



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Social Services Committee
From: Shauna Calder, Manager of Finance
Date: Wednesday, November 8, 2023
Subject: **Preliminary 2024-2033 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 21, 2023, 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 \$2.5 million. The most significant change relates to a decrease of \$1.8 million in federal Reaching Home Funding. It is expected that a new funding allocation will be received prior to the 2024 budget being finalized in January and staff will update the budget when details are known. In addition, several provincially funded rent supplement programmes will expire by March 31, 2024. This loss of funding is offset by increased municipal contribution to ensure housing stability for those currently receiving housing supports.
- Budgeted rent collections from our County-owned social housing units includes a 1.5% (\$87,200) increase.
- Salaries, wages, and benefits includes the following changes:
 - The annualization of the Capital Asset Coordinator and Capital Asset Supervisor contract positions added in 2023.
 - The addition of three positions to the Homelessness Prevention Programme (HPP). This includes a one-year contract for a Housing Trainer, as well as a Housing Data Analyst (April 1st start date) and a Housing Stability Caseworker.
 - A two-year contract has been added for a Health and Housing Project Manager.
 - A reallocation of \$257,000 of staffing costs from Ontario Works to better reflect the integration efforts being made.
 - Two contract positions (1.5 FTE) currently funded through federal Reaching Home funding have been removed from the budget as of March 2024.
- The Purchased Services line has increased by \$1.2 million. Our county-owned units have experienced rising costs for both the materials and labour required to maintain units in addition to the significantly damaged units and/or asbestos related repairs at the time of move-out. Areas that have received a significant increase in 2024 are general maintenance, painting, electrical repairs, snow removal, flooring, and grounds maintenance.
- Overall, the social assistance line is increasing by \$1.45 million. There are several changes that are taking place in this expenditure line.

- The social assistance includes an increase of \$4.06 million to address the significant pressures that are being faced by the homelessness system. This investment allows for increases to shelter wages, increased emergency shelter space, increased transitional housing, a greater number of rent supplements, and the funding of support staff needed to operate these programmes.
 - Rent Supplement has received an increase of \$382,000 to offset the loss of several provincially funded rent supplement programmes.
 - The non-profit and cooperative housing provider line is decreasing by \$778,000 due to the removal of one-time payments in 2023 and a funding allocation decrease for Wellington Housing Corporation related to a decrease in operating and mortgage costs. The one-time payments were funded through the Housing Regeneration Reserve and will not impact the municipal tax levy.
 - A total of \$1.48 million in Reaching Home expenditures have been removed from the budget to reflect the ending of the current federal funding commitment as of March 31, 2024.
- A reduction in debenture payments for County owned social housing units has decreased the transfer payment line (\$70,300 City and \$20,000 County).
 - The transfer to reserve line reflects a reduction of \$500,000 in the transfer to the County's Shared Services Stabilization Reserve resulting in a decrease to the County cost.

Housing Services – Capital

- Capital spending on County-owned social housing units totals \$57.3 million over the ten-year forecast. There is significant capital spend in 2024 (\$7.7 million) due to the receipt of the National Housing Co-Investment Fund grant at the end of 2022. This grant carries into 2025 (\$1.5 million) when the time period for the grant expires. Beyond 2026 the capital budget is increasing by an average of \$163,000 in 2026 through 2033 providing staff with a predictable and stable level of funding to address aging facilities and increasing costs.
- 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 by \$8,500 which aligns with the predicted actuals for 2023.
- Minor adjustments have been made to budgeted expenses for the supplies, materials and equipment and purchase services lines according to the 2023 costs to date. The only area that required a significant increase was heating supplies.
- Insurance has been increased to reflect initial quotes.
- The budgeted contribution to the County's Housing Development Reserve increases to \$1.4 million for the remainder of the ten-year plan. Contributions to the reserve also includes the net municipal revenue generated from each of the affordable housing properties to provide funding for future affordable housing opportunities.

Affordable Housing – Capital

- Facility improvements for County owned affordable housing buildings total \$1.7 million over the ten-years and are funded through the Housing Capital Reserve and a portion of the National Housing Co-Investment Funding Grant (\$640,000).
- 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 decreasing by approximately \$510,000 in 2024. This budget adjustment reflects a reduction of \$1.1 million in provincial funding connected to the Employment Services Transformation, offset by a projected 3% increase in OW benefits costs. Ontario Works benefits are 100% provincially funded and increases will not impact the municipal tax levy.
- Staff have received confirmation that the provincial administration funding for Ontario Works will remain at the same level as received in 2023 (frozen at 2018 actual expenditure levels).
- The Salaries, Wages and Benefits line reflects a decrease of \$740,000 in 2024 which includes the following adjustments:
 - Restructuring related to the loss of \$1.1 million in provincial funding (reduction of 8.5 FTE)
 - Staffing changes proposed to further the integration of Social Services programme delivery, including:
 - As of July 1st, transitioning two Intake Workers to a newly created Navigator position. A third Navigator will also be added at that time. This position will assist clients with accessing all the services that they require.
 - As of September 1st, introducing a further Navigator position as well as Reception support in the County space in Mount Forest.
 - A reallocation of staff costs to Housing Services and Children’s Early Years to better reflect the integration efforts being made.
- The supplies, materials & equipment and purchased services lines are decreasing by a combined total of approximately \$95,000. Reductions have been made to postage, conference, mileage, and lifecycle purchases of IT equipment.
- The Social Assistance line includes a reduction of \$200,000 in employment related costs as a result of the loss of provincial funding described above. This is offset by the projected increase of 3% in OW benefit costs and does not impact the municipal tax levy requirement.
- Funding for Agencies has been reduced by \$161,000 to reflect the ending of our funding commitment to the Integrated Youth Service Network. This has been offset by an annual contribution of \$27,900 to support daytime drop-in hours as recommended in the 2024 100% Municipal Contribution to Daytime Drop-In Services in Guelph report also on this agenda.
- The cost-sharing ratio for administration expenses between the County and City has been adjusted based on the caseload split experienced in 2023. This resulted in a projected decrease in cost of \$21,000 for the County and a corresponding increase for the City.

Ontario Works - Capital

- The ten-year capital plan includes facility improvements at the administration offices located at 129 and 138 Wyndham Street in Guelph, and St. Andrews Street in Fergus. The ten-year total capital budget is \$2.9 million. The County's portion of \$797,000 is funded from the Property Reserve and the City's funding contribution for capital works at the Guelph locations is \$2.2 million.
- Two new projects, 129 Wyndham (2024-\$500,000) and 138 Wyndham (2025-\$250,000), are included in the capital plan for renovations of common areas to enhance the safety and security at the workplace, as reported at the March 2023 Social Services Committee meeting.

Children's Early Years - Operating

- The provincial funding allocation for 2024 has not yet been received. The Preliminary 2024 budget and ten-year plan, assumes no changes from the 2023 allocation with two exceptions:
 - Workforce funding, which is 100% funded, has ended in 2023 resulting in a \$347,000 reduction to the grants and subsidies and social assistance lines.
 - A one-time transitional grant of \$1.04 million has been removed from the budget increasing costs by \$425,000 for the County and \$617,000 for the City.
- User fees at the County's directly operated childcare centres are increasing significantly in the 2024 budget. This increase is attributed to the centres returning to full operational capacity.
- The internal recoveries and charges lines are increasing in relation to higher use of the Canada-Wide Early Learning & Child Care (CWLECC) funding at the directly operated childcare centres.
- The salaries, wages and benefits line reflects the removal of a temporary Pedagogical Leader from 2023 as well as a reallocation of \$257,000 of staffing costs from Ontario Works to better reflect the integration efforts being made.
- The social assistance line is decreasing by \$787,000 primary due to a decrease in Workforce funding as mentioned above, and a shift in how CWLECC funds are being utilized, which has a zero financial impact to the City and County.

Children's Early Years – Capital

- The ten-year capital plan for Children's Early Years includes \$565,000 for lifecycle repairs and replacements at Mount Forest Child Care and Learning Centre and \$110,000 at 133 Wyndham Street in Guelph. Work at Mount Forest is a 100% County cost funded from the Property Reserve. Improvements to 133 Wyndham Street are cost shared with the City of Guelph.
- The initiative to implement new Billing and Waitlist Software will continue in 2024 with \$50,000 for billing software.

Overall Social Services 2024 Budget Impact

The preliminary 2024 Budget for Social Services (operating + capital) reflects a tax levy increase of 34% for the City and 9.8% for the County, as outlined in the table below:

COUNTY OF WELLINGTON					
2024 SOCIAL SERVICES NET BUDGET COMPARISON - OPERATING & CAPITAL					
(all figures in \$000's)					
	Approved 2023 County Budget	2023 Budget Projections for 2024	Proposed 2024 County Budget	% Change from 2023 Projections for 2024	% Change from Approved 2023 Budget
City Tax Levy Requirement					
Social Housing	\$ 18,608	\$ 21,325	\$ 26,007	22.0%	39.8%
Ontario Works	3,391	3,709	3,908	5.4%	15.2%
Children's Early Years	3,518	4,567	4,642	1.7%	31.9%
IT	458	226	248	9.7%	-45.9%
Total	\$ 25,976	\$ 29,826	\$ 34,805	16.7%	34.0%
County Tax Levy Requirement					
Social Housing	\$ 5,091	\$ 4,812	\$ 5,522	14.8%	8.5%
Ontario Works	1,479	1,582	1,545	-2.3%	4.4%
Children's Early Years	2,072	2,520	2,342	-7.1%	13.0%
Affordable Housing	1,200	1,400	1,400	0.0%	16.7%
Total	\$ 9,842	\$ 10,314	\$ 10,809	4.8%	9.8%

The detailed 2024 operating budget and revised ten-year plan will be presented to the Committee in January.

Recommendation:

That the preliminary 2024-2033 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,



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