



COUNTY OF WELLINGTON

Committee Report

To: Chair and Members of the Joint Social Services and Land Ambulance Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, November 13, 2024
Subject: **Preliminary 2025-2034 Ten-Year Plan: Social Services**

Background:

This forecast provides a high-level overview of major budget impacts and planned capital investments and serves as a guide for departments in preparing their detailed current year operating and capital budgets. The preliminary corporate ten-year plan will be considered by the Administration, Finance and Human Resources Committee on November 19, 2024, and the forecast will be updated at the time the budget is approved early in the new year.

Housing Services – Operating

- Grants and subsidies are decreasing by \$2.3 million. The most significant change relates to a decrease of \$1.1 million in Homelessness Prevention funding. This funding was allocated to operating on a one-time basis in 2024 to assist with budget pressures. In addition, \$660K in one-time federal Reaching Home Funding has been removed. Several provincially funded rent supplement programmes expired March 31, 2024, further reducing grants and subsidies.
- Rents revenue projections are increasing significantly in 2025. Staff have adjusted the budget to reflect actual rent collections in 2024 plus an economic increase for 2025. This is also the first year that rent for the property at 440 King, Mount Forest are included in the budget. The transfer of this property to the County owned housing stock will take place January 2025.
- The salaries, wages, and benefits line includes the annualization of the Housing Data Analyst and the Social Services Navigator positions added in 2024. A Maintenance Coordinator has been added to the budget with an anticipated April 1, 2025 start date in response to the addition of oversight at several building including 65 Delhi and 128 Norfolk.
- The 2025 budget includes two significant additions that impact both the Purchased Services line and the Social Assistance line.
 - Based on an in-year commitment from Committee and Council, and annual budget of \$2.1 million has been added to the budget to support the operation of the Temporary Accommodation site at 128 Norfolk. This cost includes the agency staffing costs to operate 68 beds as well as the costs of the building lease and operations. Currently this cost is included in all ten years of the plan. Staff will develop a plan for 2026 and future years over the next year.
 - A municipal cost of \$379,000 (\$38,000 County and \$341,000 City) has been added to the budget to fund the winter shelter response plan provide to Committee in September 2024. Staff continue to seek Federal funding for these expenditures and the final budget will be amended should funding be confirmed.
- The ending of debenture payments for County owned social housing units is reflected in the transfer payment line being reduced to zero.

- Insurance costs on County owned housing stock have seen a significant increase of 30% over 2024 resulting in a budget impact of approximately \$109,000.
- The transfer to reserve line reflects an increase of \$200,000 in the transfer to the County's Housing Capital Reserve. This increase reflects the addition of the 440 King, Mount Forest property to the County's housing portfolio and will ensure that future capital needs will be accommodated.

Housing Services – Capital

- Capital spending on County-owned social housing units totals \$50.8 million over the ten-year forecast. The remainder of the National Housing Co-Investment funding, \$1.6 million, is included in the 2025 budget. The entire funding grant (\$10.4 million in 2024 and 1.6 million in 2025) must be spent by March 2026. Beyond 2026 the capital budget is increasing by an average of \$187,500 in 2026 through 2034 providing staff with a predictable and stable level of funding to address aging facilities and increasing costs.
- Lifecycle replacements of \$2.0 million for 138 Wyndham and \$482,000 for technology replacements at housing sites are included in the ten-year plan
- An annual project for Green House Gas Initiatives, \$2.5 million over ten years, is included in the capital plan. This project will incorporate recommendations from the work completed by the Climate Change group as social assets are renovated.
- The split between the County and City portions of capital funding is based on the three-year average prior residence of tenants in County-owned buildings. The County portion of the capital funding comes from the Housing Capital Reserve.
- A detailed listing of projects at County-owned units is attached to this report.

Affordable Housing – Operating

- Budgeted rent collections from our Affordable Housing units are increasing slightly to align with the predicted actuals for 2024 plus an economic adjustment.
- Adjustments have been made to budgeted expenses for the supplies, materials and equipment and purchase services lines according to the 2024 costs to date. The largest budget adjustments are in heating and plumbing supplies as we continue to see these costs rise.
- Insurance costs on County owned housing stock have seen a significant increase of 30% over 2024 resulting in a budget impact of approximately \$17,000.
- Transfers to Reserve are made up of:
 - Budgeted contribution of \$200,000 to the Housing Capital Reserve to look after lifecycle replacement costs for the County's 135 affordable housing units.
 - Budgeted contribution of \$1.2 million to the County's Housing Development reserve to support the creation of new affordable housing units.
 - Net revenue from Webster Place and Fergusson Place in Centre Wellington to the Housing Development Reserve

Affordable Housing – Capital

- Facility improvements for County owned affordable housing buildings total \$1.3 million over the ten-years and are funded through the Housing Capital Reserve.
- The provision to construct new County-owned affordable housing units throughout the County remains in the forecast. Staff will continue to monitor funding opportunities from senior levels of government for these builds and review project timing in the annual budget process.

Ontario Works - Operating

- The grants and subsidies line is increasing by approximately \$2.5 million in 2025. This budget adjustment reflects an increase of \$251,000 in provincial administration funding – this first increase seen since 2018. In addition, staff are anticipating a 6% increase in OW benefits costs. Ontario Works benefits are 100% provincially funded and increases will not impact the municipal tax levy.
- Salaries, Wages and Benefits includes the annualization of the Social Services Navigator positions added in 2024.
- The Social Assistance line is increasing to reflect the projected increase of 6% in Ontario Works caseload and does not impact the municipal tax levy requirement.
- Funding for Agencies has been reduced by \$115,000 to reflect the ending of our funding commitment to the Royal City Mission and the Sanguen Health Van. A corresponding decrease is seen in transfer from reserve as reserve funding was used to support the Health Van in 2024.
- The cost-sharing ratio for administration expenses between the County and City has been adjusted based on the caseload split experienced in 2024. This resulted in a projected decrease in cost of \$45,000 for the County and a corresponding increase for the City.

Ontario Works - Capital

- The ten-year capital plan includes lifecycle replacements for building components at the administration offices located at 129 Wyndham Street in Guelph, and St. Andrews Street in Fergus. The ten-year total capital budget is \$1.4 million. The County's portion of \$495,000 is funded from the Property Reserve and the City's funding contribution for capital works at the Guelph locations is \$886,000.

Children's Early Years - Operating

- The grants and subsidies line reflects an increase of \$36 million over 2024. This funding has been increased based on budget allocations received over summer. To date, detailed information on the new cost-based child care funding approach has been received. This informs a portion of the Children's Early Years budget that is entirely funded and does not have a municipal impact. Guidelines on the remaining funding areas and municipal cost share have not yet been communicated. As such, staff have made a number of assumptions in this preliminary budget. It is anticipated that full guidelines will be received in the coming weeks.
- User fees at the County's directly operated childcare centres are increasing slightly in the 2025 budget, despite a reduction in parent fees in line with requirements under the CWELCC agreement. This adjustment reflects the new benchmark calculation required in the CWELCC funding guidelines.
- The internal recoveries line has been eliminated, and the internal charges line has decreased as a result of a change in the accounting for the Directly Operated Child Care Centres.
- The salaries, wages and benefits line includes the annualization of the Social Services Navigators. Also included is the addition of a Child Care Funding Analyst and an increase of 0.6 FTE for an Accounting Analyst. Both of these positions will support the changes that are being implemented in the Children's Early Years department, including significant increases in both funding responsibility and oversight requirements under the new CWELCC framework.
- The social assistance line is increasing in line with the new funding allocations described above.

Children’s Early Years – Capital

- The ten-year capital plan for Children’s Early Years includes lifecycle repairs of \$855,000 at Mount Forest Child Care and Learning Centre and \$550,000 at Willowdale Child Care and Learning Centre, and \$260,000 at 133 Wyndham Street in Guelph. Work at Mount Forest is a 100% County cost funded from the Property Reserve and the City funds 100% of the work at Willowdale. Improvements to 133 Wyndham Street are cost shared with the City of Guelph.

Overall Social Services 2025 Budget Impact

The preliminary 2025 Budget for Social Services (operating + capital) reflects a tax levy increase of 7.5% for the City and 0.8% for the County, as outlined in the table below:

COUNTY OF WELLINGTON					
2025 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL					
(all figures in \$000's)					
	Approved 2024 County Budget	2024 Budget Projections for 2025	Proposed 2025 County Budget	% Change from 2024 Projections for 2025	% Change from Approved 2024 Budget
City Tax Levy Requirement					
Social Housing	\$25,024	\$26,173	\$28,740	9.8%	14.9%
Ontario Works	3,900	3,835	3,921	2.3%	0.5%
Children's Early Years	5,084	5,184	4,050	-21.9%	-20.3%
IT	248	126	124	-1.6%	-50.0%
Total	\$34,255	\$35,318	\$36,834	4.3%	7.5%
County Tax Levy Requirement					
Social Housing	\$5,367	\$5,820	\$5,966	2.5%	11.2%
Ontario Works	1,543	1,642	1,570	-4.4%	1.7%
Children's Early Years	2,099	2,274	1,535	-32.5%	-26.9%
Affordable Housing	1,401	1,404	1,421	1.2%	1.4%
Total	\$10,409	\$11,140	\$10,491	-5.8%	0.8%

The detailed 2025 operating budget and revised ten-year plan will be presented to the Committee in January.

Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Making the best decisions for the betterment of the Community

Recommendation:

That the preliminary 2025-2034 Social Services Ten-Year Plan as set out in this report be endorsed and forwarded to the Administration, Finance and Human Resources Committee for inclusion in the County of Wellington's Preliminary Ten-Year Plan.

Respectfully submitted,



Shauna, Calder
Manager of Finance

In consultation with/approved by:

Luisa Artuso, Social Services Administrator
Ken DeHart, County Treasurer
Scott Wilson, CAO