



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, October 11, 2023
Subject: **Social Services Financial Statements and Variance Projections as of September 30, 2023**

Background:

This report is respectfully submitted in accordance with the County's Budget Management Policy, and provides an updated projection to year-end based on expenditures and revenues to September 30, 2023 for Social Services.

Ontario Works

- The salaries, wages and benefits line is currently experiencing savings in the first nine months of the year. It is expected that this trend will continue and year-end projected savings are approximately \$240,000. These savings are due to timing, vacancies, and gapping.
- Currently both the supplies, materials, and equipment, and purchased services lines tracking slightly under budget. It is anticipated that expenditures in the last quarter to addressing health and safety recommendations for staff in Social Services will lead to a negative year variance.
- Programmes reported in the social assistance line are tracking slightly under budget in part due to lower caseload than projected. 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 funded discretionary benefits of approximately \$100,000 while the City will track to budget. Savings in the County are made up of lower dental, funeral, and transportation expenses. The City is experiencing higher funeral and surgical supplies expenses.
- Overall, municipal savings of \$280,000 (\$130,000 County and \$150,000 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 September 30, 2023. The total approved budget of \$525,000 consists of two 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: 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	\$525,000	\$237,482	\$287,518	

Children's Early Years

- The grants and subsidies line is currently tracking under budget by \$6.2 million. This is a reflection of lower expenditures in the Early Learning and Child Care (ELCC) and the Canada-Wide Early Learning and Child Care (CWELCC) funding allocation. Both allocations are 100% Federal funding. ELCC will be fully spent and year-end, whereas CWELCC will be under spent by approximately \$3.5 million. There will be no impact to the City or County tax levy.
- Parent fees collected from our directly operated centres are currently tracking ahead of budget by \$185,000. It is anticipated that this increased revenue will continue resulting in a year-end positive variance of \$245,000 (\$220,000 County and \$25,000 City).
- Salaries, wages, and benefit expenses are currently experiencing \$165,000 in savings and it is expected that this will grow to approximately \$260,000 in savings at year-end. This is a result of timing, vacancies, and gapping.
- Supplies, materials, and equipment are currently tracking under budget by \$145,000. Savings have been experienced at our directly operated childcare centres, capacity building and in administration and will remain around \$130,000 in savings at year-end.
- Purchased services are ahead of budget at this point in the year by \$95,000. This relates mainly to timing of expenditures completed under the Workforce funding, which is offset by savings in administration, capacity building, and Early ON. It is anticipated that a year-end deficit of \$140,000 will be realized which will be entirely covered by Workforce funding creating no year-end impact.
- The social assistance line reflects year-to-date savings of approximately \$6 million due to savings in programming (Fee Subsidy, Special Needs Resource, CWELCC, ELCC) which is partially offset by General Operating Grants, and Wage Enhancement Grants.
 - Savings in fee subsidy are a result of the implementation of CWELCC which are expected to continue as less funding is required from the base allocation. Staff are working through the implications for the 2024 budget.
- It is anticipated that a significant portion of the overall Children's Early Years savings will be reallocated into the community in a way that best supports the childcare system and year-end savings of \$1.45M (\$525,000 County and \$925,000 City) will exist.

Capital

The major funding sources for Children's Early Years capital are municipal recoveries from the City of Guelph, and the General Capital Reserve.

	LTD Budget	LTD Actuals	Remaining Budget	Comments
Children's Early Years				
Billing and Waitlist Software	\$75,000	\$0	\$75,000	Project underway with IT
Total Children's Early Years	\$75,000	\$0	\$75,000	

Social Housing

- Grant and subsidies are currently tracking ahead of budget by approximately \$2.3 million. This relates to one-time payments of \$1.2 million from SSRF funding and \$255,000 in mental health funding that was not anticipated at the time of budget. 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.
- Rent revenue collections are ahead of budget by \$85,000 and it is expected that we will see a positive variance of approximately \$115,000 (\$65,000 County and \$50,000 City) at year-end.
- 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 \$135,000 (\$25,000 County and \$110,000 City). These savings are due to timing, vacancies, and gapping.
- Supplies, materials, and equipment is currently showing a negative variance of \$135,000. 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 \$130,000 (\$25,000 County and \$105,000 City).
- The purchased services line is tracking over budget by approximately \$670,000. We predict this trend will continue as staff see rising costs for both the materials and labour required to maintain units. In addition, there has been an increase in the number of units that are being significantly damaged by ongoing tenants and/or asbestos related repairs at the time of move outs. It is estimated that we will end the year approximately \$940,000 over budget (\$200,000 County and \$740,000 City).
- The social assistance line is tracking ahead of budget by \$1.9 million year-to-date. 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 the costs to support the shelter system will be close to \$1.2 million (40,000 County, and \$1.14 million City) above our provincial funding allocation and will be funded municipally.
 - Total additional costs of approximately \$375,000 (\$25,000 County and \$350,000 City) will be incurred to assist with rehousing those individuals impacted by several fires throughout the City and County. 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.
 - The non-profit & co-op units will generate savings of approximately \$215,000 (\$20,000 County and \$195,000 City) due to the timing of the provider's fiscal year.
 - The rent supplement programme will experience \$230,000 (\$15,000 County and \$215,000 City) in savings due to the timing of onboarding clients and the focus on fully utilizing expiring provincial funds.
- The insurance and financial line is expected to be over budget by \$40,000 (City) at year-end due to a recent fire at one of our County-owned units.
- Overall, year-end costs are projected to be approximately \$2.0 million over budget with these costs being shared \$200,000 County and \$1.8 million 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 September 30, 2023.

The total approved budget of \$26,337,400 consists of 45 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 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	\$3,513,800	\$3,447,906	\$65,894	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/ClnG/Rrcrc	\$245,000	\$0	\$245,000	Design in progress
130 Grange Window Replace	\$30,000	\$0	\$30,000	Design in progress
2023 Accessible Unit Reno	\$775,000	\$55,787	\$719,213	Design in progress
2023 GHG Initiatives	\$90,000	\$53,915	\$36,085	Energy Audits in Progress
2023 Housing Building Retrofit	\$250,000	\$251,854	-\$1,854	Project for as needed work during the year
2023 Various Bathroom Repl	\$150,000	\$43,061	\$106,939	Project for as needed work during the year
2023 Various Kitchen Replace	\$435,000	\$155,928	\$279,072	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	Design in progress
229 Dublin Electric Heat Conv	\$23,000	\$0	\$23,000	Planning in progress
229 Dublin Modernize Elevator	\$155,000	\$67,496	\$87,504	Construction Complete, Final invoicing outstanding.
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	\$360,000	\$1,572	\$358,428	Construction in Progress
263 Speedvale LtG/Clnb/Rrcrc	\$300,000	\$3,867	\$296,133	Planning in progress
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
33 Marlborough Electric Heat	\$16,000	\$0	\$16,000	Planning in progress
33 Marlborough Roofing Replace	\$25,000	\$0	\$25,000	Design in progress
387 Waterloo Roofing Repl	\$20,000	\$0	\$20,000	Design in progress
387 Waterloo Window Replacemen	\$30,000	\$0	\$30,000	Planning in progress
411 Waterloo Roofing Repl.	\$20,000	\$0	\$20,000	Design in progress

	LTD Budget	LTD Actuals	Remaining Budget	Comments
411 Waterloo Window Repl	\$20,000	\$0	\$20,000	Design in progress
450 Ferrier Elevator Mod.	\$10,000	\$0	\$10,000	Planning in progress
51 John Metal Roof Install	\$290,000	\$274,236	\$15,764	Complete with savings
576 Woolwich Ltg/Clng/Rcrc	\$230,000	\$18,936	\$211,064	In progress
576 Woolwich Window/Mansard	\$25,000	\$0	\$25,000	Design in progress
65 Delhi Renovations	\$10,605,000	\$540,113	\$10,064,887	Construction in Progress. Project Budget has been amended for revised construction costs with funding from a Federal grant.
Algonquin/Ferndale Site Dev P2	\$10,000	\$29,653	-\$19,653	Completed over budget. Project to be closed with funding from Municipal Recovery and Housing Capital Reserve.
Applewood / Sunset Roofing Rep	\$1,315,000	\$861,894	\$453,106	Final block in progress
Applewood / Sunset Site Dev	\$500,000	\$431,687	\$68,313	Complete, final invoicing outstanding
Applewood Solar Panels	\$145,000	\$0	\$145,000	Cancelled. Project to be closed
Attic Insulation	\$130,000	\$63,390	\$66,610	In progress
County Corridor Handrail Rpl	\$195,000	\$43,286	\$151,714	In Progress
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 Install WasteContainer	\$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
130 Grange Electric Heat Conv	\$22,000	\$0	\$22,000	Planning in progress
130 Grange Light/Clng/Rcrc	\$245,000	\$0	\$245,000	Design in progress
130 Grange Window Replace	\$30,000	\$0	\$30,000	Design in progress
2023 Accessible Unit Reno	\$775,000	\$55,787	\$719,213	Design in progress
2023 GHG Initiatives	\$90,000	\$53,915	\$36,085	Energy Audits in Progress
Subtotal Social Housing	\$26,337,400	\$8,464,364	\$17,873,036	

Affordable Housing

- Rent revenues are tracking slightly ahead of budget and no significant variance is expected at the end of the year.
- Salaries, wages, and benefit expenses are tracking close to budget 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 \$60,000. This relates to a combination of higher costs and timing issues. It is expected that any variance at year-end will be minimal.
- Any savings realized as year-end will be transferred to the Housing Development Reserve Fund at year-end as per policy.

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 September 30, 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	Work Complete, final invoicing outstanding
165 Gordon Air Conditioning	\$1,500,000	\$1,413,327	\$86,673	Work complete. Project to be closed upon completion of final invoicing
169 Gordon St FOB System	\$40,000	\$24,012	\$15,988	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	\$1,452,530	\$373,470	

Summary:

Service	Projected Savings / (Overage)	County	City	Comments
Ontario Works	\$280,000	\$130,000	\$150,000	Staffing vacancies and gapping, and discretionary benefit costs have attributed to these savings.
Children's Early Years	\$1,450,000	\$525,000	\$925,000	Savings in various programme areas due to the implementation of CWELCC.
Social Housing	(\$2,000,000)	(\$200,000)	(\$1,800,000)	Pressure in Homelessness Prevention 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	(\$270,000)	\$455,000	(\$725,000)	

Recommendation:

That the Financial Statements and Variance Projections as of September 30, 2023 for Social Services be approved.

Respectfully submitted,



Shauna Calder
Manager of Finance