



BOARD REPORT

REPORT No.: 2024-49

MEETING DATE: DECEMBER 19, 2024

SUBJECT: 2025 OPERATING AND CAPITAL BUDGETS

RECOMMENDATION

THAT with respect to Report No. 2024-44 and Report No. 2024-49 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board, approve the proposed 2025 Operating Budget in the amount of \$132,680,800, as presented in Report No. 2024-49;

AND THAT we, the Board, approve the proposed 2025 Capital Budget in the amount of \$3,165,000, as presented in Report No. 2024-44, with up to \$3,010,000 financed from the Housing Portfolio Capital Reserve Fund, and up to \$155,000 financed from the Office Building Capital Reserve Fund;

AND THAT \$217,500 be transferred from Operations to the Office Building Reserve Fund;

AND THAT up to \$90,000 for employment related expenses, be financed by the Employment Compensation and Benefits Reserve Fund;

AND THAT \$225,000 be transferred from the Employment Compensation and Benefits Reserve Fund to the Levy Stabilization Reserve Fund;

AND THAT up to \$325,000 for expenditures within the Direct Owned Housing portfolio and \$30,000 for consulting services to finalize the development of the beautification, security, and environmental design study be financed by the Levy Stabilization Reserve Fund;

AND THAT up to \$10,000 of costs related to end of community housing operating agreements and \$50,000 for consultant costs related to the 10-year Homelessness Strategy be financed from the Community Housing Reserve Fund;

AND THAT \$3,179,200 be transferred from Operations to the Housing Portfolio Capital Reserve Fund, and up to \$1,715,000 for expenditures of a capital nature related to tenant move-out, accessibility modification, and extensive repairs where an insurance claim is not appropriate be financed from the Housing Portfolio Capital Reserve Fund;

AND THAT we approve the reconciliation adjustments for the Budget presentation in the 2025 Audited Financial Statements, as presented in Report No. 2024-49;

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 2025 Operating and Capital Budget for the Board's review and approval. The 2025 Operating Budget, as presented (Attachment #1), totals \$132,680,800, an increase of \$11,933,700, or 9.9% from the 2024 approved total Budget. In addition, \$3,165,000 (2024: \$5,045,000) in capital expenditures have been included for 2025.

The impact to the Municipal and Territories Without Municipal Organization (TWOMO) Levy would be an increase of \$1,223,100 from \$25,233,000 to \$26,456,100, or a 4.8% increase relative to 2024.

BACKGROUND

The proposed 2025 Operating and Capital Budgets were presented for review and discussion at the November 21, 2024, Board Meeting.

COMMENTS

Operating Budget

As a result of the discussion at the November 21, 2024, Board meeting, the following changes were incorporated into the 2025 Operating Budget:

- The estimated increase in the Private Landlord rent supplement for the housing portfolio was reduced by \$50,000. The Private Landlord rent supplement program has historically ended the year in a favourable variance position. This reduced amount is expected to have a manageable impact on service levels. The levy to municipalities and TWOMO is reduced by the full amount.
- Financing from the Levy Stabilization Reserve Fund for the operations of the housing portfolio was increased by \$325,000. Per the approved 2024 Reserve and Reserve Fund Strategy (Report No. 2024-42, 2024 Reserve and Reserve Fund Strategy Update), the Employment Compensation and Benefits Reserve Fund is overfunded. Although the original recommendation was to leave the amounts within that Reserve Fund due to the uncertainty associated with various aspects of this Reserve Fund, the overfunded amount is available. To maintain consistency with the intent, this amount will be transferred to the Levy Stabilization Reserve Fund. The Levy Stabilization Reserve Fund is available to mitigate unusual and/or excessive levy changes across the spectrum of

TBDSSAB programming. Although usage is normally recommended only for one-time items, it is available to mitigate levy increases. The total reserve fund withdrawal will reduce the levy to municipalities and TWOMO by the full amount.

The proposed 2025 Operating Budget, as amended, totals \$132,680,800 and represents an increase of \$11,933,700, or 9.9%, from the 2024 approved Budget of \$120,747,100.

The proposed 2025 Operating Budget results in a levy of \$26,456,100, which is an increase of \$1,223,100 or 4.8%, compared to the Board-approved 2024 Levy. The proposed 2024 Budget Levy, by program area, is provided in Table 1 below:

Program	2024 Budget Levy (\$)	2025 Proposed Levy (\$)	Increase / (Decrease) (\$)	% Change
Social Assistance	3,676,500	4,440,800	764,300	20.8%
Child Care and Early Years	1,283,900	1,372,900	89,000	6.9%
Community Housing	20,672,600	21,042,400	369,800	1.8%
Unrestricted Investment Income	(400,000)	(400,000)	-	0.0%
Total Levy	25,233,000	26,456,100	1,223,100	4.8%

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.

Key Budget Driver

The largest single factor impacting the 2025 municipal levy to municipalities and TWOMO is the change in Federal Block Funding, which accounts for approximately 4% of the 4.8% levy increase. The federal funding is offset against the cost of community housing; although debt servicing costs on community housing properties has also decreased with mortgage expiry and the end of Operating Agreements, there is an overall greater decrease in the amount of federal funding, resulting in a direct impact to the levy to municipalities and TWOMO.

Budget Presentation in the 2025 Audited Financial Statements

Table 2 below summarizes the reconciliation adjustments, based on Public Sector Accounting Board (PSAB) standards, to be used in the Budget presentation in the 2025 Audited Financial Statements:

Table 2 – Reconciliation Adjustments for Financial Statements	
Adjustments	2025 Budget (\$)
Total Operating Expenditures	132,680,800
Total Operating Financing	(132,680,800)
Amortization	2,066,200
Capital additions (net)	(265,000)
Capital expenditures financed from reserve funds	3,165,000
Debt	(2,289,100)
Contributions to reserve funds (net)	(1,926,700)
Excess Expenditures over Revenues for Financial Statements	750,400

Capital Budget

The proposed 2025 Capital Budget includes planned expenditures of \$3,165,000 (2024: \$5,045,000), to be financed from the Housing Portfolio Capital Reserve Fund (\$3,010,000), and the Office Building Capital Reserve Fund (\$155,000).

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 2025 Operating Budget, as presented, totals \$132,680,800, and includes a Municipal and TWOMO Levy of \$26,456,100.



The proposed 2025 Capital Budget totals \$3,165,000, to be financed from the Housing Portfolio Capital Reserve Fund (\$3,010,000), and the Office Building Reserve Fund (\$155,000).

CONCLUSION

It is concluded that the proposed 2025 Operating Budget of \$132,680,800 and proposed 2025 Capital Budget of \$3,165,000 provide for all mandatory programs and include financing from the Municipal and TWOMO Levy of \$26,456,100.

REFERENCE MATERIALS

Attachment #1 [TBDSSAB Operating Budget Summary by Program](#)

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SIGNATURE	
APPROVED BY	Georgina Daniels, FCPA, FCA, Director - Corporate Services Division
SIGNATURE	
SUBMITTED BY:	Ken Ranta, Chief Executive Officer

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

	Board			Office of Chief Executive Officer		
	2023 Bud	2024 Bud	2025 Bud	2023 Bud	2024 Bud	2025 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	-	-	-	22,500	90,000
Imputed rent adjustment	-	-	-	-	-	-
Total Financing	28,400	-	-	-	22,500	90,000
Expenditures						
Personnel services	55,900	54,400	54,400	1,041,400	1,083,300	1,085,300
Interest on long-term debt	-	-	-	-	-	-
Materials	56,700	60,500	67,700	157,800	154,400	157,200
Contracted services	30,000	-	2,500	75,300	90,300	72,300
Rents and financial expenses	-	-	-	-	-	-
External transfers	-	-	-	-	-	-
Repayment of long-term debt	-	-	-	-	-	-
Program administration recovery	-	-	-	-	-	-
Allocation of internal admin	(114,200)	(114,900)	(124,600)	(1,274,500)	(1,305,500)	(1,224,800)
Imputed rent recovery	-	-	-	-	-	-
Total Expenditures	28,400	-	-	-	22,500	90,000
Excess (Deficiency) of Revenues Over Expenses	-	-	-	-	-	-

