR

Properties:

- Revenues include rent paid to the Counties for office space at 32 Wall Street, Brockville and 375 William Street, Gananoque. It also includes revenue for parking at 32 Wall Street which is invoiced at the start of the year
- The \$20,000 approved carry over from the 2024 budget for 25 Central office renovations has been transferred to the 2025 budget to offset current renovation expenses
- The province has a long-term lease agreement with the Counties to lease the Courthouse for \$1 in rent plus the actual cost of insurance. Insurance for the first half of 2025 totals \$20,580 for the Courthouse. This amount plus the remaining cost of the insurance from July to December will be invoiced after the Counties receives the remaining invoice for the 2025 insurance
- Insurance costs were distributed for the first 6 months of the year
- Wages and benefits are under budget due to staff vacancies
- Materials and supplies are over budget due to the office renovations at 25 Central Avenue. \$100,000 was approved in the 2025 capital budget, however,

actual expenses as well as the offsetting revenue as a transfer from the Amortization Reserve will occur in the operating budget as the renovations do not meet the capitalization threshold

- Hydro, heat and water expense are currently under budget
- Contracted services include snow plowing, building cleaning services, carpet cleaning, window cleaning, floor stripping and painting and is currently over budget. Snow plowing costs are higher in the first quarter of the year offset by other contracted services occurring later in the year. Invoices for cleaning have not all been received

Property Assessment:

- Two of the quarterly installment payments to MPAC was remitted
- Consultants are currently under budget and are based on hours as required
- Legal fees are currently under budget

POA:

- Fine revenue received is 44% of budget as of May 2025
- Wages and benefits are trending on budget
- Office supplies, mileage and travel and computer software are under budget partially offset by the computer equipment budget being fully expended
- The Ministry of Attorney General invoices for quality assurance, ICON charges, Prosecutor Fees and Justice of the Peace costs. Invoices have only been paid up until April due to the timing of when the invoices are received
- Interpreter fees and collection agency fees are currently trending over budget offset by professional development being under budget
- Audit fees have been distributed for the year and the annual Court Administrative Management Software (CAMS) support fees have been paid. This software is used to assist with collection activities

Fire Emergency:

- Tower rent revenue is higher than anticipated at 59% of the annual budget and is based upon the rental space provided to 3rd parties
- A transfer from the Stabilization Reserve was budgeted in the amount of \$50,000 to pay for one-time consulting costs for the Fire Radio Tower System Evaluation. Funds will be transferred at year-end when the consulting project is complete
- Insurance costs were distributed for the first six months of the year
- Fire Dispatch costs have been paid to the City of Brockville for January to June
- Tower repairs and maintenance costs are under budget

Emergency Management:

- Contracted services, office/computer supplies, professional development, and mileage and travel are under budget at this time

911

- Budgeted revenue includes a recovery from participating municipalities which was invoiced in the first quarter
- The OPP contract has been paid for the year

Weed Inspection:

- Activities for Weed Inspection started in May and continue throughout the summer months

Transportation Services:

- Overall wages and benefits are 42% of budget due to the additional part-time employees brought in for winter control
- Revenue received for permits and other miscellaneous items are only 21% of budget as the annual aggregate revenue is not received until September
- Contribution from reserves includes \$301,500 carry over funding from the 2024 budget. This amount has been transferred to the 2025 budget to offset consulting costs and shouldering costs
- Insurance costs were distributed for the first six months of the year
- Consulting is currently under budget with costs expected later in the year
- 44% of the total winter control budget has been expended as of April 30th
- Hard top, beacon maintenance, weed control, lane marking, bridge cleaning, culvert maintenance, and contracted services at each patrol are below budget at this time as these maintenance programs begin in late Spring
- Vehicle maintenance is trending slightly over budget for in-house repairs but under budget for work outsourced
- Fuel expenses are over budget as more driving occurs with winter plowing than in summer operations
- Vehicle license fees are paid later in the year
- The transfer for new capital projects occurs in December and is based on actuals
- Interest expense on the capital financing for Road 43 Expansion is under budget and is based on the cash draws with Infrastructure Ontario (IO). As construction continues to pick up, additional draws will be required on the IO loan and the monthly interest expense will increase. The offsetting transfer from the Dedicated Infrastructure Reserve to fund the interest will occur at year-end

Waste Management:

- Budgeted revenues include the provincial subsidies associated with the Household Hazardous Waste days, which are invoiced in December
- The costs associated with the Household Hazardous Waste days will occur during the summer when the events are held
- Insurance costs were distributed for the first six months of the year

Health Unit:

- January to May levy payments have been expensed

Paramedic Service:

- Provincial subsidy received for operations is currently 39% of budget. The 2025 budgeted increase is based on the provincial cost share formula of 50% of the approved prior year budget. Current cash flow from the province does not include the 2025 increase as this has not yet been announced and confirmed by the province
- \$48,750 in provincial funding has been received for the Dedicated Offload Nurse Program however amounts paid to Brockville General Hospital (BGH) are based on invoices submitted. The invoice for January to March 2025 program costs was paid in June in the amount of \$33,188. Any unused funding by Brockville General Hospital is payable back to the province
- Overall wages and benefits are currently 31% of budget, however, wages are based on 2022 collective bargaining rates and will have a retroactive adjustment when the Collective Agreement is settled. Accruals have been set up for both 2023 and 2024 but no estimates have been calculated for 2025 at the time of this report. In addition, overtime and backfill costs are highest throughout the summer months
- Annual insurance costs were distributed in January for the first six months of the year
- Professional development expenses are currently under budget as costs are anticipated to occur later in the year
- Office supplies, office equipment, photocopying, consultants and contracted services are currently under budget
- Legal expenses are 100.79% of budget
- Patient care medical supplies and equipment are 24% of budget, however, invoices have not all been received
- Facility leasing and fuel are under budget as not all invoices have been received

- Vehicle maintenance for work outsourced is currently 93% of the annual budget
- The budget included \$45,000 in revenue from the sale of retired ambulances and an ERV. Once new vehicles are received, the Counties will work towards disposing the retiring vehicles
- \$251,500 was received from Intact Insurance due to an insurance claim for an ambulance involved in an accident. This revenue will fund the replacement vehicle
- Community Paramedicine Long-Term Care Program, High Intensity Supports At Home (HISH), and Substance Use and Additional Program (SUAP) are currently under budget however, wages are based on 2022 rates and not all invoices have been received. It is anticipated that all program funding will be spent by year-end
- Cross Border costs are reconciled in December
- The \$384,252 approved for new capital is transferred to capital in December once all invoices have been reconciled for year-end
- In year WSIB expenses are currently exceeding the budgeted expense by \$258,000. Some of this will be recoverable from the 100% provincially funded Community Paramedicine programs but the majority of the overage will be funded from regular operations

Maple View Lodge:

- Resident Fee revenue include the residents' accommodation fees which are invoiced monthly and are on budget. In May 2025, the Ministry of Long-Term Care (MLTC) announced an inflationary rate increase of 2.4% as of July 1st. The 2025 budget included an increase of 1% as of July 1st based on historical rate increases therefore resident fee revenue will be greater than budget
- Provincial revenues include the monthly provincial subsidies received in all four funding envelopes which are Nursing, Program and Support, Raw Food, and Other Accommodations. On June 20th, the Ministry of Long-Term Care (MLTC) announced that level-of-care base funding was increasing 2.1% retroactive to April 2025
- Maple View Lodge received notification on June 19th that as of April 1st, the new funded Case Mix Index (CMI) is increasing by 0.2% to 1.0029. This will increase funding to the Nursing and Personal Care envelope retroactive to April
- In January 2025, MLTC announced an increase in the amount of Direct Care provincial funding for Q1 2025. It is projected that this will provide an additional \$9,859 in direct care funding based on the current 60 beds for January to March

- The Ministry announced in June that Infection, Prevention and Control (IPAC) funding will continue in a consolidated model where homes can utilize previous IPAC Personnel, IPAC Lead and IPAC Training & Education funding in any of the three areas
- MLTC also announced that they will be consolidating the funding provided through the Resident Health and Well-Being (RHWB) program with the Allied Health Staffing Supplement
- Overall wages and benefits are 24% of budget. The 2025 salary plan included gradually increasing staffing throughout 2025 so that there are sufficient numbers of staff ready for the opening of the G. Tackaberry and Family Home
- Materials and supplies are currently under budget as purchases are expected to increase once the 192 bed home is open
- Purchased services is 42 of budget as staffing agencies have been utilized to provide direct care to residents in 2025. This has amounted to an addition expense of \$109,219 from January to May. In addition, insurance has been distributed for the first six months of the year
- Additional detail on the variances by department is provided in MVL-028-2025 Maple View Lodge Financial Report May 2025

Maple View Lodge Redevelopment:

- Contribution from reserves to cover the operational costs of the new redevelopment project will occur at year-end based on actuals
- Wages and benefits relate to the Construction Project Manager and the Fundraising Coordinator are on budget
- Materials and supplies include \$202,809 in purchases funded from the Fundraising Committee approved purchased for ceiling tracks. Off-setting donation revenue will be recorded for May month-end. In addition, \$39,040 in equipment purchases funded from the GTFH capital budget have been expensed here as the items do not meet the \$10,000 Tangible Capital Asset capitalization threshold. Offsetting funding from the GTFH budget will be transferred at year-end
- Purchased services consists of the 2025 fees paid year to date for Colliers
- Debenture interest is the interest on the construction financing for the 192 bed home redevelopment
- Contribution to Amortization for the 7.5% tax levy increase to fund the 192 bed home will occur at year-end. The current expenditures are actual amortization expense on the existing home

St. Lawrence Lodge:

- The 1st quarterly payment was paid in March

St. Lawrence Lodge Redevelopment:

- Budgeted revenue is the Counties share of the provincial subsidy which is received from the City of Brockville in June and December. The Counties subsidy is based on \$10.35/bed/day for 64 beds which was determined at the time of the redevelopment
- Semi-annual debenture payments are usually paid in March and September
- There is 1 remaining debenture issue associated with the redevelopment and it will be fully repaid on September 15, 2025

Community & Social Services:

- Ontario Works is currently under budget due to caseloads being lower than anticipated. Employment related expenses and other administration expense are under budget as a result
- Children Services is currently on budget. It is anticipated that all provincial funding will be fully utilized by year-end
- Community Housing is trending over budget due to the following:
 - The first tax installments for 2025 has been paid and insurance premiums have been distributed for the first six months of 2025
 - Utilities are trending over budget and grounds costs are currently 100% of budget due to winter maintenance. These are partially offset by community housing rental income being higher than budget
 - Housing programs process payments a month in advance which means May contains six months of expenses or 50% of budgeted expenditures
 - Provincial revenue for April to June has not been received for several provincially funded programs
- In addition, budgeted transfers from the Housing Amortization Reserve will occur at year-end to offset operating costs for capital improvements that do not meet the capitalization threshold

Charleston Lake:

- Costs are seasonal and are expected to occur throughout the summer
- Insurance costs have been for the first six months of the year

Planning:

- Actual revenue related to planning applications is currently 71% of budget
- \$20,134 was received as a Peer Review Deposit and will be reconciled to actual once the Peer Review is complete
- Budgeted transfers from reserves will occur at year-end if required to offset any actual expenditures incurred in one-time consulting projects and any OMB appeals
- Consulting costs for the DC Study and Population and Growth Update are currently 7% of budget. Additional expenses will occur throughout the year
- Legal fees are under budget

GIS:

- Service agreements with Gananoque for GIS services are invoiced later in the year
- Licensing costs occur in July and October
- Contracted services for Teranet and the Next Generation 911 Data Cleanup have not yet occurred
- Professional development is currently under budget

Consent Review Committee:

- Application fee revenue is 26% of budget as of May 31st
- Legal fees, photocopying and other administration expenses are under budget at this time

Economic Development:

- \$70,500 in carry over funding from the 2024 budget has been recognized in the 2025 budget to offset expenditures in marketing materials, marketing investment and the CRM software implementation
- Overall wages and benefits are under budget due to temporary staffing vacancies
- Marketing materials are 60% of budget
- The CRM software purchase and implementation has not yet occurred
- Professional development and regional marketing investment are under budget
- Small Business Centre is showing under budget due to the timing of the cash flow for the provincial subsidy, however, this program is expected to be on budget for the year

Forest Management:

- Expenses for Forest Resources promotion/meeting expense are over budget offset by materials and supplies trending under budget

- Insurance costs have been distributed for the first six months of the year
- Professional development has been fully expended
- Contracted services included expenditures for forest renewal and the 2026-2036 Forest Management Plan. Costs are anticipated to occur later in the year
- Education expenditures are currently 53% of budget
- Interpretive Centre expenditures are currently 58% of budget
- Semi-annual reserve repayments for internal borrowing for the purchase of additional property at Limerick Forest occurs in February and August and will be repaid in 2026
- The \$40,000 transfer to reserve for forest regeneration will occur at year-end

Transfer to Reserve:

- The March levy payment has been received so the required transfers to the Dedicated Hospital Levy Reserve Fund and Dedicated Infrastructure Levy Reserve Fund have been completed
- The transfer to reserve also includes \$135,461 in interest earned on the Dedicated Hospital Levy, the Dedicated Infrastructure Levy, and the Supportive Housing Reserve Fund, which is transferred to the respective reserve funds

Revenues:

- Interest revenue includes interest earned on funds in the Counties general bank account and is currently earning prime less 1.9% or 3.05%
- Interest on the investment portfolio is calculated at the end of the year
- Transfer from the Working Fund Reserve will be completed at the end of the year if required to offset a deficit
- The first quarter levy installment has been received
- Grant-in-Lieu and Supplementaries/Write Offs are not received until mid-December

Capital Budget:

The attached Capital Budget Report compares the 2025 approved budget to the combined total of the actual and committed expenditures to reflect the variance as of May 31, 2025. A status column is also included for notes or comments on the projects as well as a column indicating an estimated completion date for all work in progress.

The committed column includes commitments that have been made by the Counties through the issuance of purchase orders, authorized internal memos for procurement under \$150,000, and reports which have been approved by Committees or Council.

A section has also been added at the bottom of the report which summarizes the funding sources based on the approved Capital Budget, actuals to date, committed amounts, and the variance which reflects the available funds at the time of the report.

Included in the approved 2025 Capital Budget were 54 capital projects from 7 different departments broken down as follows:

- IT – 1
- Properties – 3
- Public Works – 32
- Paramedic Services – 5
- Maple View Lodge – 4
- Social Housing – 8
- Forest Management - 1

In addition, the following unbudgeted capital expenditure has been included in the report:

- Refurbished power load systems with stretchers – In order for power load units and stretchers to pass certification for utilization in new ambulances, the units required capital repair. This work was funded from the Paramedic Service Equipment Reserve.
- Purchase of vacant land 126 John Street, Brockville – Purchase of vacant property funded from the Housing Amortization Reserve for future housing opportunities.

ATTACHMENTS

1. Budget Variance Report to May 31, 2025
2. 2025 Capital Budget Report with actuals as of May 31, 2025

The report set out above has been reviewed and the information verified by the individuals listed below.

**KATIE CLARKE,
DEPUTY TREASURER**

**JUNE 29, 2025
DATE**

**PAT HUFFMAN,
TREASURER**

**JUNE 30, 2025
DATE**

**AL HORSMAN
CHIEF ADMINISTRATIVE OFFICER**

**JULY 2, 2025
DATE**