



FINANCE & ADMINISTRATION COMMITTEE MEETING AGENDA

Healthy Communities without Poverty

Date: Wednesday, September 22, 2021

Time: 12:00 PM

Location: By video conference while pandemic protocols are in place

<https://zoom.us/j/98764275258?pwd=S0N3RXUzbFhZNjRBYklaREs2NmVWUT09>

Meeting ID: 987 6427 5258

Passcode: 9645157

One tap mobile

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+1 647 558 0588 Canada

Meeting ID: 987 6427 5258

Passcode: 9645157

Members: Councillor Mark King Councillor (Chair), Councillor Dan Roveda (Vice Chair), Councillor Dave Mendicino, Mayor Dean Backer, Councillor Mac Bain, Mayor Jane Dumas, Councillor Terry Kelly, Chris Mayne, , Mayor Dan O'Mara, Councillor Scott Robertson, Representative Amanda Smith, Councillor Bill Vrebosch.

Item	Topic
1.0	1.1 Call to Order 1.2 Declaration of Conflict of Interest
2.0	Opening remarks by the Chair

Item	Topic
3.0	<p>3.1 Approval of the Agenda for September 22, 2021</p> <p>MOTION: FA #2021-09</p> <p>THAT the Finance and Administration Committee accepts the Agenda as presented.</p>
4.0	<p>4.1 DELEGATIONS – none at this time.</p>
5.0	<p>CONSENT AGENDA –<i>All items in the consent agenda are voted on collectively. The Chair will call out each item for consideration of discussion. Any item can be singled out for separate vote; then, only the remaining items will be voted on collectively.</i></p> <p>MOTION: FA #2021-10</p> <p>THAT the Board receives for information purposes Consent Agenda items 5.1. to 5.3.</p> <p>5.1 FA08-21 Budget Issues Report provides the District of Nipissing Social Services Administration Board (DNSSAB) with a preliminary update on the issues that will impact the 2022 budget.</p> <p>5.2 FA09-21 Reserves Report THAT the District of Nipissing Social Services Administration Board (DNSSAB) approves the reserves recommendations as outlined in briefing note FA09-21.</p> <p>5.3 FA10-21 Q2 Financial Report provides The District of Nipissing Social Services Administration Board (DNSSAB) with an update on the YTD financial performance of the organization relative to the budget set for the same period and the forecast to year-end.</p>
6.0	<p>MANAGERS REPORTS</p> <p>6.1 EMS07-21 Ambulance Purchasing</p> <p>MOTION: FA #2021-11</p> <p>THAT the Committee approve the establishment of a Sole Source Agreement with Demers-Braun-Crestline (DBC), and the expensing of dollars out of the budget year, as outlined in Briefing Note EMS07-21.</p>
7.0	<p>OTHER BUSINESS</p>
8.0	<p>NEXT MEETING DATE</p> <p>Wednesday, December 15, 2021 (unless otherwise notified).</p>
9.0	<p>ADJOURNMENT</p> <p>MOTION: FA #2021-12</p>

Item	Topic
	<i>Resolved</i> THAT the Finance and Administration Committee meeting be adjourned at PM.

BRIEFING NOTE FA08-21

For information For Approval

Date: September 22, 2021

Purpose: **2022 Preliminary Budget Issues Report**

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Catherine Matheson, CAO

Report FA08-21 provides the District of Nipissing Social Services Administration Board (DNSSAB) with a preliminary update on the issues that will impact the 2022 budget.

BACKGROUND

As the 2022 budgeting process is scheduled to begin in the fall, it is timely to look at certain issues, concerns, and opportunities that will likely impact budget decisions. The following report provides the 2022 budget timetable and some highlights from the various program areas that will require consideration during the budgeting process. The aim of this report is to enhance communication and facilitate an effective budget development process. In order to develop a budget that is relevant, that will provide strong financial guidance, and that will be used to effectively manage risk, it is important to obtain a greater understanding of the elements that will influence the financial performance of the DNSSAB in 2022.

2022 BUDGET TIMELINE

The Finance & Administration Committee will be engaged in the budget process throughout the fall when necessary. It is suggested that the final budget be presented to the Board for approval at the December 15th, 2021 meeting.

	Sept	Oct	Nov	Dec
Preliminary Budget Issues Report	*			
Staff Budget Preparation	*	*	*	
Finance & Administration Committee (as required)		*	*	
Board Budget Approval				*

BUDGET GOALS

Staff remain cognizant of the mounting fiscal pressures on the DNSSAB's member municipalities to maintain service levels and minimize tax increases. Staff are also aware of the financial pressures facing DNSSAB clients and other Nipissing District residents.

In 2022, the DNSSAB will continue to see significant budget pressures due to the provincial funding changes that have been implemented over the last several years.

RELATIONSHIP TO THE DNSSAB'S STRATEGIC PLAN

The Strategic Plan 2020 has provided over-arching guidance to budget development for the past several years. A new strategic plan is currently being developed and will help guide future budgets. New initiatives will be assessed against the strategic plan to ensure they align with the adopted strategic direction of the Board. As well, priority initiatives and projects identified in the plan that require financial resources and Board support will be brought forward for discussion during the budget process.

BUDGET ISSUES AND CONSIDERATIONS

Ontario Works

Impact of Provincial Funding Changes

On August 12, 2021, the Ministry of Children, Community and Social Services (MCCSS) announced that the 2022 Ontario Works (OW) program delivery funding allocations will be maintained at the 2021 levels. This is to maintain stability while the ministry and municipalities work together to develop a new funding approach to reflect the broader social assistance system transformation (i.e. employment services transformation, centralized intake, etc.).

This will now be the fourth year (2019, 2020, 2021 and 2022) that funding has been frozen.

Despite the funding freeze, the DNSSAB still incurs annual inflationary increases in expenses such as collective bargaining increases, rent, utilities, etc. Therefore, the funding freeze shifts the burden of inflationary increases entirely to the municipal levy, whereas, these costs were historically split 50/50 with the Ministry. DNSSAB faces an approximate 2.5% – 3% annual increase in the cost of salaries and benefits for all departments due to the annual collective bargained increase of 1.5%¹ as well as step movements within the salary scales. A 2.5% or 3% increase to the OW salaries and benefits results in an annual levy increase of approximately \$127,500 to \$153,000 or 0.61% to 0.73%. It is anticipated that DNSSAB will be able to avoid any potential levy increases within the OW budget due to one-time costs built into the 2021 budget that will not be incurred in 2022.

¹ DNSSAB's two collective agreements expired December 31, 2020 and January 31, 2021 and are currently in negotiations so this is an estimate based on the most recent collective agreements.

Outcome Targets

MCCSS has also set aggressive outcome targets at a rate of 3% increases from the previous year. These aggressive outcome targets seem to be inconsistent with the funding changes to program delivery. The Province wants DSSABs/CMSMs to increase employment outcome targets, but is freezing the funding to the program delivery supports that are needed to achieve those targets. If program delivery supports are not maintained by the municipal levy, the DNSSAB would be more likely to incur penalties due to missed targets which would put more pressure on the municipal levy. This could result in a perpetual cycle of increasing financial burden on the municipal levy.²

COVID-19

COVID-19 has had a significant impact on employment assistance in 2020 and 2021 with the economy being shut down for various periods of time and few employment opportunities as a result.

Staff will continue to monitor trends and budget accordingly to respond to various potential scenarios.

² Outcome targets will likely change when the employment transformation is completed, but the timing for this unknown.

Children's Services

Impact of Provincial Funding Changes

The following points detail the Children's Services funding changes that were announced in 2019 from the Ministry of Education (EDU);

- **On January 1, 2020**, Consolidated Municipal Service Managers (CMSM) and District Social Services Administration Boards (DSSAB) will be asked to cost-share Expansion Plan operating funding at a rate of 80/20³ provincial/ municipal. Please note that while cost sharing continues to be encouraged, the ministry is committing to providing 80 percent of this funding regardless of the CMSM/DSSAB contribution.
- **The following year on January 1, 2021**, CMSMs/DSSABs will be asked to continue cost-sharing Expansion Plan operating funding at a rate of 80/20 and be required to cost share all administrative funding at a rate of 50/50; and
- **On January 1, 2022**, the threshold for allowable administrative funding CMSMs/DSSABs can spend on child care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirements previously introduced.

For 2021, the province provided one-time funding to offset the administrative cost-sharing change that became effective January 1, 2021. Unless more funding of this nature is announced, this new cost share requirement will need to be added to the levy in 2022.

Similar to MCCSS, the EDU has committed to announcing funding allocations for the subsequent year in the fall of each year to better align provincial funding decisions with municipal/DSSAB budget cycles.

In regards to the announced changes above, based on the 2021 funding allocations, the increase to the municipal levy is estimated at \$73,464 (0.35%). However, it is unknown at this time how the EDU will implement the planned 2022 reduction in allowable administrative funding from 10% to 5%. If the 2022 funding change does not mitigate the impact of the 2021 funding change, as estimated above, there could be a municipal levy increase of approximately \$317,410 (1.52%). DNSSAB will need to wait for the funding details to be released by the EDU.

National Early Learning and Child Care Plan

During the 2021 budget release, the federal government announced plans for a National Early Learning and Child Care Plan. The goal is to bring fees for regulated child care down to \$10 per day on average within the next five years. Ontario has yet to finalize an agreement with the federal government for this plan.

With the upcoming Federal election, the development of this plan will depend on the newly elective government.

Liberal

- National Early Learning and Child Care Plan
- Aiming for a 50 per-cent cut in average fees by 2022 and to \$10 a day in 5 years (budget.gc.ca)

Conservative

- Cancel the National Early Learning and Child Care Plan
- Replace with refundable tax credits

NDP

- Relief funds to re-open non-profit childcare centres that closed during COVID-19
- Work with provinces to build a universal \$10 per day childcare system

Emergency Medical Services (EMS)

Impact of Provincial Funding Changes

Despite news that the Provincial government was intending to freeze EMS funding in 2019, the funding formula has stayed the same for 2019, 2020 and 2021 with the exception of the elimination of the annual incremental increase (see below). Therefore, it is expected that the funding formula will remain the same for 2022.

The way the Land Ambulance Service Grant (LASG) is calculated (in a simplified way) is that the DNSSAB essentially receives 50% of the previous year's approved budget plus a 100% portion to cover TWOMO and First Nations funding. Therefore, the 2022 50/50 provincial funding would be based on the 2021 budget as opposed to the 2022 budget. The issue with this is that the provincial funding is then a year behind on budget increases from EMS call volume changes, service enhancements and inflationary increases. The MOH had previously addressed this timing difference by including an incremental (inflationary) increase to the previous year budget. In 2018, this incremental increase was 1.7% or \$150,658. For 2019 through 2021, this incremental increase was set at 0%.

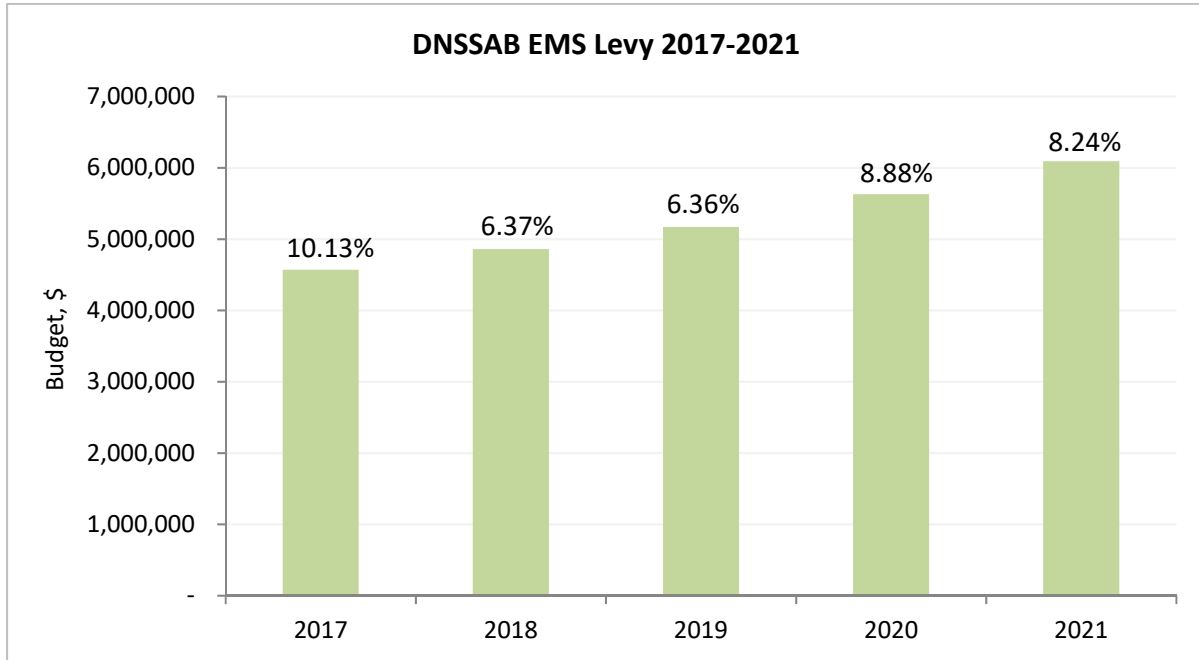
Other Cost Pressures

COVID-19 has caused prices of various goods and services to increase dramatically over the last year and a half. In addition, through the direct delivery review that is currently in progress, some necessary budget increases have also been identified. Here is a list of some of the areas where the DNSSAB is expected to see increased EMS costs in 2022:

- Ambulance purchases – DNSSAB has been given notice from the manufactures that costs are expected to increase as a result of COVID-19.
- Insurance premiums are expected to continue to increase significantly due to a hard market⁴.
- Cost of uniforms is expected to increase as a result of collective bargaining changes.
- Cost of medical equipment is expected to increase to more accurately reflect the district's call volumes and service size.
- Cost of certain software applications are expected to increase as DNSSAB was previously using free trial versions which have expired.
- Options related to the procurement of bidirectional data movement tracking and ambulance Wi-Fi hot spots will be presented in the 2022 budget.

⁴ A hard market is a period of time when there is a high demand for insurance, but a lower supply of coverage available, which drives up premiums.

It is currently too early in the budget process to determine an estimated levy increase for EMS; however, if it is assumed that the funding formula will stay the same and use the average municipal levy increase over the last five years of 8.00%, then the estimated increase to the municipal levy to support EMS within the district in 2022 would be \$487,160 (2.33%).



COVID-19

Any directly related COVID-19 expenses (ex. PPE) have been fully funded by the MOH to date. Given what has been experienced during the first three waves, it is not anticipated that a fourth wave will result in significant budget increases; however, it would be prudent to budget for some minor COVID-19 related costs such as additional PPE.

Housing Services

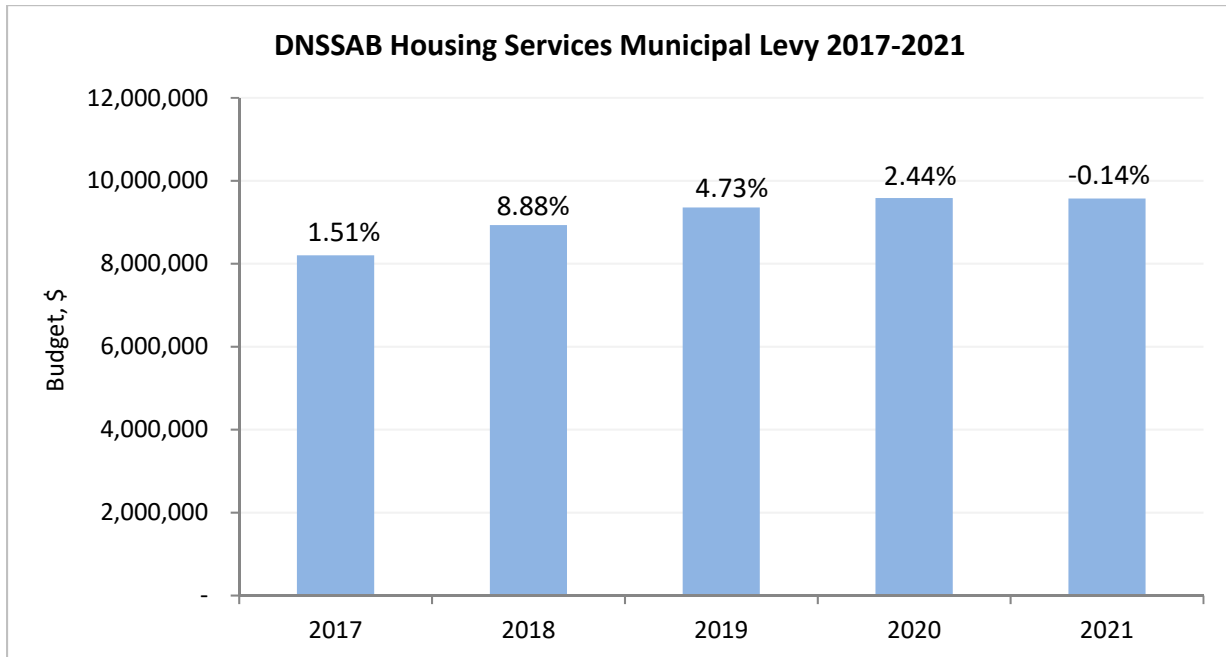
There have not been any significant funding changes announced for Housing Services for pre-COVID funding. However, the province has indicated that the fourth phase of the Social Services Relief Fund (SSRF) will be the final phase of SSRF funding. While DNSSAB did receive a very generous Phase 4 allocation of \$2,934,100, this funding is required to be expended by March 31, 2022. It was hoped that the annual Community Homelessness Prevention Initiative (CHPI) allocation would be increased to reflect the ongoing increased costs to combat homelessness, but DNSSAB's recently announced 2022-23 CHPI allocation will remain flat at \$1,771,340. This means there is currently no provincial funding to support the low barrier emergency shelter beyond March 31, 2022.

Here is a quick summary of some of the other budget pressures Housing Services will be facing in 2022:

- The 2021 federal budget proposed to maintain the 2021-22 Reaching Home funding levels for an additional two years. DNSSAB received an additional Reaching Home allocation of \$603,702 for 2021-22 in response to COVID-19. It is expected that the DNSSAB will receive this additional allocation through 2022-23, however details are still pending.
- Provincial and federal funding for social housing will see a year over year reduction of \$501,809 or 15.26%. This is a direct result of four social housing projects reaching the end of their operating agreements throughout 2021. COCHI funding may be utilized where available in order to transition expired projects to a more sustainable operational model and mitigate municipal levy increases.
- COCHI/OPHI funding is increasing by \$465,927 for 2022-23 which will help offset the reduction in social housing funding noted above.
- Provincially legislated cost indices dictate how much funding DNSSAB is required to provide provincially reformed-social housing providers. Changes to these indices could result in additional costs.
- Service level standards:
 - Legislation outlines the DNSSAB's service level standards (SLS); the specific number of Rent Geared-to-Income (RGI) units the DNSSAB is required to fund. This obligation is currently not being met by approximately 249 RGI housing units. The SLS Action Plan was presented to the Board in November 2019, which sees the DNSSAB making gradual investments over a 10 year period to address the SLS shortfall which is primarily funded through the municipal levy.

- The Gateway House (transitional housing) costs will increase in 2022 as the 2021 budget only includes a half year of costs for the second phase. At this time, the expected increase in expenses is approximately \$65,000 that would need to be funded through the levy.

It is currently too early in the budget process to determine an estimated levy increase for Housing Services; however, if the average municipal levy increase for Housing Services over the last five years of 3.49% (see chart below) is used, this would result in a \$333,980 (1.60%) increase.

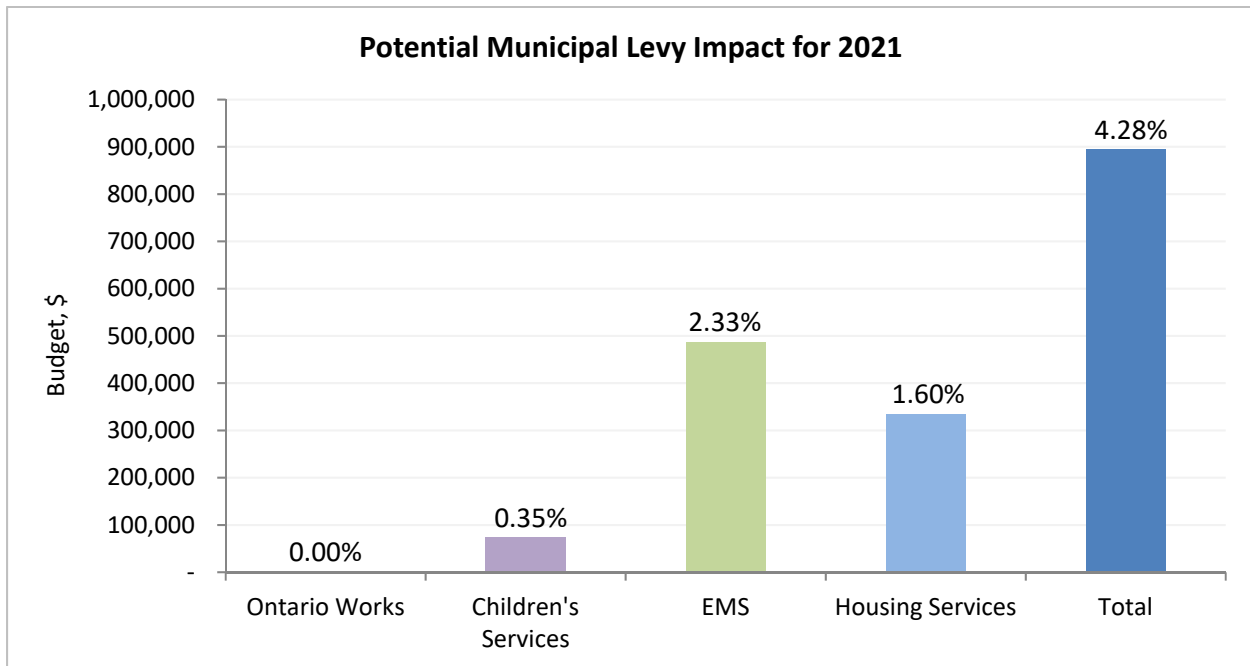


COVID-19

With the previously mentioned SSRF Phase 4 funding, the DNSSAB should have sufficient funding to support increased housing costs as a result of COVID-19; however, this funding is only available until March 31, 2022.

Overall

The below chart summarizes the potential municipal levy impact for each department that has been discussed above.



It needs to be highlighted that 2022 is effectively the third year being impacted by the provincial funding changes announced in 2019. These funding changes will continue to have an impact on the municipal levy for several years. The freezing of OW employment and program delivery funding and the elimination of the incremental increase for EMS funding will have perpetual negative impacts on the levy as these funding changes shift the inflationary budget pressures to the municipal levy.

Additionally, the Board has expanded services to address the challenges facing those individuals experiencing homelessness within the district. This includes transitional housing and the low barrier emergency shelter. While these are important initiatives, there is currently no provincial operating funding available, meaning these services will need to be funded by the municipal levy unless provincial/federal funding opportunities can be found. The DNSSAB will continue to advocate for operating funding for these programs. It should be highlighted that the province did provide significant capital funding to support the Gateway House.

Please note that this is a pre-budget analysis and does not reflect savings, investments or changes in services that may be identified through the budgeting process. It is simply meant to be an analysis on the impact of the funding changes and budget pressures compared to the previous year budget.

NEXT STEPS

DNSSAB staff asks that the Board provide direction for any projects they would like to see move forward in 2022 so these can be appropriately budgeted for in 2022.

As mentioned previously, DNSSAB will begin the budget preparation in September and will plan to present the budget to the Board in December. Any significant budget related items that need to be discussed with the Board before December will be brought forward to the Finance & Administration Committee in October and/or November if necessary.

CONCLUSION

The purpose of this report is to highlight areas for discussion during the 2022 budget process. This report is by no means an exhaustive list of issues, opportunities, and concerns that will need to be considered and addressed in the 2022 budget. It is intended to help provide some preliminary perspective and insight to the financial landscape the DNSSAB can expect in 2022.

BRIEFING NOTE FA09-21

For information For Approval

Date: September 22, 2021

Purpose: Annual Reserves Report

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Catherine Matheson, CAO

RECOMMENDATION

THAT the District of Nipissing Social Services Administration Board (DNSSAB) approves the reserves recommendations as outlined in briefing note FA09-21.

BACKGROUND

Per the Reserve Policy, which was approved by the Board in October 2020 via resolution No. 2020-105-B, the Manager of Finance or equivalent shall provide an annual report to the Board detailing the following:

- A list of all reserves including a brief description of their purpose;
- The balance of each reserve as of the most recent yearend;
- Recommended reserve balances;
- Any recommended changes including but not limited to;
 - Transfers in or out;
 - Creating new reserves;
 - Elimination of reserves;
 - Changing the purpose of reserves.

REPORT

Per the reserves policy, reserves will be maintained cumulatively at a minimum level of 5% of the DNSSAB's annual expenditures to ensure adequate cash flows and liquidity. The reserves balance as of December 31, 2020 totaled \$8,064,090. The 2021 budgeted expenditures totaled \$76,529,102 meaning current reserves represent 10.54% of the DNSSAB's annual expenditures. This represents a little more than one month of cash flows. It was previously recommended by the DNSSAB's external auditors that an appropriate reserve balance would be approximately three months of cash flows, which would equal approximately \$19,132,276 (25%). In Appendix A, the DNSSAB's level of reserves in comparison to its annual budget has been compared to other DSSABs. These charts demonstrate that the DNSSAB's reserves are significantly underfunded compared to the other DSSABs.

Per the reserve policy, the Manager of Finance or designate shall provide an annual report to the Board detailing the following:

- A list of all reserves including a brief description of their purpose;
- The balance of each reserve as of the most recent yearend;
- Recommended reserve balances;
- Any recommended changes including but not limited to;
 - Transfers in or out;
 - Creating new reserves;
 - Elimination of reserves;
 - Changing the purpose of reserves.

Below is a list of the existing reserves including a brief description of their purpose, the balance of each reserve as of December 31, 2019 per the most recent audited financial statements and any recommended changes to the purpose and/or amount set aside for the particular reserve.

Other than the Best Start and Child Care Mitigation reserves, which have external ministry restrictions, the remaining reserves are at the discretion of the Board.

See Appendix B for a summary of the reserves.

Working Fund

Purpose

Unrestricted accumulated surplus that has not been set aside in a reserve for a specific purpose. This reserve is used to offset unforeseen expenses or reductions in funding and to ensure adequate cash flows and liquidity are maintained.

The working fund will be limited in accordance with the DSSAB Act, Regulation 278/98, Section 7, Estimates and Reserves, which states that the Board may provide for a reserve for working funds in a year not to exceed 15% of the total estimates of the Board for the year.

Balance

Balance as of December 31, 2019 - \$1,816,630

Balance as of December 31, 2020 - \$4,258,718

Net change year over year = \$2,442,088

The net change is calculated as follows per the 2020 audited financial statements:

Net surplus	\$ 3,910,960
Transfer from HCF reserve	\$ 9,783
Less increase in net value of tangible capital assets	<u>\$(1,478,655)</u>
	\$ 2,442,088

Fifteen percent of the DNSSAB's 2021 estimated expenditures is \$11,479,365 (\$76,529,102 total budget * 15%). Therefore, the balance as of December 31, 2020 of \$4,258,718 is well within the legislated limits.

Recommendation

It is recommended that DNSSAB maintain a balance of 3% of the 2021 budget (\$76,529,102 * 3% = \$2,300,000 rounded) in the Working Fund. Therefore \$1,958,718 (\$4,258,718 - \$2,300,000) will be transferred to other reserves.

Social Housing Capital

Purpose

Funds set aside for future capital repair costs of social housing providers to maintain the existing social housing stock.

Balance

Balance as of December 31, 2020 - \$817,274 (no change from 2019)

Recommendation

No changes are recommended for this reserve at this time.

Social Housing Operations

Purpose

Annual funding for social housing providers can vary significantly from budgets due to the results of annual reconciliations that can lead to increases or reductions in funding based on actual financial results from the previous fiscal year. This fund was established to mitigate the financial risk of these unforeseen social housing costs.

Balance

Balance as of December 31, 2019 - \$300,000 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

Affordable Housing

Purpose

Funds set aside to provide a future source of funding to supplement or leverage additional provincial funding opportunities to provide greater benefits to the citizens in Nipissing district in terms of affordable housing needs and other housing programs such as emergency shelters, and transitional housing.

Balance

Balance as of December 31, 2020 - \$512,445 (no change from 2019).

Recommendation

It is recommended that an amount of \$1,064,255 be transferred from the Working Fund (\$1,958,718 transfer from Working Fund less \$894,463 Transfer to EMS reserve).

EMS

Purpose

Funds set aside to cover EMS capital costs and significant one-time EMS related operational expenditures.

Balance

Balance as of December 31, 2020 - \$195,537 (no change from 2019).

Recommendation

It is recommended that The EMS reserve be increased to \$1,090,000 (increase of \$894,463). This balance was determined by using 5% of the EMS budget (less capital items) plus the capital replacement cost for one year.

ASO Employee Benefits

Purpose

Funds set aside to mitigate financial risk of excessive benefit claims.

Balance

Balance as of December 31, 2020 - \$140,222 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

Organizational Design Contingency

Purpose

Funds set aside to allow the DNSSAB to offset costs associated with outplacement opportunities that will result in ongoing savings in operations. These costs are of a one-time nature on a case by case basis, and are considered extraordinary.

Balance

Balance as of December 31, 2020 - \$112,000 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

Project

Purpose

Funds set aside to help cover the costs of any future city hall renovation costs.

Balance

Balance as of December 31, 2020 - \$149,080 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

Best Start

Purpose

In 2006, the Ministry of Children and Youth Services provided the DNSSAB with one-time funding for the Best Start Initiative to support the early years and child care sector. Therefore, there is an external restriction on this reserve that it can only be used to support the child care system.

Balance

Balance as of December 31, 2020 - \$570,241 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

Child Care Mitigation

Purpose

In 2013, the Ministry of Education provided the DNSSAB with one-time mitigation funding to support the transition to Ontario's child care funding formula and framework introduced in 2013. This funding was available to CMSMs/DSSBs that had seen a reduction in their ongoing child care funding allocation under the new funding formula.

Under this one-time allocation, CMSMs/DSSABs are responsible for determining how to best use the mitigation funding to support their local child care system. Therefore, there is an external restriction on this reserve that it can only be used to support the child care system.

The DNSSAB is required to report to the ministry on the amount of mitigation funding used on an annual basis until all the funds have been utilized.

Balance

Balance as of December 31, 2020 - \$1,008,573 (no change from 2019).

Recommendation

No changes are recommended for this reserve at this time.

NEXT STEPS

The DNSSAB Staff will be presenting the budget in December where further recommendations for contributions and/or withdrawals to/from reserves may be recommended.

CONCLUSION

This report provides the Board with a high level update on the purpose, balance and any recommended changes for the reserves per the procedures outlined in the reserve policy.

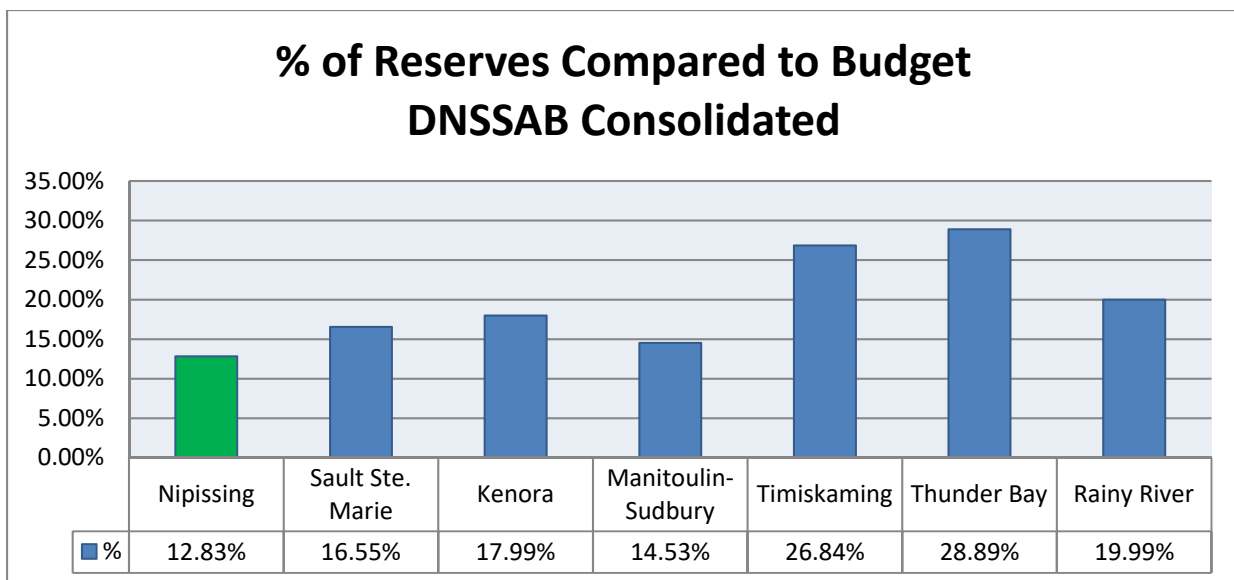
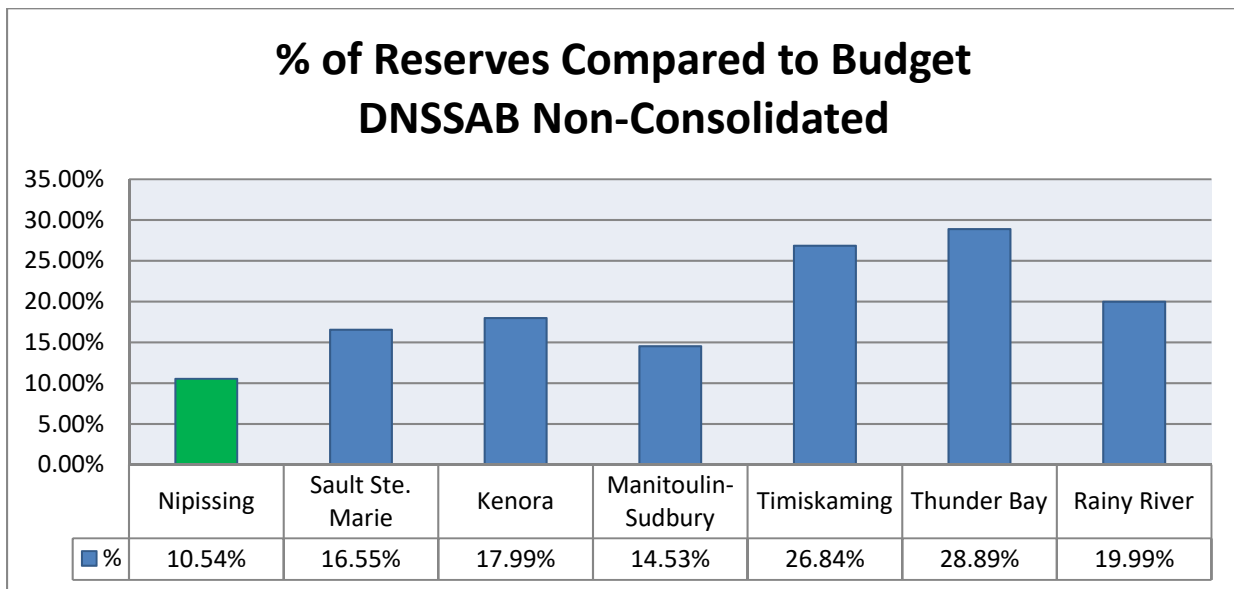
This report also demonstrates that DNSSAB's reserves are significantly underfunded compared to professional recommendations and other DSSABs.

DNSSAB will need to continue to grow its reserves in order to bring them to the recommended balance of three months of cash flow.

APPENDIX A

The six DSSABs that are used as comparisons in the below charts are those that had their financial information publicly available on their website. Three of the DSSABs do not have their financial information publicly available which is why they are excluded from these comparisons.

Also, some of the DSSABs present only their consolidated financial statements while others present only their non-consolidated financial statements. Therefore, in order to get a complete comparison, two charts have been included below. The non-consolidated chart includes only the DNSSAB's reserves while the consolidated chart includes the DNSSAB's and Nipissing District Housing Corporation's reserves.



APPENDIX B

Name of Reserve	Current Purpose	Proposed Changes to Name/Purpose	Current Balance	Proposed Transfers	Proposed Balance
Working Fund	Unrestricted accumulated surplus that has not been set aside in a reserve for a specific purpose	N/A	\$4,258,718	(1,958,718)	\$2,300,000
Social Housing Capital	Future capital repair costs of the social housing stock	N/A	\$817,274	N/A	\$817,274
Social Housing Programs	Mitigate the financial risk of unforeseen social housing costs	N/A	\$300,000	N/A	\$300,000
Affordable Housing	Develop affordable housing and other housing programs such as emergency shelters, transitional housing, etc.	N/A	\$512,445	\$1,064,255	\$1,576,700
EMS	EMS capital costs and significant one-time EMS related operational expenditures.	N/A	\$195,537	\$894,463	\$1,090,000
ASO Employee Benefits	Mitigate financial risk of excessive benefit claims	N/A	\$140,222	N/A	\$140,222
Organizational Design Contingency	Reorganization costs	N/A	\$112,000	N/A	\$112,000
Project	Significant DNSSAB projects.	N/A	\$149,080	N/A	\$149,080
Best Start	One-time funding support the early years and child care sector	N/A	\$570,241	N/A	\$570,241
Child Care Mitigation	One-time mitigation funding to support transition to new funding formula and framework	N/A	\$1,008,573	N/A	\$1,008,573

BRIEFING NOTE FA10-21

For information For Approval

Date: September 22, 2021

Purpose: **Year-to-date (YTD) Financial Report, January 1 to June 30, 2021**

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Catherine Matheson, CAO

Report FA1-21 provides The District of Nipissing Social Services Administration Board (DNSSAB) with an update on the YTD financial performance of the organization relative to the budget set for the same period and the forecast to year-end.

YTD Overall Financial Results – January 1 to June 30, 2021

District of Nipissing Social Services Administration Board For the Period 1/1/21..06/30/21 Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 10,454,028	\$ 10,415,064	\$ 38,964	\$ 10,454,028	\$ 20,908,056	\$ 20,908,056	\$ -
Province of Ontario	28,617,317	28,725,987	(108,670)	25,252,942	53,870,259	53,242,059	(628,200)
Federal Funding	-	174,043	(174,043)	299,287	299,287	902,989	603,702
Interest	72,729	75,895	(3,166)	79,066	151,795	123,729	(28,066)
Repayments	220,741	222,998	(2,257)	225,259	446,000	487,371	41,371
Lease and Other	180,587	180,600	(13)	180,613	361,200	361,173	(27)
Deferred Revenue	736,593	390,441	346,152	(244,088)	492,505	736,593	244,088
Total Revenues	\$ 40,281,995	\$ 40,185,028	\$ 96,967	\$ 36,247,107	\$ 76,529,102	\$ 76,761,971	\$ 232,869
Expenditures:							
Ontario Works	\$ 7,699,931	\$ 9,673,545	\$ (1,973,614)	\$ 11,754,694	\$ 19,454,625	\$ 14,776,128	\$ (4,678,497)
OW Program Delivery	2,413,301	2,855,098	(441,797)	3,205,301	5,618,602	5,207,782	(410,820)
Children's Services	7,248,060	7,479,876	(231,816)	8,090,219	15,338,279	13,020,771	(2,317,508)
CS Program Delivery	400,177	634,380	(234,203)	684,314	1,084,491	1,057,999	(26,492)
Housing Services	8,991,050	11,025,479	(2,034,429)	9,399,059	18,390,109	21,060,198	2,670,089
HS Program Delivery	699,670	703,179	(3,509)	700,735	1,400,405	1,557,653	157,248
EMS - Land Ambulance	5,755,776	5,992,853	(237,077)	5,847,228	11,603,004	11,688,750	85,746
EMS Program Delivery	138,758	171,362	(32,604)	203,630	342,388	341,475	(913)
Community Paramedicine	240,047	-	240,047	(240,047)	-	1,007,261	1,007,261
Corporate Services	1,101,309	1,501,473	(400,164)	1,773,523	2,874,832	2,753,044	(121,788)
Board	35,015	57,289	(22,274)	67,352	102,367	89,534	(12,833)
Healthy Communities Fund	130,000	150,000	(20,000)	170,000	300,000	300,000	-
Gateway Hub	-	20,000	(20,000)	20,000	20,000	20,000	-
Total Expenditures	\$ 34,853,096	\$ 40,264,534	\$ (5,411,438)	\$ 41,676,006	\$ 76,529,102	\$ 72,880,596	\$ (3,648,506)
Surplus (Deficit)	\$ 5,428,899	\$ (79,506)	\$ 5,508,405	\$ (5,428,899)	\$ -	\$ 3,881,374	\$ 3,881,374
Provincial Settlements	-	-	-	-	-	2,560,263	2,560,263
Net Surplus (Deficit)	\$ 5,428,899	\$ (79,506)	\$ 5,508,405	\$ (5,428,899)	\$ -	\$ 1,321,111	\$ 1,321,111

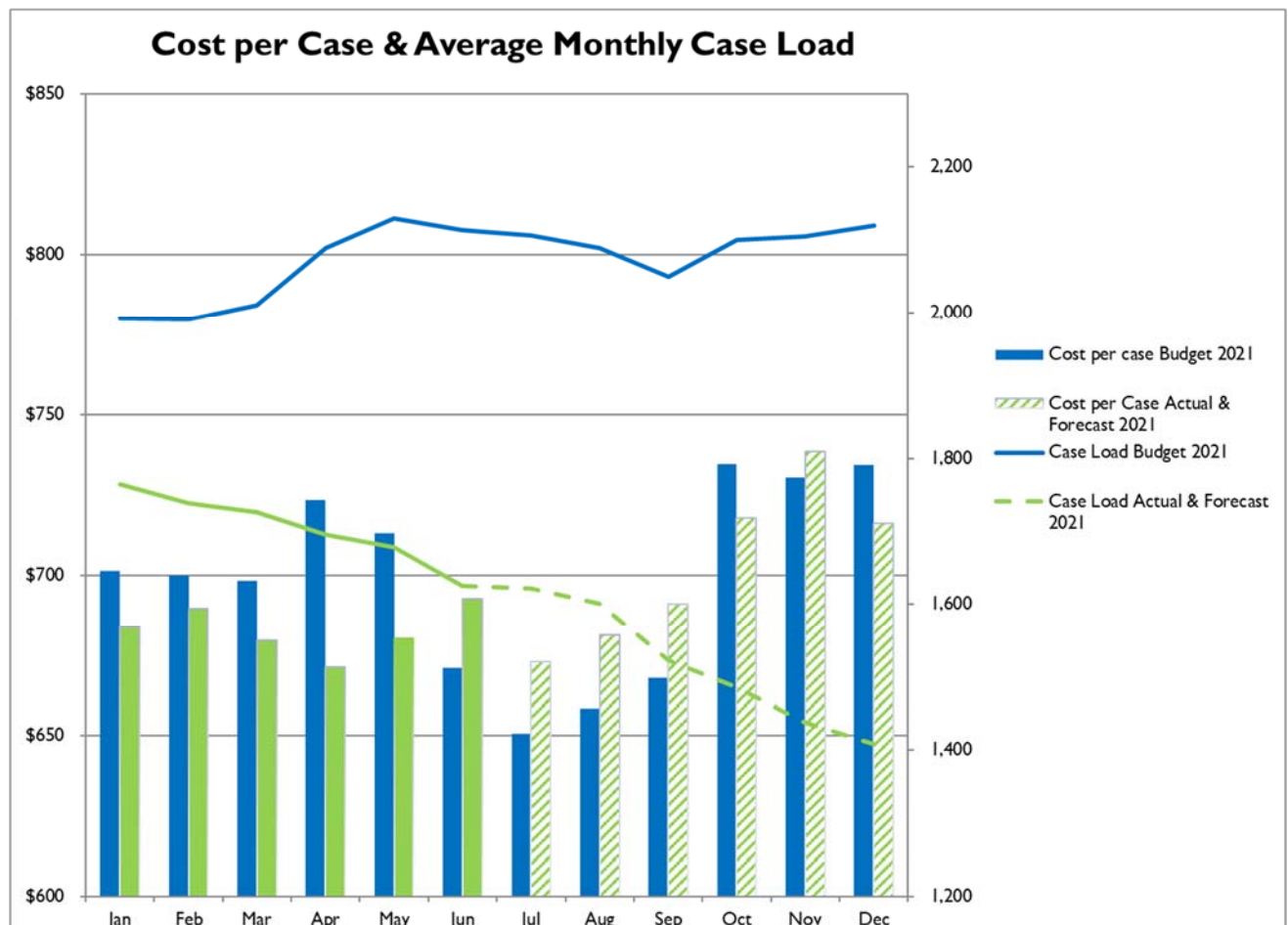
- The forecast to year end is showing an operating surplus of approximately \$1.3 million.
- The overall YTD financial status of the DNSSAB shows an operating surplus of approximately \$5.4 million. This is primarily associated with timing differences between receipt of funding and expenditures. Due to the pandemic, some expenditures have been delayed in 2021.
- The variances between the total YTD actual expenditures and those budgeted show expenditures lower than expected by approximately \$5.4 million.
- Expenditures in all departments are lower than expected YTD. These variances are attributable to timing differences between when expenditures were planned and when they will occur, cost saving efforts being realized, as well as the impacts of COVID-19.
- Other variance factors are noted below by program area.

**Ontario Works Programs
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 133,722	\$ 133,722	\$ -	\$ 133,722	\$ 267,444	\$ 267,444	\$ -
Province of Ontario	7,491,558	9,316,067	(1,824,509)	11,249,623	18,741,181	14,321,079	(4,420,102)
Repayments	215,396	222,998	(7,602)	230,604	446,000	479,179	33,179
Total Revenues	\$ 7,840,675	\$ 9,672,787	\$ (1,832,112)	\$ 11,613,950	\$ 19,454,625	\$ 15,067,702	\$ (4,386,923)
Expenditures:							
OW Financial Assistance	\$ 6,983,941	\$ 8,641,037	\$ (1,657,096)	\$ 10,407,180	\$ 17,391,121	\$ 13,354,147	\$ (4,036,974)
OW Discretionary Benefits	338,112	417,502	(79,390)	496,888	835,000	676,225	(158,775)
OW Mandatory Benefits	165,351	287,498	(122,147)	409,649	575,000	330,702	(244,298)
Funerals and Burials (Type B)	63,759	57,502	6,257	51,241	115,000	127,517	12,517
OW Employment Assistance Program	148,768	270,006	(121,238)	389,736	538,504	287,537	(250,967)
Total Expenditures	\$ 7,699,931	\$ 9,673,545	\$ (1,973,614)	\$ 11,754,694	\$ 19,454,625	\$ 14,776,128	\$ (4,678,497)
Surplus (Deficit)	\$ 140,744	\$ (758)	\$ 141,502	\$ (140,744)	\$ -	\$ 291,574	\$ 291,574

- The financial assistance forecast to year end suggests a lower than budgeted variance in expenditures of approximately \$4.7 million. Please note that this does not take into account any potential future increase in financial assistance demand due to COVID-19 benefits expiring such as the Canada Recovery Benefit (CRB). With the OW Financial Assistance expenditures now being 100% uploaded to the Ministry, there is no impact on the municipal levy.
- The YTD actual average cost per case of \$682.86 is below the budgeted average of \$701.15.
- The YTD actual average monthly caseload was 1,705 compared to the budgeted average of 2,061.
- These variances are primarily due to federal social assistance benefits available as a result of the pandemic, such as the CRB. It is expected that the caseload figures, as well as the cost per case, will begin to climb once these federal benefits expire. The CRB is set to expire on October 23, 2021; however, the expiration date for the CRB has been continually extended throughout the pandemic, so it is possible further extensions could be announced. See Fig. 1 below.

Fig. 1



- Discretionary benefits are tracking below the capped amount based on \$10 per average monthly caseload, being approximately \$110,000 lower than the cumulative capped amount of shared funds.
- Type B funerals for non-social assistance recipients are not cost shared and are funded 100% through municipal dollars. To date, expenditures in this area are over budget by \$6,257. The higher costs have been fully offset by increased repayments (ex. CPP death benefit).
- The \$121,238 underspend in employment is primarily due to COVID-19. As a result, employment opportunities/programs have been limited so the demand for employment related programs and benefits has decreased significantly.
- OW Program delivery (next page):
 - YTD expenditures are significantly under budget as COVID-19 has drastically impacted the way programs are delivered throughout the organization. Here is a brief summary of reasons for some of the variances:
 - Salaries and benefits – There have been several vacancies within this department during the first half of 2021.
 - Training and travel costs have been reduced significantly as a result of COVID-19 with travel being restricted.
 - Various other expenses are lower than budget due to continued remote working and other pandemic related restrictions.

Ontario Works Program Delivery
For the Period 1/1/21..06/30/21
Statement of Operations

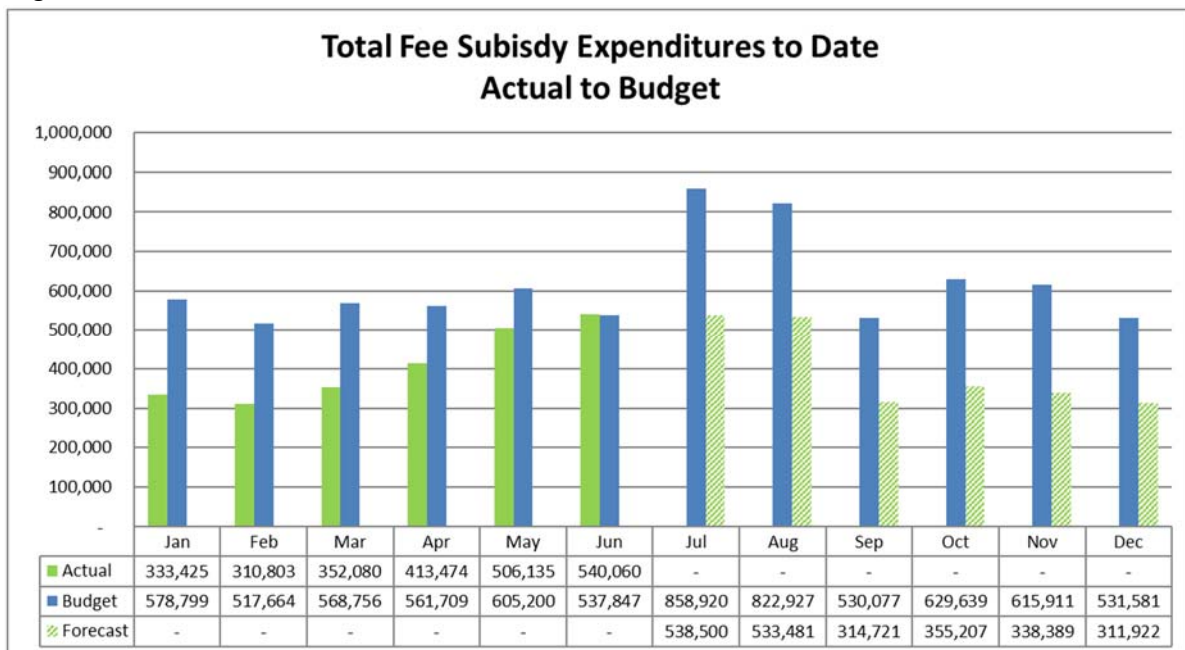
	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 1,425,572	\$ 1,425,572	\$ -	\$ 1,425,570	\$ 2,851,142	\$ 2,851,142	\$ -
Province of Ontario	2,193,532	2,187,968	5,564	2,182,408	4,375,940	4,375,940	-
Repayments	2,847	-	2,847	(2,847)	-	5,694	5,694
Lease and Other	91	-	91	(91)	-	182	182
Total Revenues	\$ 3,622,042	\$ 3,613,540	\$ 8,502	\$ 3,605,040	\$ 7,227,082	\$ 7,232,958	\$ 5,876
Expenditures:							
Salaries and Benefits	\$ 2,295,393	\$ 2,597,594	\$ (302,201)	\$ 2,803,821	\$ 5,099,214	\$ 4,807,574	\$ (291,640)
Training	951	4,706	(3,755)	10,797	11,748	6,300	(5,448)
Travel	-	5,652	(5,652)	11,304	11,304	-	(11,304)
Telephone	6,058	11,184	(5,126)	16,310	22,368	15,029	(7,339)
Technology	20,195	46,332	(26,137)	72,469	92,664	82,074	(10,590)
Accomodations	44,337	59,160	(14,823)	74,027	118,364	88,673	(29,691)
Professional Fees	1,689	62,088	(60,399)	122,487	124,176	118,776	(5,400)
General Office Expense	41,024	68,382	(27,358)	97,740	138,764	82,048	(56,716)
Amortization	3,654	-	3,654	(3,654)	-	7,307	7,307
Allocated Administration Costs	579,531	850,910	(271,379)	1,028,949	1,608,480	1,608,480	-
Total Expenditures	\$ 2,992,832	\$ 3,706,008	\$ (713,176)	\$ 4,234,250	\$ 7,227,082	\$ 6,816,262	\$ (410,820)
Surplus (Deficit)	\$ 629,211	\$ (92,468)	\$ 721,679	\$ (629,211)	\$ -	\$ 416,696	\$ 416,696
Provincial Settlements	-	-	-	-	-	115,587	115,587
Surplus (Deficit) Net of Settlements	\$ 629,211	\$ (92,468)	\$ 721,679	\$ (629,211)	\$ -	\$ 301,109	\$ 301,109

**Children's Services Programs
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 746,591	\$ 746,591	\$ -	\$ 746,598	\$ 1,493,189	\$ 1,493,189	\$ -
Province of Ontario	7,310,007	6,799,265	510,742	6,288,518	13,598,525	13,598,525	-
Deferred Revenue	278,779	246,565	32,214	(32,214)	246,565	278,779	32,214
Total Revenues	\$ 8,335,377	\$ 7,792,421	\$ 542,956	\$ 7,002,902	\$ 15,338,279	\$ 15,370,493	\$ 32,214
Expenditures:							
Fee Subsidy	\$ 2,091,052	\$ 2,593,988	\$ (502,936)	\$ 3,530,424	\$ 5,621,476	\$ 4,182,105	\$ (1,439,371)
Fee Subsidy - OW Formal	363,724	763,485	(399,761)	1,290,830	1,654,554	727,448	(927,106)
Fee Subsidy - OW Informal	1,200	12,502	(11,302)	23,800	25,000	2,400	(22,600)
Fee Subsidy - School Age Recreation	-	-	-	58,000	58,000	58,000	-
Special Needs	494,152	494,152	-	494,152	988,304	988,304	-
General Operating	1,971,358	1,047,776	923,582	124,198	2,095,556	2,575,413	479,857
Wage Enhancement	503,991	722,185	(218,194)	940,384	1,444,375	1,025,530	(418,845)
Pay Equity	85,561	85,562	(1)	85,561	171,122	171,122	(0)
Repair and Maintenance	-	17,500	(17,500)	35,000	35,000	35,000	-
Capacity Building	61,789	78,774	(16,985)	103,009	164,798	129,414	(35,384)
Journey Together - CC	284,716	270,988	13,728	257,262	541,978	555,705	13,727
Journey Together - EarlyON	214,364	214,365	(2)	214,364	428,727	428,727	-
EarlyON Programs	897,373	932,034	(34,661)	965,451	1,862,824	1,862,824	-
Safe Restart Funding	278,779	246,565	32,214	(32,214)	246,565	278,779	32,214
Total Expenditures	\$ 7,248,060	\$ 7,479,876	\$ (231,816)	\$ 8,090,219	\$ 15,338,279	\$ 13,020,771	\$ (2,317,508)
Surplus (Deficit)	\$ 1,087,317	\$ 312,545	\$ 774,772	\$ (1,087,317)	\$ -	\$ 2,349,722	\$ 2,349,722
Provincial settlements	-	-	-	-	-	2,349,722	-
Surplus (Deficit)	\$ 1,087,317	\$ 312,545	\$ 774,772	\$ (1,087,317)	\$ -	\$ -	\$ 2,349,722

- YTD expenditures in Children’s Services are lower than budgeted by \$231,816. Due to the pandemic, many families are choosing to not utilize child care services. The biggest challenge that the sector is currently facing is the lack of staff. Staff shortages were already a significant issue prior to COVID-19. Overall, this has only worsened since the pandemic began with agencies operating between 48% and 100% of their current licensed capacity. In many instances, the lack of staffing has caused reduced program capacity or classroom closures.
- Fee subsidy costs have begun to reach budgeted levels on a monthly basis; however, school closures and the delivery of emergency child care for school age children would have led to higher enrollment and higher costs in the months of April through June as can be seen in Fig 2 below. Year to date costs are still well below budget. Any surplus in the Fee Subsidy budgets are being reinvested to further support quality, affordable and sustainable licensed child care services.

Fig 2



- Expenses and funding for the emergency childcare periods are being reconciled with the Ministry.
- Federal Safe Restart Funding has been spent by the required date of March 31, 2021.
- The Province also provided additional funding of \$510,742 for the period of January to March 2021. This funding has been fully spent to support licensed child care and EarlyON programs throughout the district.
- There has not been any news of additional COVID-19 related funding beyond March 31, 2021, but given the lower costs YTD, it is expected that the DNSSAB will be able to support licensed child care and EarlyON programs within its existing allocation.

**Children's Services Program Delivery
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 85,240	\$ 85,240	\$ -	\$ 85,242	\$ 170,482	170,482	\$ -
Province of Ontario	612,210	612,210	-	612,210	1,224,420	1,224,420	-
Deferred Revenue	68,462	-	68,462	(68,462)	-	68,462	68,462
Total Revenues	\$ 765,912	\$ 697,450	\$ 68,462	\$ 628,990	\$ 1,394,902	\$ 1,463,364	\$ 68,462
Expenditures:							
Salaries and Benefits	\$ 374,313	\$ 390,391	\$ (16,078)	\$ 396,121	\$ 770,434	\$ 770,434	\$ -
Training	7,127	9,600	(2,473)	12,623	19,750	14,253	(5,497)
Travel	-	800	(800)	6,200	6,200	-	(6,200)
Telephone	(95)	360	(455)	815	720	189	(531)
Technology	15,560	86,005	(70,445)	70,853	86,413	86,413	-
Professional Fees	2,570	128,834	(126,264)	171,264	173,834	160,974	(12,860)
General Office Expense	703	10,390	(9,687)	18,437	19,140	17,735	(1,405)
Transfers to Service Providers	-	8,000	(8,000)	8,000	8,000	8,000	-
Allocated Administration Costs	111,824	155,204	(43,380)	198,587	310,411	310,411	-
Total Expenditures	\$ 512,002	\$ 789,584	\$ (277,582)	\$ 882,900	\$ 1,394,902	\$ 1,368,410	\$ (26,492)
Surplus (Deficit)	\$ 253,911	\$ (92,134)	\$ 346,045	\$ (253,911)	\$ -	\$ 94,954	\$ 94,955
Provincial Settlements	-	-	-	-	-	94,955	94,955
Surplus (Deficit) Net of Settlements	\$ 253,911	\$ (92,134)	\$ 346,045	\$ (253,911)	\$ -	\$ (0)	\$ -

- Any surplus in Program Delivery has been historically reinvested to further support quality, affordable and sustainable licensed child care services.

**Housing Services Programs
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 4,118,687	\$ 4,118,687	\$ -	\$ 4,196,604	\$ 8,315,291	\$ 8,315,291	\$ -
Province of Ontario	7,537,495	6,608,966	928,529	2,085,128	9,622,623	12,226,887	2,604,264
Federal Funding	-	99,797	(99,797)	206,255	206,255	719,402	513,147
Deferred Revenue	352,221	143,876	208,345	(106,281)	245,940	352,221	106,281
Total Revenues	\$ 12,008,403	\$ 10,971,326	\$ 1,037,077	\$ 6,381,706	\$ 18,390,109	\$ 21,613,801	\$ 3,223,692
Expenditures:							
Provincially Reformed non-profit	\$ 2,932,761	\$ 2,902,110	\$ 30,651	\$ 2,871,459	\$ 5,804,220	\$ 5,883,142	\$ 78,922
Municipal Non Profit	57,135	247,570	(190,435)	259,465	316,600	114,271	(202,329)
Federal non-profit	42,529	37,836	4,693	33,145	75,674	85,058	9,384
Urban Native	473,541	510,270	(36,729)	546,996	1,020,537	959,229	(61,308)
Nipissing District Housing Corp	1,511,949	1,511,951	(2)	1,511,948	3,023,897	3,023,897	0
Commercial rent supplement	210,072	268,770	(58,698)	327,468	537,540	489,832	(47,708)
Portable Housing Benefit	11,144	30,000	(18,856)	48,856	60,000	27,470	(32,530)
Strong communities rent supplement	138,545	163,986	(25,441)	189,427	327,972	277,090	(50,882)
Northern remote - Build	61,071	63,936	(2,865)	66,801	127,872	124,599	(3,273)
CHPI	3,098,614	4,127,209	(1,028,596)	1,524,466	4,623,079	7,383,225	2,760,146
Reaching Home	140,545	73,796	66,749	13,707	154,252	844,494	690,242
Community Capacity and Innovation	1,616	25,999	(24,383)	50,387	52,003	52,211	208
IAH - Housing Allowance	25,343	8,406	16,937	(8,531)	16,812	25,343	8,531
IAH - Rental Housing	-	120,000	(120,000)	120,000	120,000	120,000	-
IAH - Ontario Renovates	-	50,000	(50,000)	75,000	75,000	-	(75,000)
SIF - Ontario Renovates	-	59,064	(59,064)	118,128	118,128	-	(118,128)
SIF - Housing Allowance	36,270	39,000	(2,730)	41,730	78,000	72,540	(5,460)
COCHI - New Build	-	101,548	(101,548)	372,344	372,344	372,344	-
COCHI - Rent Supplement	-	12,750	(12,750)	38,250	38,250	38,250	-
COCHI - Transitional Operating Funding	62,880	120,516	(57,636)	178,546	241,426	241,426	-
OPHI - Rental Housing	-	46,766	(46,766)	171,474	171,474	171,474	-
OPHI - Home Ownership	-	50,000	(50,000)	90,000	90,000	90,000	-
OPHI - Ontario Renovates	58,060	50,127	7,933	92,320	150,380	150,380	-
OPHI - Rent Supplement	-	-	-	-	-	-	-
OPHI - Housing Allowance	15,750	15,000	750	14,250	30,000	30,000	-
OPHI - Housing Support Services	90,995	90,995	-	-	90,995	90,995	-
Gateway House	22,231	297,874	(275,643)	651,423	673,654	392,928	(280,726)
Total Expenditures	\$ 8,991,050	\$ 11,025,479	\$ (2,034,429)	\$ 9,399,059	\$ 18,390,109	\$ 21,060,198	\$ 2,670,089
Surplus (Deficit)	\$ 3,017,353	\$ (54,153)	\$ 3,071,506	\$ (3,017,353)	\$ -	\$ 553,603	\$ 553,603

Housing Services Program Delivery
For the Period 1/1/21..06/30/21
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 627,534	\$ 627,534	\$ -	\$ 627,534	\$ 1,255,068	1,255,068	\$ -
Province of Ontario	121,160	231,104	(109,944)	245,595	366,755	445,090	78,335
Federal Funding	-	74,246	(74,246)	93,032	93,032	183,587	90,555
Lease and Other	695	-	695	(695)	-	1,391	1,391
Deferred Revenue	37,130	-	37,130	(37,130)	-	37,130	37,130
Total Revenues	\$ 786,520	\$ 932,884	\$ (146,364)	\$ 928,335	\$ 1,714,855	\$ 1,922,266	\$ 207,411
Expenditures:							
Salaries and Benefits	\$ 662,572	\$ 628,183	\$ 34,389	\$ 600,534	\$ 1,263,106	\$ 1,469,126	\$ 206,020
Training	1,170	10,945	(9,775)	14,295	15,465	6,370	(9,095)
Travel	-	1,315	(1,315)	2,630	2,630	-	(2,630)
Telephone	(94)	720	(814)	1,534	1,440	200	(1,240)
Technology	2,491	30,000	(27,509)	57,509	60,000	4,982	(55,018)
Professional Fees	14,326	9,998	4,328	3,874	18,200	37,968	19,768
General Office Expense	4,056	22,018	(17,962)	35,508	39,564	8,708	(30,856)
Transfers to Service Providers	8,477	-	8,477	(8,477)	-	16,953	16,953
Amortization	6,673	-	6,673	(6,673)	-	13,346	13,346
Allocated Administration Costs	113,270	164,971	(51,701)	201,180	314,450	314,450	-
Total Expenditures	\$ 812,940	\$ 868,150	\$ (55,210)	\$ 901,915	\$ 1,714,855	\$ 1,872,103	\$ 157,248
Surplus (Deficit)	\$ (26,420)	\$ 64,734	\$ (91,154)	\$ 26,420	\$ -	\$ 50,163	\$ 50,163

- As seen on page 11, Housing Services Programs is forecasting for a surplus of \$553,603. This is primarily due to a later actual opening date for the Gateway House compared to budget and lower than expected social housing subsidies and rent supplements. The budget had phase I of the Gateway House completed at the beginning of 2021 with phase II completed in the summer of 2021. Now phase I will be operational in the fall of 2021 with phase II expected to be completed near the end of 2021.
- YTD surplus of \$3,017,353 is due to timing differences of when funding is received and when expenditures will occur.
- Forecasted overspending in CHPI and Reaching Home is offset by the one-time COVID-19 related provincial/federal funding.
- IAH, SIF, COCHI & OPHI programs are all 100% provincially funded, so any YTD over/underspends are associated with timing differences between receipt of funding and expenditures.
- Currently forecasting for a \$50,163 surplus in Housing Services Program Delivery due to additional COVID-19 related funding that was announced after the budget was prepared.
- Any program delivery surplus will be reinvested into other district housing related initiatives such as the transitional housing project, emergency shelter, or housing related reserves.

**Emergency Medical Services
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 2,946,552	\$ 2,946,552	\$ -	\$ 2,946,552	\$ 5,893,104	\$ 5,893,104	\$ -
Province of Ontario	2,732,699	2,854,950	(122,251)	2,977,201	5,709,900	5,811,944	102,044
Total Revenues	\$ 5,679,251	\$ 5,801,502	\$ (122,251)	\$ 5,923,753	\$ 11,603,004	\$ 11,705,048	\$ 102,044
Expenditures:							
Consulting Fees	\$ -	\$ 300	\$ (300)	\$ 600	\$ 600	\$ -	\$ (600)
Rent	157,792	157,794	(2)	157,796	315,588	315,585	(3)
Utilities	25,386	19,837	5,549	12,288	37,674	50,772	13,098
Internet Expense	5,977	6,132	(155)	6,287	12,264	11,955	(309)
Water	3,568	4,092	(524)	4,616	8,184	7,135	(1,049)
Insurance	51,265	55,116	(3,851)	58,967	110,232	102,530	(7,702)
Postage & Courier	674	768	(94)	862	1,536	1,348	(188)
Catering	686	-	686	(686)	-	1,372	1,372
Municipal taxes	32,970	32,754	216	32,538	65,508	63,539	(1,969)
Janitorial Services	3,969	4,086	(117)	4,203	8,172	7,937	(235)
Building maintenance	34,298	34,620	(322)	34,942	69,240	68,596	(644)
Computer SFW, supplies, service	51,281	31,176	20,105	11,071	62,352	88,136	25,784
Ambulance Purchases	57,877	369,318	(311,441)	311,441	369,318	369,318	-
Paramedic Training	5,542	4,500	1,042	3,458	9,000	11,084	2,084
EMS Laundry Services	240	900	(660)	1,560	1,800	1,800	-
Uniforms	52,882	18,000	34,882	(16,882)	36,000	75,765	39,765
Water taxi	-	1,500	(1,500)	8,000	8,000	8,000	-
Medical Equipment	58,968	24,000	34,968	(10,968)	48,000	77,662	29,662
Medical Equip Capital	28,396	57,904	(29,508)	71,028	99,424	-	(99,424)
BioMed Equip Mtncdcwe & Rpr	550	1,200	(650)	1,850	2,400	1,100	(1,300)
Stretcher Lease	8,953	8,604	349	8,255	17,208	76,114	58,906
Vehicle Expense	101,798	96,000	5,798	90,202	192,000	203,595	11,595
Medications & Drugs	8,457	-	8,457	(8,457)	-	16,915	16,915
Transfers to service providers	5,064,246	5,064,252	(6)	5,064,258	10,128,504	10,128,492	(12)
Total Expenditures	\$ 5,755,776	\$ 5,992,853	\$ (237,077)	\$ 5,847,228	\$ 11,603,004	\$ 11,688,750	\$ 85,746
Surplus (Deficit)	\$ (76,525)	\$ (191,351)	\$ 114,826	\$ 76,525	\$ -	\$ 16,299	\$ 16,299

- YTD expenditures variance of \$237,077 is due to timing differences between receipt of funding and expenditures.
- Currently forecasting to be very close to the budget with a small surplus. This does not take into consideration operator deficits or surpluses. Operators provide monthly financial updates to the DNSSAB and costs are fully reconciled on an annual basis via an external audit.
- The Ministry of Health (MOH) has provided funding for any COVID-19 related expenses in 2020. The DNSSAB is anticipating that this funding will continue in 2021. The pandemic has not led to significant additional EMS costs in Nipissing to date.

**Emergency Medical Services Program Delivery
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 99,708	\$ 99,708	\$ -	\$ 99,708	\$ 199,416	199,416	\$ -
Province of Ontario	99,708	99,708	-	99,708	199,416	199,416	-
Total Revenues	\$ 199,416	\$ 199,416	\$ -	\$ 199,416	\$ 398,832	\$ 398,832	\$ -
Expenditures:							
Salaries and Benefits	\$ 133,172	\$ 157,159	\$ (23,987)	\$ 188,353	\$ 321,525	\$ 321,525	\$ -
Training	153	250	(97)	97	250	305	55
Travel	-	600	(600)	1,200	1,200	-	(1,200)
Technology	2,905	5,000	(2,095)	2,095	5,000	5,000	-
Professional Fees	-	6,000	(6,000)	12,000	12,000	12,000	-
General Office Expense	2,528	2,353	175	(115)	2,413	2,645	232
Allocated Administration Costs	20,324	29,859	(9,535)	36,120	56,444	56,444	-
Total Expenditures	\$ 159,082	\$ 201,221	\$ (42,139)	\$ 239,750	\$ 398,832	\$ 397,919	\$ (913)
Surplus (Deficit)	\$ 40,334	\$ (1,805)	\$ 42,139	\$ (40,334)	\$ -	\$ 913	\$ 913

- EMS program delivery is expected to be close to budget by year-end.
- The YTD expenditure variance is due to timing differences of when positions were budgeted to be filled and when they were actually filled.
- This budget is primarily comprised of salaries and benefits to support the administration of EMS in the district. As there are no vacancies, it is anticipated that costs will remain close to budget throughout the year.
- It is not anticipated that COVID-19 will impact the EMS program delivery budget.

**Community Paramedicine
For the Period 1/1/21..06/30/21
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Province of Ontario	\$ 503,200	\$ -	\$ 503,200	\$ (503,200)	\$ -	\$ 1,007,261	\$ 1,007,261
Total Revenues	\$ 503,200	\$ -	\$ 503,200	\$ (503,200)	\$ -	\$ 1,007,261	\$ 1,007,261
Expenditures:							
Salaries and Benefits	\$ 873	\$ -	\$ 873	\$ (873)	\$ -	\$ 50,874	\$ 50,874
Training	-	-	-	-	-	3,375	3,375
Technology	9,312	-	9,312	(9,312)	-	43,350	43,350
Accomodations	-	-	-	-	-	18,000	18,000
Professional Fees	4,050	-	4,050	(4,050)	-	24,563	24,563
Insurance	5,346	-	5,346	(5,346)	-	10,693	10,693
General Office Expense	-	-	-	-	-	2,625	2,625
Materials and Services (EMS)	13,111	-	13,111	(13,111)	-	23,391	23,391
Equipment and Vehicle expense (EMS)	2,021	-	2,021	(2,021)	-	13,500	13,500
Transfers to Service Providers	-	-	-	-	-	611,558	611,558
Capital Purchases	205,332	-	205,332	(205,332)	-	205,332	205,332
Total Expenditures	\$ 240,047	\$ -	\$ 240,047	\$ (240,047)	\$ -	\$ 1,007,261	\$ 1,007,261
Surplus (Deficit)	\$ 263,153	\$ -	\$ 263,153	\$ (263,153)	\$ -	\$ (0)	\$ (0)

- This is a three year program (until March 2024) fully funded by the Ministry of Long-Term Care (MLTC) to help assist individuals who are in need of, or at risk of long-term care placement.
- There are no 2021 budget figures for this program because this funding was approved by the MLTC after DNSSAB's budget was approved.
- This program is 100% provincially funded, so there is no impact to the municipal levy.

Corporate Services
For the Period 1/1/21..06/30/21
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Province of Ontario	\$ 15,748	\$ 15,749	\$ (1)	\$ 15,751	\$ 31,499	\$ 31,496	\$ (3)
Interest	57,729	60,895	(3,166)	64,066	121,795	93,729	(28,066)
Repayments	2,498	-	2,498	(2,498)	-	2,498	2,498
Lease and Other	179,800	180,600	(800)	181,400	361,200	359,600	(1,600)
Total Revenues	\$ 255,776	\$ 257,244	\$ (1,468)	\$ 258,718	\$ 514,494	\$ 487,324	\$ (27,170)
Expenditures:							
Salaries and Benefits	\$ 761,787	\$ 813,234	\$ (51,447)	\$ 832,104	\$ 1,593,891	\$ 1,595,520	\$ 1,629
Training	12,085	7,972	4,113	8,661	20,746	24,170	3,424
Travel	-	-	-	4,200	4,200	-	(4,200)
Telephone	6,270	75,231	(68,961)	81,213	87,483	87,483	-
Technology	69,163	144,144	(74,981)	253,996	323,159	275,921	(47,238)
Accommodations	124,257	316,604	(192,347)	445,127	569,384	478,315	(91,069)
Professional Fees	38,220	58,348	(20,128)	57,106	95,326	91,680	(3,646)
Insurance	42,791	43,542	(751)	46,369	89,160	92,622	3,462
General Office Expense	28,496	42,398	(13,902)	62,987	91,483	70,852	(20,631)
Amortization	18,241	-	18,241	(18,241)	-	36,481	36,481
Allocated Administration Costs	(850,375)	(1,247,268)	396,893	(1,509,963)	(2,360,338)	(2,360,338)	-
Total Expenditures	\$ 250,934	\$ 254,205	\$ (3,271)	\$ 263,560	\$ 514,494	\$ 392,706	\$ (121,788)
Surplus (Deficit)	\$ 4,842	\$ 3,039	\$ 1,803	\$ (4,842)	\$ -	\$ 94,618	\$ 94,618

- YTD expenditures in corporate services are significantly lower than the budget by approximately \$400,000. This is primarily because the City of North Bay has stopped invoicing DNSSAB for rent and utilities until the execution of the new lease agreement.
- Corporate services expenses are forecasted to be approximately \$120,000 lower than budgeted by year-end.
- As always, staff will continue to search for cost saving opportunities wherever possible.

Board
For the Period 1/1/21..06/30/21
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 71,460	\$ 71,460	\$ -	\$ 71,460	\$ 142,920	142,920	\$ -
Interest	15,000	15,000	-	15,000	30,000	30,000	-
Total Revenues	\$ 86,460	\$ 86,460	\$ -	\$ 86,460	\$ 172,920	\$ 172,920	\$ -
Expenditures:							
Salaries and Benefits	\$ 33,533	\$ 46,144	\$ (12,611)	\$ 38,907	\$ 72,440	\$ 67,065	\$ (5,375)
Training	1,018	4,083	(3,065)	11,690	12,708	7,955	(4,753)
Travel	-	-	-	2,740	2,740	-	(2,740)
Technology	-	6,792	(6,792)	13,584	13,584	13,584	-
General Office Expense	465	270	195	430	895	930	35
Allocated Administration Costs	25,426	37,325	(11,899)	45,127	70,553	70,553	-
Total Expenditures	\$ 60,441	\$ 94,614	\$ (34,173)	\$ 112,479	\$ 172,920	\$ 160,087	\$ (12,833)
Surplus (Deficit)	\$ 26,019	\$ (8,154)	\$ 34,173	\$ (26,019)	\$ -	\$ 12,833	\$ 12,833

- YTD Board costs are \$34,173 below budget and are forecasted to be approximately \$12,833 below budget by year-end.

Healthy Communities Fund
For the Period 1/1/21..06/30/21
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2021	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 150,000	150,000	\$ -	\$ 150,000	\$ 300,000	\$ 300,000	\$ -
Total Revenues	\$ 150,000	150,000	\$ -	\$ 150,000	\$ 300,000	\$ 300,000	\$ -
Expenditures:							
Transfer to service providers	\$ 130,000	150,000	\$ (20,000)	\$ 170,000	\$ 300,000	\$ 300,000	\$ -
Total Expenditures	\$ 130,000	150,000	\$ (20,000)	\$ 170,000	\$ 300,000	\$ 300,000	\$ -
Surplus (Deficit)	\$ 20,000	-	\$ 20,000	\$ (20,000)	\$ -	\$ -	\$ -

- As of June 30, 2021 only the annualized amount for LIPI of \$130,000 has been expended from the Healthy Communities fund. Of the \$300,000 annual allocation, \$130,000 is the amount allotted to LIPI.
- Per briefing note B07-21, that was presented in March 2021, the Board has directed staff to invest the remaining \$170,000 to where it is needed most in the district. The remaining funds will be distributed in the second half of 2021.

CONCLUSION:

The YTD expenditures are lower than anticipated by approximately \$5.4 million. These variances are attributable to timing differences between when expenditures were planned and when they will occur, cost saving efforts being realized, as well as the impact of COVID-19.

At this time, the forecast to year end is suggesting a surplus of approximately \$1.3 million; however, this estimate does not include year-end adjustments such as accruals and funding that may need to be repaid as a result of surpluses.

Where possible, any actual savings recognized at year-end of 2021 will be deferred to 2022 as a method of stabilizing the levy contributions or will be reinvested into new initiatives. Subject to Board approval, any municipal surplus will be allocated towards reserves.



BRIEFING NOTE EMS07-21

For Information or For Approval

Date: September 22, 2021

Purpose: Ambulance Purchasing Process Changes

Prepared by: Robert Smith; Chief of EMS

Reviewed by: Catherine Matheson, CAO

RECOMMENDATION:

THAT the Committee approve the establishment of a Sole Source Agreement with Demers-Braun-Crestline (DBC), and the expensing of dollars out of the budget year, as outlined in Briefing Note EMS07-21.

EXECUTIVE SUMMARY

The purpose of this report is to provide the District of Nipissing Social Services Administration Board with information regarding the amalgamation of the existing ambulance fabricators, certified by the Ministry of Health (MOH) for product sale in Ontario, and the resulting changes that this vendor has made to the process for purchasing ambulance fleet. Additionally, this report will inform the Board of what staff believe is a market-based monopoly requiring the need for a Direct Negotiations arrangement (sole sourcing) to maintain compliance with the Purchasing Policy.

BACKGROUND:

The MOH regulates the list of certified fabricators for sale of ambulances and ERVs to Upper Tier Municipalities (UTMs) and District Social Services Administration Boards (DSSABs) through the Ontario Provincial Land Ambulance & Emergency Response Vehicle Standard. The current version identifies Demers and Crestline Coach as the only two certified manufacturers of ambulances. In early 2018, Demers Ambulance merged with Braun, a US manufacturer of ambulances, and then in the fall of 2018, they acquired Crestline Coach Ltd, in Saskatoon.

The corporation, now Demers-Braun-Crestline (DBC), has notified UTM/DSSABs of purchasing changes that will have impact on procurement. On July 23rd, the VP Sales for both Crestline and Demers issued a letter to all customers amending the purchasing process for both Demers and Crestline products. Effective on that date, orders were subject to an order lead-time of 12 to 18 months. Additionally, all orders were subject to a 30% deposit at the time of order.

CURRENT ENVIRONMENT

The significant change in process by Demers-Braun-Crestline, specifically the merging of sales strategies, will have impact on DNSSAB. The fact that there exists only two MOH certified ambulance manufacturers, and for all purposes they are a single entity, has limited the market product variability, resulting in a sole source environment. Additionally, the decision to require a 30% deposit at the time of product order, and the requirement to order with up to an 18 month lead time has resulted in the need to fund the procurement of ambulance fleet over multiple years, something new. Finally, the Crestline sales representative informed staff that the 2022 budget process should consider a 15% increase over 2021 purchase prices. Staff have confirmed with Demers clients that they are expecting the same increase.

NEXT STEPS

Staff will be required to place 2022 ambulance orders soon should there be any chance of product receipt in 2022, and those orders will require a 30% deposit. Given that the budget for these purchases has not been approved, and given that the total purchase cost for two ambulances is in excess of what is permitted under the Purchasing Policy, approval will be required. Additionally, staff believe it will be necessary to enter into a Sole Sourcing agreement with DBC as they are the only MOH certified ambulance manufacturer.

RISK

Both Demers and Crestline Coach have been manufacturing ambulances for several decades, and have been certified by the MOH for sale in Ontario for the entire period. It is unlikely that that DBC corporate solvency presents an issue; however, the 30% deposit (~\$45,000) for each ambulance order as far out as 18 months does present the potential of loss, something that would be co-shared with the Province, as funding is 50/50

CONCLUSION:

Staff are sharing information regarding significant changes with the historic ambulance procurement process, resulting from the corporate merger of the only two manufacturers certified by the Province's MOH. The changes include a requirement to submit a 30% deposit at the time of order, a likely 15% cost increase for 2022, and a 12 to 18-month lead-time on orders. The solution being brought forward is for establishment of a Sole Source Agreement with DBC, and expensing of dollars out of the budget year.