



The Corporation of the City of Stratford
Finance and Labour Relations Sub-committee
Open Session
AGENDA

Date: October 19, 2021
Time: 3:30 P.M.
Location: Electronic Meeting
Sub-committee Present: Councillor Gaffney - Chair Presiding, Councillor Clifford - Vice-Chair, Councillor Beatty, Councillor Bunting, Councillor Ritsma
Staff Present: Karmen Krueger - Acting Director of Corporate Services, Jodi Akins - Council Clerk Secretary

To watch the Sub-committee meeting live, click the following link: <https://stratford-ca.zoom.us/j/89374127349?pwd=RnZaSDYrTC9mOWhUY2E1c1BjRXR6QT09>
A video recording of the meeting will also be available through a link on the City's website at <https://calendar.stratford.ca/meetings> following the meeting.

Pages

1. Call to Order

The Chair to call the meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

3. Delegations

None scheduled.

4. Report of the Director of Corporate Services

- 4.1. Request for Funding from Stratford General Hospital Foundation and St. Marys Healthcare Foundation (FIN21-025) 3 - 34

Motion by _____

Staff Recommendation: THAT Council provide direction to staff whether to include these requests for funding for the Stratford General Hospital and the St. Marys Hospital Foundation under the Community Grants Program upon adoption with the 2022 budget.

- 4.2. Ontario Regulation 284/09 for 2021 Budget (FIN21-026) 35 - 38

Motion by _____

Staff Recommendation: THAT the report from the Acting Director of Corporate Services regarding legislative requirements of Ontario Regulation 284/09, and the impact of excluded expenses from the City's 2021 budget, be adopted by Council resolution.

5. Next Sub-committee Meeting

The next Finance and Labour Relations Sub-committee meeting is November 16, 2021 at 3:30 p.m.

6. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

Sub-committee Decision: THAT the Finance and Labour Relations Sub-committee meeting adjourn.



MANAGEMENT REPORT

Date: October 19, 2021
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, Acting Director of Corporate Services
Report#: FIN21-025
Attachments:

1. Stratford General Hospital Renovation
2. Impact on Stratford General Hospital Patient Care
3. Community Grants Summary 2021

Title: Request for Funding from Stratford General Hospital Foundation and St. Marys Healthcare Foundation

Objective: To consider requests for funding commitments received from Stratford General Hospital for support of its Catalyst for Campaign Launch in the amount of \$5 million over 10 years, and from St Marys Healthcare Foundation for a \$54,000 contribution towards their Patient Room Renewal Project.

Background:

Stratford General Hospital:

At the July 26, 2021 Regular Council meeting, Council adopted the following resolutions:

THAT the request from the Stratford General Hospital Foundation for funding in the amount of \$5 Million over 10 years for their Catalyst for Campaign Launch be referred to the Finance and Labour Relations Sub-committee.

-and-

THAT the development of a Matching Grants program with surrounding municipalities be referred to staff for review and preparation of a report for Council's consideration.

At the July 26 meeting, hospital representatives noted that the City's commitment would help to secure further donations for their project. Supporting documentation as to future capital requirements and specific projected investments in the form of a multi-year capital budget was provided in 2020. These figures were provided to support the request but due to size, have not been included with this report at this time.

Stratford has supported health care initiatives in the past, and currently has an outstanding commitment to the Rotary Hospice Stratford Perth. This pledge occurred in 2015 for \$1,500,000. Festival Hydro made a complementary pledge to assist the City of \$200,000. This effectively reduced the City's commitment to \$1,300,000.

Contributions have been made to date as follows:

Date	City	Festival Hydro	Balance Owing
Approved 2015			\$1,500,000
June 13, 2018	\$300,000		\$1,200,000
May 16, 2019	\$250,000	\$50,000	\$900,000
March 10, 2020	\$250,000	\$50,000	\$600,000
March 30, 2021	\$175,000		\$425,000
Paid to Date	\$975,000	\$100,000	\$425,000

St. Marys Memorial Hospital:

At the September 27, 2021 Council meeting, Council adopted the following resolution:

That the request from the St. Marys Healthcare Foundation for funding in the amount of \$54,000 towards their Patient Room Renewal Project at the St. Marys Memorial Hospital be referred to the 2022 budget deliberations.

Then, at the October 4, 2021 Finance and Labour Relations Committee meeting, Staff were directed to refer this request to be included with a staff report.

Analysis: The City's budget process has historically included a discussion around Community Grants. The 2021 summary is attached to this report for reference. The Community Grants program currently has some restrictions on time periods and annual amounts, and as such the request doesn't meet the parameters. That said, Council has previously authorized the contribution to the Rotary Hospice Stratford Perth through this program line in the budget as an exception.

In 2021, the total amount allocated to the Community Grants program was \$769,050 including multi-year commitments of \$252,800. The multi-year amount was divided amongst 5 organizations in amounts ranging from \$700 to the \$175,000 for the Hospice.

These two hospital requests represent a potential \$554,000 impact to the City's 2022 budget.

The impact of increasing the funds available within the Community Grants budget will be a direct levy impact. Some of this perhaps could be managed through the Committee and the allocation process, but not without reducing funds available to other organizations.

One option to reduce this impact would be to defer contributions to the Stratford Hospital and/or St Marys Hospital until the Hospice commitment is complete. If the contributions to

the Hospice commitment continue at the same rate as in previous years, this would be complete by the 2024 budget.

Another option is to consider a phasing-in approach to the \$500,000 annual ask over a longer timeframe, possibly starting with a smaller amount in the earlier years and increasing this amount once the Hospice commitment is finished.

Matching Grants Program

With respect to developing a Matching Grants program, the Acting Director of Corporate Services has reached out to the neighbouring municipalities to request information and gauge potential interest in developing such a program.

The general response is that the neighbouring municipalities have not received explicit requests for funding from the Stratford General Hospital. They have, however, like the City of Stratford, received 'prorated' requests from St. Marys Hospital based on usage. This strategy of spreading the request across municipalities based on usage seems, on the surface, to receive more support than entering any kind of Matching Grants program. However, if Council so directs, staff can explore this further.

Financial Impact: As the requests cannot be accommodated within the current level of contribution to the Community Grants Program budget nor another line item, there would most likely be an incremental impact to the 2022 budget, increasing the levy accordingly.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Staff Recommendation: THAT Council provide direction to staff whether to include these requests for funding for the Stratford General Hospital and the St. Marys Hospital Foundation under the Community Grants Program upon adoption with the 2022 budget.



Karmen Krueger, Acting Director of Corporate Services



Joan Thomson, Chief Administrative Officer



STRATFORD GENERAL HOSPITAL

PHARMACY & CHEMOTHERAPY RENOVATION

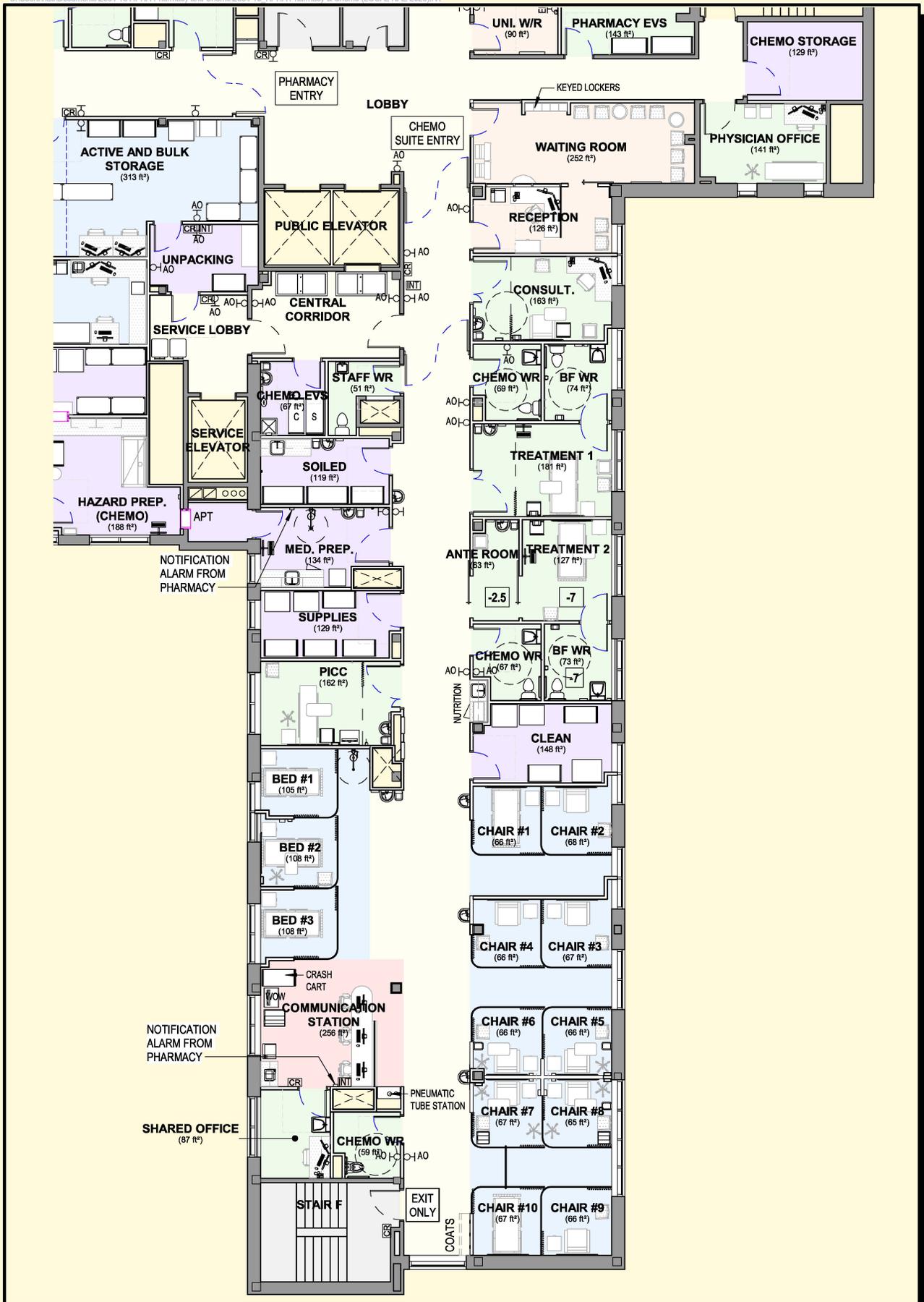
PROJECT NO. 2304-18

ROOM DATA SHEET PACKAGE - CHEMOTHERAPY

JULY 2021



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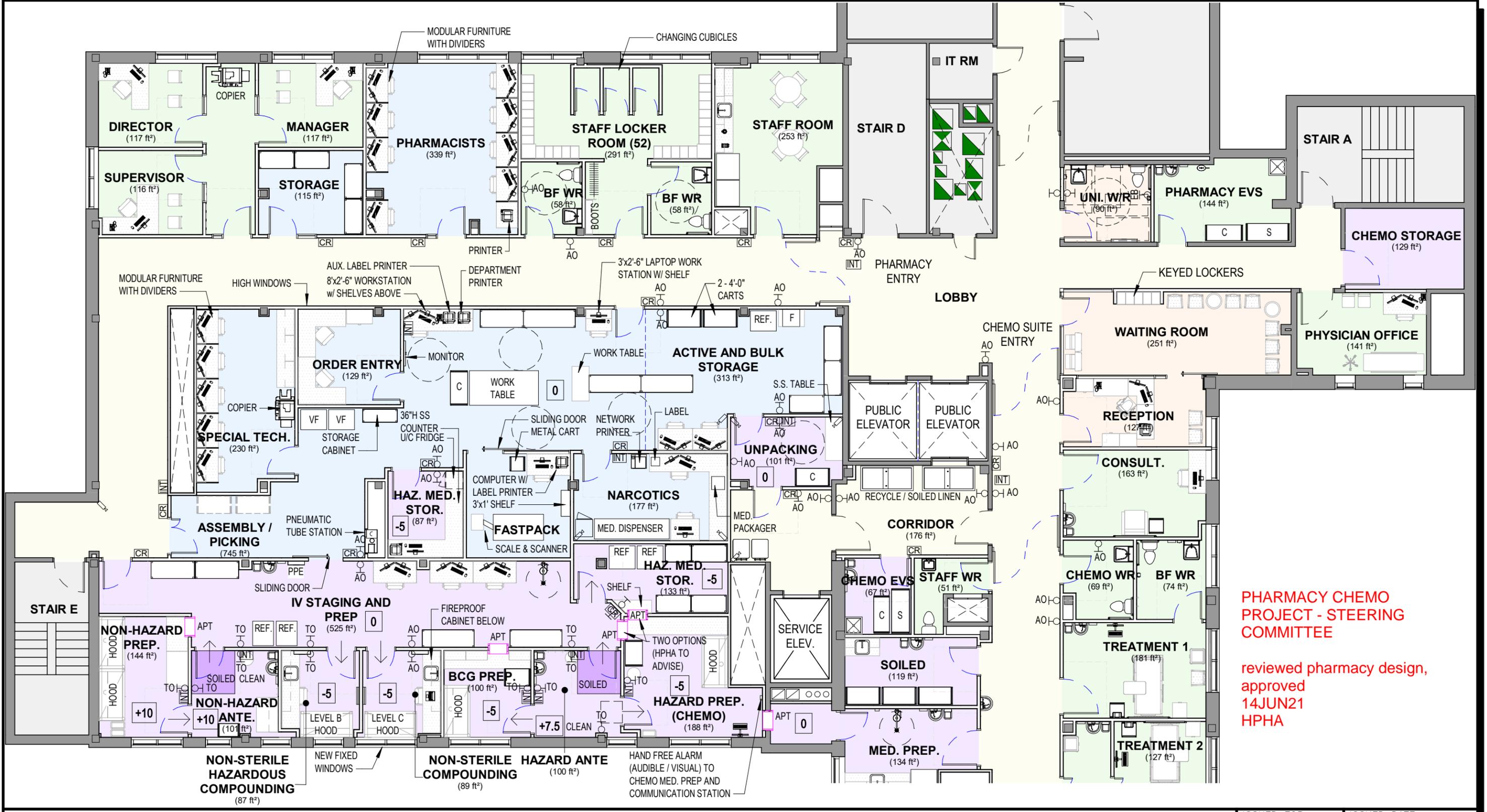


STRATFORD GENERAL HOSPITAL PHARMACY & CHEMOTHERAPY RENOVATION

TITLE:
CHEMOTHERAPY CLINIC

ISSUED FOR:	ISSUED DATE:
PROJECT No: 2304 - 18	JULY 29, 2021
SCALE: 3/32" = 1'-0"	REFERENCE No.:
DRAWN BY: NAE	DETAIL No: A-1





PHARMACY CHEMO PROJECT - STEERING COMMITTEE

reviewed pharmacy design,
approved
14JUN21
HPHA

STRATFORD GENERAL HOSPITAL 4TH FLOOR DEMOLITION PACKAGE

TITLE:
PHARMACY AREA (AREA: 6470 SF)

ISSUED FOR:	ISSUED DATE: JUNE 10, 2021
PROJECT No: 2304 - 18	REFERENCE No.:
SCALE: 3/32" = 1'-0"	DETAIL No:
DRAWN BY: NAE	A-2



Initial Vision for Investment in Impact & Care

\$12.5 million	- New & replacement equipment & technology
\$10.0 million	- New Chemo/Cancer Care Unit & Co-located New Pharmacy
\$4.0 million	- Newly redeveloped Lab space
\$1.0 million	- Investment in People - Training & Education resources
\$0.5 million	- Redevelopment refresh of Communication stations
\$7.5 million	- Already invested in equipment including New CT Scanner
\$2.0 million	- Transformational initiatives - "SMART" hospital - Mental Health Technology & partnerships
\$37.5 million	

CITY OF STRATFORD

Impact on Patient Care



Strong Community Support

- Healthcare Heroes support unprecedented
- SGH is a point of pride for the community
- High quality and compassionate care close to home an overarching theme
- SGH and SGHF seen as having strong leadership with SGHF identified as a trusted charity
- Support for the overall plans of SGH was indicated by participants. Focus on the Performance pillar outlining equipment needs was highest.
- Philanthropic marketplace seen as very competitive and it will be important for SGH/SGHF to strategically position itself and the campaign



City of Stratford Giving

1988 • For Your Health - \$3,500,000

1995 • CT Scanner - \$500,000

2005 • Heart & Soul - \$5,000,000 (*last payment 2018*)

2011 • MRI - \$500,000



Since 1983 • SGHF Raised to-date

\$70,354,751.68

246,516 gifts from **48,243** donors

MUNICIPAL SUPPORT OF ONTARIO HOSPITALS

Organization	Hospital Foundation Campaign Goal	Local Share	Municipal Support
St. Thomas Elgin Hospital	\$13 million	\$13 million	\$3.5 million each from St. Thomas and County of Elgin
Milton District Hospital	\$30 million	\$116 million	\$35 million via a variety of means, including a levy, development contributions, annual transfers from OLG Slot revenue, and debenture financing
Norfolk General Hospital	\$13 million	Unknown	\$5 million over 10 years from Norfolk County, from investment income of the Town of Norfolk's Legacy Fund, the result of the 2014 sale of Norfolk Power to Hydro One
Royal Victoria Hospital	\$35 million	\$125 million	\$75.5 million in total: \$52.5 million from the City of Barrie over 10 years; \$20 million from the County of Simcoe; \$3 million from the District of Muskoka
Haldimand War Memorial Hospital	\$3 million	Unknown	\$700,000 one-time capital grant from Haldimand County
Cambridge Memorial Hospital	\$50 million	\$36.8 million	Approximately \$14 million from the City of Cambridge and Region of Waterloo
Windsor Regional Hospital	TBD but potentially \$120 million	Publicly stated to be \$200 million, but believed to be higher	\$200 million in total. In 2016 the City of Windsor committed to \$108.5 million via a tax levy, and Essex County committed to \$91.5 million, also via a tax levy.
Groves Memorial Community Hospital	\$20 million	\$20 million	\$5 million from Wellington County

Heart & Soul - 10 Year Impact



- 258,185 patients were seen in the Emergency Department over the last 10 years
- 29,215 patients were seen in the Emergency Department in 2019/2020



- 21,685 inpatient surgeries and 98,980 day surgeries were performed over the last 10 years
- 2,295 inpatient surgeries and 9,019 day surgeries were performed in 2019/2020



- 5,050 Mental Health inpatients cared for over the last 10 years
- 513 Mental Health patients were cared for in 2019/2020



- 289,353 X Rays taken and 114,781 CT Scans were performed over the last 10 years
- 28,286 X Rays were taken and 14,078 CT Scans were performed in 2019/2020

The city commitment is the catalyst for campaign launch and for securing further municipal gifts.

Investment in people, technology and innovation for a sustainable and strong healthcare system for all in the communities we serve. We need to focus on “smart” hospital-- how technology can help us provide transformational care and increased access from the operating room to the bedside to mental health.

Initial Vision for Investment in Impact & Care

\$12.5 million	- New & replacement equipment & technology
\$10.0 million	- New Chemo/Cancer Care Unit & Co-located New Pharmacy
\$4.0 million	- Newly redeveloped Lab space
\$1.0 million	- Investment in People - Training & Education resources
\$0.5 million	- Redevelopment refresh of Communication stations
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\$2.0 million	- Transformational initiatives - "SMART" hospital - Mental Health Technology & partnerships
\$37.5 million	

2020/2021 EQUIPMENT PURCHASES

The Stratford General Hospital Foundation disbursed **\$1,513,163.78** to the hospital.

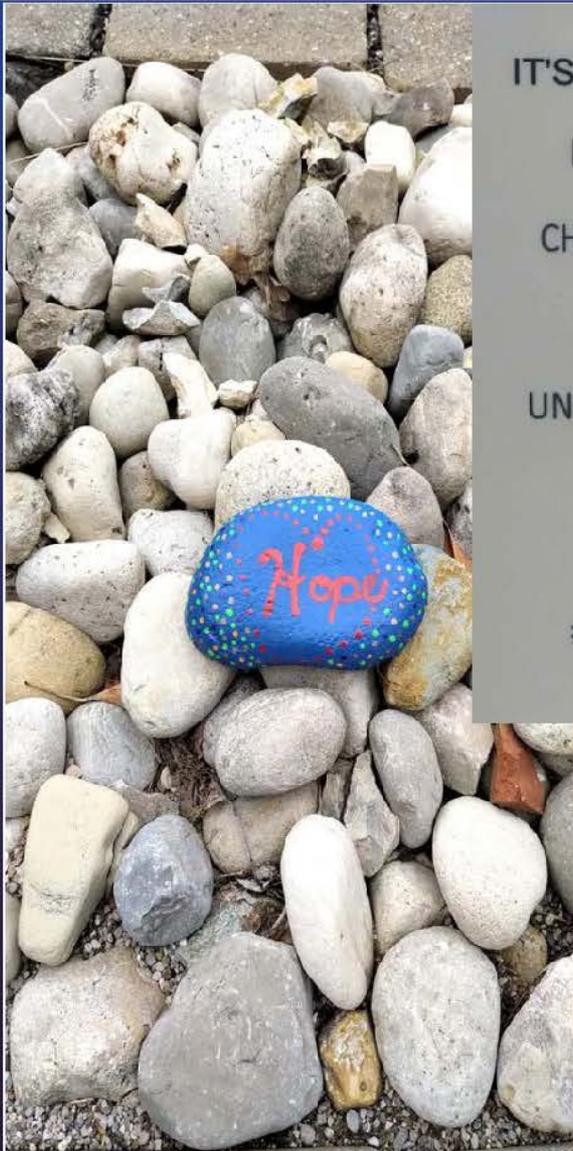
The items sponsored through our donors' generosity include:

- Champion Power Recliner Treatment Chairs \$13,354.73 Dialysis
- Cast Cutter \$2,129.50 Emergency
- Defibrillators - Zoll R Series \$75,428.39 Emergency
- Exam Chair \$11,502.93 Emergency
- Trulight Ceiling Mounted Exam Light \$3,927.89 Emergency
- Cuddle Cot \$3,688.00 Emergency
- Video Laryngoscope \$1,783.08 Hospital Wide
- Defibrillator - Zoll R Series \$18,857.05 Inpatient Mental Health
- Attenda Floor Mount Graphite Beds \$8,966.32 Inpatient Mental Health
- Forte Café Tables (1 with game top) \$6,852.10 Inpatient Mental Health
- Ultra Max Armless Café Chairs \$7,274.95 Inpatient Mental Health
- Rocksmart Rocking Chair \$1,502.88 Inpatient Mental Health
- Monitors - CareScape (Partial Payment) \$59,466.77 ISU-Telemetry
- Defibrillator - Zoll R Series \$18,857.05 ISU-Telemetry
- Spot Monitor \$2,645.32 ISU-Telemetry
- Processors - Tissue (20% Second Payment) \$26,153.00 Laboratory
- BD Max Analyzer System \$103,323.91 Laboratory
- Sterilgard Biological Safety Cabinet \$18,706.56 Laboratory
- Custom Lab Benching \$2,751.03 Laboratory
- Pheonix Antibiotic Sensitivity Testing Analyzer \$79,474.24 Laboratory
- Tissue Floatation Baths \$2,686.34 Laboratory
- Clinitek Advantus Urinalysis Analyzer \$7,200.57 Laboratory
- Vortex Mixer Multi-Tube \$2,722.69 Laboratory
- Biopsy Gun \$1,528.35 Mammography
- Warmers - Giraffe Infant Warmers \$30,292.00 Maternal Child
- Warmers - Panda Infant Warmers \$36,055.00 Maternal Child
- Anesthesia Cart \$3,924.60 Maternal Child
- Avalon Fetal Monitors \$50,854.35 Maternal Child
- Defibrillator - Zoll R Series (MRI) \$18,857.05 Medical Imaging
- Digital Mobile Standard C-arm (20% First Payment) \$26,491.42 Medical Imaging
- 2 Portable X-Ray Machines (Final Payment) \$97,664.08 Medical Imaging
- Imaging Suite (20% Third Payment) \$91,510.36 Medical Imaging
- Bone Densitometer System \$113,510.63 Medical Imaging
- Defibrillator - Zoll R Series \$19,149.76 Medicine Unit
- 26 Centrella Smart+ Beds (CNT-255) \$268,944.00 Medicine Unit
- 6 Centrella Smart+ Beds (CNT-355) \$93,732.00 Medicine Unit
- Defibrillator - Zoll R Series \$18,857.05 Operating Room
- Lower Packaging Unit Cart \$2,961.91 Pharmacy
- Glidescope \$12,766.10 Special Care Nursery
- Glidescope Attachment \$7,180.92 Special Care Nursery
- Defibrillator - Zoll R Series (Recovery Room) \$18,857.05 Surgical Services
- Donated Expenses including Elsie/Education \$90,771.85
- West Building Annex \$30,000.00

COMMITTED 2021-2022:

Purchase Orders signed, commitment made,
 or on the way is another investment of **\$2,325,648!**

- Upgrade & Renovation of General X-Ray Room \$500,000
- Staff Education & Support – Elsie Across HPHA \$25,000
- OR YAG Laser \$65,209
- Breast Assessment Centre- *NEW*
 Mammography Unit with Stereotactic, Tomosynthesis and
 Contrast options \$660,000
- Pathology Microscope \$20,000
- Cell-Dyn Ruby Analyzer for CBC's \$9,000
- Centrifuge \$4,439
- Digital Fluoroscopy Room \$852,000
- Flat Panel Mobile C-Arm \$190,000



IT'S CORONAVIRUS TO:

DEMONSTRATE COMPASSION

CHOOSE KNOWLEDGE OVER FEAR

USE ONLY WHAT WE NEED

UNDERSTAND EACH OTHER'S FEARS

PROTECT THE VULNERABLE

LEAD WITH EMPATHY

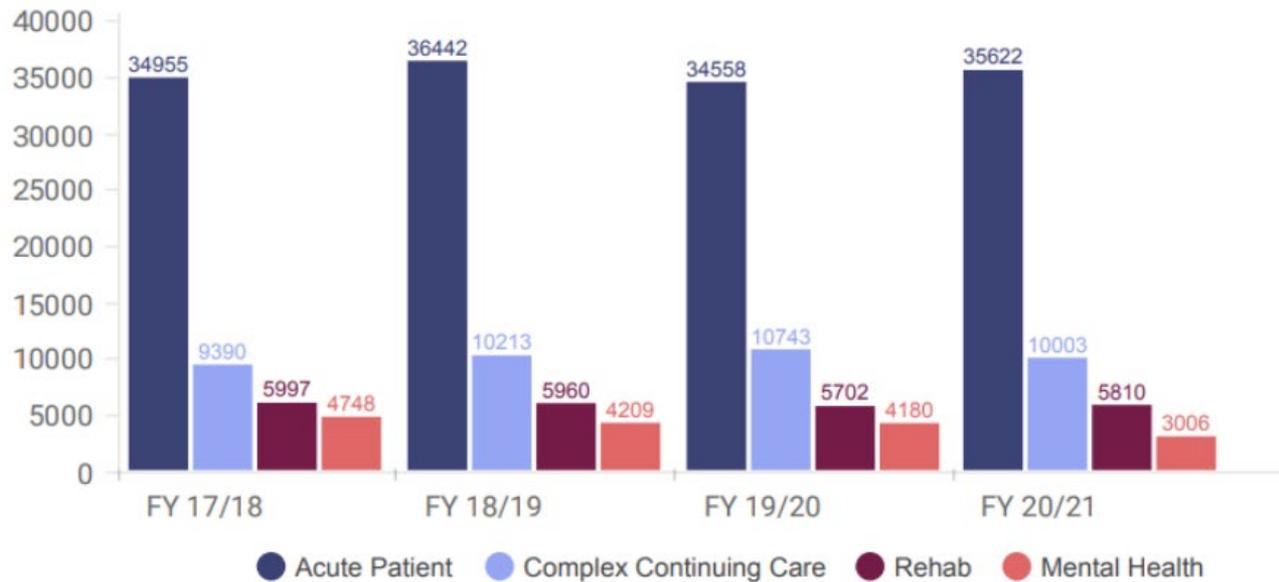
#CONTAINWITHKINDNESS

(AND ALSO WASH YOUR HANDS)



In-Patient Activity

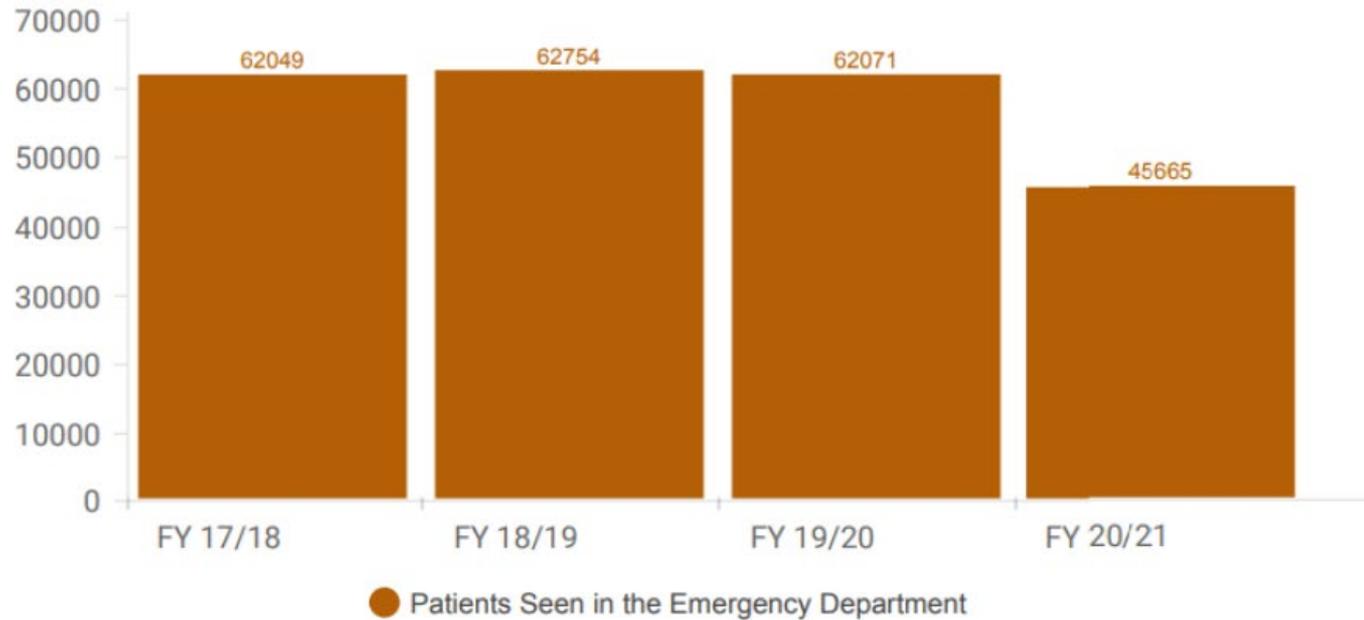
Patient Days



Emergency Department Visits



EMERGENCY DEPARTMENT

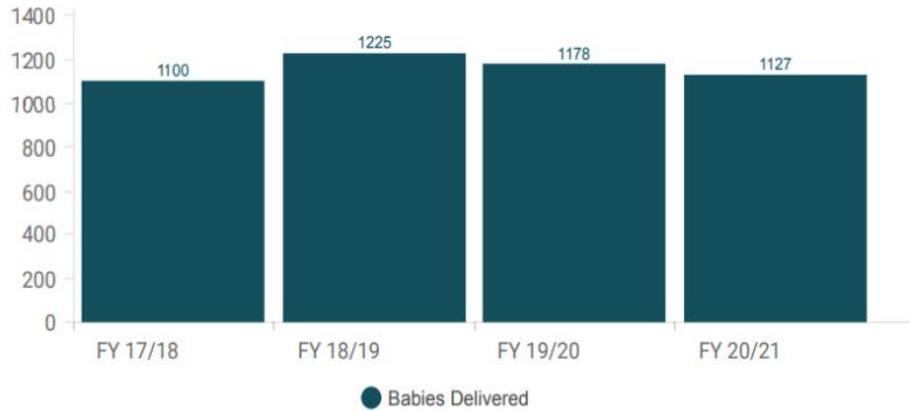




NEWSWEEK Top 100
- 1 of 6 in Canada

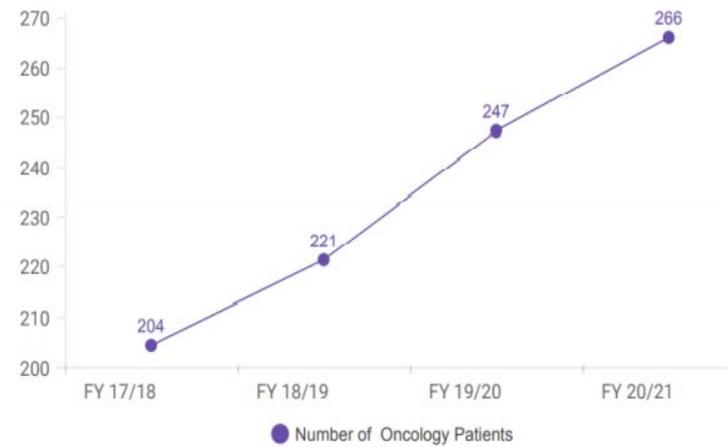
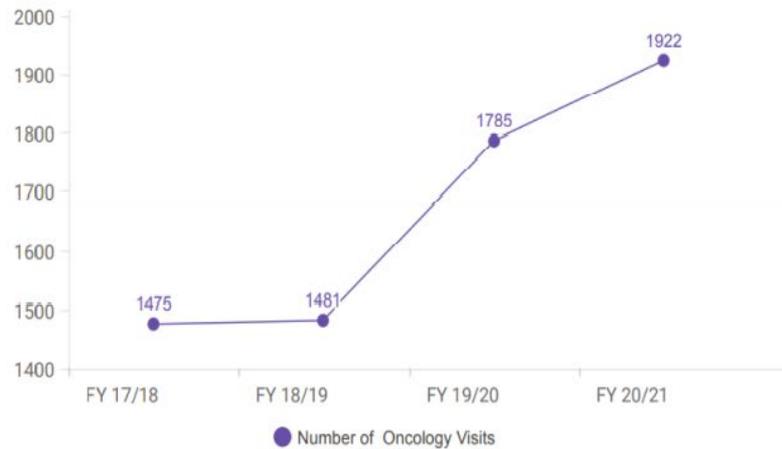
Births

BABIES DELIVERED



Chemotherapy

ONCOLOGY



Recruitment Success

- 11 Family Physicians have joined FHO/FHT's
- 3 Hospitalists & 2 FTE Emergency Medicine
 - 50+ Locums
- More patients with access to primary care
 - Capacity across all sites

Specialist Recruitment Success

- OB/GYN (x2)
- Urology
- Psychiatry (x2)
- Internal Medicine
- Ophthalmology (x2)

PEOPLE

- Investing in our people results in exceptional care for patients and retention and recruitment of exceptional people. Never before have we seen such an explosion of knowledge in medical data and had such powerful tools to understand health and disease. Healthcare delivery is rapidly changing;
- We plan to create a fund that will enable healthcare professionals at Stratford General Hospital to continually update their knowledge, skills and expertise.
- Economic Impact
 - HPHA Wages & Benefits = \$87,896,406 which represents 63% of HPHA's budget
 - 70% of the HPHA \$140,376,637 budget is expensed by Stratford General Hospital
 - Total number of employees = 1,209 and total number of active physicians = 132
 - Stratford General Hospital - Employees = 916 and active physicians = 100

PARTNERSHIPS

Partnerships Allow Innovation:

- Elevating healthcare throughout our region by collaborating with other partners in recruitment, retention, education and learning.
- Enabling us to work in partnership with family physicians and to refer patients to our healthcare partners (including long term care and community care)
- Commitment to a robust and dynamic organization in a competitive recruitment & retention environment.
- Punching above our weight by enhancing existing strategies and by striving to be the “best of the best” in a rural context.



PERFORMANCE

Cancer Care

- Relocating chemotherapy to a new, more comfortable, purpose-built healing inspired space in the Hospital impacting the thousands of individuals and their families cancer affects across our region.

Digital Imaging

- Replacing our x-ray machines, which are 15 to 20 years old.
- Acquiring new MRI and ultrasound technology.

Operating Room

- Current technology in our operating rooms limits the procedures we can do.
- New technology in the OR including digital image capturing technology for endoscopies.
- Being able to offer new surgeries, such as one-day joint for a better recovery.

Technology

- Implementing the PATH (Providers Advancing Technology in Healthcare) system which enables physicians to share information electronically and revolutionizes the working environment of our hospital, decreasing patient waiting times, increasing patient safety and medication accuracy.

Lab

- Redeveloping our Lab space, replacing our lab equipment and adding "game changing" new diagnostic technology with lifesaving impact locally and regionally.

PERFORMANCE

Investment in INFRASTRUCTURE

Technology



Chemo Unit



Laboratory



Pharmacy



Physician Support



Dr. Kevin Lefebvre
Stratford- Chief of Staff

"At Stratford General we have a surgical team that's brimming with talent and dedicated to providing top notch surgical care close to home. But increasing demand, rapidly changing technology and the limitations of our Operating Rooms mean it's a constant struggle to stay on the cutting edge of surgery. Community support gives us the tools we need to do our job—providing our patients, families and community with the very best surgical care. The support of the City Council is the catalyst for further investment by other municipalities and major pace setters."

We can't do it without you

The City commitment is the **catalyst** for Campaign Launch.

We respectfully ask for \$5 million over 10 years in support of our \$30+ million campaign.

We can never say thank you enough!

- Thank you on behalf of •
Stratford General Hospital Site of HPHA
Stratford General Hospital Foundation
and the people of the City of Stratford

34 COMMUNITY GRANTS SUMMARY	
	2021
Organization	Approved Grants
<u>One-Time: G-872-7644-6010</u>	
Local Community Food Centre	\$ 7,000
Legion Poppy Fund - Royal Canadian Legion	350
Kinsmen Club - Canada Day Celebration	9,000
Stratford Concert Band	2,000
Stratford Live Music & Food	4,000
Kiwanis Music Festival - Scholarships	1,500
Playmakers! Theatre School	1,000
Stratford & District Horticultural Society	9,000
Stratford Lawn Bowling Club	10,000
Stratford Symphony Orchestra	7,000
Music & Opera Appreciation	800
INNERChamber	1,000
Off the Wall (Stratford Artists Alliance)	2,000
ONE CARE Home & Community Support	10,000
United Way Perth-Huron	31,465
Stratford Arts & Culture Collective	2,000
Winterfest	10,000
Hermione Presents - SpringWorks Festival	9,500
Stratford Dog Park Association	2,200
Feline Friends Network	4,500
Here For Now Theatre Company	4,000
	\$ 128,315
<u>Contingency G-872-7522-6010</u>	
	\$ 16,255
<u>Multi-Year: G-872-7643-6010</u>	
Hospice	175,000
Civic Beautification & Environmental Awareness Committee	700
Gallery Stratford	52,600
Stratford Summer Music	25,000
Razzamajazz	4,000
	\$ 257,300



MANAGEMENT REPORT

Date: October 19, 2021
To: Finance and Labour Relations Sub-committee
From: Karmen Krueger, Acting Director of Corporate Services
Report#: FIN21-026
Attachments: None

Title: Ontario Regulation 284/09 for 2021 Budget

Objective: To meet the legislative requirements of Ontario Regulation 284/09 for financial reporting.

Background: In 2009, the Public Sector Accounting Board (PSAB) introduced revisions to the accounting standards whereby municipalities were required to move to a full accrual basis of financial statement reporting. The most significant change was with the accounting for capital assets whereby now assets are expensed (amortized) over the estimated life of the asset.

The new standards did not require that budgets be prepared on the same basis. Therefore, like most municipalities, the City of Stratford continues to budget on a modified cash basis to determine the annual tax levy.

Ontario Regulation 284/09 permits municipalities to exclude certain full accrual expenses from their estimated expenditures when setting its budget and tax rates.

The City of Stratford's 2021 approved budget excluded:

- Amortization expenses on tangible capital assets
- Post-employment benefits expenses
- Solid waste landfill closure and post-closure expenses.

If the budget does not include these expenses, a report to Council is required. The report shall include (1) an estimate of the change in the accumulated surplus of the municipality resulting from the exclusion of any of these expenses and (2) an analysis of the estimated impact of the exclusion of any of the expenses on the future tangible capital asset funding requirements.

In addition to the items covered in the O. Reg, the following items are also excluded from the PSAB full accrual budget:

- Principal paid on debt
- Transfers to reserve accounts
- Transfers from reserve accounts
- Acquisition costs of tangible capital assets

This is why the internal financial reports differ, sometimes significantly, from the audited financial statements, that are prepared in accordance with PSAB.

Analysis:

Amortization Expenses on Tangible Capital Assets:

An estimated amortization expense of \$8,559,875 was not included in the 2021 budget. This estimate was based on the 2018-2019 average and considers the acquisition of new assets in 2021 and the half-year rule depreciation.

Post-Employment Benefits Expenses

The City is obligated to report as a liability an estimate for future employee benefits, unused sick leave payments, and WSIB benefits.

Each year, an actuarial consultant reviews the accrued banks and workforce demographics of the City, and forecasts future benefit obligations.

A 2018-2019 average puts the budgeted 2021 expense around \$787,600.

The City annually contributes funds into a reserve for these future expenses, and at 31st December 2019 the balance in the Sick & Severance Reserve was approx. \$6,772,758.

The 2021 expense was estimated to be \$513,010 based on a 2015-2019 five-year average.

If the City were to fully fund post-employment benefits obligations, the budget would have to include a reserve contribution of approximately \$7,586,542.

Solid Waste Landfill Closure and Post-Closure Expenses:

The City is obligated to report as a liability the estimated future cost of landfill closure and post closure expenses.

The latest audited financial statements (2019) estimate the liability to be \$2,094,297. This amount has been increasing steadily over the past five years (was \$918,524 in 2014). The liability will continue to increase as landfill capacity is progressively used, we get closer to full capacity and the post closure costs keep rising.

The 2021 expense was estimated to be \$139,900 based on historical experience.

The City currently does not contribute funds to a reserve for future landfill costs. If the City were to fully fund landfill closure and post-closure obligations, the budget would have to include a reserve contribution of around \$1,952,925.

Impact on Future Tangible Capital Asset Funding Requirements

It is important to note that amortization expense is not an accurate representation of the City's "Infrastructure Deficit".

Amortization expense is an accounting entry that is recorded based on the historical cost of an asset when it was originally purchased, constructed, or put into service.

Amortization expense is recorded in our financial statements over the expected useful life of the asset.

Many of the City's infrastructure assets are already fully amortized and beyond their useful lives so there is no ongoing depreciation expense recorded.

The basis for amortization is historical cost which tends to be only a fraction of the replacement cost. Therefore, it is a weak indicator of the amount needed to be set aside for asset replacement.

The City's comprehensive asset management plan is the best source for quantifying future capital funding needs and measuring the infrastructure deficit in today's dollars. It is intended as a living document, and updated as assets are sold and replaced, and decisions are made affecting future replacements.

Under the PSAB reporting guidelines, the impact of representing a full accrual basis of budgeting would be a net increase to the City's overall budgeted expenses of over \$30 million.

Financial Impact: There is no direct financial impact with this report as it does not affect the cash operating surplus/deficit. The intent is to describe the conversion of the approved cash-based budget to a PSAB full accrual budget format, which complies with legislated requirements.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Staff Recommendation: THAT the report from the Acting Director of Corporate Services regarding legislative requirements of Ontario Regulation 284/09, and the impact of excluded expenses from the City's 2021 budget, be adopted by Council resolution.



Karmen Krueger, Acting Director of Corporate Services



Joan Thomson, Chief Administrative Officer