

BOARD REPORT

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	REPORT No.: 2020-29						
MEETING DATE: JUNE 18, 2020	DATE PREPARED: JUNE 2, 2020						
SUBJECT: REALIGNED 2020 TBDSSAB OPERATING BUDGET							

RECOMMENDATION

THAT with respect to Report No. 2020-29 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board), approve the TBDSSAB Realigned 2020 Operating Budget as presented in Report No. 2020-29.

REPORT SUMMARY

To present the TBDSSAB Realigned 2020 Operating Budget for the Board's approval.

BACKGROUND

The TBDSSAB 2020 Operating Budget was approved at the December 12, 2019 Board Meeting, Report No. 2019-61, The District of Thunder Bay Social Services Administration Board Proposed 2020 Operating and Capital Budgets, and By-Law 06-2019. Subsequently, the Chief Administrative Officer implemented an organization realignment which included, among other things, consolidated the Client Services and Housing Services Divisions into the Integrated Social Services Division, and moved the Facilities Department into the Corporate Services Division.

The annual Budget is an essential tool for effective planning, analysis, and allocation of the Board's resources. To assist Administration in performing its financial management duties, a Realigned 2020 Operating Budget has been developed, using the Boardapproved Budget, to reflect the financial impact of the organization realignment.

COMMENTS

At the December 12, 2019 meeting, the Board approved the 2020 Operating Budget of \$98,011,700. This total expense was net of certain revenues (\$76,500) and did not net tenant recoveries (\$98,000) against bad debt expense. Considering these reclassifications, the total Board-approved 2020 Operating Budget is \$97,990,200.

As a result of the organization realignment, several positions were eliminated; some positions were vacant with vacancy allowance built into the Budget, and in some cases the incumbent was appointed to a different position within the organization. The financial impact on the 2020 Budget was a \$200,100 reduction, representing two (2) full time equivalent positions.

Administration has identified additional expenses to be incurred through the Ontario Works (OW) Program Delivery Funding (PDF):

- Reduce certain staff vacancy allowances as the vacant positions were required to be filled earlier than expected (\$41,400);
- Increase Employment Related Expenses based on recent experience (\$48,300);
- Increase banking fees related to implementation of the Reloadable Payment Card (\$30,000);
- Redirect Community Homelessness Prevention Initiative (CHPI) funding that was being used to offset a staff position, towards the Housing Security Fund (\$80,400).

These additional expenses of \$200,100 offset the reduction above with the total 2020 TBDSSAB Operating Budget remaining at \$97,990,200.

In addition to these changes, Administration has reviewed and adjusted how costs related to Integrated Social Services Program Support should be allocated to the mandated programs: OW, Child Care and Early Years, and Community Housing Programs. As a result of shifting expenses between programs, the organization realignment would result in a \$262,100 increase in OW program delivery and an offsetting reduction in the levy for Community Housing Programs.

The revised total OW PDF budget of \$10,922,400 exceeds the maximum amount the Province will cost share (\$10,660,300). Acceptance of the re-aligned 2020 Operating Budget would result in TBDSSAB exceeding the 50/50 OW PDF cost-sharing formula, resulting in municipalities and territories without municipal organization (TWOMO) financing an additional \$262,100 for the OW program delivery. However, the offsetting reductions in the Community Housing Programs levy results in the realigned 2020 budget levy being equal to the total levy approved by the Board on December 12, 2019.

Table 1 Realigned 2020 TBDSSAB Operating Budget Levy by Program									
Program	Approved Budget 2020 Levy (\$)	Realigned Budget 2020 Levy (\$)	Increase / (Decrease) (\$)	% Change					
Interest Revenue	(175,000)	(175,000)	-	0.0%					
Direct-Owned Community Housing Building Operations	6,779,400	6,779,400	1	0.0%					
Ontario Works Program Delivery	3,740,000	4,002,100	262,100	7.0%					
Child Care and Early Years Programs	1,741,200	1,741,200	1	0.0%					
Community Housing and Homelessness Programs	10,426,900	10,164,800	(262,100)	(2.5%)					
Total Levy	22,512,500	22,512,500	-	0.0%					

FINANCIAL IMPLICATIONS

The TBDSSAB Realigned 2020 Operating Budget, as presented, totals \$97,990,200 and includes a levy to municipalities and TWOMO of \$22,512,500. The levy to municipalities and TWOMO for Ontario Works programs is \$262,100 higher than the Board-approved 2020 Operating Budget. However, this variance is offset by reductions in the Community Housing Programs levy.

CONCLUSION

It is concluded that the TBDSSAB Realigned 2020 Operating Budget, as presented, reflects the organization realignment implemented in 2020 and should be used by Administration in the effective planning, analysis, and allocation of Board resources.

REFERENCE MATERIALS ATTACHED

Attachment #1 TBDSSAB Realigned 2020 Operating Budget

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

The District of Thunder Bay Social Services Administration Board Comparison of 2020 Approved Budget to 2020 Realigned Budget

	Board		Office of Chief Administrative Officer		Corporate Services		Office Headquarters Building Operations		Direct-Owned Community Housing Building Operations	
	Approved	Realigned	Approved	Realigned	Approved	Realigned	Approved	Realigned	Approved	Realigned
Financing										
Levy to municipalities and TWOMO	-	-	-	-	(175,000)	(175,000)	-	-	6,745,400	6,779,400
Adjustment to levy - realignment	-	-	-	-	-	-	-	-	-	-
Interest on unrestricted funds	-	-	-	-	175,000	175,000	-	-	-	-
Interest on restricted funds	-	-	-	-	200,000	200,000	-	-	-	-
Rents	-	-	-	-	-	-	-	-	10,987,900	10,987,900
Provincial grants	-	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	3,006,700	3,006,700
Other revenue	-	_	53,700	-	19,300	19,300	3,500	3,500	287,200	287,200
From (to) reserve funds	-	-	· -	-	(200,000)	(200,000)	(111,300)	(111,300)	(2,267,000)	(2,267,000
Imputed rent adjustment	-	-	_	-	-	-	(112,300)	(112,300)	-	-
Total Financing	-	-	53,700	-	19,300	19,300	(220,100)	(220,100)	18,760,200	18,794,200
Expenditures										
Personnel services	53,400	53,400	1,198,700	900,100	2,197,000	4,699,000	-	-	-	_
Interest on long-term debt	-	-	-	-	-	-	116,800	116,800	288,700	288,700
Materials	62,100	62,100	193,200	177,300	1,038,600	1,194,000	590,700	590,700	13,457,400	13,457,400
Contracted services	6,000	6,000	91,300	91,300	54,500	54,500	· -	´-	· · · ·	-
Rents and financial expenses	· -	· -	· -	· -	19,500	19,500	-	-	58,400	58,400
External transfers	-	-	-	-	-	-	-	-	-	-
Repayment of long-term debt	-	-	-	-	-	-	271,000	271,000	2,427,200	2,427,200
Program administration recovery	-	-	(92,700)	-	(28,800)	(228,000)	161,200	161,200	(1,088,600)	(1,088,600
Allocation of internal admin	(121,500)	(121,500)	(1,336,800)	(1,168,700)	(3,261,500)	(5,719,700)	-	-	3,617,100	3,651,100
Imputed rent recovery	- '	- 1	-	-	- '	- 1	(1,359,800)	(1,359,800)	· · · · -	-
Total Expenditures	-	-	53,700	-	19,300	19,300	(220,100)	(220,100)	18,760,200	18,794,200
Excess (Deficiency) of		_			_					· ·

The District of Thunder Bay Social Services Administration Board Comparison of 2020 Approved Budget to 2020 Realigned Budget

	Integrated Social Services Program Support		Ontario Works		Child Care and Early Years Programs		Community Housing and Homelessness Programs		Total	
	Approved	Realigned	Approved	Realigned	Approved	Realigned	Approved	Realigned	2019	2020
Financing										
Levy to municipalities and TWOMO	-	-	3,740,000	3,740,000	1,741,200	1,741,200	10,460,900	10,426,900	22,512,500	22,512,500
Adjustment to levy - realignment	-	-	-	262,100	-	-	-	(262,100)	-	-
Interest on unrestricted funds	-	-	-	-	-	-	-	-	175,000	175,000
Interest on restricted funds	-	-	-	-	-	-	-	-	200,000	200,000
Rents	-	-	-	-	-	-	-	-	10,987,900	10,987,900
Provincial grants	-	-	33,013,100	33,013,100	16,230,700	16,230,700	6,470,000	6,470,000	55,713,800	55,713,800
Federal grants	-	-	-	-	-	-	7,289,200	7,289,200	10,295,900	10,295,900
Other revenue	-	53,700	-	-	-	-	9,700	9,700	373,400	373,400
From (to) reserve funds	-	50,000	_	-	-	_	310,000	260,000	(2,268,300)	(2,268,300)
Imputed rent adjustment	-	-	77,400	77,400	5,600	5,600	29,300	29,300	-	-
Total Financing	-	103.700	36,830,500	37,092,600	17,977,500	17,977,500	24,569,100	24,223,000	97,990,200	97,990,200
Expenditures Personnel services Interest on long-term debt Materials Contracted services Rents and financial expenses External transfers Repayment of long-term debt Program administration recovery Allocation of internal admin Imputed rent recovery	896,800 - 22,200 - - - - (919,000)	2,213,300 - 52,600 55,000 - - (279,100) (1,938,100)	4,618,100 - 724,800 10,000 88,200 27,400,300 - (170,800) 3,221,700 938,200	3,978,000 - 724,800 10,000 118,200 27,448,600 - 6,100 3,868,700 938,200	744,900 - 49,100 1,000 - 16,605,400 - 92,700 416,400 68,000	404,100 - 49,100 1,000 - 16,605,400 - 131,100 718,800 68,000	4,457,000 - 1,622,200 79,000 10,800 18,535,900 - 1,127,000 (1,616,400) 353,600	1,759,300 - 1,452,300 24,000 10,800 18,616,300 - 1,297,300 709,400 353,600	14,165,900 405,500 17,760,300 241,800 176,900 62,541,600 2,698,200	14,007,200 405,500 17,760,300 241,800 206,900 62,670,300 2,698,200
Total Expenditures		103,700	36,830,500	37,092,600	17,977,500	17,977,500	24,569,100	24,223,000	97,990,200	97,990,200
Excess (deficiency) of Revenues over expenses		103,700	30,030,000	37,032,000	11,311,300	11,311,300	24,508,100	27,223,000	31,000,200	31,330,200