

Wet summer, bad economy hurt Regional budget

Partial freeze on new hires to help cover most of Halton Region's \$6.2-million projected shortfall

By Tim Foran
CANADIAN CHAMPION STAFF

Halton Region is projecting a \$6.2-million deficit — a combination of too much expenditure and too little revenue — this year on its 2009 budget for the services it directly

offers its 480,000 residents, according to a report reviewed by council recently.

However, regional council's decision in the spring to put a partial freeze on new hires with the money saved going into a recession reserve fund is expected to help the treasury cover \$5.5 million of that money.

Halton Regional Police's recent estimation that it's projecting a \$2-million surplus this year will also boost the Region's coffers. The police service creates its own budget, but it is financed by Regional property taxes.

Areas where the Region is either spending much more money than anticipated or collecting far less than expected include:

- The Services for Seniors department, which is staring at a \$1.2-million unfavourable variance. A late 2008 contract settlement with unionized workers in this area, completed after the 2009 budget was prepared, resulted in an extra \$500,000 in expenses above budget as well as an additional \$350,000 related to payments in lieu of benefits. The Region also anticipates spending \$800,000 more on temporary staff and overtime. It also lost \$400,000 revenue at its Allendale long-term care facility in Milton because repairs and renovations kept 25 beds out of service for the first eight months of the year. However, these costs have been defrayed thanks to the Province's increase in subsidies, to the tune of about \$800,000.

- In the Employment and Social Services department, a 39 per cent increase in the Ontario Works (welfare) caseload and 6.1 per cent increase in the Ontario Disability Support Payment caseload have resulted in a \$1.3-million increase in social assistance payments being doled out by Halton Region. The Region covers about 20 per cent of social assistance costs, with the Province picking up the rest. The Province committed last year

to phase in the upload of Ontario Works' costs between 2010 and 2018, starting with three per cent in 2010.

- The Waste Management department is projecting an overall \$2.6-million variance. The biggest contributor to this is due to a \$2.35-million unfavourable variance expected in the Region's processing and sale of blue box materials. This was originally expected to be a \$3.5-million variance but the market for blue box items has bounced back to \$84 per tonne in August from the \$48 per tonne that was being paid in January. The Region also expects to save \$500,000 in its collection of blue box materials, as overall tonnages being collected and processed are 14 per cent below budget.

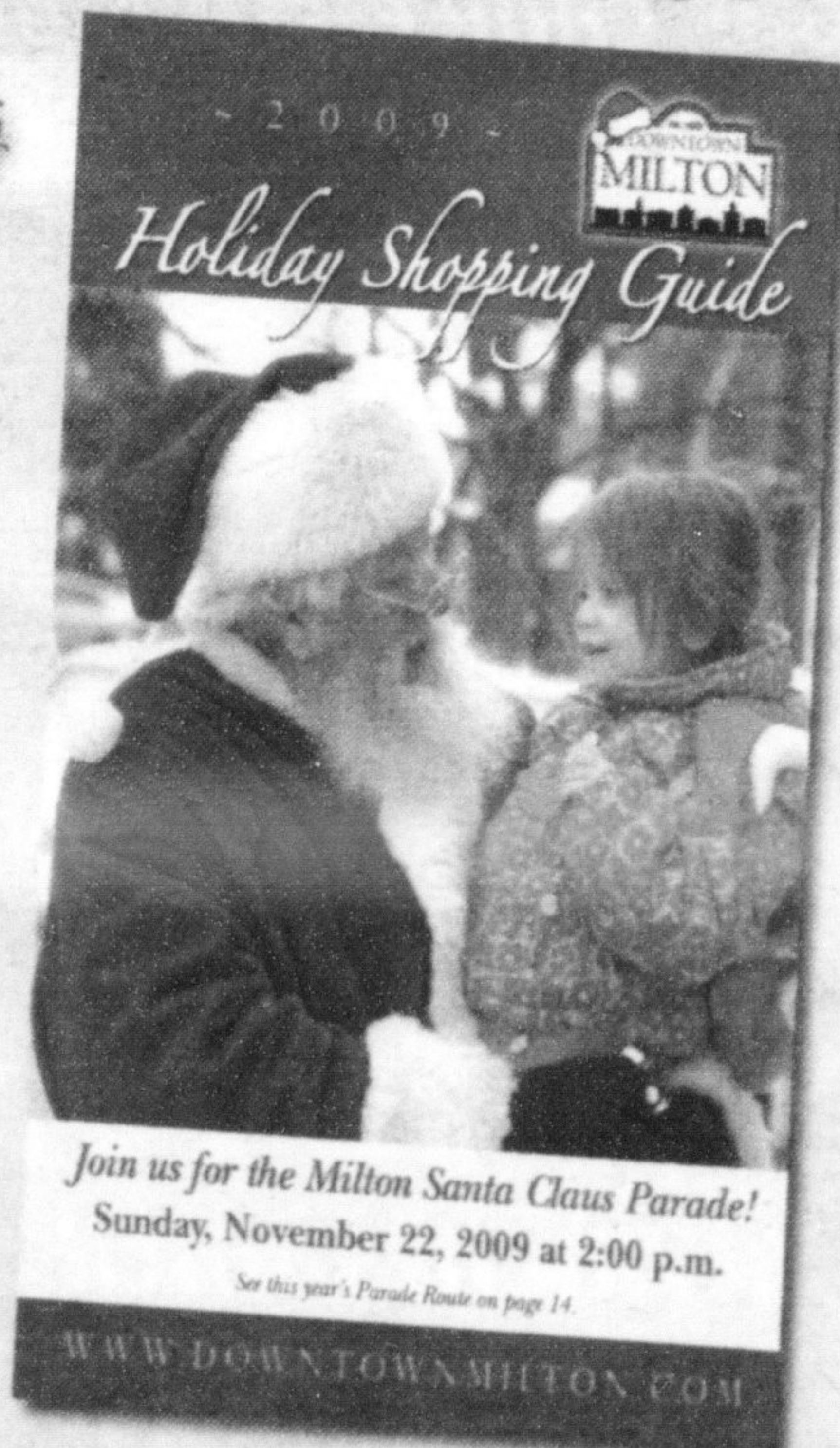
- The Water and Wastewater department, paid for by water rates included on utility bills rather than property taxes, is looking at an overall \$2.7-million unfavourable variance. The wet summer and continued decline in per capita consumption of water has resulted in the department predicting it will collect \$6 million less in revenues than envisioned. This is not a new issue for the department, which is in a catch-22 situation: it has to spend money to build capital facilities that can handle peak water usage in a sizzling summer, but has watched regular season per capita consumption decline resulting in less money coming in.

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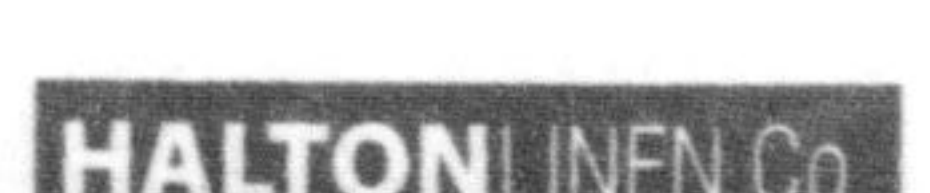
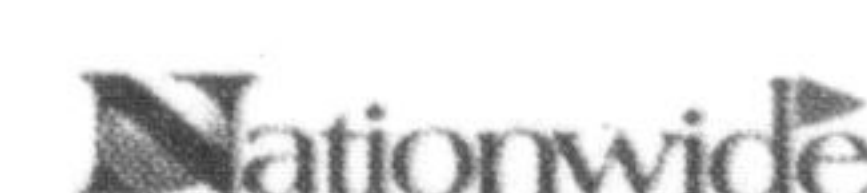
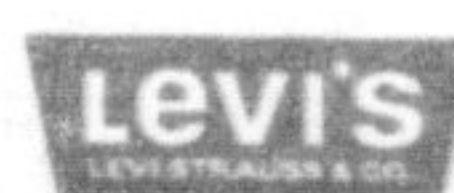
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