

## Dufferin share of health unit offices, \$4.4M

Dufferin County's share of the cost of that magnificent 3-storey Wellington-Dufferin-Guelph Health Unit building that's soon to spring up on Broadway, along with its share of the cost of the larger building in Guelph, is expected to total about \$4.4-million upon completion in 2014.

Dufferin, like partners Guelph and Wellington County, is committed to advancing the cash required for the building program, but the money will eventually be returned from the health unit, presumably over the next 20 years by way of annual levies.

The Dufferin share of the two buildings is 21.4% or roughly a fifth of the total.

County Treasurer Alan Selby indicated in an interview that the amount of money, for Dufferin at least, might not be as bad as it looks.

Dufferin, it turns out, is in the enviable cash position to be able to advance the \$4.4-million from its own reserves and cash flow. This means that the county does not need to borrow the money from an outside lender although the ledger would still show a long-term liability.

?When done, it's a long-term liability (to the reserves and reserve funds) and it's a long-term receivable (so it balances).?

From a property-tax levy perspective, Mr. Selby said an advantage is that the county does not have to pay the money back to itself in accordance with any predetermined formula. It can adjust the repayment to suit circumstances.

In a report to the Government Services Committee, Mr. Selby wrote:

?The three partners agreed that each would find their own sources of funds for their share of the HU projects, thereby avoiding the HU itself doing any borrowing in the external marketplace. The HU would instead show, after project completion, a long-term debt owing to the three partners, and not to external lenders.

?The reason for this strategy was that the partners could each make their own lower-cost borrowing arrangements that would be less expensive than what the HU would be able to find on its own.?

Had the county gone to an outside lender, and had it been forced to repay through property tax, the following are the percentage shares of the county budgets for each municipality, in descending order by amount:

Orangeville, 43.84; Mono, 19.05; Mulmur, 8.53; Shelburne, 7.71; Amaranth, 6.80; East Garafraxa, 5.50; Melancthon, 5.04; and Grand Valley, 3.53.

**By Wes Keller**