

The District of Thunder Bay Social Services Administration Board

2015 Operating Budget

Approved February 26, 2015



THE DISTRICT OF THUNDER BAY
SOCIAL SERVICES ADMINISTRATION BOARD

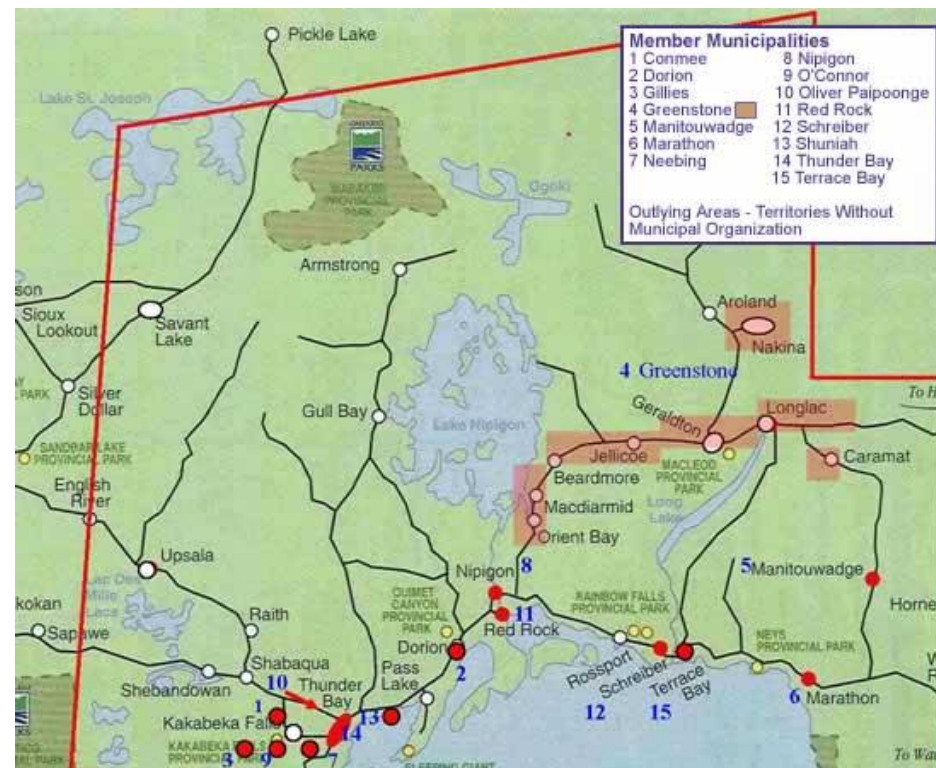
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Organization Profile

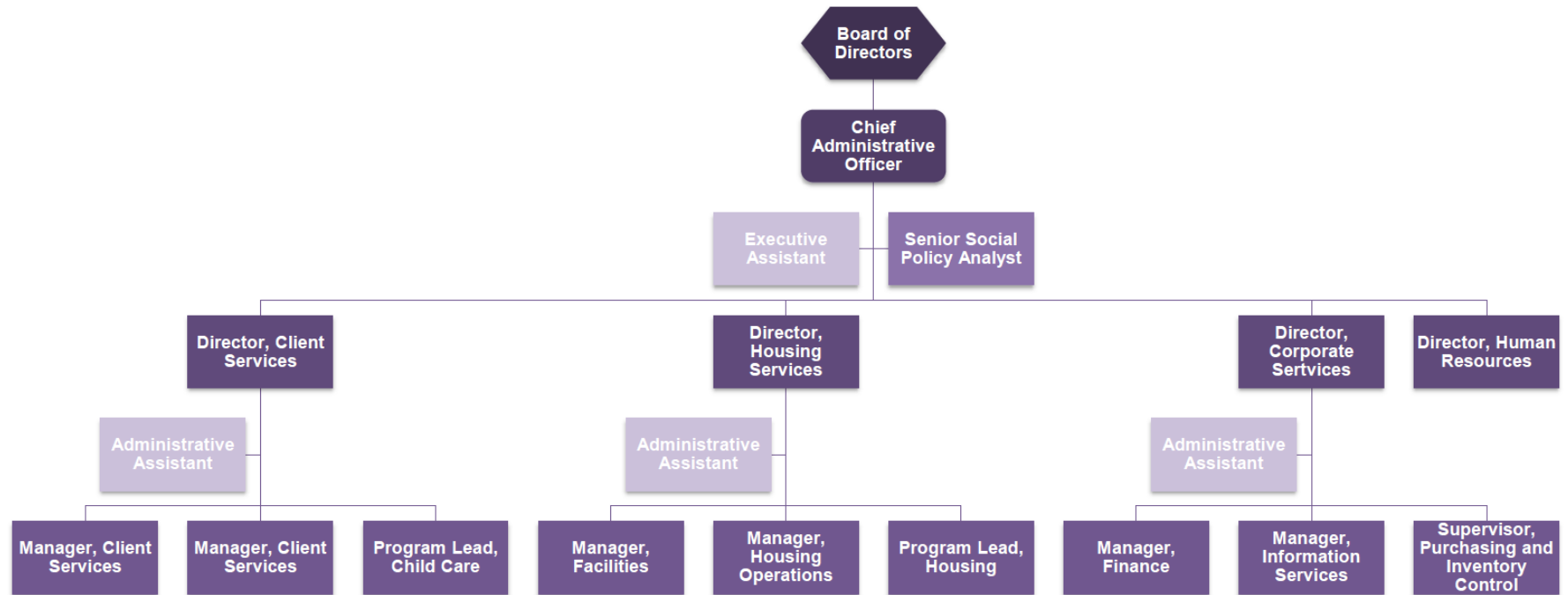
The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) delivers provincially mandated services on behalf of the citizens of the District of Thunder Bay in an equitable and cost-effective manner. These services include Ontario Works, Child Care and Housing programs. TBDSSAB is the sole shareholder of the Thunder Bay District Housing Corporation (TBDHC).

TBDSSAB delivers services to 15 member municipalities and the Territories Without Municipal Organization (TWOMO) within the District of Thunder Bay, and includes:

- Township of Conmee
- Township of Dorion
- Township of Gillies
- Municipality of Greenstone
- Township of Manitouwadge
- Town of Marathon
- Municipality of Neebing
- Township of Nipigon
- Township of O'Connor
- Municipality of Oliver Paipouge
- Township of Red Rock
- Township of Schreiber
- Municipality of Shuniah
- Township of Terrace Bay
- City of Thunder Bay
- Territories Without Municipal Organization



Corporate Organization Structure



The Board is comprised of twelve Members who are elected officials. Eleven are appointed by their respective municipal council and one is an elected representative from the TWOMO. These elected officials serve on the Board to represent areas defined in the *District Social Services Administration Board Act*.

- Area 1: Conmee, Gillies, Neebing, O’Connor, Oliver Paipoonge and Shuniah (1 member)
- Area 2: Dorion, Nipigon, and Red Rock (1 member)
- Area 3: Greenstone (1 member)
- Area 4: Schreiber and Terrace Bay (1 member)
- Area 5: Manitouwadge and Marathon (1 member)
- Area 6: Thunder Bay (6 members)
- Area 7: TWOMO (1 member)

Office of the Chief Administrative Officer

The Chief Administrative Officer (CAO) directs and manages the daily administration of the TBDSSAB. Four Directors (3 Divisions and 1 Department) report directly to the CAO and oversee the operation of each Division/Department with Department Managers reporting directly to the Directors. *See Appendix 1 for the summary of the administrative costs.*

Client Services Division

The Client Services Division is responsible for the delivery and administration of the Ontario Works and Child Care programs. It also includes Integrated Client Services which consists of a common Intake area where clients can explain their situation and be directed to the appropriate services. *See Appendix 2 for the summary of the administrative costs.*

Housing Services Division

The Housing Services Division is responsible for the various housing programs and services to residents in the District of Thunder Bay, including Social Housing Programs, Affordable Housing Programs and Homelessness Prevention Programs in collaboration with community partners. The Housing Services Division also operates and maintains 2,505 direct-owned housing units in the District of Thunder Bay. *See Appendix 3 for the summary of the administrative costs.*

Corporate Services Division

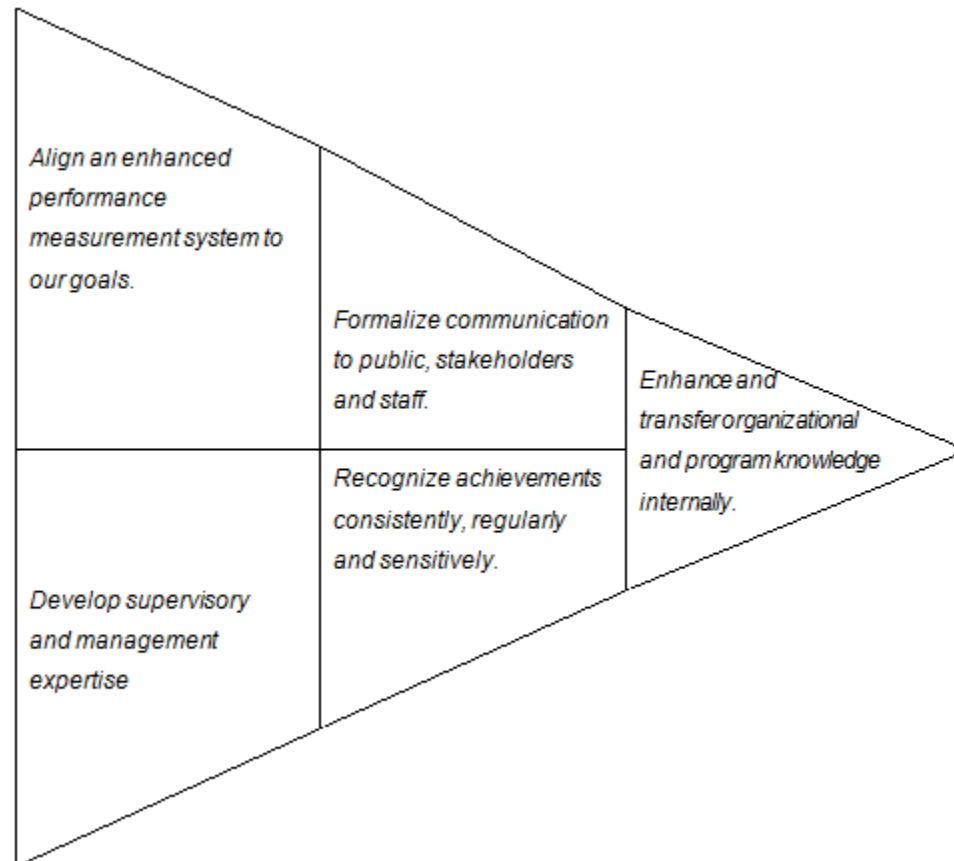
The Corporate Services Division is responsible for creating and maintaining an effective system of internal controls for management decision-making to safeguard the assets of the organization. The Finance Department, Information Services Department, and Procurement area support the programs and organization as a whole by providing timely, accurate data and systems necessary for effective decision-making to enable programming. *See Appendix 4 for the summary of the administrative costs.*

Human Resources Department

The Human Resources Department is responsible for the development of formal systems for the management of people within the organization. This includes recruitment, training and development, labour relations, compliance with applicable legislation, compensation and benefits and contributing to the overall health and safety of the workforce. *See Appendix 5 for the summary of the administrative costs.*

Strategic Plan (2013-16)

The Strategic Plan for the years 2013 through 2016 was developed and adopted by the Board in 2013. This plan identifies the practical vision, strategic objectives and strategic directions to guide Administration during that period. The Plan emphasizes the importance of providing excellent client service, optimized housing and fostering a healthy work environment. The following diagram illustrates the five strategic directions established by the Board:



Budget Introduction

The Board has approved Budget Policy #AD02.010, and Administration has developed procedures to guide the budget process and ensure Board resources are allocated and then utilized effectively and efficiently. TBDSSAB uses a zero-based budgeting philosophy in which Administration analyzes and justifies the costs that are required to implement the mandate, fulfil the strategic plan of the Board, and maintain effective operations. Each member of the Senior Management Team is responsible for establishing the goals and objectives of their respective divisions, determining required resources (including staffing) to achieve those goals for their responsibility centre(s), and is accountable for performance within that responsibility centre(s) during the year.

Operating Budget

Administration prepares an Operating Budget annually comprising estimated revenues and operating costs for the forthcoming year. Factors considered include program and service requirements, and client needs. The TBDSSAB Operating Budget determines the annual Municipal levy for that year.

Capital Budget

Administration prepares a Capital Budget and Forecast annually comprising estimated capital project expenditures for the forthcoming year. The annual Capital Budget is the first year of a ten year forecast of capital expenditures. In 2015, capital projects are all financed from capital reserve funds. *See Capital Budget book, distributed separately, for capital expenditure details.*

Reserve Funds

The Board has approved a Reserve and Reserve Fund Policy (CS:02-19) and a related Reserve Fund Strategy which is integral to building financial sustainability. Reserve funds are established and maintained by the Board to mitigate financial implications associated with risks of potential known and unknown liabilities.

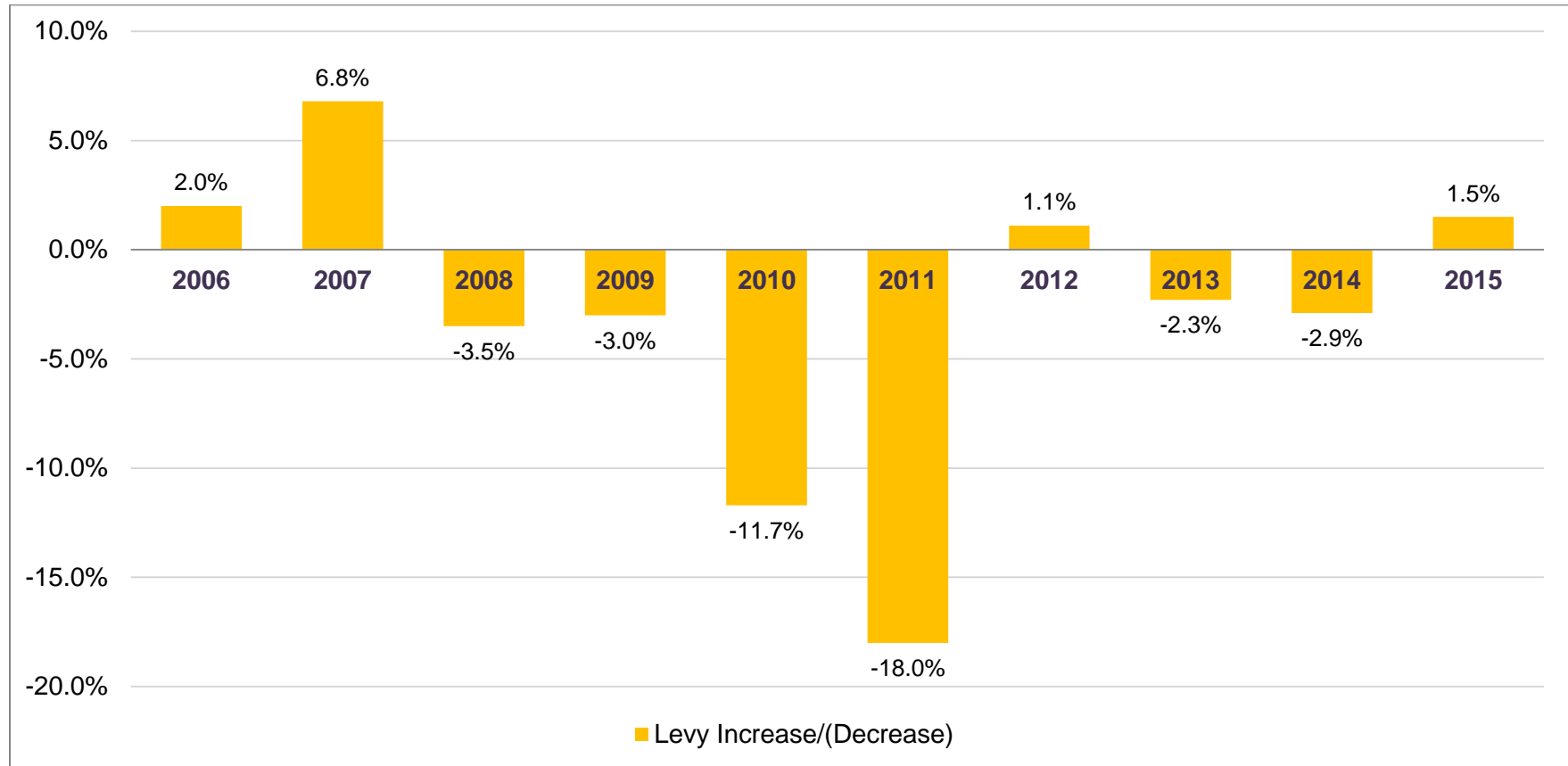
2015 Operating Budget

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Ontario Works	32,595,700	31,365,400	34,280,000	2,914,600	9.3%
Child care programs	13,128,700	12,758,500	13,850,300	1,091,800	8.6%
Housing and homelessness programs	38,198,911	40,142,453	40,583,900	441,447	1.1%
Other	48,000	-	-	-	n/a
Total Expenditures	83,971,311	84,266,353	88,714,200	4,447,847	5.3%
Rents and other revenues	(10,873,900)	(10,845,400)	(10,830,900)	14,500	-0.1%
Grants					
Ontario Works	(24,929,300)	(24,385,000)	(27,518,200)	(3,133,200)	12.8%
Child care	(11,038,200)	(10,688,600)	(11,927,600)	(1,239,000)	11.6%
Housing and homelessness	(13,249,325)	(14,490,800)	(14,014,600)	476,200	-3.3%
Total Grants	(49,216,825)	(49,564,400)	(53,460,400)	(3,896,000)	7.9%
Interest revenue - unrestricted	(135,800)	(163,100)	(87,000)	76,100	-46.7%
Interest revenue - restricted	-	(147,000)	(174,000)	(27,000)	18.4%
Net Cost to be Financed	23,744,786	23,546,453	24,161,900	615,447	2.6%
Financing					
Levy to municipalities and TWOMO	24,067,286	23,533,653	23,897,900	364,247	1.5%
From (to) OW client benefits reserve fund	210,000	171,800	127,300	(44,500)	-25.9%
From (to) CSRFP reserve fund	-	-	83,800	83,800	n/a
From (to) office building reserve fund	(169,600)	(169,600)	(88,800)	80,800	-47.6%
From (to) social housing reserve fund	-	-	315,700	315,700	n/a
From (to) unrestricted surplus	(327,400)	157,600	-	(157,600)	-100.0%
From (to) reserve funds	-	(147,000)	(174,000)	(27,000)	18.4%
Total Financing	23,780,286	23,546,453	24,161,900	615,447	2.6%

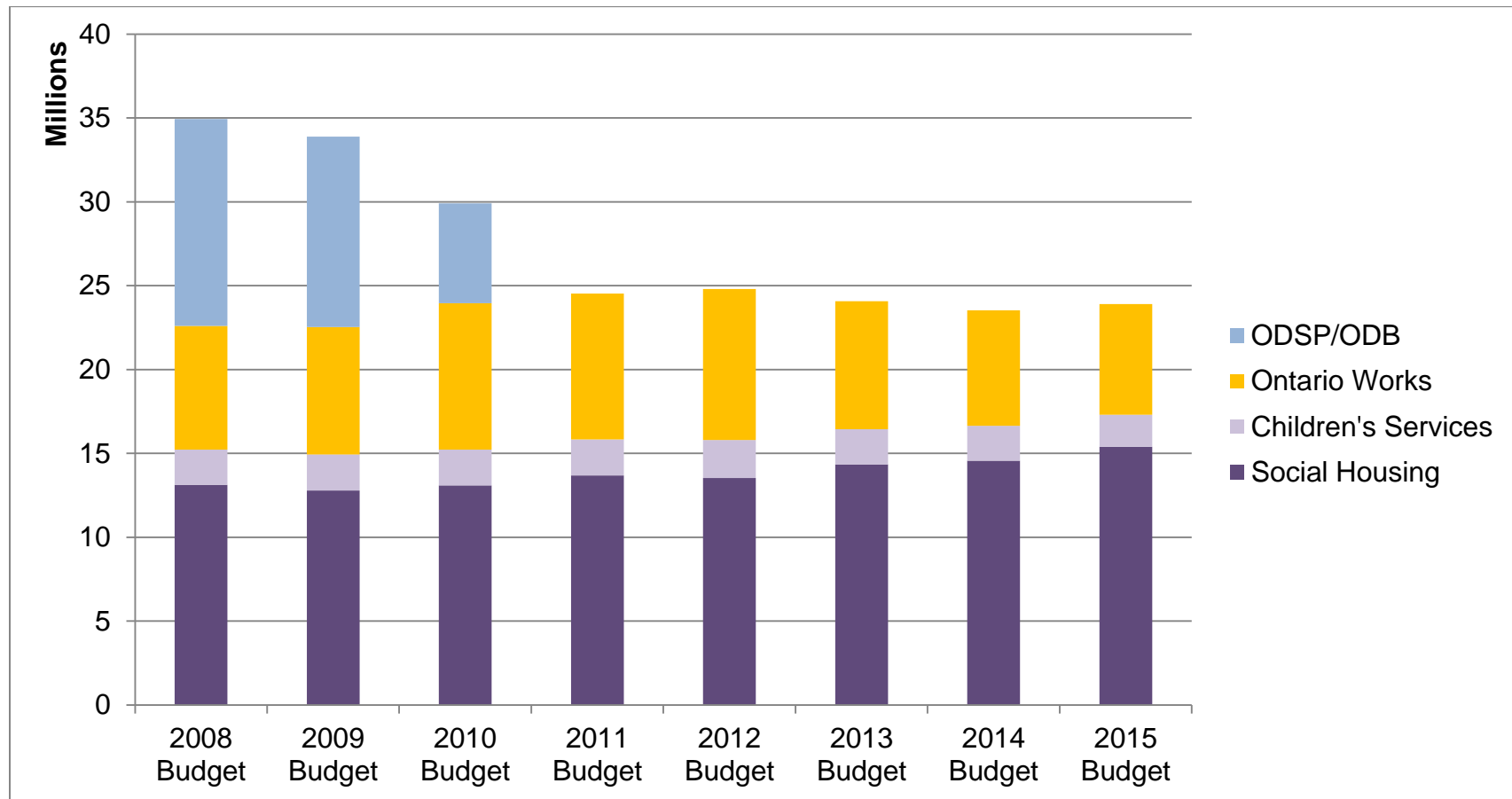
	Corporate Management & Program Support		Integrated Client Services		Ontario Works	
	2014	2015	2014	2015	2014	2015
Financing						
Levy to municipalities and TWOMO	-	(87,000)	-	-	6,892,200	6,617,400
Interest on unrestricted funds	109,000	87,000	-	-	-	-
Interest on restricted funds	147,000	174,000	-	-	-	-
Recovery from TBDHC	-	-	-	-	-	-
Rents	-	-	-	-	-	-
Grants	-	20,000	-	-	24,385,000	27,518,200
Other	6,600	3,000	-	-	40,200	-
From (to) unrestricted surplus	(109,000)	-	-	-	-	-
From (to) reserve funds	(147,000)	(174,000)	-	-	48,000	144,400
Total Financing	6,600	23,000	-	-	31,365,400	34,280,000
Expenditures						
Personnel services	3,370,600	3,420,300	878,900	890,700	4,956,400	4,826,300
Interest on long-term debt	132,700	127,300	-	-	-	-
Materials	1,838,600	1,848,200	28,700	27,700	263,100	262,100
Contracted services	168,900	186,300	-	-	2,000	5,000
Rents and financial expenses	16,500	17,600	-	-	81,900	83,400
External transfers - funded agencies	-	-	-	-	870,600	925,600
External transfers - persons	-	-	-	-	21,022,800	23,650,400
Repayment of long-term debt	244,000	250,000	-	-	-	-
Allocation of internal admin	(4,856,300)	(4,755,100)	(907,600)	(918,400)	3,503,100	3,723,500
Imputed Rent Recovery	(908,400)	(1,071,600)	-	-	665,500	803,700
Total Expenditures	6,600	23,000	-	-	31,365,400	34,280,000
Excess (Deficiency) of Revenues Over Expenses	-	-	-	-	-	-

	Child Care Programs		Housing & Homelessness Programs		Total	
	2014	2015	2014	2015	2014	2015
Financing						
Levy to municipalities and TWOMO	2,080,100	1,928,000	14,561,353	15,439,500	23,533,653	23,897,900
Interest on unrestricted funds	-	-	54,100	-	163,100	87,000
Interest on restricted funds	-	-	-	-	147,000	174,000
Recovery from TBDHC	-	-	95,400	52,000	95,400	52,000
Rents	-	-	10,530,300	10,599,400	10,530,300	10,599,400
Grants	10,688,600	11,927,600	14,490,800	14,014,600	49,564,400	53,480,400
Other	-	-	179,500	179,500	226,300	182,500
From (to) unrestricted surplus	-	-	266,600	-	157,600	-
From (to) reserve funds	(10,200)	(5,300)	(35,600)	298,900	(144,800)	264,000
Total Financing	12,758,500	13,850,300	40,142,453	40,583,900	84,272,953	88,737,200
Expenditures						
Personnel services	474,700	492,400	3,915,500	4,022,600	13,596,100	13,652,300
Interest on long-term debt	-	-	1,328,200	1,152,500	1,460,900	1,279,800
Materials	47,200	52,500	13,631,660	15,419,400	15,809,260	17,609,900
Contracted services	2,000	2,000	77,200	44,000	250,100	237,300
Rents and financial expenses	-	-	78,400	77,000	176,800	178,000
External transfers - funded agencies	11,616,600	12,688,700	16,133,393	15,084,700	28,620,593	28,699,000
External transfers - persons	-	-	847,800	785,300	21,870,600	24,435,700
Repayment of long-term debt	-	-	2,244,600	2,395,200	2,488,600	2,645,200
Allocation of internal admin	563,200	550,400	1,697,600	1,399,600	-	-
Imputed Rent Recovery	54,800	64,300	188,100	203,600	-	-
Total Expenditures	12,758,500	13,850,300	40,142,453	40,583,900	84,272,953	88,737,200
Excess (deficiency) of Revenues over expenses	-	-	-	-	-	-

Although the 2015 TBDSSAB Operating Budget requires a 1.5% increase to the levy, this is only the fourth levy increase over the past 10 years. Over this 10 year timeframe, the TBDSSAB levy has cumulatively decreased by 30% as illustrated in the chart below:



The Province has continued its commitment to upload the cost of Ontario Works financial and employment assistance by 2018. However the resulting decrease is more than offset by increases in social housing. The chart below provides a breakdown of the levy, by program, since 2008 when the uploading of the Ontario Disability Support Program (ODSP) and Ontario Drug Benefits (ODB) began.



The potential impact of this levy increase for member municipalities, using the 2014 final weighted assessment, is presented in the table below. Once TBDSSAB receives all 2015 tax ratio by-laws from member Municipalities, the 2015 weighted assessment will be calculated and applied to the 2015 levy to determine each municipalities share for the 2015 year.

Description	2014 Final Weighted Assessment	2014 Budget (\$)	2015 Budget (\$)	Change (\$)
Thunder Bay	75.6269%	17,797,772	18,073,241	275,469
Conmee	0.3006%	70,742	71,837	1,095
Dorion	0.2059%	48,456	49,206	750
Gilles	0.1783%	41,961	42,610	649
Greenstone	3.8137%	897,503	911,394	13,891
Manitouwadge	0.3198%	75,261	76,425	1,164
Marathon	0.9766%	229,830	233,387	3,557
Neebing	1.5795%	371,714	377,467	5,753
Nipigon	0.5501%	129,459	131,462	2,003
O'Connor	0.3160%	74,366	75,517	1,151
Oliver & Paipoonge	3.8812%	913,388	927,525	14,137
Red Rock	0.2731%	64,270	65,265	995
Schreiber	0.2552%	60,058	60,987	929
Shuniah	3.6608%	861,520	874,854	13,334
Terrace Bay	0.9194%	216,368	219,717	3,349
TWOMO	7.1429%	1,680,985	1,707,006	26,021
Total	100.0000%	23,533,653	23,897,900	364,247

Ontario Works

Through the Ontario Works (OW) programs, the TBDSSAB provides short-term social assistance to, or on behalf of, eligible individuals and families in the form of financial and employment benefits to assist eligible recipients reach financial independence through employment.

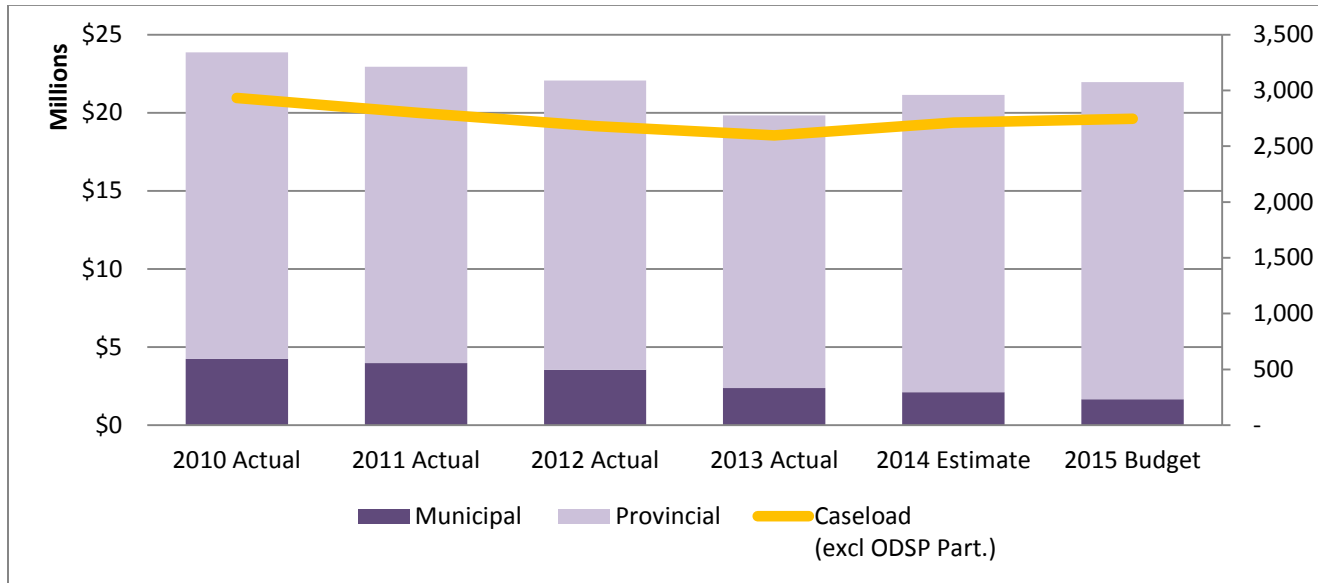
Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Client allowances and benefits	20,367,900	19,521,500	21,957,600	2,436,100	12.5%
Community social reinvestment program	655,400	655,400	655,400	-	0.0%
Program delivery and employment assistance	10,867,700	10,481,200	10,957,000	475,800	4.5%
Addiction services initiative	704,700	707,300	710,000	2,700	0.4%
Total Expenditures	32,595,700	31,365,400	34,280,000	2,914,600	9.3%
Financing					
Provincial grants	(24,929,300)	(24,385,000)	(27,518,200)	(3,133,200)	12.8%
Other revenue	(35,900)	(40,200)	-	40,200	-100.0%
From client benefits reserve fund	(210,000)	(171,800)	(127,300)	44,500	-25.9%
From CSRP reserve fund	-	-	(83,800)	(83,800)	n/a
To office building reserve fund	116,200	123,800	66,700	(57,100)	-46.1%
Total Financing	(25,059,000)	(24,473,200)	(27,662,600)	(3,189,400)	13.0%
Net Cost to be Levied	7,536,700	6,892,200	6,617,400	(274,800)	-4.0%

Client Allowances and Benefits

The Province has committed to uploading the cost of financial and employment assistance, gradually eliminating the Municipal share by 2018. The Municipal share in 2015 will decrease from 11.4% to 8.6% however these Municipal savings are offset by an increase in the OW caseload and increases in certain financial entitlements announced by the Province in its 2014 Budget.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Basic allowance	10,098,300	9,448,700	10,891,400	1,442,700	15.3%
Shelter	10,599,300	9,944,800	11,100,800	1,156,000	11.6%
Start-up benefits	269,600	212,900	49,100	(163,800)	-76.9%
Health-related benefits	425,200	471,700	540,000	68,300	14.5%
Mandatory special necessities	291,200	329,300	285,100	(44,200)	-13.4%
Special assistance	773,300	1,002,700	784,100	(218,600)	-21.8%
Transitional child benefit	194,100	232,200	232,000	(200)	-0.1%
Total Expenditures	22,651,000	21,642,300	23,882,500	2,240,200	10.4%
Client Revenue & Recovery					
Income revenue	(1,361,800)	(1,311,200)	(1,184,400)	126,800	-9.7%
OW recovery	(246,500)	(239,500)	(230,700)	8,800	-3.7%
Repayments & reimbursements	(674,800)	(570,100)	(509,800)	60,300	-10.6%
Total Client Revenue & Recovery	(2,283,100)	(2,120,800)	(1,924,900)	195,900	-9.2%
Gross Cost For Cost Sharing	20,367,900	19,521,500	21,957,600	2,436,100	12.5%
Financing					
Provincial grants	(17,633,600)	(17,403,300)	(20,162,900)	(2,759,600)	15.9%
From OW client benefits reserve fund	(210,000)	(171,800)	(127,300)	44,500	-25.9%
Net Cost to be Levied	2,524,300	1,946,400	1,667,400	(279,000)	-14.3%

The OW caseload increased by 5% during 2014 compared to a budgeted decrease of 3%. This increase appears to be a one-time shift resulting from the increase in OW recipient earnings exemption. OW recipients whose employment income precluded eligibility are now eligible for social assistance. This change would also result in OW recipients with employment income retaining eligibility and potentially staying on social assistance for a longer period of time. A further caseload increase of 1.3% has been factored into the 2015 Budget.



The OW caseload is multiplied by an estimated cost per case to arrive at the annual gross Budget. Through the 2014 Budget, the Province has increased social assistance rates for singles by \$30 per month (5%) and for families by 1%. As a result, the average cost per case is expected to increase from \$645 to \$666.

Since the Municipal share of OW financial assistance is expected to be fully uploaded by 2018, the Board has approved a strategy to gradually utilize the OW Benefits Reserve Fund to reduce the Municipal share until costs are fully uploaded. The amount used each year will be prorated considering the planned reduction in the Municipal share.

Community Social Reinvestment Program (CSRP)

Through the CSRP, TBDSSAB provides community agencies with funds to support programs for children and families with a focus on nutrition, recreation, and reduction in child poverty within the District of Thunder Bay. Agencies submit proposals through an application process and are evaluated according to eligibility criteria and funding priorities.

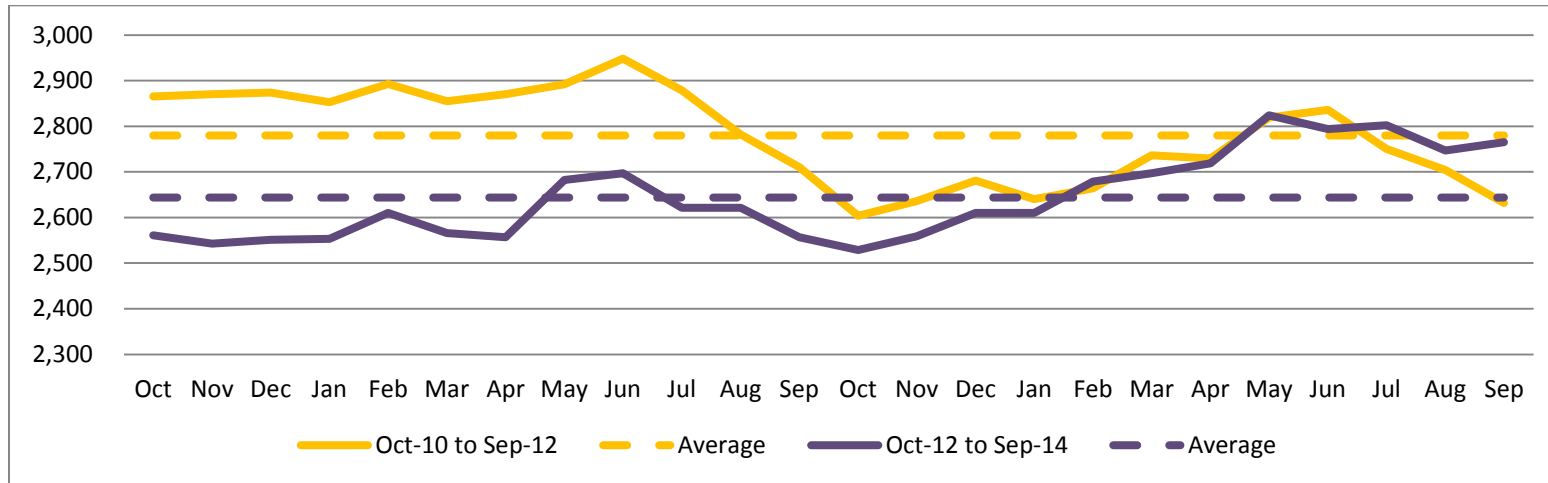
Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Extraordinary needs	121,100	63,300	63,300	-	0.0%
Employment related expenses	59,900	43,000	43,000	-	0.0%
Reduce child poverty - nutrition	317,800	427,600	427,600	-	0.0%
Reduce child poverty - recreation	76,100	56,000	56,000	-	0.0%
Training	15,000	-	-	-	n/a
Internal administrative expense	65,500	65,500	65,500	-	0.0%
Total Expenditures	655,400	655,400	655,400	-	0.0%
Financing					
From CSRP reserve fund	-	-	(83,800)	(83,800)	n/a
Net Cost to be Levied	655,400	655,400	571,600	(83,800)	-12.8%

Program Delivery and Employment Assistance Services (EAS)

The OW Program Delivery and EAS budget is based on a caseload-driven Provincial funding model.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Personnel services	4,884,900	4,736,800	4,602,200	(134,600)	-2.8%
Materials	327,800	252,700	253,800	1,100	0.4%
Contracted services	-	2,000	5,000	3,000	150.0%
Rents and financial expenses	86,300	81,900	83,400	1,500	1.8%
External transfers - funded agencies	-	47,100	102,100	55,000	116.8%
External transfers	1,518,900	1,331,700	1,522,600	190,900	14.3%
Internal administrative expense	3,567,800	3,545,500	3,836,300	290,800	8.2%
Imputed rent recovery	806,500	871,500	911,900	40,400	4.6%
Total Expenditures	11,192,200	10,869,200	11,317,300	448,100	4.1%
Recoveries					
From CSRP	(65,500)	(65,500)	(65,500)	-	0.0%
From homelessness programs	-	(98,100)	(165,200)	(67,100)	68.4%
Other revenues and recoveries	(259,000)	(224,400)	(129,600)	94,800	-42.2%
Total Expenditures Less Recoveries	10,867,700	10,481,200	10,957,000	475,800	4.5%
Revenues					
Homemaking (City of Thunder Bay)	(35,900)	(40,200)	-	40,200	-100.0%
Financing					
Provincial grants	(6,653,500)	(6,322,900)	(6,683,000)	(360,100)	5.7%
To office building reserve fund	113,600	120,400	64,900	(55,500)	-46.1%
Net Cost to be Levied	4,291,900	4,238,500	4,338,900	100,400	2.4%

The Planning Allocation is set every two years based on the previous two year average caseload multiplied by a set \$/case (\$2,098 in 2015/16). The 2015 Planning Allocation is based on the caseload for the period of October 2012 to September 2014.



As shown in the above graph, the average caseload has decreased by 136 cases during that time and the total maximum Planning Allocation has also decreased. Although the Planning Allocation will be sufficient to cover the Budget in 2015, Administration is cognizant of the impact of future personnel and other cost increases paired with any further caseload decrease. Therefore Administration has taken a proactive approach, based on a review of requirements and reduced the full-time staff complement through attrition as positions have become vacant due to retirement or other reasons.

The 2015 Budget also includes enhancements to the Employment Program. A review of current programming and the employment landscape in the District of Thunder Bay will be conducted in 2015 which will lead to the development of programs and partnerships with community agencies to deliver focused employment-related services to our clients.

Also included in the 2015 Budget is a shift in Internal Administrative Expenses to better reflect the significant indirect resources required to deliver the OW programs. These indirect costs include a proportionate share of the Office of the CAO, Human Resources, Corporate Services (including Finance and Information Systems) and Integrated Client Services.

Addiction Service Initiative (ASI)

Addictions and related issues continue to be a significant barrier to employment for many OW clients. The ASI Budget for 2015 is largely the same as the prior year as the Provincial Planning Allocation has not changed since being reduced from \$1,125,000 to \$713,600 in 2011.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Personnel services	212,500	219,600	224,100	4,500	2.0%
Materials	12,200	10,400	8,300	(2,100)	-20.2%
Rents and financial expenses	3,600	-	-	-	n/a
External transfers - funded agencies	233,600	233,600	233,600	-	0.0%
External transfers - persons	144,700	169,600	170,200	600	0.4%
Internal administrative expense	84,600	55,700	52,400	(3,300)	-5.9%
Imputed rent recovery	18,600	24,700	25,000	300	1.2%
Total Expenditures	709,800	713,600	713,600	-	0.0%
Recoveries					
Other revenues and recoveries	(5,100)	(6,300)	(3,600)	2,700	-42.9%
Total Expenditures Less Recoveries	704,700	707,300	710,000	2,700	0.4%
Financing					
Provincial grants	(642,200)	(658,800)	(672,300)	(13,500)	2.0%
To office building reserve fund	2,600	3,400	1,800	(1,600)	-47.1%
Net Cost to be Levied	65,100	51,900	39,500	(12,400)	-23.9%

Child Care Programs

The TBDSSAB is the service system manager for child care services in the District of Thunder Bay and administers child care programs to create a comprehensive, consistent, quality-driven system to support children and families.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Fee subsidy (Regular, OW Formal and Extended Day)	6,147,500	5,346,800	5,221,400	(125,400)	-2.3%
Ontario Works child care informal	110,000	60,000	40,000	(20,000)	-33.3%
Special needs resourcing	1,543,600	1,543,600	1,543,600	-	0.0%
General Operating	3,332,200	3,372,000	3,155,100	(216,900)	-6.4%
Pay equity settlement	104,300	104,300	104,300	-	0.0%
Capacity building	-	48,400	52,900	4,500	9.3%
Transformation	225,300	70,600	55,800	(14,800)	-21.0%
Small water works	10,800	14,100	14,100	-	0.0%
Repairs and maintenance	-	20,900	22,700	1,800	8.6%
Capital retrofits	46,100	83,500	70,600	(12,900)	-15.4%
Early child development planning	41,200	57,400	57,400	-	0.0%
Resource centres	928,100	928,100	848,100	(80,000)	-8.6%
Wage enhancement	-	-	624,700	624,700	n/a
Service system capacity planning	-	-	876,100	876,100	n/a
Administration	639,600	1,108,800	1,163,500	54,700	4.9%
Total Expenditures	13,128,700	12,758,500	13,850,300	1,091,800	8.6%
Financing					
Provincial grants	(11,038,200)	(10,033,700)	(11,927,600)	(1,893,900)	18.9%
Provincial grants (mitigation)	-	(654,900)	-	654,900	-100.0%
To office building reserve fund	10,400	10,200	5,300	(4,900)	-48.0%
Total Financing	(11,027,800)	(10,678,400)	(11,922,300)	(1,243,900)	11.6%
Net Cost to be Levied	2,100,900	2,080,100	1,928,000	(152,100)	-7.3%

In 2013 the Provincial funding formula for Child Care changed significantly, resulting in a \$1.5 million decrease in the gross allocation for TBDSSAB. Child care mitigation funding (\$4 million) was provided by the province to be used to help offset the effect of the reduction on the child care system. TBDSSAB has committed to accept this challenge as an opportunity to examine the overall child care system and seek efficiencies and areas for improvement. In January 2015, the 2015 Child Care planning allocation was announced which increased the overall child care funding for TBDSSAB. During 2015, Administration will develop a long-term child care plan which will guide future decision making.

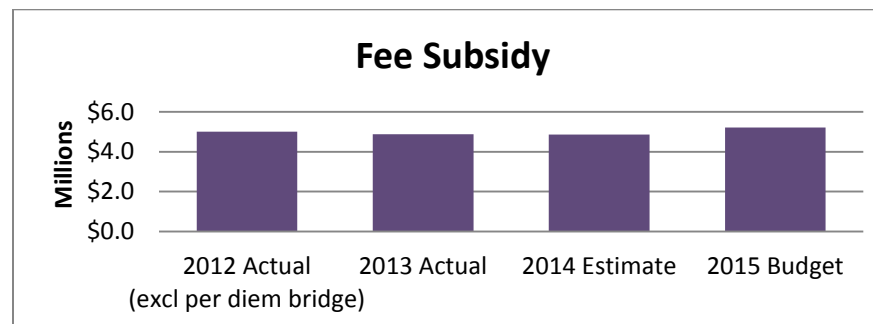
Fee Subsidy

Fee Subsidy is income-tested financial assistance provided towards the cost of child care for parents or legal guardians of children between 0 and 12 years. TBDSSAB provides funding to child care centres to cover the difference between what the client can pay based on their income and the lower of the TBDSSAB established rate or the child care centre's rate.

There are several variables to consider when developing the Fee Subsidy Budget:

- Each child care centre's rates
- Ages of children
- Parent/guardian income
- Attendance of eligible children at each centre

Given these variables, Administration relies on a mix of historical trends, current conditions and management estimates to determine an appropriate budget amount. The actual Fee Subsidy issued over the past few years has been fairly consistent.



The 2015 Budget includes an increase to the TBDSSAB maximum allowed fee subsidy rates. The increases are reflective of the Provincial direction to support full day kindergarten and resource requirements by providing greater increases for infant spaces and relatively lesser increases for Toddler, Pre-school, and Kindergarten spaces with no increase for School Age spaces:

	Old Rates	New Rates	Increase
Infant	\$63	\$66	4.8%
Toddler	\$47	\$49	4.3%
Pre-School	\$42	\$43	2.4%
Kindergarten	\$39	\$40	2.6%
School Age	\$36	\$36	0.0%

The financial impact of raising TBDSSAB maximum allowed fee subsidy rates is expected to be approximately \$212,000 for the 2015 year.

Special Needs Resources

In 2014, Children's Centre Thunder Bay (CCTB) was selected, through a Request for Proposal process, to administer the Special Needs Resources program on behalf of the TBDSSAB. The transition from the existing model, to the third party administration model is expected to occur during the first half of 2015. The Special Needs Resources budget of \$1.5 million will ensure that children with special needs continue to receive assistance in child care centres during the transition period and the successful implementation of the new model.

General Operating

In 2014 a new General Operating funding model was established and will be implemented beginning in 2015. This is a points-based model which equitably distributes available funds based on each centre's relative share of licensed spaces and the age of the children in those spaces. This calculation will gradually shift from using licensed spaces to operating spaces over the next few years. The General Operating budget amount is the remaining allocation, once the Fee Subsidy and Special Needs Resourcing budgets have been determined. Considering the projected increase in fee subsidy discussed above, for 2015 this amount is \$2.93 million. The formula for 2015 mitigates/caps each centres' funding so that no centre will have a 10% decrease/increase versus their 2014 budget. This calculation results in an additional \$222,000 which brings the total General Operating budget expense to \$3.16 million.

Child Care Administration

Child Care Administration expenses have not changed significantly in 2015, however the municipal share has decreased in accordance with the Provincial funding model.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Personnel services	383,700	474,700	492,400	17,700	3.7%
Materials	28,100	47,200	52,500	5,300	11.2%
Contracted services	-	2,000	2,000	-	0.0%
External transfers - funded agencies	-	1,900	1,900	-	0.0%
Internal administrative expense	649,500	563,200	550,400	(12,800)	-2.3%
Imputed rent recovery	74,000	73,800	75,000	1,200	1.6%
Total Expenditures	1,135,300	1,162,800	1,174,200	11,400	1.0%
Recoveries					
Recovery from child care programs	(475,200)	(35,000)	-	35,000	-100.0%
Other revenues and recoveries	(20,500)	(19,000)	(10,700)	8,300	-43.7%
Total Expenditures Less Recoveries	639,600	1,108,800	1,163,500	54,700	4.9%
Financing					
Provincial grants	(330,100)	(333,900)	(815,400)	(481,500)	144.2%
Provincial grants (mitigation)	-	(293,500)	-	293,500	-100.0%
To office building reserve fund	10,400	10,200	5,300	(4,900)	-48.0%
Net Cost to be Levied	319,900	491,600	353,400	(138,200)	-28.1%

Housing Programs

In 2014 the Board approved Under One Roof: A Housing and Homelessness Plan. This is a 10 year strategy, outlining the priorities for TBDSSAB to ensure the provision of optimal service while meeting program responsibilities as identified through the *Housing Services Act, 2011*. During 2014, Administration initiated the process to obtain Ministerial Consent to transfer the assets and liabilities of the Thunder Bay District Housing Corporation to the TBDSSAB. In anticipation of the transfer, the 2015 Budget has been developed on a consolidated basis, with the prior year budget adjusted for comparative purposes.

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Social housing	6,222,796	6,006,376	6,169,400	163,024	2.7%
Urban native housing program	2,192,935	2,189,237	2,188,300	(937)	0.0%
Rent supplement	3,931,455	3,485,240	3,803,300	318,060	9.1%
Investment in Affordable Housing	2,348,325	3,256,600	2,621,000	(635,600)	-19.5%
Homelessness prevention	1,903,100	2,216,700	2,481,300	264,600	11.9%
Direct-owned housing & administration	21,600,300	22,988,300	23,320,600	332,300	1.4%
Total Expenditures	38,198,911	40,142,453	40,583,900	441,447	1.1%
Financing					
Rents and other	(10,668,400)	(10,763,900)	(10,778,900)	(15,000)	0.1%
Block funding	(8,560,700)	(8,580,300)	(8,730,500)	(150,200)	1.8%
Provincial grants	(4,688,625)	(5,910,500)	(5,284,100)	626,400	-10.6%
Recovery from TBDHC	(129,800)	(95,400)	(52,000)	43,400	-45.5%
To/(from) unrestricted surplus	151,400	(266,600)	-	266,600	-100.0%
From social housing reserve fund	-	-	(315,700)	(315,700)	n/a
To office building reserve fund	43,000	35,600	16,800	(18,800)	-52.8%
Total Financing	(23,853,125)	(25,581,100)	(25,144,400)	436,700	-1.7%
Net Cost to be Levied	14,345,786	14,561,353	15,439,500	878,147	6.0%

Social Housing

The *Housing Services Act, 2011* requires Service Managers to use benchmark indices, provided by the Ministry of Municipal Affairs and Housing, to calculate the operating budgets for Social Housing Providers. The benchmark cost indices are based on the Ontario Consumer Price Index and sub-indices. The 2015 cost indices were unusually high compared to previous years, particularly in Gas utility costs.

	2013	2014	2015
Administration and Maintenance	1.24%	0.49%	2.85%
Capital Reserve Contribution	1.24%	0.49%	2.85%
Insurance	-0.68%	1.14%	9.00%
Utilities:			
Electricity	7.51%	3.21%	8.08%
Water	6.31%	6.42%	6.81%
Gas	-10.9%	4.11%	39.41%

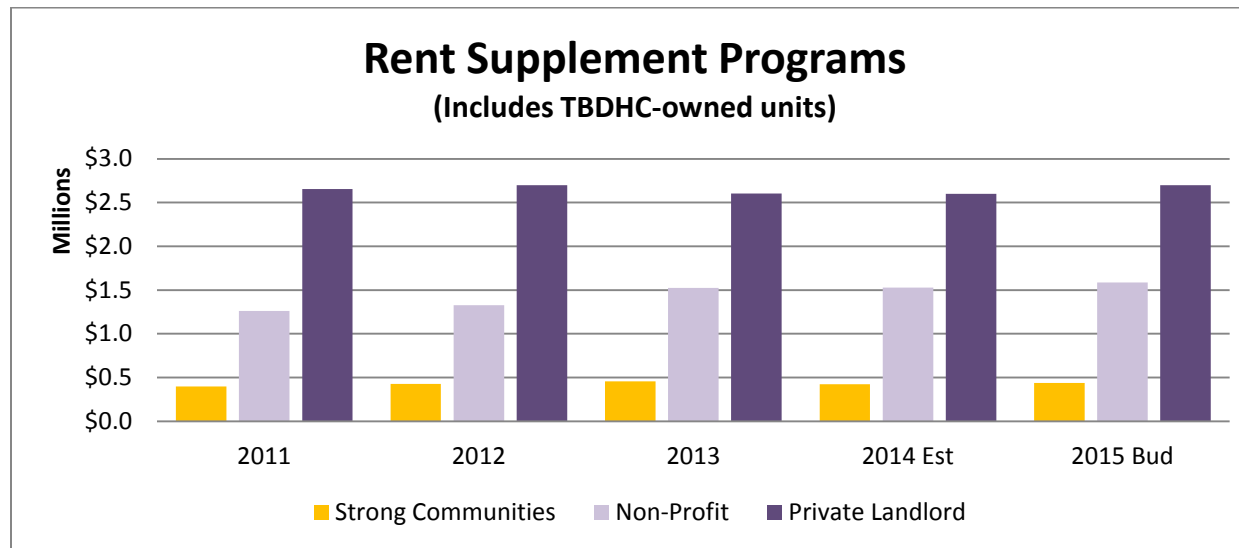
In prior years, where indices were unusually high, the following year benchmark may experience a correction or a negative index adjustment. In anticipation of such a scenario, the 2015 Budget includes financing from the Social Housing Reserve Fund in the amount of \$60,300 which represents the difference between the 39.41% gas cost index and a more reasonable increase of 5%. This strategy eliminates the probable one-time, extraordinary impact of the benchmark index increase on the levy.

Urban Native Housing

The Urban Native Housing program budget includes two housing providers: Geraldton Native Housing Corporation and Native People of Thunder Bay Development Corporation (NPTBDC). These budgets are developed based on the housing provider budget submissions, historical trends and management estimates. Although it appears there is negligible change in the 2015 budget, there are increases in operating budget lines including Administration, Maintenance, Property Taxes, and Utilities. During 2015, 23 NPTBDC mortgages will be paid out in full (4 were paid out in late 2014). In accordance with the terms of the Operating Agreements, the TBDSSAB will no longer subsidize these units once the mortgages have been paid out. The resulting decrease in overall funding offsets the operating budget line increases discussed above.

Rent Supplement

The 2015 rent supplement budget includes 769 private landlord, non-profit and Strong Communities rent supplement units. The increase in the 2015 Budget is due to the private landlord rent supplement program which is \$347,000 higher than the previous year due to higher net take-up of units during 2014 and a relatively significant increase in the cost of each unit. The cost per unit increase can be attributed to the low vacancy rate in Thunder Bay as well as the addition of higher cost supportive units.



Investment in Affordable Housing (IAH)

In 2014 the Province announced an extension to the IAH program from 2014-2020. Year 1 (2014) funding in the amount of \$806,700 must be committed by January 30, 2015. Two 8-unit projects are planned; As the total cost of these units is estimated to be approximately \$1 million under the IAH Rental Housing component, financing in the amount of \$255,400 from the Social Housing Reserve Fund is included in the 2015 Budget. The 2015 IAH Budget also includes payment for Ontario Renovates projects, and IAH rent supplement agreements.

Direct-Owned Housing Operations and Housing Programs Administration

Description	2013 Budget (\$)	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Expenditures					
Personnel services	3,428,400	3,915,500	4,022,600	107,100	2.7%
Interest on long-term debt	1,444,300	1,328,200	1,152,500	(175,700)	-13.2%
Materials	12,456,400	13,633,700	14,397,600	763,900	5.6%
Contracted services	118,700	77,200	44,000	(33,200)	-43.0%
Rents and financial expenses	78,900	78,400	77,000	(1,400)	-1.8%
External transfers - funded agencies	-	24,000	24,000	-	0.0%
Repayment of long-term debt	2,048,400	2,244,600	2,395,200	150,600	6.7%
Internal administrative expense	1,917,600	1,650,800	1,334,000	(316,800)	-19.2%
Imputed rent recovery	304,800	254,500	237,400	(17,100)	-6.7%
Total Expenditures	21,797,500	23,206,900	23,684,300	477,400	2.1%
Recoveries					
From housing and homelessness programs	(88,000)	(100,900)	(184,400)	(83,500)	82.8%
Other revenues and recoveries	(109,200)	(117,700)	(179,300)	(61,600)	52.3%
Total Expenditures Less Recoveries	21,600,300	22,988,300	23,320,600	332,300	1.4%
Revenues					
RGI rent	(9,323,100)	(9,488,400)	(9,514,100)	(25,700)	0.3%
Market rent	(895,500)	(889,700)	(924,100)	(34,400)	3.9%
Recovery from TBDHC	(129,800)	(95,400)	(52,000)	43,400	-45.5%
Commercial rent and other revenue	(273,600)	(179,300)	(188,300)	(9,000)	5.0%
Interest revenue - unrestricted	(39,800)	(54,100)	-	54,100	-100.0%
Revenue generating projects	(136,400)	(152,400)	(152,400)	-	0.0%
Total Revenues	(10,798,200)	(10,859,300)	(10,830,900)	28,400	-0.3%
Financing					
To office building reserve fund	43,000	35,600	16,800	(18,800)	-52.8%
Net Cost	10,845,100	12,164,600	12,506,500	341,900	2.8%

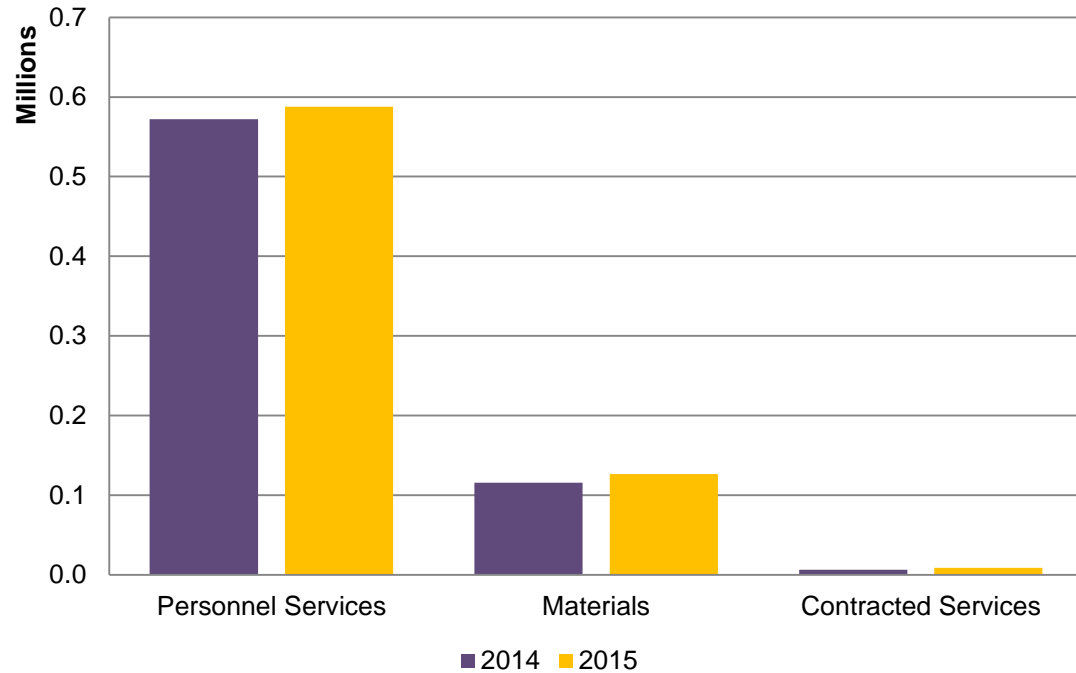
Direct-owned housing operations and administration includes costs related to the administration of the various housing programs as well as the costs associated with operating the Thunder Bay District Housing Corporation owned properties.

The Materials line in the Budget includes cost associated with maintaining and operating the owned properties, insurance, utilities, municipal property taxes and the contribution to capital reserve funds. A detailed breakdown of these amounts is provided below.

Description	2014 Budget (\$)	2015 Budget (\$)	2014 to 2015 Change (\$)	Change (%)
Repairs and maintenance	1,136,200	1,222,200	86,000	7.6%
Operating services	1,381,200	1,263,700	(117,500)	-8.5%
Insurance	432,700	485,000	52,300	12.1%
Utilities	3,401,000	3,925,200	524,200	15.4%
Municipal taxes	4,810,300	4,936,300	126,000	2.6%
Contribution to capital reserve fund	2,193,000	2,258,800	65,800	3.0%
Other	279,300	306,400	27,100	9.7%
Total	13,633,700	14,397,600	763,900	5.6%

**Appendix 1:
Office of the CAO and Board**

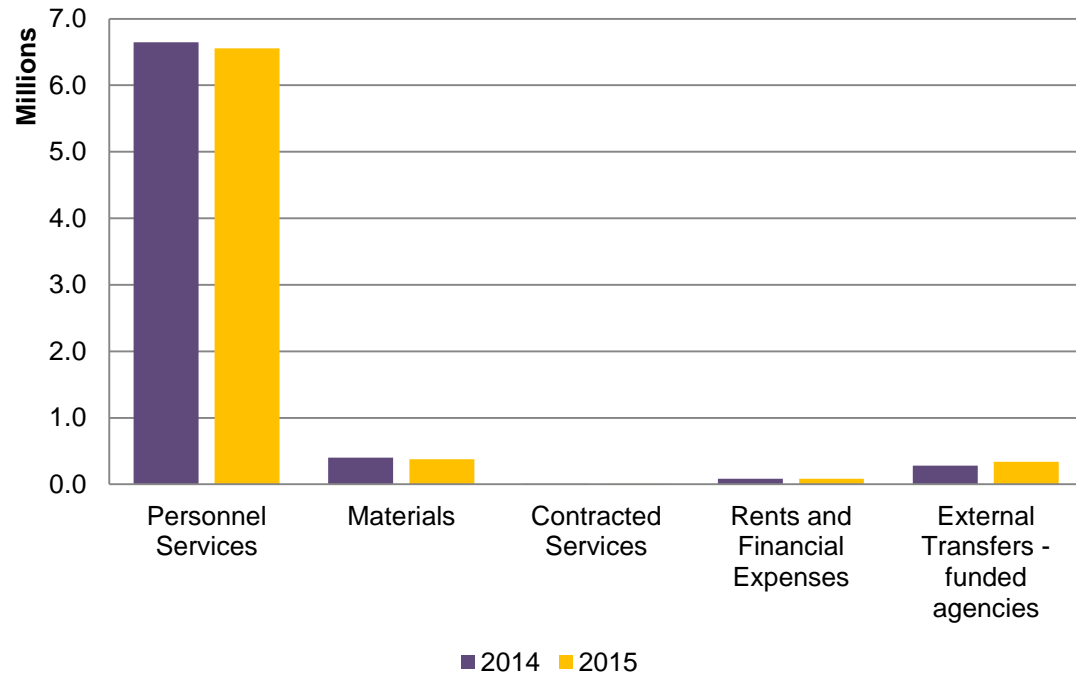
Staff Complement	2014 Budget	2015 Budget
Full-Time	5.00	5.00
Part-Time	-	-
Temporary	-	-
Total	5.00	5.00



Description	2014 Budget (\$)	2015				
		Base (\$)	Reductions (\$)	Expansions (\$)	Budget (\$)	Change (%)
Expenditures						
Personnel services	572,100	587,800	-	-	587,800	2.7%
Materials	115,500	126,700	-	-	126,700	9.7%
Contracted services	6,500	9,000	-	-	9,000	38.5%
Total Expenditures	694,100	723,500	-	-	723,500	4.2%

**Appendix 2:
Client Services Division**

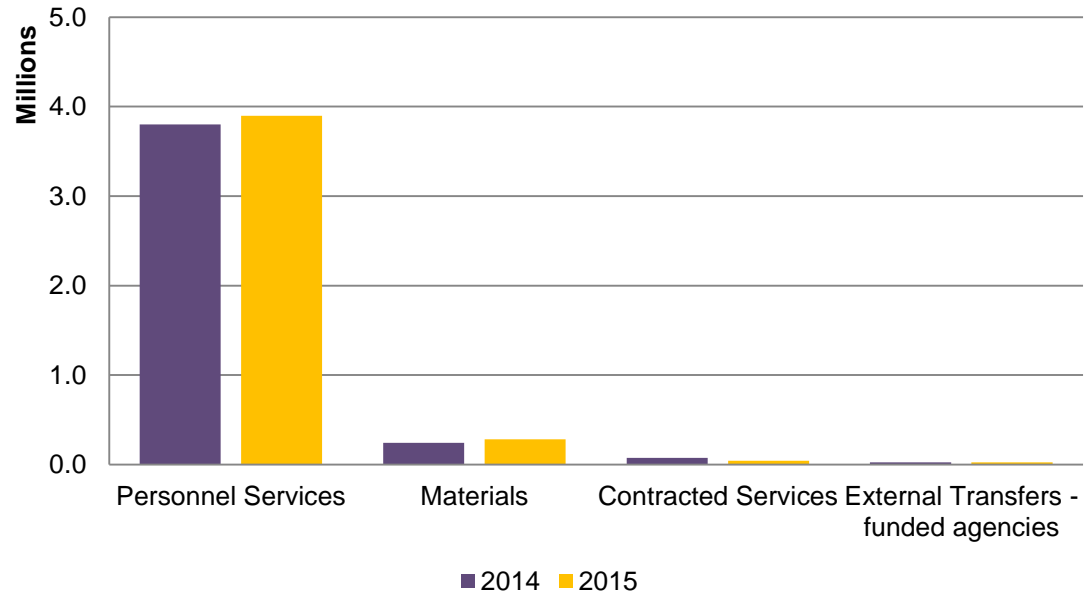
Staff Complement	2014 Budget	2015 Budget
Full-Time	84.00	81.00
Part-Time	0.60	0.60
Temporary	5.83	4.33
Total	90.43	85.93



Description	2014 Budget (\$)	2015				
		Base (\$)	Reductions (\$)	Expansions (\$)	Budget (\$)	Change (%)
Expenditures						
Personnel services	6,649,500	6,741,300	(233,900)	49,300	6,556,700	-1.4%
Materials	402,500	378,400	-	-	378,400	-6.0%
Contracted services	4,000	7,000	-	-	7,000	75.0%
Rents and financial expenses	81,900	83,400	-	-	83,400	1.8%
External transfers - funded agencies	282,600	337,600	-	-	337,600	19.5%
Total Expenditures	7,420,500	7,547,700	(233,900)	49,300	7,363,100	-0.8%

**Appendix 3:
Housing Services Division**

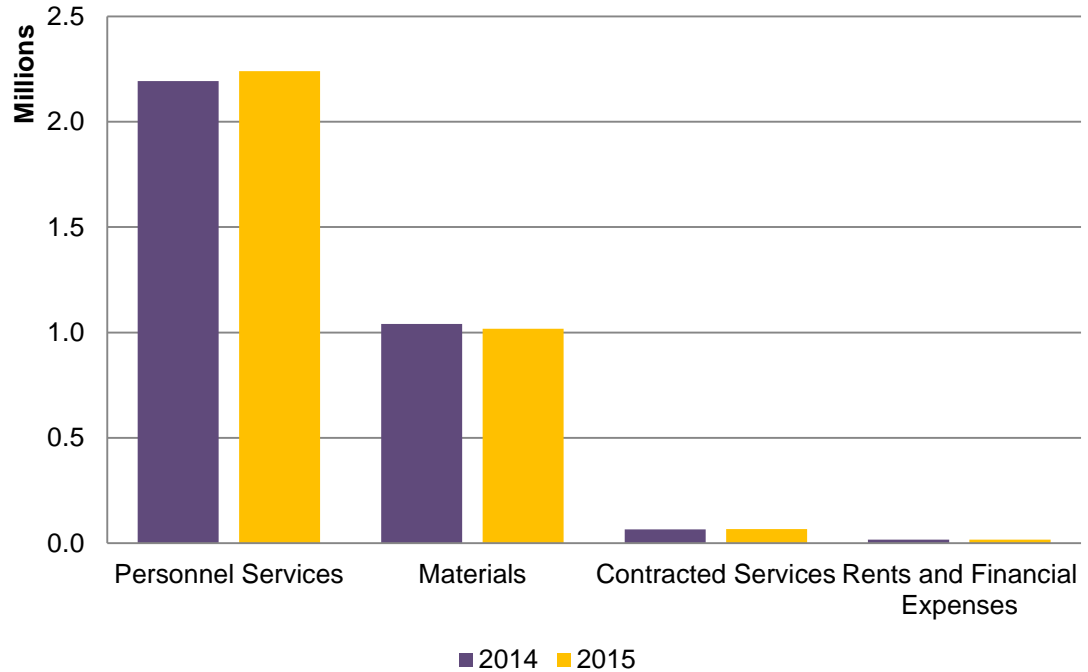
Staff Complement	2014 Budget	2015 Budget
Full-Time	50.00	50.00
Part-Time	2.00	1.50
Temporary	3.75	2.50
Total	55.75	54.00



Description	2014 Budget (\$)	2015				Change (%)
		Base (\$)	Reductions (\$)	Expansions (\$)	Budget (\$)	
Expenditures						
Personnel services	3,800,400	3,959,800	(61,000)	-	3,898,800	2.6%
Materials	244,300	281,900	-	-	281,900	15.4%
Contracted services	77,200	44,000	-	-	44,000	-43.0%
External transfers - funded agencies	24,000	24,000	-	-	24,000	0.0%
Total Expenditures	4,145,900	4,309,700	(61,000)	-	4,248,700	2.5%

**Appendix 4:
Corporate Services Division**

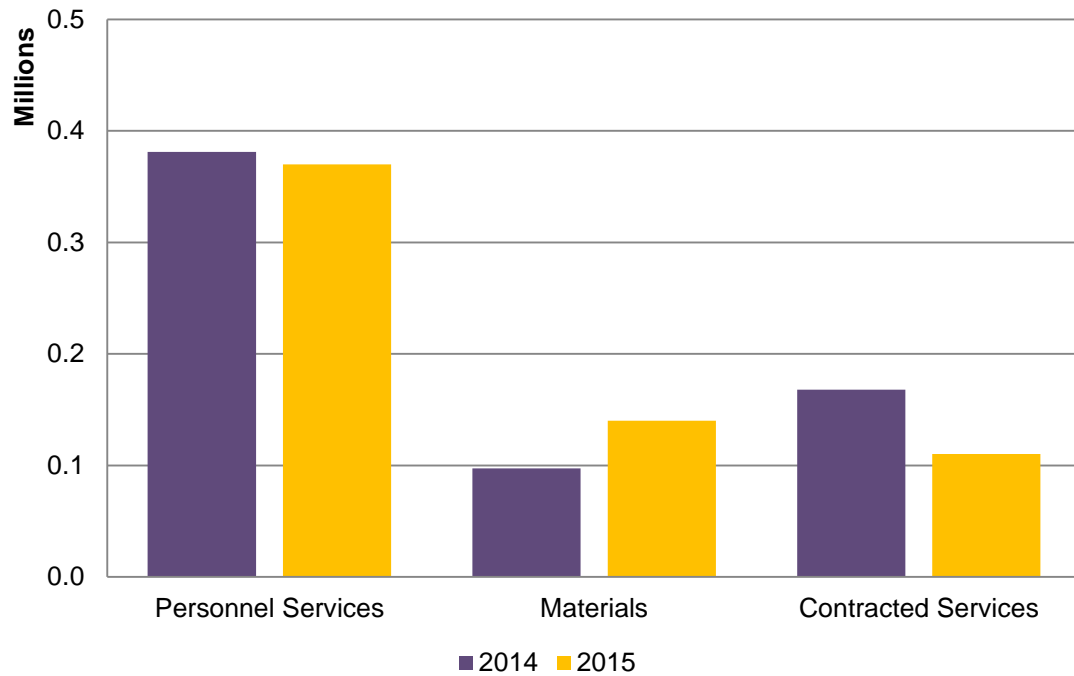
Staff Complement	2014 Budget	2015 Budget
Full-Time	28.00	28.00
Part-Time	-	-
Temporary	0.99	0.66
Total	28.99	28.66



Description	2014 Budget (\$)	2015			Budget (\$)	Change (%)
		Base (\$)	Reductions (\$)	Expansions (\$)		
Expenditures						
Personnel services	2,193,100	2,239,100	-	-	2,239,100	2.1%
Materials	1,039,700	1,018,000	-	-	1,018,000	-2.1%
Contracted services	65,000	67,000	-	-	67,000	3.1%
Rents and financial expenses	16,500	17,600	-	-	17,600	6.7%
Total Expenditures	3,314,300	3,341,700	-	-	3,341,700	0.8%

**Appendix 5:
Human Resources Department**

Staff Complement	2014 Budget	2015 Budget
Full-Time	4.00	4.00
Part-Time	-	-
Temporary	0.33	-
Total	4.33	4.00



Description	2014 Budget (\$)	2015				Change (%)
		Base (\$)	Reductions (\$)	Expansions (\$)	Budget (\$)	
Expenditures						
Personnel services	381,000	386,500	(16,600)	-	369,900	-2.9%
Materials	97,400	110,300	-	-	140,100	43.8%
Contracted services	167,900	140,100	-	-	110,300	-34.3%
Total Expenditures	646,300	636,900	(16,600)	-	620,300	-4.0%