



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

**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 Board-approved 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.

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	-	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	-	0.0%
Community Housing and Homelessness Programs	10,426,900	10,164,800	(262,100)	(2.5%)
<b>Total Levy</b>	<b>22,512,500</b>	<b>22,512,500</b>	<b>-</b>	<b>0.0%</b>

**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](#)

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	William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board



