



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, June 14, 2023
Subject: **Social Services Financial Statements and Variance Projections as of May 31, 2023**

Background:

This report is respectfully submitted in accordance with the County's Budget Management Policy, and provides a first projection to year-end based on expenditures and revenues to May 31, 2023 for Social Services.

Ontario Works

- Grant and subsidies are currently under budget by approximately \$188,000 due to lower expenditures on the social assistance line. Caseloads are rising so we expect this variance to fall over the remainder of the year.
- Internal recoveries are slightly under budget due to the timing of claims with Immigration, Refugees and Citizenship Canada.
- The salaries, wages and benefits line is currently experiencing savings. It is expected that this trend will continue and year-end projected savings are approximately \$400,000. These savings are due to timing, vacancies, and gapping.
- Small variances in the supplies, materials, and equipment, and purchased services lines are due to timing and no significant year-end variance is expected.
- Programmes reported in the social assistance line are tracking under budget due mainly to lower caseload than budgeted. Reduced Ontario Works benefits do not impact municipal tax levy as these costs are 100% provincially funded. It is projected that at year-end the County will experience savings in municipally discretionary benefits of approximately \$32,000, and the City \$28,000. Savings in the County are made up of lower dental, optical and transportation expenses. The City is experiencing lower dental, medical transportation, prescribed drugs and diabetic supplies expenses.
- The transfer payment line is under budget by \$35,000 for the first five months of the year. This is due to the timing and all budgeted transfer payments will be completed by year-end.
- Overall, municipal savings of \$490,000 (\$120,000 County and \$370,000 City) are projected for year-end.

Capital

Ontario Works capital addresses facility needs related to buildings that house administration staff and is overseen by County Maintenance staff. This report provides a summary of the 2023 Ontario Works capital spending for the period ending May 31, 2023. The total approved budget of \$605,000 consists of three projects. The funding for Ontario Works capital is cost shared between the City of Guelph and the County. The County funding source for facility lifecycle costs is the County Property Reserve which in turn is funded through annual operating contributions collected through the tax levy.

The following table details spending to date and projected spending plans for 2023.

	LTD Budget	LTD Actuals	Remaining Budget	Comments
Ontario Works				
129 Wyndham Generator Upgrade	\$80,000	\$64,850	\$15,150	Project to be closed upon payment of final invoices.
129 Wyndham: Interior Upgrades	\$50,000	\$29,815	\$20,185	Project ongoing
138 Wyndham: HVAC Replacements	\$475,000	\$207,667	\$267,333	Project ongoing
Total Ontario Works	\$605,000	\$302,332	\$302,668	

Children's Early Years

- The grants and subsidies line is currently tracking under budget. This is a reflection of lower expenditures for the first five months of the year. It is expected that except for the Canada Wide Early Learning and Child Care funding allocation which is 100% Federal funding, all funding from senior levels of government will be spent at year-end.
- The Canada-Wide Early Learning and Child Care allocation has been recently revised. As outlined in a separate report on the June 2023 Social Services agenda an overall funding reduction of \$444,000 will take place for 2023. This will not result in any impact to the City or County tax levy.
- Parent fees collected from our directly operated centres are currently tracking ahead of budget as the centres approach full capacity. It is anticipated that this increased revenue will continue throughout 2023 and we will adjust the 2024 budget accordingly.
- Salaries, wages, and benefit expenses are currently experiencing savings. It is expected that this trend will continue, and year-end projected savings are approximately \$227,900. These savings are due to timing, vacancies, and gapping.
- Supplies, materials, and equipment are currently tracking under budget. Savings have been seen at our directly operated child care centres and in administration. Expenditures are expected to increase in the third and fourth quarter.
- Purchased services are ahead of budget at this point in the year. This relates mainly to timing of expenditures completed under the Workforce funding and annual contract costs. It is anticipated that any year-end over expenditure will be offset by one time Workforce funding.
- The social assistance line reflects year-to-date savings of approximately \$3.8 million due to savings in programming (Fee Subsidy, Special Needs Resource, General Operating Grants, Repairs and Maintenance and Small Water Works) which is partially offset by second quarter payments for Wage Enhancement and Pay Equity.
 - Programming savings in general operating grants, special needs resourcing, repairs and maintenance and small water works are all timing related, and funds are committed for end of the year.
 - Savings in fee subsidy are a result of the implementation of Canada-Wide Early Learning and Child Care. Fee subsidy savings are expected to continue as less funding is required from the base allocation. Staff are working through the implications for the 2024 budget.
- Changes resulting from the implementation of the Canada Wide Early Learning and Child Care funding as well as an anticipated new funding model for 2024 have provided staff with an opportunity to evaluate community needs. It is anticipated that any potential year-end savings will be identified in the fall.

Capital

	LTD Budget	LTD Actuals	Remaining Budget	Comments
Children's Early Years				
Billing and Waitlist Software	\$75,000	\$0	\$75,000	Project underway with IT
Rockwood Child Care Grant	\$210,000	\$50,000	\$160,000	Project to be closed
Total Children's Early Years	\$285,000	\$50,000	\$235,000	

Social Housing

- Grant and subsidies are currently tracking ahead of budget by approximately \$936,000. This is in part related to one-time mental health funding (\$255,000) that was not anticipated at the time of budgeting. All funds have been spent on additional expenses and will not impact the municipal tax levy. The remaining variance is a timing difference on several programmes. Funds have been spent prior to the March 31st deadline and offset higher expenditures in the social assistance line.
- Rent revenue collections are slightly ahead of budget at the end of May. If this trend continues it is anticipated we will end the year with a positive variance of approximately \$47,000.
- The salaries, wages and benefit line is currently experiencing savings. It is expected that this trend will slow slightly, and year-end savings will be approximately \$150,000 (\$22,500 County and \$127,500 City). These savings are due to timing, vacancies, and gapping.
- Supplies, materials, and equipment is currently sitting at a small negative variance of \$22,000. Higher than anticipated costs in plumbing and heating have been realized and it is expected that cost will continue to track ahead of budget to the end of the year resulting in a year-end negative variance of \$41,000 (\$38,400 County and \$2,600 City).
- The purchased services line is tracking over budget by approximately \$495,000. We predict this trend will continue as staff see rising costs for both the materials and labour required to maintain units and higher than anticipated utility costs. In addition, there has been an increase in the number of units that are being significantly damaged by ongoing tenants and at the time of move outs. It is estimated that we will end the year approximately \$900,000 over budget (\$142,000 County and \$758,000 City).
- The social assistance line is tracking ahead of budget by approximately \$675,000 year-to-date. It is anticipated that these costs will continue to grow over the remainder of the year generating a significant year-end negative variance. The following areas represent the largest impact to this budget line:
 - The Homelessness Prevention Programme has faced a great deal of pressures in 2023. It is anticipated that unbudgeted costs to support the shelter system will be close to \$1.5 million leading to a year-end over expenditure of \$1.3 million. These costs are above our provincial funding allocation and will be funded municipally.
 - It is anticipated that total additional costs of approximately \$400,000 will be incurred to assist with rehousing those individuals impacted with the Wyndham Street Fire. These costs cannot be accommodated within the provincial funding allocation and will be funded municipally.
 - A one-time mental health funding allocation totalling \$255,000 was received for the first quarter of 2023. All expenses are provincially funded, and this will not impact the year-end position.

- It is estimated that these increased costs will result in a negative year-end variance of approximately \$1.7 million (\$174,300 County and \$1,525,700 City).
- Overall, year-end costs are projected to be approximately \$2.4 million over budget with these costs being shared \$280,000 County and \$2,120,000 City.

Capital

Social Housing capital addresses facility needs at the County-owned social housing units and the administration of provincially funded grants for local housing providers. Projects are overseen by Social Housing staff. This report provides a summary of the 2023 Social Housing capital spending for the period ending May 31, 2023.

The total approved budget of \$24,676,600 consists of 50 projects with new 2023 projects accounting for a budget of \$14,205,000. The major funding sources for social housing capital are municipal recoveries from the City of Guelph, the Social Housing Capital reserve and grants from upper levels of government.

The following table details spending to date and project spending plans for 2023.

	LTD Budget	LTD Actuals	Remaining Budget	Comments
Social Housing				
COCHI Community Housing Initiatives	\$2,623,000	\$3,120,742	-\$497,742	100% federal/provincial funded programmes continue with additional funds in 2023
OPHI Ontario Priorities Housing Initiatives	\$4,230,600	\$2,016,287	\$2,214,313	
130 Grange Electric Heat Conv	\$22,000	\$0	\$22,000	Planning in progress
130 Grange Light/Cln/Recrc	\$245,000	\$0	\$245,000	Design in progress
130 Grange Window Replace	\$30,000	\$0	\$30,000	Planning in progress
2023 Accessible Unit Reno	\$775,000	\$37,370	\$737,630	Design in progress
2023 GHG Initiatives	\$90,000	\$0	\$90,000	Contract awarded for building condition audits
2023 Housing Building Retrofit	\$250,000	\$53,718	\$196,282	Project for as needed work during the year
2023 Various Bathroom Repl	\$150,000	\$13,129	\$136,871	Project for as needed work during the year
2023 Various Kitchen Replace	\$435,000	\$68,478	\$366,522	Project for as needed work during the year
212 Whites Roofing Repl	\$35,000	\$0	\$35,000	Planning in progress
221 Mary Window Replace	\$15,000	\$0	\$15,000	Planning in progress
229 Dublin Electric Heat Conv	\$23,000	\$0	\$23,000	Planning in progress
229 Dublin Modernize Elevator	\$155,000	\$14,379	\$140,621	Long lead time item. Expected completion in October 2023
232 Delhi Electric Heat Conv	\$17,000	\$0	\$17,000	Planning in progress
232 Delhi Lights/Ceiling/Recrc	\$215,000	\$0	\$215,000	Design in progress
232 Delhi Window Replace	\$340,000	\$0	\$340,000	Tender in progress
263 Speedvale Ltg/Clnb/Recrc	\$300,000	\$0	\$300,000	Planning in progress

	LTD Budget	LTD Actuals	Remaining Budget	Comments
263 Speedvale MUA Installation	\$25,000	\$0	\$25,000	Planning in progress
263 Speedvale Roof Rpl	\$40,000	\$0	\$40,000	Planning in progress
263 Speedvale Window Replace	\$30,000	\$0	\$30,000	Design in progress
32 Hadati Lght/Clng/Rcrd Repl	\$330,000	\$0	\$330,000	Planning in progress
32 Hadati Make Up Air Unit	\$350,000	\$230,415	\$119,585	Work complete. Project to be closed upon completion of final invoicing.
33 Marlborough Electric Heat	\$16,000	\$0	\$16,000	Planning in progress
33 Marlborough Roofing Replace	\$25,000	\$0	\$25,000	Planning in progress
387 Waterloo Roofing Repl	\$20,000	\$0	\$20,000	Planning in progress
387 Waterloo Window Replacemen	\$30,000	\$0	\$30,000	Planning in progress
411 Waterloo Roofing Repl.	\$20,000	\$0	\$20,000	Planning in progress
411 Waterloo Window Repl	\$20,000	\$0	\$20,000	Planning in progress
450 Ferrier Corridor Rehab	\$85,000	\$63,535	\$21,465	Work complete. Project to be closed upon completion of final invoicing.
450 Ferrier Elevator Mod.	\$10,000	\$0	\$10,000	Planning in progress
51 John Metal Roof Install	\$290,000	\$160,435	\$129,565	In progress, expected completion in July 2023
576 Woolwich Ltg/Clng/Rcrc	\$230,000	\$9,502	\$220,498	In progress
576 Woolwich Window/Mansard	\$25,000	\$0	\$25,000	Design in progress
65 Delhi Renovations	\$7,700,000	\$295,304	\$7,404,696	Design approved. RFP for construction management to be issued June 2023.
Algonquin / Ferndale Siding	\$750,000	\$703,620	\$46,380	Work complete. Project to be closed upon completion of final invoicing.
Algonquin/Ferndale Site Dev P2	\$10,000	\$0	\$10,000	Property survey scheduled
Applewood / Sunset Roofing Rep	\$1,315,000	\$838,968	\$476,032	Design in progress
Applewood / Sunset Site Dev	\$500,000	\$356,255	\$143,745	In progress, expected completion in June 2023
Applewood Solar Panels	\$145,000	\$0	\$145,000	Design in progress
Attic Insulation	\$130,000	\$57,245	\$72,755	In progress
County Corridor Handrail Rpl	\$195,000	\$0	\$195,000	Material on order
Deep Energy Retrofit Consult	\$20,000	\$0	\$20,000	Planning in progress
Vancouver / Edmonton Full Reno	\$260,000	\$103,497	\$156,503	Funding used to renovate vacant units
Various Camera Installations	\$310,000	\$0	\$310,000	Planning in progress
Various Full Fire Alarm Replace	\$750,000	\$682,963	\$67,037	Work complete. Project to be closed upon completion of final invoicing.
Various Install Waste Container	\$30,000	\$0	\$30,000	Planning in progress
Various Unit Door/Fob Replace	\$815,000	\$0	\$815,000	Planning in progress
Willow Dawson Site Dev	\$30,000	\$0	\$30,000	Planning in progress
Willow/Dawson Shingle Replace	\$220,000	\$198,872	\$21,128	Work complete. Project to be closed upon completion of final invoicing.
Subtotal Social Housing	\$24,676,600	\$9,024,714	\$15,651,886	

Affordable Housing

- Rent revenues are tracking slightly under budget and no significant variance is expected at the end of the year.
- Salaries, wages, and benefit expenses are tracking close to budget with small savings being seen. Savings relate to timing and no significant variance is expected at year-end.
- Supplies, material, and equipment, and purchased services are currently tracking ahead of budget by a combined total of \$24,000. This relates to a combination of higher costs and timing issues. It is expected that any variance at year-end will be minimal.
- Overall, affordable housing is projected to track close to budget. An update will be provided in the fall.

Capital

Affordable Housing capital addresses facility needs at the County-owned affordable housing units and is overseen by Social Housing staff. This report provides a summary of the 2023 Affordable Housing capital spending for the period ending May 31, 2023.

The total approved budget of \$1,826,000 consists of five projects. The primary funding source for lifecycle replacements in affordable housing capital is the Housing Capital reserve.

The following table details spending to date and project spending plans for 2023.

	LTD Budget	LTD Actuals	Remaining Budget	Comments
Affordable Housing				
165 - 169 Gordon Lock Changes	\$110,000	\$0	\$110,000	Locks on order
165 - 169 Gordon Roofing	\$100,000	\$967	\$99,033	Tender in progress
165 Gordon Air Conditioning	\$1,500,000	\$1,413,212	\$86,788	Work complete. Project to be closed upon completion of final invoicing.
169 Gordon St FOB System	\$40,000	\$22,991	\$17,009	Working with IT to set up virtual machine
2023 Affordable Housing Retro	\$76,000	\$14,224	\$61,776	Project for as needed work during the year
Total Affordable Housing	\$1,826,000	\$1,451,394	\$374,606	

Summary:

Service	Projected Savings / (Overage)	County	City	Comments
Ontario Works	\$490,000	\$120,000	\$370,000	Staffing vacancies and gapping; small savings in office supplies, discretionary benefit costs have attributed to these savings.
Children's Early Years	-	-	-	All funding is planned to be allocated to best serve the community
Social Housing	(\$2,400,000)	(\$280,000)	(\$2,120,000)	Pressure in Homelessness Prevention (\$1.7 million) and higher costs to maintain and operate social housing units.
Affordable Housing	-	-	-	Tracking close to budget. Variances are typically offset by reserve transfers.
Total Social Services	(\$1,910,000)	(\$160,000)	(\$1,750,000)	

Recommendation:

That the Financial Statements and Variance Projections as of May 31, 2023 for Social Services be approved.

Respectfully submitted,



Shauna Calder
Manager of Finance