



	<b>REPORT No.: 2019-11</b>
<b>MEETING DATE: MARCH 21, 2019</b>	<b>DATE PREPARED: FEBRUARY 27, 2019</b>
<b>SUBJECT: THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD YEAR 2019 PROPOSED BUDGET</b>	

**RECOMMENDATION**

THAT with respect to Report No. 2019-03 and Report No. 2019-11 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board), approve the Year 2019 Proposed Operating Budget in the amount of \$100,124,900, as presented in Report No. 2019-03 and amended in Report No. 2019-11;

AND THAT we, the Board, approve the Year 2019 Proposed Capital Budget in the amount of \$3,657,000, as presented in Report No. 2019-03 and in Report No. 2019-11, to be financed from the Direct-Owned Housing Portfolio Capital Replacement Reserve Fund;

AND THAT up to \$50,000 of costs related to implementation of the Property Portfolio Action Plan be financed from the Capital Regeneration Reserve Fund;

AND THAT \$2,591,000 be transferred from Operations to the Direct-Owned Housing Portfolio Capital Replacement Reserve Fund, and up to \$385,000 of move-out repairs be financed from the Direct-Owned Housing Portfolio Capital Replacement Reserve Fund;

AND THAT up to \$28,800 of costs related to the upgrade of the email server, up to \$10,600 of costs related to the development of the TBDSSAB strategic plan, and up to \$161,900 of social housing costs be financed from the Levy Stabilization Reserve Fund;

AND THAT any actual unrestricted interest revenue earned, in excess of \$175,000, be transferred to the Levy Stabilization Reserve Fund;

AND THAT \$187,600 be transferred from Operations to the Office Building Reserve Fund, and up to \$116,000 of the office building capital costs be financed from the Office Building Reserve Fund;

AND THAT up to \$10,000 of costs related to end of social housing operating agreements be financed from the Social Housing Reserve Fund;

AND THAT the necessary By-law be presented to the Board, for consideration.

## **REPORT SUMMARY**

This Report presents The District of Thunder Bay Social Services Administration Board's (TBDSSAB or the Board) Year 2019 Proposed Budget, as amended, for the Board's review and approval. The 2019 Budget, as presented (Attachment 1), totals \$100,124,900, a decrease of \$6,541,100, or 6.1% from the 2018 approved total Budget. In addition, \$3,657,000 (2018: \$3,636,700) in capital expenditures have been included for 2019.

The impact to the Municipal and Territories Without Municipal Organization (TWOMO) Levy would be an increase of \$37,100 from 22,806,700 to \$22,843,800, or 0.2% more than 2018.

## **BACKGROUND**

The TBDSSAB Year 2019 Proposed Budget was presented for review and discussion at the February 20, 2019, Board Meeting.

## **COMMENTS**

There are several changes to the proposed Budget presented at the February 20, 2019 meeting:

- Personnel Services – Historically, TBDSSAB has incurred annual surpluses resulting from temporary vacancies throughout the organization. Administration has reviewed these trends and has identified a vacancy amount to be included as a financial budget reduction, although no changes are recommended to the approved staff complement. The total cost reduction resulting from this change is \$152,100 (\$97,000 net). Also, the budget for overtime and WSIB costs was reduced by \$24,000 (\$21,400 net) and will be managed through any in-year surplus.
- Unrestricted Interest Revenue – TBDSSAB maintains a significant cash balance on account, primarily due to funding advances from the Province and/or monies due back to the Province related to prior years that have not been recovered. As well, the interest rate earned on these funds has increased by 75 basis points (0.75%) over the last two years. Although Administration expects the Province to recover certain amounts during the 2019 year, the amount of interest earned on unrestricted funds should be considerably higher than the amount indicated in the Proposed 2019 Budget presented at the February 20, 2019 meeting. Administration has included an additional \$75,000 of unrestricted interest revenue, for a total of \$175,000, which directly reduces the levy. Given the potential volatility of this revenue source, Administration also recommends that any interest revenue, in excess of \$175,000 be transferred into the Levy Stabilization Reserve Fund.
- Rent Revenue – Based on actual Rent-Geared-to-Income (RGI) and market rent revenue earned in the final months of 2018 and the first two months of 2019, TBDSSAB has revised its 2019 rent revenue estimates. These revisions result in \$60,000 more rent revenue included in the budget which directly reduces the levy.

- Rent Supplement and Portable Housing Benefit (PHB) – TBDSSAB launched the PHB in November 2018. Based on the results to date, Administration has revised the estimated monthly cost per benefit (\$60,000 reduction). Administration has also revised its estimate related to the Non-Profit Rent Supplement program using actual results to-date in 2019 (\$20,000 reduction). Overall, these revisions result in a reduction of \$80,000, which directly reduces the levy.
- Community Homelessness Prevention Initiative (CHPI) – Administration has corrected a formula error which increases the total CHPI expense by \$80,000. Since CHPI is 100% Provincially funded, there is no impact to the levy.
- Homelessness Partnering Strategy (HPS) – In 2018, TBDSSAB applied to the (HPS) Rural and Remote Communities Project and was awarded \$45,000 for a one-year term (April 2018 – March 2019) to implement a rural homelessness prevention project. This project provides direct supports to individuals who are homeless or at risk of homelessness in TBDSSAB service area communities other than the City of Thunder Bay. Supports include access to housing, payment of first/last months' rent, utility arrears assistance, and linkage with community support organizations. There is no staff funding provided through this project. The HPS has offered to extend funding for this project through the 2019-2020 fiscal year. The 2019 Budget has been amended to include \$45,000 External Transfer expense and an offsetting revenue. There is no impact to the levy.
- Other – Administration also made further reductions to travel and training (\$13,400 total, \$8,100 net).

The TBDSSAB Year 2019 Proposed Operating Budget, as amended, totals \$100,124,900 and represents a decrease of \$6,541,100, or 6.1% from the 2018 approved gross Budget of \$106,666,000.

The TBDSSAB Year 2019 Proposed Operating Budget, as amended, results in a levy of \$22,843,800, which is an increase of \$37,100, or 0.2% compared to the Board approved 2018 Levy.

The Year 2019 Proposed Budget Levy, by program area, is provided in Table 1 – Total Change in Proposed Levy by Program Funding Area (below):

Program	2018 Budget Levy	2019 Proposed Levy	Increase / (Decrease)	% Change
Ontario Works	\$ 4,220,400	\$ 4,244,100	\$ 23,700	0.6%
Child Care Programs	1,740,400	1,743,300	2,900	0.2%
Housing Programs	16,370,000	16,469,100	99,100	0.6%
Other (CSRP)	559,900	562,300	2,400	0.4%
Interest Revenue	(84,000)	(175,000)	(91,000)	108.3%
<b>Total Levy</b>	<b>\$22,806,700</b>	<b>\$22,843,800</b>	<b>\$ 37,100</b>	<b>0.2%</b>

The Year 2019 Proposed Capital Budget includes planned expenditures of \$3,657,000 (2018: \$3,636,700), to be financed from the Direct-Owned Housing Portfolio Capital Replacement Reserve Fund.

**FINANCIAL IMPLICATIONS**

The Year 2019 Proposed Operating Budget, as amended, totals \$100,124,900, and includes a Municipal and TWOMO Levy of \$22,843,800.



The Year 2019 Housing Portfolio Capital Budget expenditures total \$3,657,000, to be financed from the Direct-Owned Housing Portfolio Capital Replacement Reserve Fund, consistent with the Reserve and Reserve Fund Strategy.

**CONCLUSION**

It is concluded that the TBDSSAB Year 2019 Proposed Operating Budget of \$100,124,900 and 2019 Proposed Capital Budget of \$3,657,000 provides for all mandatory programs, 184.92 Full-Time-Equivalent staff, and includes financing from the Municipal and TWOMO Levy of \$22,843,800.

**REFERENCE MATERIALS ATTACHED**

Attachment 1: [TBDSSAB 2019 Operating Budget Summary](#)

<b>PREPARED BY:</b>	Keri Greaves, CPA, CMA, Manager, Finance The District of Thunder Bay Social Services Administration Board
<b>APPROVED / SIGNATURE:</b>	
	Georgina Daniels, FCPA, FCA, Director – Corporate Services Division The District of Thunder Bay Social Services Administration Board
<b>SUBMITTED / SIGNATURE:</b>	
	William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

**The District of Thunder Bay Social Services Administration Board**  
**Operating Budget Summary**

Description	2017 Budget (\$)	2018 Budget (\$)	2019 Budget (\$)	2018 to 2019	
				Change (\$)	Change (%)
<b>Grants</b>					
Ontario Works	31,769,100	33,696,900	33,794,100	97,200	0.3%
Child care	13,101,600	20,756,600	16,377,500	(4,379,100)	-21.1%
Housing and homelessness	22,192,700	20,199,000	17,442,700	(2,756,300)	-13.6%
<b>Total Grants</b>	<b>67,063,400</b>	<b>74,652,500</b>	<b>67,614,300</b>	<b>(7,038,200)</b>	<b>-9.4%</b>
<b>Income Earned</b>					
Income earned on unrestricted funds	84,000	84,000	175,000	91,000	108.3%
Income earned on reserve funds	200,000	200,000	200,000	-	0.0%
<b>Total Income Earned</b>	<b>284,000</b>	<b>284,000</b>	<b>375,000</b>	<b>91,000</b>	<b>32.0%</b>
Rents and other revenues	10,921,900	11,221,800	11,508,100	286,300	2.6%
Levy to municipalities and TWOMO	23,510,000	22,806,700	22,843,800	37,100	0.2%
From (to) CSRP Reserve Fund	118,100	30,000	-	(30,000)	-100.0%
From (to) Capital Regeneration Reserve Fund	-	-	50,000	50,000	n/a
From (to) Direct-Owned Housing Portfolio Capital Replacement Reserve Fund	(2,121,100)	(2,148,500)	(2,206,000)	(57,500)	-2.7%
From (to) Employment Compensation and Benefits Reserve Fund	35,000	65,000	-	(65,000)	-100.0%
From (to) Levy Stabilization Reserve Fund	-	65,000	201,300	136,300	209.7%
From (to) Office Building Reserve Fund	(91,500)	(110,500)	(71,600)	38,900	35.2%
From (to) OW Client Benefits Reserve Fund	48,600	-	-	-	n/a
From (to) Social Housing Reserve Fund	-	-	10,000	10,000	n/a
From (to) reserve funds	(200,000)	(200,000)	(200,000)	-	0.0%
<b>Total Financing</b>	<b>99,568,400</b>	<b>106,666,000</b>	<b>100,124,900</b>	<b>(6,541,100)</b>	<b>-6.1%</b>
<b>Expenditures</b>					
Ontario Works	36,731,600	37,869,400	38,009,100	139,700	0.4%
Child care programs	15,021,600	22,495,200	18,116,500	(4,378,700)	-19.5%
Housing and homelessness programs	47,159,800	45,711,500	43,437,000	(2,274,500)	-5.0%
Other	655,400	589,900	562,300	(27,600)	-4.7%
<b>Total Expenditures</b>	<b>99,568,400</b>	<b>106,666,000</b>	<b>100,124,900</b>	<b>(6,541,100)</b>	<b>-6.1%</b>