

# **BOARD REPORT**

REPORT NO.: 2023-07

MEETING DATE: FEBRUARY 16, 2023

SUBJECT: THE DISTRICT OF THUNDER BAY SOCIAL SERVICES ADMINISTRATION BOARD PROPOSED 2023 OPERATING AND CAPITAL BUDGETS

#### RECOMMENDATION

THAT with respect to Report No. 2023-02 and Report No. 2023-07 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board), approve the proposed 2023 Operating Budget in the amount of \$111,446,300, as presented in Report No. 2023-07;

AND THAT we, the Board, approve the proposed 2023 Capital Budget in the amount of \$4,499,000, as presented in Report No. 2023-02, with up to \$3,368,000 financed from the Housing Portfolio Capital Reserve Fund, up to \$106,000 financed from the Office Building Capital Reserve Fund, and up to \$1,025,000 financed from the Canada-Ontario Community Housing Initiative;

AND THAT \$203,000 be transferred from Operations to the Office Building Reserve Fund;

AND THAT up to \$300,000 of transfers to community housing providers, up to \$68,200 of costs related to temporary staff positions, and up to \$28,400 of consulting costs be financed from the Levy Stabilization Reserve Fund;

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

AND THAT \$2,964,400 be transferred from Operations to the Housing Portfolio Capital Reserve Fund, and up to \$550,000 of move-out and restoration repairs be financed from the Housing Portfolio Capital Reserve Fund;

AND THAT any actual income earned on unrestricted funds, in excess of \$300,000, be transferred to the Levy Stabilization Reserve Fund;

AND THAT we approve the reconciliation adjustments for the Budget presentation in the 2023 Audited Financial Statements, as presented in Report No. 2023-07;

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

### **REPORT SUMMARY**

To present The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the proposed 2023 Operating and Capital Budget, as amended, for the Board's review and approval. The 2023 Operating Budget, as presented (Attachment #1), totals \$111,446,300, an increase of \$12,343,700, or 12.5% from the 2022 approved total Budget. In addition, \$4,499,000 (2022: \$4,237,900) in capital expenditures have been included for 2023.

The impact to the Municipal and Territories Without Municipal Organization (TWOMO) Levy would be an increase of \$1,276,200 from \$23,054,300 to \$24,330,500, or a 5.5% increase relative to 2022.

### BACKGROUND

The proposed 2023 Operating and Capital Budgets were presented for review and discussion at the January 26, 2023, Board Meeting.

### COMMENTS

## **Operating Budget**

There are three changes to the proposed Budget presented at the January 26, 2023 Board Meeting:

- The Technical Services Officer (Environmental Sustainability) position has been removed from the proposed 2023 Operating Budget. At the October 20, 2022 Meeting, the Board approved Administration to develop a comprehensive environmental sustainability strategy with related financial resources to be included in the 2023 Budget for consideration (Report No. 2022-63 Environmental Sustainability Strategy). Although Administration continues to factor environmental impacts in day-to-day operations, Administration recommends the additional staff complement position be deferred until 2024. As a result, the proposed 2023 Budget has been reduced by \$51,500. The impact on the levy to municipalities and TWOMO is a reduction of \$42,300.
- In addition, Administration recommends the consulting work related to a Beautification Study be deferred to 2024. This work was to be financed from the Levy Stabilization Reserve Fund, so there is no impact on the levy to municipalities and TWOMO.
- Considering public information provided through municipal budget deliberations, Administration has reduced the estimated increase in the cost of water for the housing portfolio by \$73,600. The levy to municipalities and TWOMO is reduced by the full amount.

The proposed 2023 Operating Budget, as amended, totals \$111,446,300 and represents an increase of \$12,343,700, or 12.5%, from the 2022 approved Budget of \$99,102,600.

The proposed 2023 Operating Budget results in a levy of \$24,330,500, which is an increase of \$1,276,200, or 5.5%, compared to the Board-approved 2022 Levy.

The proposed 2023 Budget Levy, by program area, is provided in Table 1 below:

Table 1 – Total Change in Proposed Budget Levy by Program Funding Area							
20222023Increase / (Decrease)ProgramBudget Levy (\$)Proposed (\$)(\$)							
Social Assistance	3,688,900	3,667,600	(21,300)	(0.6%)			
Child Care and Early Years	1,675,100	1,271,500	(403,600)	(24.1%)			
Community Housing	17,790,300	19,691,400	1,901,100	10.7%			
Unrestricted Investment Income	(100,000)	(300,000)	(200,000)	200.0%			
Total Levy	23,054,300	24,330,500	1,276,200	5.5%			

The Operating Budget is provided on the same basis that Federal/Provincial funding is provided, where certain accruals for potential future employee entitlements are not considered and are only funded when paid, purchases of capital assets are reported as expenditures in the year purchased rather than amortized over their estimated useful life, and financing from reserve funds are considered in order to determine the annual levy to municipalities and TWOMO.

Table 2 below summarizes the reconciliation adjustments, based on Public Sector Accounting Board (PSAB) standards, to be used in the Budget presentation in the 2023 Audited Financial Statements:

Table 2 – Reconciliation Adjustments for Financial Statements				
Adjustments	2023 Budget (\$)			
Total Operating Expenditures	111,446,300			
Total Operating Financing	(111,446,300)			
Amortization	2,211,000			
Capital additions (net)	(70,000)			
Capital expenditures financed from reserve funds	3,474,000			
Debt	(2,483,900)			
Contributions to reserve funds (net)	(2,933,400)			
Excess Expenditures over Revenues for Financial Statements	197,700			

#### **Capital Budget**

The proposed 2023 Capital Budget includes planned expenditures of \$4,499,000 (2022: \$4,237,900), to be financed from the Housing Portfolio Capital Reserve Fund (\$3,368,000), the Office Building Reserve Fund (\$106,000), and the Canada-Ontario Community Housing Initiative (\$1,025,000).

#### STRATEGIC PLAN IMPACT

This Report relates to the Board's strategic direction of Financial Stewardship, with a focus on ensuring accountability of TBDSSAB resources.

#### FINANCIAL IMPLICATIONS

The proposed 2023 Operating Budget, as presented, totals \$111,446,300, and includes a Municipal and TWOMO Levy of \$24,330,500.

The proposed 2023 Capital Budget totals \$4,499,000, to be financed from the Housing Portfolio Capital Reserve Fund (\$3,368,000), the Office Building Reserve Fund (\$106,000), and the Canada-Ontario Community Housing Initiative (\$1,025,000).

#### CONCLUSION

It is concluded that the proposed 2023 Operating Budget of \$111,446,300 and proposed 2023 Capital Budget of \$4,499,000 provide for all mandatory programs and include financing from the Municipal and TWOMO Levy of \$24,330,500.

### **REFERENCE MATERIALS**

Attachment #1 TBDSSAB Operating Budget Summary by Program

PREPARED BY:	Keri Greaves, CPA, CMA, Manager, Finance
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APPROVED BY	Georgina Daniels, FCPA, FCA, Director - Corporate Services Division
SIGNATURE	AD
SUBMITTED BY:	Ken Ranta, Acting Chief Administrative Officer

	Board			Office of Chief Administrative Officer		
	2021 Bud	2022 Bud	2023 Bud	2021 Bud	2022 Bud	2023 Bud
Financing						
Levy to municipalities and TWOMO	-	-	-	-	-	-
Income on unrestricted funds	-	-	-	-	-	-
Income on restricted funds	-	-	-	-	-	-
Rents	-	-	-	-	-	-
Provincial grants	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
From (to) reserve funds	-	-	28,400	-	-	-
Imputed rent adjustment	-	-	-	-	-	-
Total Financing	-	-	28,400	-	-	-
Expenditures						
Personnel services	53,400	53,400	55,900	1,000,600	1,004,500	1,041,400
Interest on long-term debt	-	-	-	-	-	-
Materials	56,500	55,300	56,700	173,900	152,600	157,800
Contracted services	6,000	5,000	30,000	81,300	75,300	75,300
Rents and financial expenses	-	-	-	-	-	-
External transfers	-	-	-	-	-	-
Repayment of long-term debt	-	-	-	-	-	-
Program administration recovery	-	-	-	-	-	-
Allocation of internal admin	(115,900)	(113,700)	(114,200)	(1,255,800)	(1,232,400)	(1,274,500)
Imputed rent recovery	-	-	-	-	-	-
Total Expenditures	-	-	28,400	-	-	-
Excess (Deficiency) of						
Revenues Over Expenses	-	-	-	-	-	-

	Corporate Services			Integrated Social Services Program Support		
	2021 Bud	2022 Bud	2023 Bud	2021 Bud	2022 Bud	2023 Bud
Financing						
Levy to municipalities and TWOMO	(100,000)	(100,000)	(300,000)	-	-	-
Income on unrestricted funds	100,000	100,000	300,000	-	-	-
Income on restricted funds	465,600	722,600	722,600	-	-	-
Rents	-	-	-	-	-	-
Provincial grants	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-
Other revenue	21,400	5,000	3,500	53,700	-	35,000
From (to) reserve funds	(625,800)	(921,700)	(925,600)	-	-	-
Imputed rent adjustment	(184,900)	(212,600)	(243,300)	-	-	-
Total Financing	(323,700)	(406,700)	(442,800)	53,700	-	35,000
Expenditures						
Personnel services	2,776,900	2,703,600	2,790,000	2,266,200	2,214,800	2,244,200
Interest on long-term debt	107,300	98,400	81,600	-	-	-
Materials	1,680,200	1,696,500	1,718,700	65,100	56,200	53,400
Contracted services	85,300	89,600	56,700	10,000	-	-
Rents and financial expenses	16,600	13,500	13,500	-	-	-
External transfers	-	-	-	-	-	-
Repayment of long-term debt	288,000	297,000	306,000	-	-	-
Program administration recovery	(68,900)	20,100	20,400	(474,700)	(287,300)	(301,000)
Allocation of internal admin	(3,828,700)	(3,931,500)	(4,021,900)	(1,812,900)	(1,983,700)	(1,961,600)
Imputed rent recovery	(1,380,400)	(1,393,900)	(1,407,800)	-	-	-
Total Expenditures	(323,700)	(406,700)	(442,800)	53,700	-	35,000
Excess (deficiency) of						
Revenues over expenses	-	-	-	-	-	-

	Social Assistance			Child Care and Early Years Programs		
	2021 Bud	2022 Bud	2023 Bud	2021 Bud	2022 Bud	2023 Bud
Financing						
Levy to municipalities and TWOMO	3,710,000	3,688,900	3,667,600	1,725,700	1,675,100	1,271,500
Income on unrestricted funds	-	-	-	-	-	-
Income on restricted funds	-	-	-	-	-	-
Rents	-	-	-	-	-	-
Provincial grants	32,921,600	30,244,700	30,748,700	15,669,100	15,454,400	15,503,200
Federal grants	-	-	-	662,800	1,995,200	11,089,400
Other revenue	-	-	-	-	-	-
From (to) reserve funds	49,300	-	-	-	-	-
Imputed rent adjustment	125,700	146,700	167,900	11,100	10,600	12,100
Total Financing	36,806,600	34,080,300	34,584,200	18,068,700	19,135,300	27,876,200
Expenditures						
Personnel services	3,910,800	3,957,100	4,077,900	426,900	437,800	457,600
Interest on long-term debt	-	-	-	-	-	-
Materials	738,100	552,700	523,900	41,900	36,800	42,500
Contracted services	10,000	10,000	5,000	1,000	1,000	1,000
Rents and financial expenses	118,200	112,800	107,400	-	-	-
External transfers	27,383,100	24,678,200	24,929,100	16,620,100	17,937,200	26,583,400
Repayment of long-term debt	-	-	-	-	-	-
Program administration recovery	6,200	6,400	237,000	167,000	-	-
Allocation of internal admin	3,701,500	3,801,300	3,732,500	729,000	652,800	721,300
Imputed rent recovery	938,700	961,800	971,400	82,800	69,700	70,400
Total Expenditures	36,806,600	34,080,300	34,584,200	18,068,700	19,135,300	27,876,200
Excess (deficiency) of						
Revenues over expenses	-	-	-	-	-	-

	Community Housing			Total			
	and Homelessness Programs		0004 Dec.	0000 Dud			
Financian	2021 Bud	2022 Bud	2023 Bud	2021 Bud	2022 Bud	2023 Bud	
Financing	47.050.400	47 700 000	40 004 400	00 004 000	22.054.200	04 000 E00	
Levy to municipalities and TWOMO	17,356,100	17,790,300	19,691,400	22,691,800	23,054,300	24,330,500	
Income on unrestricted funds	-	-	-	100,000	100,000	300,000	
Income on restricted funds	-	-	-	465,600	722,600	722,600	
Rents	10,925,900	11,102,100	11,410,200	10,925,900	11,102,100	11,410,200	
Provincial grants	8,043,200	8,899,200	7,824,700	56,633,900	54,598,300	54,076,600	
Federal grants	10,217,900	10,095,000	12,073,100	10,880,700	12,090,200	23,162,500	
Other revenue	342,600	407,200	338,800	417,700	412,200	377,300	
From (to) reserve funds	(2,257,000)	(2,055,400)	(2,036,200)	(2,833,500)	(2,977,100)	(2,933,400)	
Imputed rent adjustment	48,100	55,300	63,300	-	-	-	
Total Financing	44,676,800	46,293,700	49,365,300	99,282,100	99,102,600	111,446,300	
Expenditures							
Personnel services	2 2 2 2 4 0 0	2 700 700	4 200 700	14 257 000	1 4 1 70 000	44 967 700	
	3,823,100	3,799,700	4,200,700	14,257,900	14,170,900	14,867,700	
Interest on long-term debt	241,100	187,700	145,100	348,400	286,100	226,700	
Materials	15,267,500	15,362,800	18,889,700	18,023,200	17,912,900	21,442,700	
Contracted services	24,000	80,000	30,000	217,600	260,900	198,000	
Rents and financial expenses	68,000	68,000	9,600	202,800	194,300	130,500	
External transfers	19,531,100	21,121,900	20,716,300	63,534,300	63,737,300	72,228,800	
Repayment of long-term debt	2,409,900	2,243,200	2,045,900	2,697,900	2,540,200	2,351,900	
Program administration recovery	370,400	260,800	43,600	-	-	-	
Allocation of internal admin	2,582,800	2,807,200	2,918,400	-	-	-	
Imputed rent recovery	358,900	362,400	366,000	-	-	-	
Total Expenditures	44,676,800	46,293,700	49,365,300	99,282,100	99,102,600	111,446,300	
Excess (deficiency) of							
Revenues over expenses	-	-	-	-	-	-	