

Council Memo



To	City Council
Service Area	Corporate Services
Date	Wednesday, January 25, 2023
Subject	2023 Budget Confirmation and Capital Budget Prioritization Update

This memo serves to update Council on budget-related matters for Council consideration related to the 2023 budget confirmation.

County of Wellington - On January 11, 2023, the County Social Services Committee was presented with the [2023 Budget – Social Services](#). The plan for 2023 represents an increase of \$1.4 million over the amount estimated for 2023 in last year’s Ten-Year Plan from the County, which is \$887 thousand above the estimate received from the County in November 2022. The change from the November 2022 to January 2023 estimates relates to an IT capital recovery, additional staffing, capital costs, and a number of small adjustments for inflation on contracts. The County’s budget will be before County Council for approval on January 26, 2023.

The City has historically under budgeted for Social Services costs due to operating surpluses, and County staff are projecting a surplus for 2022. In report [2023-235 2023 City Budget Confirmation](#), staff recommended no adjustment to the City’s budget for Social Services, and noted that any 2022 surplus should be directed to the Tax Rate Operating Contingency reserve to offset any deficit in 2023. Recommendations for 2022 surplus allocations will be presented to Council in May as part of the 2022 year-end budget monitoring report. Now that the City’s share of Social Services costs have increased by an additional \$887 thousand, the City’s budget for Social Services in 2023 is \$2.1 million less than the County’s estimate for City funding. Staff recommend managing the deficit within the overall City budget in 2023, backstopped by contingency reserves. Staff will monitor the 2023 actual variance and provide updates to Council via the quarterly budget monitoring process.

Council is cautioned that a significant budget adjustment for Social Services will be required in 2024 if funding from other levels of government does not increase to match current expense trends.

Attachments

None

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