



## GENERAL GOVERNMENT SERVICES COMMITTEE AGENDA

Monday, May 26, 2014, 4:45p.m.

55 Zina Street, Orangeville – Sutton Room (2<sup>nd</sup> Floor)

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Declarations of Pecuniary Interest by Members

### **REPORTS**

1. GENERAL GOVERNMENT SERVICES – May 26, 2014 – ITEM #1  
Auditors for 2014

A report from the Treasurer dated May 26, 2014 to recommend the appointment of auditors for the year 2014.

***Recommendation:***

***THAT the Treasurer's report dated May 26, 2014, with respect to the appointment of Auditors for 2014 be received;***

***AND THAT the necessary by-law to appoint KPMG LLP as County Auditors for 2014 be presented to Council.***

2. GENERAL GOVERNMENT SERVICES – May 26, 2014 – ITEM #2  
Surplus DCCSS Funds

A report from the Treasurer dated May 26, 2014 to address the surplus funds related to Dufferin County Community Support Services (DCCSS) prior years, by transferring them to an existing reserve.

***Recommendation:***

***THAT the Treasurer's report dated May 26, 2014 with respect to surplus Dufferin County Community Support Services (DCCSS) funds be received;***

***AND THAT the remaining surplus funds also be transferred to the Dufferin Oaks Capital Reserve.***

3. GENERAL GOVERNMENT SERVICES – May 26, 2014 – ITEM #3  
Additional Insurance Expense

A report from the Treasurer dated May 26, 2014 to inform the Committee of the receipt of an additional insurance expense and to discuss options for dealing with the expense.

***Recommendation:***

***THAT the report from the Treasurer dated May 26, 2014 regarding additional Insurance Expense be received;***

***AND THAT the cost of the Supplemental Assessment of 2014 be financed from the Rate Stabilization Reserve;***

***AND THAT a provision be included in the draft 2015 County Budget to begin building a reserve for potential future Supplemental Assessments.***

4. GENERAL GOVERNMENT SERVICES – May 26, 2014 – ITEM #4  
Timetable for 2015 Budget

A report from the Treasurer dated May 26, 2014 to propose a timetable for setting the 2015 County Budget, the first budget in the term of the next Council.

***Recommendation:***

***THAT the report of the Treasurer dated May 26, 2014 regarding the 2015 Budget Timetable be received,***

***AND THAT staff be directed to proceed with preparing the information required for the 2015 budget process in accordance with the proposed timeline.***

**DISCUSSION ITEM**

5. GENERAL GOVERNMENT SERVICES – May 26, 2014 – ITEM #5  
Discussion Item - Procedural By-law

Discussion of the Procedural By-law as requested by Warden Hill.

**Next Meeting:** June 23, 2014, 4:45 p.m.  
55 Zina Street, Orangeville – Sutton Room



## **REPORT TO GENERAL GOVERNMENT SERVICES**

**To:** Chair Maycock and Members of General Government Services Committee  
**From:** Alan Selby, Treasurer  
**Meeting Date:** May 26, 2014  
**Subject:** **Auditors for 2014**

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### **Purpose**

The purpose of this report is to recommend appointment of auditors for the year 2014.

### **Background & Discussion**

KPMG were appointed as County auditors for 2011, 2012 and 2013 by Bylaw 2011-43. The 2011 RFP for Audit Services provided for the possibility of a one-year extension.

### **Local Municipal Impact**

There is no local municipal impact.

### **Financial, Staffing, Legal, or IT Considerations**

The Treasury staff has worked well with KPMG for the past 3 years, and recommend the firm be re-appointed as Auditors for 2014. There will be an Auditing RFP conducted in 2015.

### **Recommendation**

**THAT the Treasurer's report on Auditors for 2014 be received;**

**AND THAT the necessary by-law to appoint KPMG LLP as County Auditors for 2014 be presented to Council.**

Respectfully submitted,

Alan Selby  
Treasurer



## REPORT TO GENERAL GOVERNMENT SERVICES

**To:** Chair Maycock and Members of General Government Services  
**From:** Alan Selby, Treasurer  
**Meeting Date:** May 26, 2014  
**Subject:** **Surplus DCCSS Funds**

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### **Purpose**

The purpose of this report is to address the surplus funds related to Dufferin County Community Support Services (DCCSS) prior years, by transferring them to an existing reserve.

### **Background & Discussion**

The DCCSS operates multiple programs such as Transportation services, Assisted Living and Adult Day programs, under the administration of Dufferin Oaks. The programs are funded mostly by Ministry of Health grants, plus some user fees and some County tax support.

During the 2013 year end, the County auditors identified some surplus monies related to the year-end results of DCCSS in previous fiscal years.

In recent years, the funding model related to DCCSS has changed from being based on individual programs to a more global program approach allowing surplus funds to be applied to other DCCSS programs. It had been normal County practice to transfer any unspent monies at the end of each year, temporarily, into a Liability account Due to Ministry of Health, in case the funds had to be returned to the Ministry. With the change in funding model, these funds may be retained by the County and have become surplus.

The total amount equals \$195,518 of which \$187,160 was recognized in 2013 on the recommendation of the auditors and allocated to the Dufferin Oaks Capital Reserve. It is recommended that the balance of \$8,358 be transferred in 2014 to the same reserve and be earmarked for future Dufferin Oaks capital projects.

### **Local Municipal Impact**

There is no local municipal impact.

**Financial, Staffing, Legal, or IT Considerations**

This move will increase the Dufferin Oaks Capital Reserve to \$268,404 which will be available for use in future capital budgets of Dufferin Oaks.

**Recommendation**

**THAT the Treasurer's report dated May 26, 2014 with respect to surplus DCCSS funds be received;**

**AND THAT the remaining surplus funds from the Dufferin County Community Support Services be transferred to the Dufferin Oaks Capital Reserve.**

Respectfully Submitted,

Alan Selby, Treasurer



## REPORT TO GENERAL GOVERNMENT SERVICES

**To:** Chair Maycock and Members of General Government Services Committee  
**From:** Alan Selby, Treasurer  
**Meeting Date:** May 26, 2014  
**Subject:** **Additional Insurance Expense**

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### Purpose

The purpose of this report is to inform the committee of a supplemental assessment for insurance and to recommend that the additional expense be funded from the Rate Stabilization reserve.

### Background & Discussion

The Ontario Municipal Insurance Exchange (OMEX) is the insurer for the County. OMEX is a reciprocal, a not-for-profit organization owned by its members. Reciprocals sometimes need to issue a supplemental assessment which is an additional premium over and above the amount originally charged for a past underwriting period(s). OMEX has just released a new supplemental assessment to cover losses of recent years. The County of Dufferin's share of the supplemental assessment is \$263,309 plus PST. This amount is not in the 2014 budget; with PST, it is \$284,373.

The table below provides a recent history of County insurance costs:

	Annual Premium with PST added	Supplemental Assessment	Combined Expense
2009	357,161	52,600	409,761
2010	458,043	239,817	697,860
2011	435,890		435,890
2012	498,702		498,702
2013	600,847		600,847
2014	# 505,822	284,373	790,195

*# the Deductible was increased to \$25,000 in 2014, thereby reducing the 2014 premium*

Although OMEX offers a 5-year, interest-free payment schedule for this additional expense, as they did with the \$239,817 supplemental assessment in 2010, accounting rules require the full amount be charged to 2014, the year when this amount arose. The payment schedule does assist with cash flow management and commences in 2015.

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In 2013, OMEX was awarded the RFP to be the County's insurer for both 2014 and 2015. Using total insurance costs from the Table above, for 2010 to 2014 inclusive (a 5 year period), the average annual cost of insurance with OMEX has been \$604,698.80 (NOTE: *this ignores changes in coverage over the 5 year period, such as adding new buildings, or increasing the Deductible in 2014*)

In the 2013 RFP, there was only one other bidder willing to quote on a \$25,000 deductible, and their premium quote for 2014 coverage was \$994,567 excluding PST.

### **Local Municipal Impact**

Any local municipality that has been an OMEX member, during any of the years covered by this supplemental assessment, will also be receiving an extra charge from OMEX.

### **Financial, Staffing, Legal, or IT Considerations**

There is no allowance for the supplemental assessment in the 2014 budget. It is recommended that the Rate Stabilization reserve be used to fund this unexpected expense. This reserve currently has an uncommitted balance of approximately \$1.6 million.

The likelihood of another supplemental assessment arising in the future is high. Even if the County were to leave OMEX any excess losses incurred while a member of the reciprocal would result in a supplemental assessment. In an effort to better plan for this type of expense it is recommended that an insurance reserve be established as part of the 2015 Draft Budget. The appropriate dollar amount will be a matter for discussion during budget meetings.

### **Recommendation**

**THAT the Treasurer's report on Additional Insurance Expense be received;**

**AND THAT the cost of the Supplemental Assessment of 2014 be financed from the Rate Stabilization Reserve;**

**AND THAT a provision be included in the draft 2015 County Budget to begin building a reserve for potential future Supplemental Assessments.**

Respectfully Submitted,

Alan Selby, Treasurer



## REPORT TO GENERAL GOVERNMENT SERVICES

**To:** Chair Maycock and Members of General Government Services Committee  
**From:** Alan Selby, Treasurer  
**Meeting Date:** May 26, 2014  
**Subject:** **Timetable for 2015 Budget**

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### Purpose

The purpose of this report is to recommend a timetable for 2015 County Budget process.

### Background & Discussion

Here is the proposed timetable for 2015 Budget development.

Capital Budget Call to Senior Management	Fri. June 6 <sup>th</sup> , 2014
10-year Capital Budgets returned to Treasury	Fri. July 24 <sup>th</sup> , 2014
Operating Budget Call to Senior Management	Fri. July 10 <sup>th</sup> , 2014
4-Year Operating Budgets returned to Treasury	Fri. Aug. 7 <sup>th</sup> , 2014
Assembly of the full picture, Treasury staff	Aug 10-31, 2014
Further amendments at SMT	Sep., Oct., Nov. meetings
Draft Budget Packages provided to Council	mid-December, 2014
Draft Budget presentation to Council	Jan. 8, 2015 meeting
Budget Review at Standing Committees	through January 2015 Committee Cycle
COW Budget Discussion /public consultation	@ Council mtg. Feb., 2015
COW Budget Discussion #2, #3, etc. ( <i>as necessary</i> )	@ Council March, 2015 plus extra dates if required

New for 2015 will be the preparation of 4-year operating (years 2015-2018 inclusive) and 10-year capital (2015 to 2024 inclusive) budgets. Multi-year Operating budgets, covering from two to five years, are permitted under Municipal Act section 291.

Year 2015 Budget amounts will be formally adopted by Council, and the subsequent year budget figures will be received, subject to further review annually, as stated in the Municipal Act, ss.291(4).

The need for 10-year Capital Budgets comes from the Provincial requirement for asset management plan. The mandatory Financial Strategy section of an asset management plan typically requires data for at least a 10-year period, as a basis for analysis. The Federal Gas Tax guidelines, and also the Ontario Ministry of Infrastructure materials, now both identify the local municipal asset management plan as a requirement when seeking financial assistance for capital projects.

### **Local Municipal Impact**

Local municipalities will often take into consideration the County Budget details when setting their local budgets.

### **Financial, Staffing, Legal, or IT Considerations**

There are no financial, staff, legal or IT considerations pertaining to this report.

### **Recommendation**

**THAT** the Treasurer's report on 2015 Budget Timetable be received;

**AND THAT** staff be directed to proceed with preparing the information required for the 2015 budget process in accordance with the proposed timeline.

Respectfully submitted,

Alan Selby  
Treasurer