



FINANCE & ADMINISTRATION COMMITTEE MEETING AGENDA

Healthy Communities without Poverty

Date: Wednesday, September 23, 2020

Time: 12:00 PM

Location: By video conference while pandemic protocols are in place

Join Zoom Meeting

<https://zoom.us/j/92660019819?pwd=UHFQb1pYdkpHUnVJd2tMQXNzL3Vodz09>

Meeting ID: 926 6001 9819

Passcode: 361720

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

Item	Topic
1.0	1.1 Call to Order

Item	Topic
	1.2 Declaration of Conflict of Interest
2.0	Opening remarks by the Chair
3.0	<p>Approval of the Agenda for September 23, 2020</p> <p>MOTION: FA #2020-07</p> <p>THAT the Finance and Administration Committee accepts the Agenda as presented.</p>
4.0	<p>4.1 DELEGATIONS – FA12-20 Budget Issues Report – Finance Manager, Justin Avery</p> <p>Report FA12-20 provides the District of Nipissing Social Services Administration Board (DNSSAB) with a preliminary update on the significant issues that will impact the 2021 budget.</p>
5.0	<p>CONSENT AGENDA - Reports for Information Only <i>All items in the consent agenda are voted on collectively. The Chair will call out each item for consideration of discussion on the Consent Agenda. Any item can be singled out for debate or a separate vote; then, only the remaining items will be voted on collectively.</i></p> <p>MOTION: FA #2020-08</p> <p>That the Committee receives for information purposes Consent Agenda item 5.1 to 5.3.</p>
	<p>5.1 FA11-20 Year-to-date (YTD) Financial Report, January 1 to June 30, 2020</p> <p>This 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>
	<p>5.2 CS07-20 Early Years & Childcare Sector Funding – Update</p> <p>Briefing Note CS07-20 provides information on the funding and reconciliation process for early years and child care, as prescribed by the Ministry of Education, during each stage of the pandemic to date.</p>
	<p>5.3 HS18-20 COVID-19 Pandemic Pay for Frontline Workers</p> <p>Briefing Note HS18-20 describes the particulars of the announced COVID-10 Pandemic Pay for Frontline Workers, as detailed in a letter from the Ministry of Municipal Affairs and Housing dated April 27th, 2020 and included as “Attachment A”.</p>

Item	Topic
6.0	MANAGERS REPORTS
	<p data-bbox="334 268 1154 302">6.1 FA13-20 New Reserves Policy and Annual Reserves Report</p> <p data-bbox="334 348 639 382">MOTION: FA #2020-09</p> <p data-bbox="334 394 1317 470">THAT the District of Nipissing Social Services Administration Board (DNSSAB) adopts the newly recommended Reserve Policy; and</p> <p data-bbox="334 483 1386 558">THAT the DNSSAB approves the reserves recommendations as outlined in briefing note FA13-20.</p>
7.0	OTHER BUSINESS
8.0	<p data-bbox="334 678 618 711">NEXT MEETING DATE</p> <p data-bbox="334 724 1300 758">Wednesday October 28, 2020 (Community Services Committee and Board)</p>
9.0	<p data-bbox="334 783 548 816">ADJOURNMENT</p> <p data-bbox="334 829 639 863">MOTION: FA #2020-10</p> <p data-bbox="334 888 1386 963"><i>Resolved</i> THAT the Finance and Administration Committee meeting be adjourned at p.m.</p>

BRIEFING NOTE FA12-20

For information For Approval

Date: September 23rd, 2020

Purpose: 2021 Preliminary Budget Issues Report

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Melanie Shaye, Director of Corporate Services

Approved by: Catherine Matheson, CAO

INFORMATION

This report provides the District of Nipissing Social Services Administration Board (DNSSAB) with a preliminary update on the issues that will impact the 2021 budget.

BACKGROUND

As the 2021 budgeting process is scheduled to begin in the fall, it is timely to look at some of the issues, concerns, and opportunities that will likely impact budget decisions. The following report provides the 2021 budget timetable and some highlights from the various program areas that will require consideration during the budgeting process. The aim of the 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 can 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 2021.

2021 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 Finance & Administration (F&A) Committee at the December 23rd meeting. The Budget will then be formally adopted by the Board through the approval of the F&A Committee minutes during the January Board meeting.

	Sept	Oct	Nov	Dec	Jan
Preliminary Budget Issues Report	*				
Staff Budget Preparation	*	*	*		
Finance & Administration Committee				*	
Board Budget Approval					*

BUDGET GOALS

Staff remains 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 2021 the DNSSAB will continue to see significant budget pressures due to the provincial funding changes announced in 2019.

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 which 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 September 8, 2020 the Ministry of Children, Community and Social Services (MCCSS) announced that the 2021 Ontario Works (OW) planning allocations are being kept at the 2020 baselines to provide stability for OW delivery partners during the COVID-19 recovery period. This memo also noted that adjustments will be made for Employment Transformation transfers as applicable.

This is a positive shift as MCCSS previously communicated via a memo dated September 12, 2019 that DSSABs/CMSMs should expect funding reductions in 2021 to reflect reduced administrative costs from modernization.

This will now be three years (2019, 2020 and 2021) that funding has been frozen at 2018's actual expenditures.

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 \$126,000 to \$151,000 or 0.61% to 0.74%.

¹ DNSSAB's two collective agreements expire December 31, 2020 and January 31, 2021 so this is an estimate at this time based on the most recent collective agreements.

Outcome Targets

For 2019 and 2020 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 and possibly reducing 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

Per a briefing document for the Directors Administration Reference Group (DARG), the ministry has stated the following:

Since 2020 is the second year of the business cycle and outcome targets will be difficult to achieve, given the current economic environment, the ministry will allow flexibility when assessing under achievement of outcomes for the current two year business cycle (2019 and 2020 contracting period).

At this time it is unknown how COVID-19 or the employment services transformation will impact outcome targets for 2021.

COVID-19

COVID-19 has had a significant impact on employment assistance in 2020 with the economy being shut down for a long period of time and few employment opportunities as a result. It is difficult to try and predict how COVID-19 will impact social and employment assistance in 2021 given the chance for further health and safety restrictions if a significant second wave occurs. 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 is not known at this time.

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 finally
- **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.

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 2021 announced changes above, based on the 2020 funding allocations, the increase to the municipal levy is estimated at \$369,551 (1.80%). Similar to what was done in 2020, reserves will likely be used to minimize the impact on the levy for 2021 and phase in the levy increase over several years. The 2020 funding changes resulted in a levy increase of \$423,431 or 2.16%. Reserves were used in 2020 to reduce this impact to \$211,716; however, this means the remaining \$211,715 still needs to be phased in. If reserves are used to offset the 2021 increase of \$369,551 and phase in the \$211,715 in 2021, this would result in a 1.03% levy increase in 2021. The EDU has approved the use of the child care mitigation reserve to meet cost-sharing requirements.

³ Expansion plan operating funding was 100% provincially funded prior to 2020.

Here is a summary of the balance and budgeted/potential future usage of the child care mitigation reserve:

Balance as of January 1, 2020	1,008,573
Budgeted usage in 2020	(211,716)
Potential usage in 2021 ⁴	(369,551)
Potential usage in 2022 ⁵	<u>(169,776)</u>
Potential remaining balance	257,530

COVID-19

It is likely that COVID-19 will continue to put pressure on child care budgets into 2021⁶, so this will be closely monitored throughout the budget process. It is reasonable to assume that the provincial and federal governments will continue to support additional costs as a result of mandated health and safety measures. With the recently announced Safe Restart Agreement between the provincial and federal governments, additional funding will be provided to help child care operators and EarlyON Child and Family Centres purchase cleaning supplies, PPE, and support staffing needs related to new procedures. The Safe Restart Funding is required to be fully spent by December 31, 2020. No information for additional 2021 supports has been announced at this time. It is possible that the EDU is holding back some of this funding for use in 2021, but again, details are limited at this time.

Emergency Medical Services (EMS)

Impact of Provincial Funding Changes

Per a letter received by the Ministry of Health (MOH) on May 7, 2019, the 2019 funding allocation was set to be frozen at the previous year's level. This would have shifted all the inflationary budget pressure within EMS to the municipal levy which has historically been cost shared 50/50.

A letter was subsequently received from the Premier on May 27, 2019, notifying us that previously announced funding changes to child care services and emergency medical services were being deferred until 2020.

⁴ In order to bring the second half of the 2020 increase in to the municipal levy in 2021 it is recommended to use the reserves to offset the entire 2021 levy increase as a result of the funding changes.

⁵ Reserves could also be used in 2022 to offset half of the levy increase as a result of the 2021 funding change.

⁶ In addition to direct pandemic related costs (extra staffing, PPE, etc.) it is expected that there will be an increased demand for fee subsidy as the pandemic will have a general negative impact on household incomes in 2020.

For 2019 and 2020 the EMS funding formula has remained the same as previous years with the exception of the incremental increase (see below).

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 2021 50/50 provincial funding would be based on the 2020 budget as opposed to the 2021 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, this incremental increase was set at 0%.

The Ontario government announced the following during this year's AMO conference:

*"The Ontario government is increasing its funding to the Land Ambulance Service Grant by five per cent in 2020/2021. This is in addition to a four per cent increase last year."*⁷

Based on this announcement, it is likely that the funding formula will remain the same for 2021 which is good news. If this is the case, inflationary pressures of the EMS budget is still shifted to the municipalities due to the elimination of the incremental increase, so an increase to the municipal levy should be expected for 2021 in order to continue to fund EMS services at the existing levels.

The DNSSAB has not received any additional news on the potential consolidation of EMS services since it was originally revealed in the news in April 2019.⁸

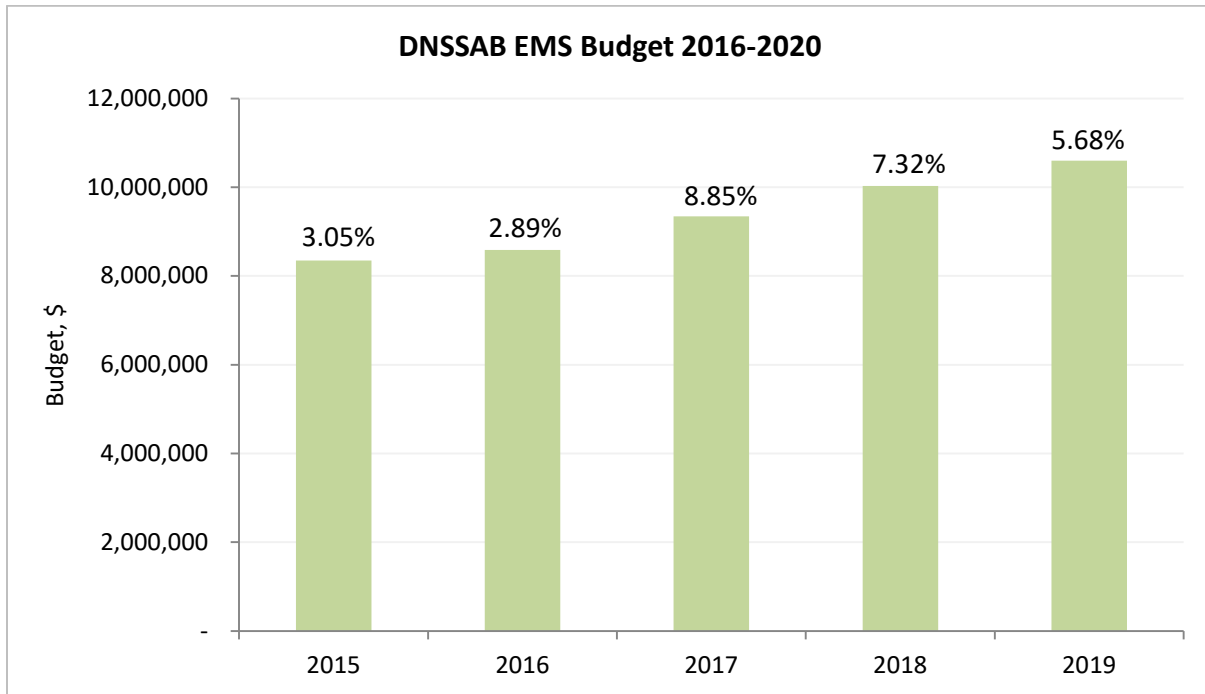
Over the past year there have been several Board discussions regarding the possibility of bringing EMS in-house. Bringing EMS in-house would likely result in increased costs as additional finance and HR staff would be required in order to support this service so DNSSAB staff will require the Board's direction on this in order to appropriately budget for any additional resources. A third party review will be performed by Manitoulin-Sudbury DSSAB with respect to consideration for direct delivery or outsourcing of EMS.

The issue of non-urgent transfers continues and has recently surfaced again at the provincial level. In 2017 the Northeast LHIN coordinated a pilot program for the transportation of medically stable patients in Northern Ontario (the DNSSAB did not participate in the pilot). This pilot is coming to an end and the MOH (Emergency Health Services Division) recently announced that it will be looking for new proposals to address the issue of non-emergency transfers in Northern Ontario. The Board will be kept apprised of this development as more information and planning becomes available.

⁷ <https://news.ontario.ca/mma/en/2020/08/ontario-and-municipalities-work-towards-a-strong-economic-recovery.html>

⁸ <https://www.cbc.ca/news/canada/toronto/doug-ford-ambulance-paramedic-merger-emergency-health-1.5099773>

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 budget increase over the last five years of 5.56%⁹, the estimated increase to the municipal levy to support EMS within the district in 2020 would be \$338,202 (1.65%).



COVID-19

With the exception of the purchase of PPE, which is being partially funded by the provincial government¹⁰, COVID-19 has not had a significant impact on EMS costs within the Nipissing District. Given what has been experienced during the first wave, it is not anticipated that a potential second 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.

⁹ Used the 2015-2019 averages - treated 2020 as an outlier due to the service enhancements.

¹⁰ Per the MOH, total funding submissions and forecasts for reimbursement of COVID-19 related costs exceeds the funding the MOH has been allocated, therefore the MOH is working on method to fairly distribute the funding.

Housing Services

There have not been any significant ongoing funding changes announced for Housing Services into 2021 and beyond. This is likely due to the fact that social housing is already substantially funded through the municipal levy.

Here is a quick summary of some of the budget pressures Housing Services will be facing in 2021:

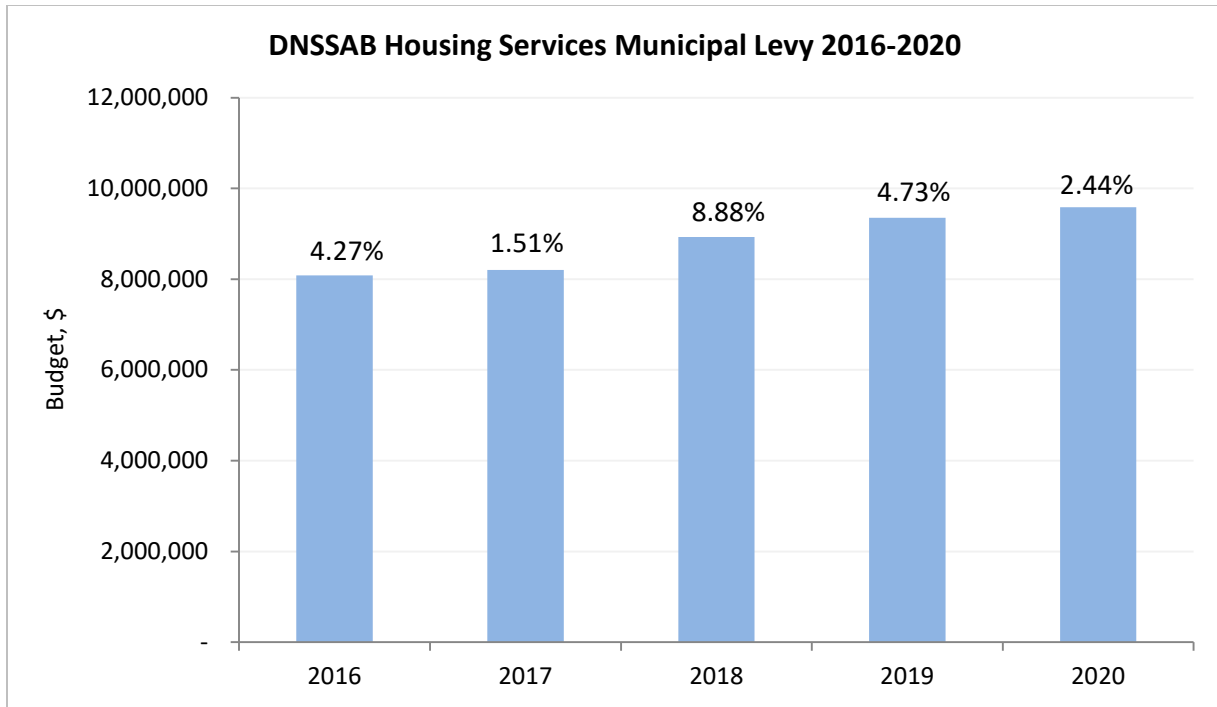
- Housing Services is expecting significant reductions in funding associated with social housing legacy programs in 2021. Provincial and federal funding for social housing will see a year over year reduction of \$722,593 or 18.01%. This is a direct result of 7 social housing projects reaching the end of their operating agreements throughout 2021. COCHI funding may be utilized where available to transition expired projects to a more sustainable operational model and mitigate municipal levy increases.
- 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 231 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.
 - DNSSAB has been using the Commercial Rent Supplement program to assist with meeting service level standards; however, the cost of this program was being offset with deferred revenue balances for the last several years. The deferred revenue balance will be substantially used up in 2020, meaning the majority of the costs to maintain the current number of recipients in the program will need to be covered by the municipal levy.
 - As part of the 10 year SLS plan mentioned above, additional investments will be made in the Portable Housing Benefits (PHB) program in 2021 to address the SLS shortfall. This is funded through the municipal levy.

- Transitional Housing:
 - In order to get the \$1.2 million in provincial capital funding for the Transitional Housing Project (Gateway House), the DNSSAB was required to demonstrate the ongoing financial viability of this project. In order to do so, the following internal budget transfers were made to the Gateway House;
 - \$250,000 CHPI funding for emergency overflow (provincial funding);
 - \$100,000 affordable housing reserve contribution (municipal levy);
 - \$95,000 for a planned new position in 2020 to assist with housing development;
 - \$100,000 from the Healthy Communities Fund (HCF)
 - Even with these transfers, there is still an estimated operating shortfall which will plan to be addressed with commercial rental of the first floor of the Gateway House building¹¹.
 - As stated above, the entire \$250,000 budget for emergency overflow was transferred to the Gateway House, but emergency overflow will still need to be funded in 2021 and beyond.
 - The \$100,000 affordable housing reserve contribution and the \$95,000 for a planned new position were both budgeted in 2020 to assist with the creation of more affordable housing units within the Nipissing District. Without these contributions, it will be more challenging to move forward with any potential expansions.
 - As the above two points demonstrate, the transfers to fund the Gateway House will have significant impacts in other areas of the 2021 budget; however, the decision to transfer these funds was necessary to capitalize on \$1.2 million in provincial capital funding. Without this capital funding, this important project would not have been able to move forward and funding opportunities like that do not present themselves very often.
- The DNSSAB has identified that there is a strong need for a permanent low barrier emergency shelter in the Nipissing District; however, it is very unlikely that 100% provincial funding will be available for this initiative on an ongoing basis. Funding from the second phase of the Social Service Relief Funding (SSRF) can be used to support this initiative until March 31, 2021 and reserves will plan to be used to keep this program running for the remainder of 2021¹². Therefore this program may be able to operate throughout 2021 with little to no impact on the levy.

¹¹ The building is three floors and the transitional housing project is utilizing the top two floors leaving the first floor available for a commercial sublet.

¹² Municipal surpluses from 2020 will be put aside for this usage pending Board approval.

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 4.37% (see chart below) is used, this would result in a \$418,424 (2.04%) increase.



COVID-19

The Crisis Centre North Bay cannot double bunk individuals as a result of physical distancing measures, so hotels must be utilized to accommodate overflow which is more expensive.

A greater demand for CHPI direct benefits is also expected. As restrictions on evictions and hydro disconnects are eased by the province, more individuals will require these financial benefits to maintain their housing.

The second phase of the SSRF should help alleviate additional cost pressures from COVID-19 for the first quarter of 2021. However, this funding is required to be spent by March 31, 2021, so depending on how the pandemic progresses, there could be additional financial pressure beyond the first quarter of 2021.

Corporate Services

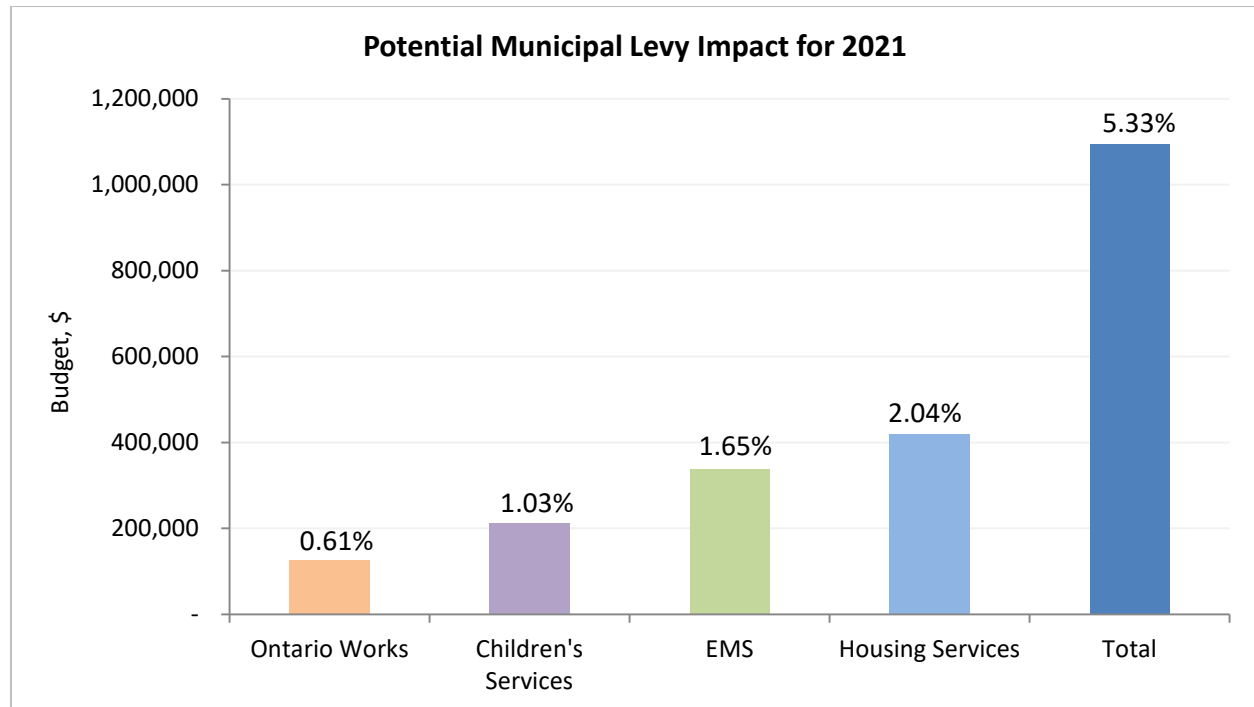
Corporate services costs are fully allocated to each of the other departments. Since each of the other departments are facing significant budget pressures corporate services also needs to look at ways to reduce costs where possible. Ever since funding changes were announced in early 2019, the DNSSAB has been working proactively in identifying and implementing cost saving measures. Many of these cost saving measures have been presented to the Board several times over the last year so they will not be repeated, but corporate services and all other departments will continue to search for savings to minimize the impact on the municipal levy.

One area where there will be pressure in 2021 within the corporate services budgets is in regards to interest income. Interest income is used to offset the costs that get allocated to the other departments. In 2020, interest rates have collapsed as a result of COVID-19 and are expected to remain low until the Bank of Canada's inflation objective is achieved.¹³ This means interest rates will remain low for the foreseeable future until the economy strengthens again. The result of lower interest income on the DNSSAB budget is that there will be less revenue to offset corporate services costs and therefore allocations to the four program departments (OW, Child Care, EMS, and Housing) will likely increase moderately in 2021.

¹³ <https://www.bankofcanada.ca/2020/07/fad-press-release-2020-07-15/>

Overall

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



It needs to be highlighted that 2021 is effectively the second 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 as the DNSSAB has adopted a strategy to use reserves to phase in the impacts on the municipal levy over several years. Also, the freezing of OW employments 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 great 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 \$1.2 million in capital funding to get this program started.

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. This 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 2021 so these can be appropriately budgeted for in 2021.

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 2021 budget process. The report is by no means an exhaustive list of issues, opportunities, and concerns that will need to be considered and addressed in the 2021 budget, but is intended to help provide some preliminary perspective and insight to the financial landscape the DNSSAB can expect in 2021.

BRIEFING NOTE FA11-20

For information For Approval

Date: May 27th, 2020

Purpose: Year-to-date (YTD) Financial Report, January 1 to June 30, 2020

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Melanie Shaye, Director of Corporate Services

Approved by: Catherine Matheson, CAO

FOR INFORMATION:

This 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.

YTD Overall Financial Results – January 1 to June 30, 2020

District of Nipissing Social Services Administration Board For the Period 1/1/20..06/30/20 Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 10,252,493	\$ 10,252,492	\$ 1	\$ 10,252,493	\$ 20,504,986	\$ 20,504,986	\$ -
Province of Ontario	27,779,155	26,671,779	1,107,376	23,762,757	51,541,912	51,312,521	(229,391)
Federal Funding	338,563	112,076	226,487	(116,910)	221,653	513,905	292,252
Interest	151,144	116,581	34,563	82,023	233,167	229,313	(3,854)
Repayments	147,870	201,600	(53,730)	255,330	403,200	341,923	(61,277)
Lease and Other	165,680	153,102	12,578	140,520	306,200	241,359	(64,841)
Deferred Revenue	168,529	395,767	(227,238)	391,626	560,155	289,348	(270,807)
Total Revenues	\$ 39,003,433	\$ 37,903,397	\$ 1,100,036	\$ 34,767,840	\$ 73,771,273	\$ 73,433,355	\$ (337,918)
Expenditures:							
Ontario Works	\$ 9,871,881	\$ 10,213,815	\$ (341,934)	\$ 10,381,079	\$ 20,252,960	\$ 18,527,316	\$ (1,725,644)
OW Program Delivery	2,481,951	2,809,728	(327,777)	3,090,693	5,572,644	5,085,033	(487,611)
Children's Services	6,711,224	7,372,851	(661,627)	8,508,763	15,219,987	15,008,272	(211,715)
CS Program Delivery	322,184	535,694	(213,510)	752,247	1,074,431	1,090,144	15,713
Housing Services	7,584,720	8,561,576	(976,856)	8,570,099	16,154,819	17,035,655	880,836
HS Program Delivery	446,725	550,438	(103,713)	632,012	1,078,737	916,912	(161,825)
EMS - Land Ambulance	5,383,212	5,731,545	(348,333)	5,728,315	11,111,527	11,614,195	502,668
EMS Program Delivery	55,215	56,432	(1,217)	54,370	109,585	148,325	38,740
Corporate Services	1,303,139	1,356,210	(53,071)	1,373,790	2,676,929	2,606,809	(70,120)
Board	35,558	80,736	(45,178)	104,897	140,455	83,732	(56,723)
Healthy Communities Fund	-	400,000	(400,000)	400,000	400,000	400,000	-
Gateway Hub	354	46,278	(45,924)	90,560	90,914	376	(90,538)
Total Expenditures	\$ 34,196,163	\$ 37,715,303	\$ (3,519,140)	\$ 39,686,825	\$ 73,882,988	\$ 72,516,770	\$ (1,366,218)
Surplus (Deficit)	\$ 4,807,271	\$ 188,094	\$ 4,619,177	\$ (4,918,986)	\$ (111,715)	\$ 916,586	\$ 1,028,301

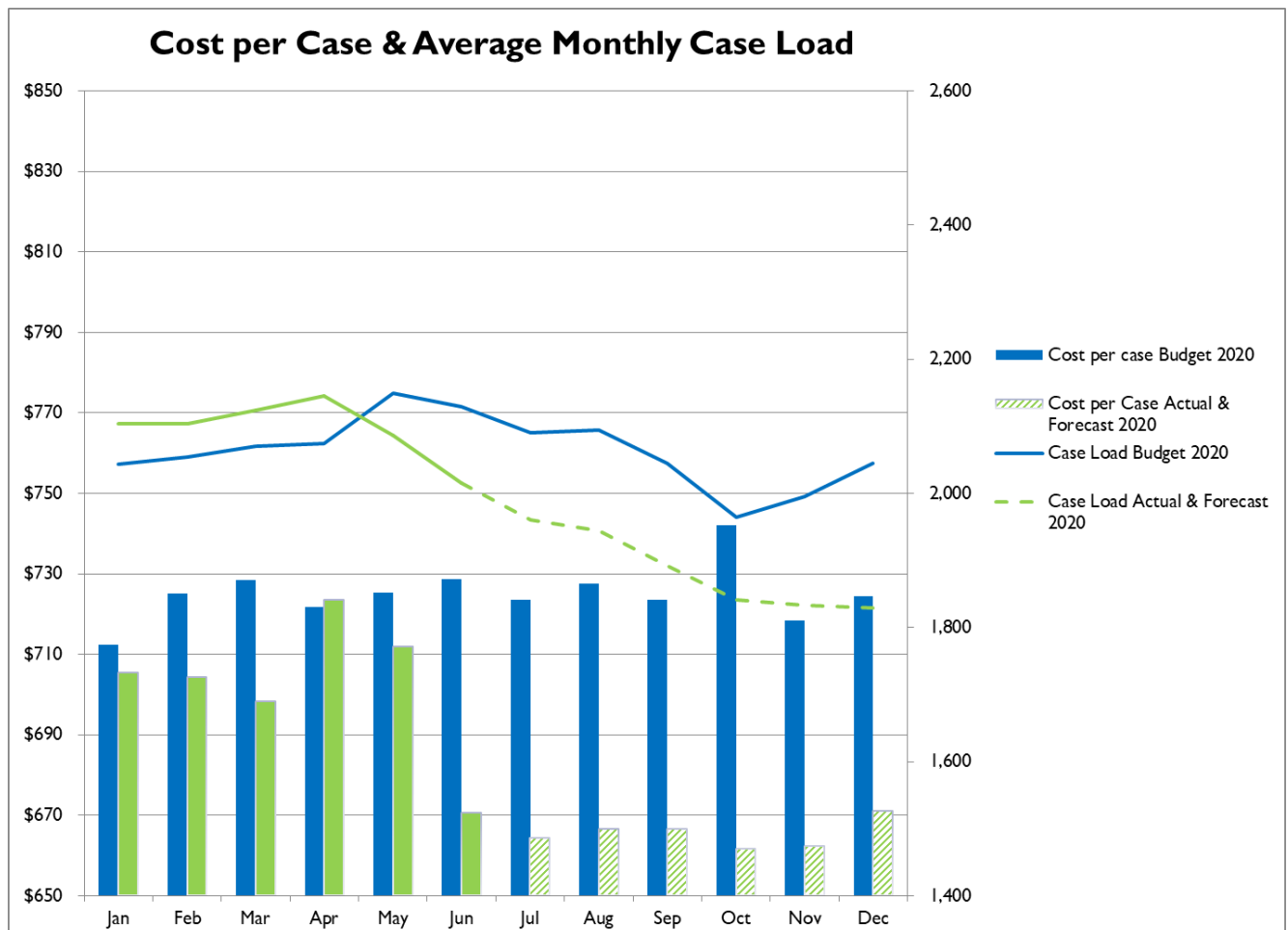
- The forecast to year end (YE) is showing an operating surplus of approximately \$916,586; however there is still much uncertainty on what the financial impacts of COVID-19 will be. Accurate forecasting will be challenging for most of the year.
- The overall YTD financial status of the DNSSAB shows an operating surplus of approximately \$4.8 million. This is primarily associated with timing differences between receipt of funding and expenditures. Significant expenditures have been delayed in 2020 as a result of the pandemic.
- The variances between the total YTD actual expenditures and those budgeted show expenditures lower than expected by approximately \$3.5 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 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 178,199	\$ 178,199	\$ -	\$ 178,194	\$ 356,393	\$ 356,393	\$ -
Province of Ontario	9,822,781	9,833,266	(10,485)	9,670,586	19,493,367	18,193,883	(1,299,484)
Repayments	131,682	201,600	(69,918)	271,518	403,200	321,993	(81,207)
Total Revenues	\$ 10,132,662	\$ 10,213,065	\$ (80,403)	\$ 10,120,298	\$ 20,252,960	\$ 18,872,269	\$ (1,380,691)
Expenditures:							
OW Financial Assistance	\$ 8,838,535	\$ 9,062,223	\$ (223,688)	\$ 9,112,737	\$ 17,951,272	\$ 16,360,203	\$ (1,591,069)
OW Discretionary Benefits	646,380	418,500	227,880	190,620	837,000	1,292,761	455,761
OW Mandatory Benefits	191,222	319,998	(128,776)	448,778	640,000	382,444	(257,556)
Funerals and Burials (Type B)	62,633	49,800	12,833	36,967	99,600	125,266	25,666
OW Employment Assistance Program	133,111	363,294	(230,183)	591,977	725,088	366,643	(358,445)
Total Expenditures	\$ 9,871,881	\$ 10,213,815	\$ (341,934)	\$ 10,381,079	\$ 20,252,960	\$ 18,527,316	\$ (1,725,644)
Surplus (Deficit)	\$ 260,781	\$ (750)	\$ 261,531	\$ (260,781)	\$ -	\$ 344,953	\$ 344,953

- The financial assistance forecast to year end suggests a lower than budgeted variance in expenditures of \$1,591,069, although this doesn't take into account any potential future increase in financial assistance demand due to COVID-19. 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 \$702.37 is well below the budgeted average of \$723.59.
- Despite the cost per case being lower than budgeted, caseload figures have been slightly higher than budgeted which is partially offsetting some of the cost per case savings. The YTD actual average monthly caseload was 2,097 compared to the budgeted average of 2,087.
- The actual caseload figures continue to follow the general pattern of highs and lows as budgeted, suggesting the caseload continues to follow the seasonal trends. See Fig 1 below.

Fig. 1



- As a result of COVID-19 the province approved emergency benefit payments to social assistance recipients that are 100% provincially funded. The emergency benefit paid \$100 to singles and \$200 to families per month for the period of April through July, 2020. This is the reason discretionary expenses are higher than budgeted by \$227,880. Discretionary benefits are tracking below the capped amount based on \$10 per average monthly caseload, being approximately \$69,000 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 \$12,833. It is normal for this program to forecast a deficit during the year, but be close to budget by the end of the year as repayments (ex. CPP death benefit) lag behind the funeral costs.
- The \$230,183 underspend in employment is primarily due to COVID-19. As a result of the pandemic, employment opportunities/programs have been limited so the demand for employment related programs and benefits have 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's a brief summary of reasons for some of the variances:
 - Salaries and benefits – Filling of some vacancies were deferred as a result of COVID-19 and less paid relief than budgeted.
 - Training and travel costs have basically come to a complete stand still as a result of COVID-19 with travel being restricted.
 - Some planned technology investments have been delayed as a result of COVID-19.
 - Allocated administration costs are lower than budgeted because the same COVID-19 related factors that are impacting program delivery are also impacting corporate services.
- If the SSRF Phase 2 funding is approved to be used for the emergency shelter, the OW employment and program delivery municipal surplus can be put into a reserve to support the emergency shelter in 2021.

**Ontario Works Program Delivery
For the Period 1/1/20..06/30/20
Statement of Operations**

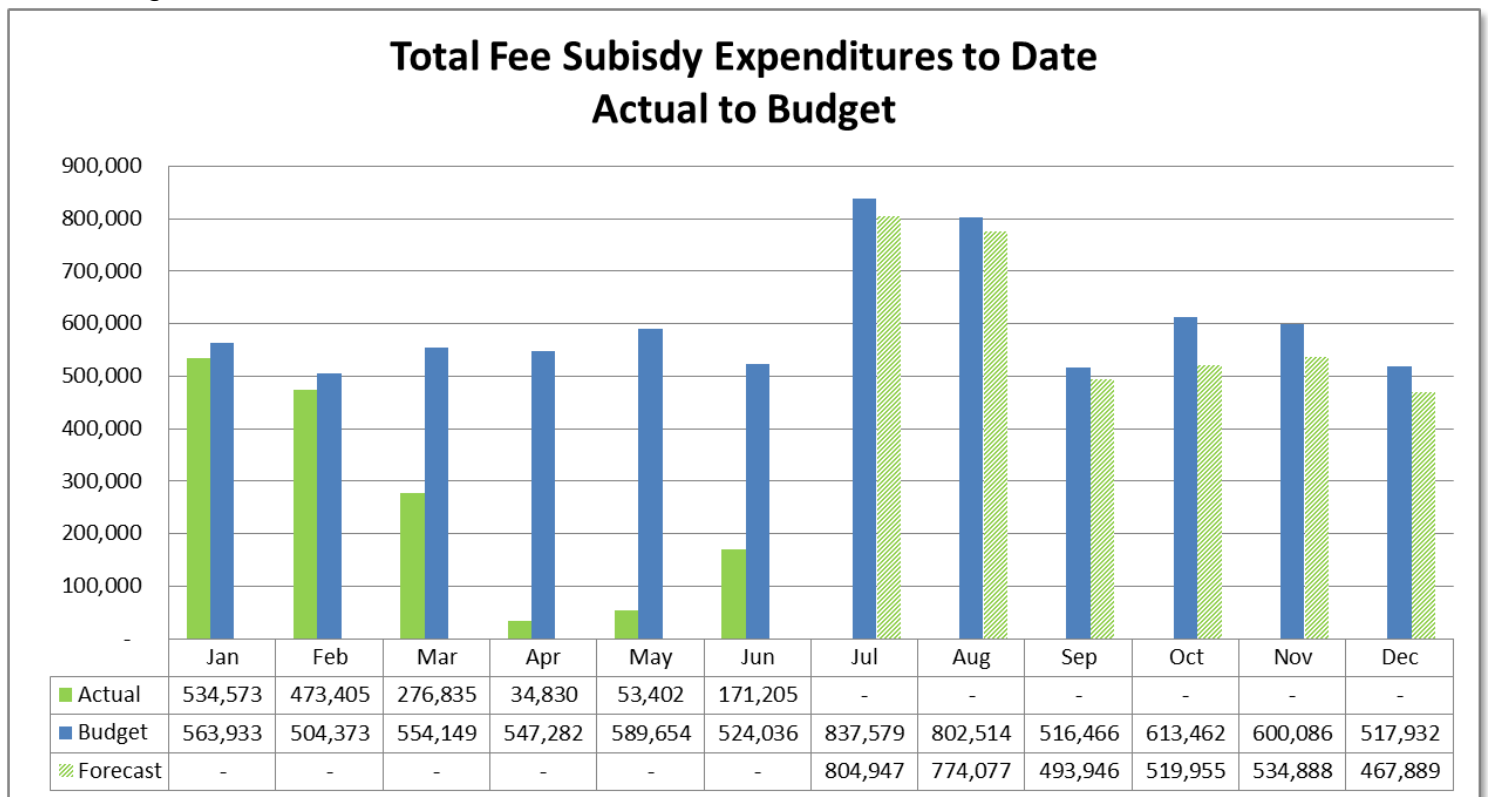
	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 1,443,753	\$ 1,443,753	\$ -	\$ 1,443,750	\$ 2,887,503	\$ 2,887,503	\$ -
Province of Ontario	2,128,338	2,117,034	11,304	2,105,736	4,234,074	4,256,675	22,601
Repayments	3,742	-	3,742	(3,742)	-	7,483	7,483
Lease and Other	80	-	80	(80)	-	159	159
Total Revenues	\$ 3,575,912	\$ 3,560,787	\$ 15,125	\$ 3,545,665	\$ 7,121,577	\$ 7,151,821	\$ 30,244
Expenditures:							
Salaries and Benefits	\$ 2,332,728	\$ 2,545,434	\$ (212,706)	\$ 2,706,448	\$ 5,039,176	\$ 4,665,456	\$ (373,720)
Training	1,025	14,826	(13,801)	27,263	28,288	2,050	(26,238)
Travel	4,137	9,750	(5,613)	15,363	19,500	8,274	(11,226)
Telephone	11,209	15,756	(4,547)	20,303	31,512	22,417	(9,095)
Technology	28,344	75,942	(47,598)	123,540	151,884	132,372	(19,512)
Accommodations	49,161	71,088	(21,927)	93,059	142,220	129,876	(12,344)
Professional Fees	1,269	9,048	(7,779)	16,827	18,096	2,538	(15,558)
General Office Expense	53,304	67,884	(14,580)	88,664	141,968	120,504	(21,464)
Employment Related Costs (Clients)	20	-	20	(20)	-	41	41
Transfers to Service Providers	69	-	69	(69)	-	138	138
Amortization	685	-	685	(685)	-	1,369	1,369
Allocated Administration Costs	736,464	788,697	(52,233)	812,469	1,548,933	1,472,927	(76,006)
Total Expenditures	\$ 3,218,414	\$ 3,598,425	\$ (380,011)	\$ 3,903,163	\$ 7,121,577	\$ 6,557,960	\$ (563,617)
Surplus (Deficit)	\$ 357,498	\$ (37,638)	\$ 395,136	\$ (357,498)	\$ -	\$ 593,860	\$ 593,860

**Children's Services Programs
For the Period 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 640,734	\$ 640,734	\$ -	\$ 640,740	\$ 1,281,474	\$ 1,281,474	\$ -
Province of Ontario	6,799,265	6,799,265	-	6,799,260	13,598,525	13,598,525	-
Deferred Revenue	128,273	128,273	-	-	128,273	128,273	-
Total Revenues	\$ 7,568,272	\$ 7,568,272	\$ -	\$ 7,440,000	\$ 15,008,272	\$ 15,008,272	\$ -
Expenditures:							
Fee Subsidy	\$ 1,285,883	\$ 2,507,440	\$ (1,221,557)	\$ 4,148,029	\$ 5,433,912	\$ 5,433,912	\$ -
Fee Subsidy - OW Formal	257,127	763,485	(506,358)	1,397,427	1,654,554	514,254	(1,140,300)
Fee Subsidy - OW Informal	2,040	12,502	(10,462)	22,960	25,000	4,080	(20,920)
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	1,666,009	1,040,996	625,013	415,991	2,082,000	3,062,684	980,684
Wage Enhancement	664,749	722,185	(57,436)	779,626	1,444,375	1,329,498	(114,877)
Pay Equity	85,561	85,562	(1)	85,561	171,122	171,122	(0)
Repair and Maintenance	-	32,500	(32,500)	65,000	65,000	65,000	-
Play-Based Material & Equipment	-	42,500	(42,500)	85,000	85,000	85,000	-
Capacity Building	63,788	108,359	(44,571)	152,130	215,918	125,987	(89,931)
Transformation	-	17,500	(17,500)	35,000	35,000	35,000	-
Journey Together - CC	776,855	270,988	505,867	(234,877)	541,978	756,088	214,110
Journey Together - EarlyON	374,796	214,365	160,431	53,931	428,727	498,998	70,271
EarlyON Programs	1,040,264	1,060,317	(20,053)	950,833	1,991,097	1,880,345	(110,752)
Total Expenditures	\$ 6,711,224	\$ 7,372,851	\$ (661,627)	\$ 8,508,763	\$ 15,219,987	\$ 15,008,272	\$ (211,715)
Surplus (Deficit)	\$ 857,048	\$ 195,421	\$ 661,627	\$ (1,068,763)	\$ (211,715)	\$ -	\$ 211,715

- YTD expenditures in the child care program were lower than budgeted by \$661,627 as a result of COVID-19 and the corresponding closure of licensed centre based child care.
- Expenses and funding for the closure and reopening periods now needs to be reconciled with the Ministry. These reconciliations are due in the fall and cash flows will be adjusted based on the result of the reconciliation process. There is not expected to be any surplus within Children's Services as the funds will either be fully spent or recouped by the Ministry.
- Fee subsidy costs were tracking close to budget for January and March, but as can be seen in Fig 2 below, with the provincial emergency declaration on March 17th forcing the closure of all licensed centre based child care, demand for fee subsidy was significantly reduced. Home based child care has continued to operate throughout the closure. Please note that the fee subsidy forecasts for the rest of the year have not been updated as there are still too many unknowns with COVID-19.

Fig 2



- Any surplus in the Fee Subsidy budgets have been historically reinvested to further support quality, affordable and sustainable licensed child care services.

- All one-time and special purpose funding allocations will be expended by year end (i.e. Play Based Materials & Equipment, Repairs and Maintenance, Transformation, etc.). Funding will be used to support program expansions and to support program and services throughout the District.
- COVID-19 related funding information has changed quite a bit over the last few months. It started with the Ministry letting DSSABs/CMSMs coming up with their own approach to sustaining the child care sector, to then restricting funding to limited circumstances, to now offering a more flexible approach to address the needs in the system. As mentioned previously, reconciliations are now required and cash flows will be adjusted accordingly, but it's still too early in the process to know the true financial impact of the closure and reopening periods.
- Child care centres in the district have received sustainability funding for the closure and reopening phases, so it is expected that long-term capacity in the district will be maintained.
- COVID-19 is going to continue to have a very significant impact on the child care budget. Even beyond the closure and reopening period there will be budget pressures from enhanced health and safety requirement such as cleaning supplies, PPE, and additional staffing.
- The provincial and federal governments recently announced the Safe Restart Funding (SRF) that will provide funding for the additional COVID-19 related costs mentioned above. DNSSAB's SRF allocation is \$1,360,071 and is intended to be spent by December 31, 2020 per the Ministry of Education. This additional funding is expected to alleviate child care budget concerns for 2020.

**Children's Services Program Delivery
For the Period 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	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	-
Total Revenues	\$ 697,450	\$ 697,450	\$ -	\$ 697,452	\$ 1,394,902	\$ 1,394,902	\$ -
Expenditures:							
Salaries and Benefits	\$ 315,080	\$ 415,443	\$ (100,363)	\$ 505,205	\$ 820,285	\$ 630,160	\$ (190,125)
Training	-	18,507	(18,507)	30,157	30,157	-	(30,157)
Travel	1,171	5,850	(4,679)	10,399	11,570	2,342	(9,228)
Telephone	450	660	(210)	870	1,320	900	(420)
Technology	414	24,365	(23,951)	46,816	47,230	47,230	-
Professional Fees	4,173	58,278	(54,105)	112,377	116,550	108,070	(8,481)
General Office Expense	896	4,353	(3,457)	38,185	39,081	1,792	(37,289)
Transfers to Service Providers	-	8,238	(8,238)	8,238	8,238	299,651	291,413
Allocated Administration Costs	152,379	158,492	(6,113)	168,092	320,471	304,758	(15,713)
Total Expenditures	\$ 474,563	\$ 694,186	\$ (219,623)	\$ 920,339	\$ 1,394,902	\$ 1,394,902	\$ -
Surplus (Deficit)	\$ 222,887	\$ 3,264	\$ 219,623	\$ (222,887)	\$ -	\$ -	\$ -

- Expecting a significant surplus in Children's Services program delivery due primarily to the following reasons:
 - Vacancies not being filled during the pandemic.
 - Expecting minimal travel and training costs due to COVID-19.
- 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 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 4,253,356	\$ 4,253,356	\$ -	\$ 4,253,358	\$ 8,506,714	\$ 8,506,714	\$ -
Province of Ontario	5,071,515	4,400,310	671,205	2,075,678	7,147,193	7,722,134	574,941
Federal Funding	337,148	95,265	241,883	(148,743)	188,405	480,657	292,252
Deferred Revenue	-	248,119	(248,119)	412,507	412,507	120,819	(291,688)
Total Revenues	\$ 9,662,018	\$ 8,997,050	\$ 664,968	\$ 6,592,801	\$ 16,254,819	\$ 16,830,324	\$ 575,505
Expenditures:							
Provincially Reformed non-profit	\$ 2,871,705	\$ 2,989,302	\$ (117,597)	\$ 3,106,899	\$ 5,978,604	\$ 5,842,774	\$ (135,830)
Municipal Non Profit	596,723	616,728	(20,005)	636,733	1,233,456	1,213,446	(20,010)
Federal non-profit	112,869	112,872	(3)	112,875	225,744	225,737	(7)
Urban Native	464,261	555,660	(91,399)	647,059	1,111,320	958,944	(152,376)
Nipissing District Housing Corp	1,652,769	1,652,771	(2)	1,652,768	3,305,537	3,305,537	0
Commercial rent supplement	194,372	220,122	(25,750)	245,872	440,244	388,744	(51,500)
Portable Housing Benefit	9,117	15,000	(5,883)	20,883	30,000	18,234	(11,766)
Strong communities rent supplement	158,157	163,986	(5,829)	169,815	327,972	316,314	(11,658)
Northern remote - Build	64,383	64,554	(171)	64,725	129,108	128,935	(173)
CHPI	1,131,015	1,252,977	(121,962)	534,813	1,665,828	2,255,028	589,200
Reaching Home	44,896	67,138	(22,242)	89,380	134,276	426,529	292,253
Community Capacity and Innovation	43,837	28,127	15,710	10,293	54,129	112,506	58,377
IAH - Housing Allowance	60,775	86,250	(25,475)	99,602	160,377	121,550	(38,827)
IAH - Ontario Renovates	17,035	31,200	(14,165)	45,365	62,400	34,070	(28,330)
IAH - SIF	12,860	-	12,860	(12,860)	-	25,719	25,719
SIF - Ontario Renovates	-	105,438	(105,438)	210,876	210,876	-	(210,876)
SIF - Housing Allowance	-	-	-	12,813	12,813	-	(12,813)
COCHI - Transitional Operating Funding	23,600	31,841	(8,241)	44,667	68,267	68,267	-
OPHI - Home Ownership	-	90,000	(90,000)	90,000	90,000	67,500	(22,500)
OPHI - Ontario Renovates	101,989	410,472	(308,483)	718,958	820,947	824,148	3,201
OPHI - Rent Supplement	-	5,391	(5,391)	16,174	16,174	16,175	1
OPHI - Housing Allowance	19,947	16,250	3,697	11,303	31,250	40,000	8,750
OPHI - Housing Support Services	-	45,497	(45,497)	45,497	45,497	45,497	-
Emergency Shelter	-	-	-	-	-	600,000	600,000
Total Expenditures	\$ 7,580,309	\$ 8,561,576	\$ (981,267)	\$ 8,574,510	\$ 16,154,819	\$ 17,035,655	\$ 880,836
Surplus (Deficit)	\$ 2,081,709	\$ 435,474	\$ 1,646,235	\$ (1,981,709)	\$ 100,000	\$ (205,331)	\$ (305,331)

**Housing Services Program Delivery
For the Period 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 538,308	\$ 538,308	\$ -	\$ 538,308	\$ 1,076,616	1,076,616	\$ -
Province of Ontario	146,628	84,330	62,298	46,971	193,599	193,649	50
Federal Funding	1,415	16,811	(15,396)	31,833	33,248	33,248	-
Deferred Revenue	40,256	13,461	26,795	(26,795)	13,461	40,256	26,795
Total Revenues	\$ 726,607	\$ 652,910	\$ 73,697	\$ 590,317	\$ 1,316,924	\$ 1,343,769	\$ 26,845
Expenditures:							
Salaries and Benefits	\$ 432,595	\$ 509,734	\$ (77,139)	\$ 573,199	\$ 1,005,794	\$ 888,652	\$ (117,142)
Training	(117)	12,295	(12,412)	16,932	16,815	(235)	(17,050)
Travel	1,134	1,723	(589)	2,312	3,446	2,268	(1,178)
Telephone	786	360	426	(66)	720	1,572	852
Technology	76	8,094	(8,018)	16,112	16,188	152	(16,036)
Accomodations	-	156	(156)	312	312	-	(312)
Professional Fees	3,366	8,000	(4,634)	14,838	18,204	6,732	(11,472)
General Office Expense	8,885	10,076	(1,191)	8,373	17,258	17,770	512
Allocated Administration Costs	113,238	121,102	(7,864)	124,949	238,187	226,475	(11,712)
Total Expenditures	\$ 559,963	\$ 671,540	\$ (111,577)	\$ 756,961	\$ 1,316,924	\$ 1,143,387	\$ (173,537)
Surplus (Deficit)	\$ 166,644	\$ (18,630)	\$ 185,274	\$ (166,644)	\$ -	\$ 200,382	\$ 200,382

- Forecasting for a \$205,331 deficit in Housing Services programs due to the plan to continue to fund the emergency shelter for the remainder of the year. The OW surplus will be used to offset this deficit. This may change with the recently announced phase 2 of Social Services Relief Funding (SSRF). The DNSSAB is eligible to receive up to \$4.2 million, subject to ministry approval of a business case. If this funding allocation is approved, it would be partially used to support the emergency shelter. Operating funding under this allocation is required to be spent by March 31, 2021 while capital funding is required to be spent by December 31, 2021. Therefore this funding allocation could potentially support the emergency shelter until March 31, 2021. SSRF Phase 2 funding has not been built into the forecasts since it is still pending ministry approval.
- Any municipal surplus as a result of the SSRF will be put towards the social housing operations reserve to support the emergency shelter for the remainder of 2021, subject to available resources and Board approval.
- YTD surplus of \$2,081,709 is due to timing differences of when funding is received and when expenditures will occur as well as lower than expected expenditures required to support social housing within the District.
- Forecasted overspending in CHPI and Reaching Home is offset by the one-time COVID-19 related funding of \$881,452 which has been fully allocated to charities and social service agencies within the district. These programs are 100% provincially/federally funded.
- 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 \$200,382 surplus in Housing Services Program Delivery due to the following factors:
 - The funds budgeted for a new position in 2020 has been reallocated to the transitional housing project, therefore there will be a full vacancy for the remainder of the year.
 - Limited travel and training due to COVID-19.
 - Various administrative initiatives being put on hold due to COVID-19.
- 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 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 2,780,220	\$ 2,780,220	\$ -	\$ 2,780,220	\$ 5,560,440	\$ 5,560,440	\$ -
Province of Ontario	3,164,344	2,775,541	388,803	2,386,743	5,551,087	6,055,087	504,000
Total Revenues	\$ 5,944,564	\$ 5,555,761	\$ 388,803	\$ 5,166,963	\$ 11,111,527	\$ 11,615,527	\$ 504,000
Expenditures:							
Consulting Fees	\$ -	\$ 396	\$ (396)	\$ 792	\$ 792	\$ -	\$ (792)
Rent	157,243	157,242	1	157,241	314,484	314,485	1
Utilities	18,425	23,037	(4,612)	21,498	39,923	36,850	(3,073)
Internet Expense	6,001	5,748	253	5,495	11,496	12,002	506
Water	3,843	4,290	(447)	4,737	8,580	7,685	(895)
Insurance	48,133	46,926	1,207	45,719	93,852	96,265	2,413
Postage & Courier	755	1,170	(415)	1,585	2,340	1,511	(829)
Municipal taxes	28,900	32,262	(3,362)	35,624	64,524	64,524	-
Janitorial Services	3,969	4,086	(117)	4,203	8,172	7,937	(235)
Building maintenance	17,233	19,848	(2,615)	22,463	39,696	39,696	-
Computer S/W, supplies, service	53,972	48,906	5,066	20,332	74,304	74,304	-
Ambulance Purchases	32,777	253,408	(220,631)	220,631	253,408	253,408	-
Paramedic Training	-	6,000	(6,000)	12,000	12,000	12,000	-
EMS Laundry Services	228	3,624	(3,396)	7,020	7,248	7,248	-
Uniforms	9,668	24,000	(14,332)	38,332	48,000	48,000	-
Water taxi	-	500	(500)	5,500	5,500	-	(5,500)
Medical Equipment	29,247	23,856	5,391	18,465	47,712	58,494	10,782
Medical Equip Capital	-	72,996	(72,996)	72,996	72,996	72,996	-
BioMed Equip Mtncdcwe & Rpr	1,142	3,000	(1,858)	4,858	6,000	2,284	(3,716)
Stretcher Lease	53,631	53,628	3	53,625	107,256	107,262	6
Vehicle Expense	75,171	103,746	(28,575)	132,321	207,492	207,492	-
Transfers to service providers	4,842,876	4,842,876	(0)	4,842,876	9,685,752	10,189,751	503,999
Total Expenditures	\$ 5,383,212	\$ 5,731,545	\$ (348,333)	\$ 5,728,315	\$ 11,111,527	\$ 11,614,195	\$ 502,668
Surplus (Deficit)	\$ 561,352	\$ (175,784)	\$ 737,136	\$ (561,352)	\$ -	\$ 1,332	\$ 1,332

- YTD expenditures are lower than budget by \$348,333; however, this is a timing difference between when capital purchases were planned and when they will occur.
- Currently forecasting to be very close to budget. 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. All operators are currently forecasting for a surplus, but this does not take into account yearend adjustments and accruals which can have significant impacts on the budgets.
- The Ministry of Health (MOH) previously requested submissions for any COVID-19 related expenses with the intention of covering them. Subsequently, the MOH notified the DNSSAB that COVID-19 related expenses submitted by DSSABs/CMSMs exceed what the MOH has been allocated for these costs so they are working on a fair and equitable formula to disperse these funds.
- COVID-19 is not expected to have a significant impact on the EMS budget. Currently forecasting for approximately \$28,000 in total COVID-19 related costs for 2020.

Emergency Medical Services Program Delivery
For the Period 1/1/20..06/30/20
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 34,074	\$ 34,074	\$ -	\$ 34,074	\$ 68,148	68,148	\$ -
Province of Ontario	34,074	34,074	-	34,074	68,148	68,148	-
Total Revenues	\$ 68,148	\$ 68,148	\$ -	\$ 68,148	\$ 136,296	\$ 136,296	\$ -
Expenditures:							
Salaries and Benefits	\$ 53,032	\$ 54,606	\$ (1,574)	\$ 54,083	\$ 107,115	\$ 106,063	\$ (1,052)
Training	-	1,190	(1,190)	1,190	1,190	-	(1,190)
Travel	6	300	(294)	594	600	13	(587)
Telephone	67	36	31	5	72	135	63
Professional Fees	-	60	(60)	128	128	40,000	39,872
General Office Expense	2,110	240	1,870	(1,630)	480	2,115	1,635
Allocated Administration Costs	12,663	13,600	(937)	14,048	26,711	25,327	(1,384)
Total Expenditures	\$ 67,879	\$ 70,032	\$ (2,153)	\$ 68,417	\$ 136,296	\$ 173,652	\$ 37,356
Surplus (Deficit)	\$ 269	\$ (1,884)	\$ 2,153	\$ (269)	\$ -	\$ (37,356)	\$ (37,356)

- EMS program delivery is tracking very close to budget with the exception of \$40,000 that was recently put aside to investigate bringing EMS in house if the need arises. This will cause a deficit for EMS program delivery in 2020; however, per the overall financials on page 2, there is expected to be sufficient surpluses from other departments to cover this cost.
- 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 with the exception of the additional costs mentioned above.
- It is not anticipated that COVID-19 will impact the EMS program delivery budget.

Corporate Services
For the Period 1/1/20..06/30/20
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Province of Ontario	\$ -	\$ 15,749	\$ (15,749)	\$ 31,499	\$ 31,499	\$ -	\$ (31,499)
Interest	136,144	101,581	34,563	67,023	203,167	199,313	(3,854)
Repayments	12,447	-	12,447	(12,447)	-	12,447	12,447
Lease and Other	120,600	120,600	-	120,600	241,200	241,200	-
Total Revenues	\$ 269,191	\$ 237,930	\$ 31,261	\$ 206,675	\$ 475,866	\$ 452,960	\$ (22,906)
Expenditures:							
Salaries and Benefits	\$ 758,216	\$ 793,157	\$ (34,941)	\$ 796,966	\$ 1,555,182	\$ 1,516,433	\$ (38,749)
Training	5,228	15,444	(10,216)	25,727	30,955	18,373	(12,582)
Travel	1,885	7,458	(5,573)	13,031	14,916	3,771	(11,145)
Telephone	19,728	19,410	318	19,272	39,000	39,457	457
Technology	122,284	146,250	(23,966)	191,252	313,536	267,872	(45,664)
Accommodations	253,186	239,530	13,656	215,477	468,662	510,517	41,855
Professional Fees	23,878	59,758	(35,880)	74,268	98,146	47,757	(50,389)
Insurance	33,570	32,331	1,239	32,031	65,601	67,139	1,538
General Office Expense	29,198	42,872	(13,674)	61,733	90,931	67,552	(23,379)
Amortization	55,966	-	55,966	(55,966)	-	67,938	67,938
Allocated Administration Costs	(1,046,559)	(1,120,572)	74,013	(1,154,504)	(2,201,063)	(2,093,118)	107,945
Total Expenditures	\$ 256,580	\$ 235,638	\$ 20,942	\$ 219,286	\$ 475,866	\$ 513,691	\$ 37,825
Surplus (Deficit)	\$ 12,611	\$ 2,292	\$ 10,319	\$ (12,611)	\$ 0	\$ (60,731)	\$ (60,731)

- Interest revenue has been higher than budgeted for the first two quarters due to a larger than expected cash balance. However, this is expected to change significantly throughout the remainder of the year as interest rates have been drastically reduced as a result of COVID-19. Interest rates will likely remain low for the foreseeable future.
- YTD expenditures in corporate services are lower than expected by \$53,071.
- Forecast to YE expenditures are difficult to accurately estimate at this time as there are many changes occurring on a regular basis due to COVID-19. Currently corporate service expenses are forecast to be lower than budgeted by year end.
- Here are some explanations for YTD variance as well as known and expected changes from the budget:
 - Salaries and benefits – budgeted for an intern position that has not been filled. This position was budgeted to be 75% provincially funded which is also why there has been no provincial revenue to date. This position is expected to be filled this fall.
 - Travel and training is expected to be significantly lower than budget due to COVID-19.

- Janitorial costs are going to be significantly higher than budgeted as additional cleaning is currently in place due to COVID-19 and likely will be in place for the remainder of the year.
- Insurance renewal costs are coming in significantly higher than budgeted. A 6% increase was budgeted for 2020 which was thought to be on the high end, but the renewal is coming in at a 16% increase year over year. DNSSAB is currently reviewing these costs with the insurance provider.
- General office expenses:
 - Certain office expenses are expected to be lower than budgeted due to the pandemic such as printing and consumption of office supplies.
 - There will however be additional health and safety costs for the purchase of hand sanitizers, disinfectant wipes, personal protective equipment, protective barriers and more measures related to COVID-19.
- To summarize, there is going to be savings in some areas as a result of the pandemic but increased costs in others. At this time, it is too early to accurately determine whether this will lead to a net surplus or deficit by the end of the year, but forecasts will become more accurate as more time passes.
- As always, staff will continue to search for cost saving opportunities wherever possible.

Board
For the Period 1/1/20..06/30/20
Statement of Operations

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 88,608	\$ 88,608	\$ -	\$ 88,608	\$ 177,216	177,216	\$ -
Interest	15,000	15,000	-	15,000	30,000	30,000	-
Total Revenues	\$ 103,608	\$ 103,608	\$ -	\$ 103,608	\$ 207,216	\$ 207,216	\$ -
Expenditures:							
Salaries and Benefits	\$ 31,542	\$ 54,796	\$ (23,254)	\$ 64,282	\$ 95,824	\$ 75,701	\$ (20,123)
Training	2,641	16,054	(13,413)	22,460	25,101	5,282	(19,819)
Travel	959	8,214	(7,255)	15,469	16,428	1,918	(14,510)
Telephone	35	372	(337)	717	752	71	(681)
General Office Expense	380	1,300	(920)	1,970	2,350	761	(1,589)
Allocated Administration Costs	31,815	33,994	(2,179)	34,946	66,761	63,631	(3,130)
Total Expenditures	\$ 67,373	\$ 114,730	\$ (47,357)	\$ 139,843	\$ 207,216	\$ 147,363	\$ (59,853)
Surplus (Deficit)	\$ 36,235	\$ (11,122)	\$ 47,357	\$ (36,235)	\$ -	\$ 59,853	\$ 59,853

- YTD Board costs are \$47,357 below budget and are forecasted to be approximately \$60,000 below budget by year end. This variance is primarily due to the following reasons:

- Lower meeting attendance than budgeted.
- Committee structure changes.
- Less travel and training due to COVID-19.

Gateway Hub (Rapid Mobilization Table)

The North Bay and District Health Unit will be assuming management responsibilities for the Gateway Hub once again. The Health Unit previously oversaw this program, but oversight was then transferred to the DNSSAB in 2018.

As part of the Gateway Hub memorandum of understanding, DNSSAB has been contributing \$40,000 (\$20,000 levy contribution) annually to this program. Due to staffing vacancies over the years, this program has accumulated a sizeable accumulated surplus. Since there is a surplus to sustain this program for the near future, it has been agreed that the DNSSAB will not provide its 2020 contribution.

**Healthy Communities Fund
For the Period 1/1/20..06/30/20
Statement of Operations**

	YTD Actual	YTD Budget	Variance	Available Budget to YE	Budget 2020	Forecast to YE	Variance to Budget
Revenues:							
Municipal Levies	\$ 200,002	200,002	\$ -	\$ 199,998	\$ 400,000	\$ 400,000	\$ -
Total Revenues	\$ 200,002	200,002	\$ -	\$ 199,998	\$ 400,000	\$ 400,000	\$ -
Expenditures:							
Transfer to service providers	\$ -	400,000	\$ (400,000)	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Total Expenditures	\$ -	400,000	\$ (400,000)	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Surplus (Deficit)	\$ 200,002	(199,998)	\$ 400,000	\$ (200,002)	\$ -	\$ -	\$ -

Notes:

2018 Expenditures:

LIPI	130,000.00
Crisis Centre North Bay	25,790.35
The Gathering Place	65,000.00
Nipissing First Nation	72,800.00
Community Living North Bay	30,000.00
Big Sisters of North Bay & District	20,000.00
North Bay Parry Sound District Health Unit	15,275.00
North Bay & District Multicultural Centre	1,809.00
Stepping Stones Services	60,000.00
North Bay Literacy Council	25,700.00
Community Drug Strategy North Bay and Area	23,000.00

2019 Expenditures:

LIPI	130,000.00
Crisis Centre North Bay	64,653.69
The Gathering Place	80,000.00
Nipissing First Nation	30,000.00
Salvation Army	30,000.00
Brain Injury Association of North Bay	29,547.20
North Bay Parry Sound District Health Unit	16,683.00
North Bay & District Multicultural Centre	7,336.00
Near North Palliative Care Network	5,650.00
Discovery Routes Trails Organization	5,000.00

2020 YTD Expenditures:

- As of June 30, 2020 no funds have been expended from the Healthy Communities fund; however, \$130,000 for LIPI is annualized and is therefore not part of the annual application process.
- \$100,000 of the \$400,000 has also been transferred to the Gateway House project leaving \$170,000 remaining. DNSSAB staff are currently reviewing how this funding is prioritized and delivered.

CONCLUSION:

The YTD expenditures are lower than anticipated by approximately \$3.5 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 \$916,586; however, there is a great deal of uncertainty regarding the financial impacts of the pandemic.

Where possible, any actual savings recognized at year-end of 2020 will be deferred to 2021 as a method of stabilizing the levy contributions or reinvested into new initiatives. Subject to Board approval, any municipal surplus will be put towards the housing operations reserve to support the emergency shelter and transitional housing projects.

BRIEFING NOTE

For information For Approval

CS07-20

Date: September 23, 2020

Purpose: Early Years & Childcare Sector Funding – Update

Prepared by: Lynn Démoré-Pitre, Director Children’s Services

Reviewed by: Catherine Matheson, CAO

INFORMATION:

That the District of Nipissing Social Services Administrative Board (DNSSAB) accepts Briefing Note CS07-20 for information purpose only.

BACKGROUND:

In the memorandum dated March 21, 2020, the Ministry directed CMSMs/DSSABs to continue to flow funding to Early Years and Childcare Centres. In line with Ministry direction, DNSSAB created a plan and executed contracts based on this direction. In this same memorandum, the Ministry indicated that it did not intend to recover funds as a result of the measures implemented as part of COVID-19 preparedness, including compliance with closure orders.

On April 22, 2020, the Board received Briefing Note CS01-20 related to COVID-19 Children’s Services Update which described the actions taken by the Children’s Services Department in response to the COVID-19 pandemic.

On Monday, May 11, 2020, CMSMs/DSSABs received a memorandum outlining the details of the provincial plan to a more specific degree. The stated goal of Ontario’s plan is to support financial sustainability across the early years and childcare sector to ensure a stable and accessible system as we enter the recovery stage following the COVID-19 pandemic. The main point of the plan appears to be to leverage federal funding sources. EarlyON and childcare service providers have been directed by the Ministry to research and optimize the federal funding supports available to them, retroactively to March 15, 2020. In this same memorandum, the Ministry advised that **if** CMSM/DSSABs commit to providing top-up funding for salaries and wages above the Canadian Emergency Wage Subsidy (up to 25%); they would be required to use municipal funds.

On May 27, 2020, the Board received Briefing Note CS04-20 related to the Child Care Sector Funding-Ontario's Sustainability Approach which described Ontario's plan to support financial sustainability across the early years and child care sector and the retroactive decision made by the Ministry of Education. MOTION: #2020-73 That the District of Nipissing Social Services Administrative Board (DNSSAB) accepts Briefing Note CS04-20 and that the DNSSAB Board send a letter to Minister Stephen Lecce requesting that the decision to retroactively implement Ontario's Plan to support financial sustainability within the early years and child care sector be reconsidered and implemented as of May 1, 2020, was passed.

On June 1, 2020, in accordance with MOTION: #2020-73 a letter was sent to Minister Stephen Lecce on behalf of the Board.

On June 11, 2020, the province released a memorandum and funding guidance document which provides the funding parameters that DNSSAB must follow when supporting the licensed childcare sector during the childcare reopening period (until the end of August). In this same correspondence, the province has confirmed that the reconciliation should not place undue hardship on budgets. The province assumes that through a combination of federal (Early Learning and Child Care funding also known as ELCC) and existing municipal contributions there will be sufficient funding to cover the 25% top-up portion of the wages. If there is a shortfall, provincial funding can be used to support this commitment in order to not create undue pressure on municipalities.

On June 24, 2020 the Board received Briefing Note CS06-20 related to the provincial funding approach as it relates to the closure and reopening periods for the EarlyON and childcare sector.

CURRENT STATUS/STEPS TAKEN TO DATE:

Each stage of this pandemic has a distinct funding approach designed to support the needs of the early years and childcare sector.

During the closure period (March 17th to June 11th), the Ministry has outlined a sustainability plan which provides financial supports for fixed overhead costs as well as the 25% "top-up" of salary and benefits costs paid by the service provider, not covered by the Canada Emergency Wage Subsidy (CEWS).

For the reopening period (June 12th to August 31st), the Ministry has outlined a funding plan which assists childcare centres with costs related to reduced capacity, personal protective equipment and *enhanced* cleaning costs (those costs over and above regular cleaning costs prior to COVID-19). Funding will also be provided to support the increased staffing levels required in childcare centres for reopening (i.e. screening, cleaning, coverage, etc.).

There is also a funding allocation during this period for those childcare centres that remained closed. This fund will follow the sustainability plan principles as described above.

As with childcare providers, funding will be provided to EarlyON providers for programs that remain closed to support with eligible fixed overhead costs and virtual / outdoor programming throughout both periods.

Funding will also be provided to Special Needs Resourcing providers to support with eligible fixed overhead costs, enhanced staffing, virtual and in-person supports provided throughout both periods.

On August 4, 2020, the Ministry released a memorandum related to the upcoming reconciliation process as well as the funding approach for September. In accordance with the Ministry's requirements, there are three reconciliation templates to complete for the period between March 17th and August 31st:

- 1) Closure Period: March 17th to June 11th – due to the Ministry September 30th
- 2) Reopening Period: June 12th to August 31st – due to the Ministry October 15th
- 3) Emergency Child Care - March 22nd to June 26th – completed.

As noted above, the reconciliation for emergency child care has been completed with all agencies responsible for the delivery of these services and has been submitted to the Ministry.

Starting September 1, 2020, provincial funding allocations to CMSMs and DSSABs will return to the pro-rated level based on the original 2020 allocations. Moving forward, provincial funding will be consistent with the pre-COVID guidelines and funding approach. For the September – December period, the Federal government has announced an investment of \$234.6 million for the early years and child care sector as part of the Safe Restart Agreement. Of which, DNSSAB's allocation is \$1.36M. This funding is intended to support with cost related to PPE, enhanced cleaning, minor capital, staff health and safety requirements as early years and child care programs and services return to full capacity.

FINANCIAL IMPLICATIONS:

CMSMs/DSSABs have been advised that the monthly cash flow received by the Ministry will continue and that reconciliations will begin in August. The province has advised that no "repayment" of funds is expected from CMSMs/DSSABs. Based on the reconciliation, should there be funds owing to the Ministry related to the closure and reopening phases, it will be deducted from future cash flow adjustments scheduled for winter 2021.

Any funding surpluses incurred by early years and child care agencies beyond the approved sustainability and reopening plans will be recovered. Based on the reconciliations, should there be funds owing related to the closure or reopening periods, they will be

deducted from a future allocation/payment to the agency. If agencies incurred a deficit, financial support will be provided in accordance with the sustainability plan.

RISK IDENTIFICATION AND MITIGATION:

The administrative burden associated to this plan continues to be substantial for both the service providers and DNSSAB staff. With the reconciliations being completed using actuals, it is anticipated that no additional reconciliations related specifically for this period will be needed from the service providers.

COMMUNICATION PLAN:

DNSSAB's Children's Services Department continues to ensure that communication and messaging from DNSSAB is handled in an accurate and proficient manner. Ongoing meetings with various service providers, community partners and individual agencies continue to be scheduled to ensure that there is ongoing support and guidance provided.

NEXT STEPS:

Over the next few weeks, the Children's Services Department will be working with all early years and childcare agencies in order to accurately complete the reconciliation of all funds received for both the closure and reopening periods (March 17th to August 31st), against the agency's funding eligibility and expenditures.

DNSSAB will also continue to work in collaboration with the Ministry of Education in order to complete the reconciliation process for the closure period (template due to the Ministry by September 30th) and reopening period (template due to the Ministry by October 15th). Until that process is completed, the financial implications remain unclear.

BRIEFING NOTE #HS18-20

For information For Approval

Date: June 24, 2020

Purpose: COVID-19 Pandemic Pay for Frontline Workers

Prepared by: Stacey Cyopeck, Manager, Housing Programs

Reviewed by: Catherine Matheson, CAO

INFORMATION:

Report HS18-20 describes the particulars of the announced COVID-10 Pandemic Pay for Frontline Workers, as detailed in a letter from the Ministry of Municipal Affairs and Housing dated April 27th, 2020 and included as “Attachment A”.

BACKGROUND:

- On April 25th, 2020, as a result of COVID-19, the Premier announced temporary pandemic pay for essential frontline workers, including those working in emergency shelters and supportive housing.
- The wage enhancement recognizes the importance of providing services to vulnerable people and that staff working in supportive housing, emergency shelters and other congregate living facilities face an increased risk of exposure to the COVID-19 virus, leading to staffing challenges in many of these services.

CURRENT STATUS:

- On April 27th, 2020, the DNSSAB received a letter indicating that Service Managers have been delegated the administration of the temporary wage enhancement.
- Under this initiative, eligible staff will receive a \$4/hour wage increase over 16 weeks.
- Eligible staff will also receive a \$250 lump sum monthly payment for expenses such as commuting costs.
- Eligible staff include those working in emergency shelters, respite/drop-in centres, temporary shelter facilities, hotels/motels used for self-isolation and or shelter overflow and outreach workers.

- Staff in supportive housing facilities are also eligible, including security, counselors, maintenance and cleaning staff.
- Management is excluded from receiving the wage enhancement.

RISK IDENTIFIED AND MITIGATION:

Staff have developed an administration plan for the effective implementation of the pandemic pay in accordance with the guidelines. Funds have been provided to agencies with qualifying staff meeting the eligibility requirements outlined in the guidelines, and by the required deadline of September 30th, 2020.

CONCLUSION:

A wage enhancement program is an effective way of providing some much needed stability to organizations struggling with Human Resource issues as a result of the ongoing pandemic. Once program guidelines are received and a plan is in place, the funds will be distributed as quickly as possible.

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3
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Affaires municipales
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234-2020-1475

April 27, 2020

Re: Pandemic Pay for Frontline Workers

Dear Service Manager:

Protecting the health and well-being of all Ontarians is our government's number one priority, and we are focused on our response to the COVID-19 outbreak.

Our government has been listening closely to our partners in the housing and homelessness sector who are at the frontlines of this pandemic. We heard about your need for flexible funding to address a range of COVID-related needs across your communities and moved quickly to provide funding through the new Social Services Relief Fund.

And we continue to listen and take action.

Those working in emergency shelters and supportive housing face a higher risk of exposure to COVID-19. This has led to staffing challenges in many communities across the province. It is vital that we take action to ensure our delivery partners have the staff they need to deliver services for some of Ontario's most vulnerable people.

On April 25, the Premier announced temporary pandemic pay for essential frontline workers, including those working in emergency shelters and supportive housing. Under this initiative, eligible staff will receive a **\$4/hour wage increase over 16 weeks**. In addition, eligible staff will receive a **\$250 lump sum payment monthly** to help cover expenses such as commuting costs.

This temporary pandemic pay recognizes the important work of those providing critical services to some of the province's most vulnerable people during this challenging time.

The temporary wage increase will be available to staff in emergency shelters, respite/drop-in centres, temporary shelter facilities, hotels/motels used for self-isolation and/or shelter overflow and outreach workers.

.../2

Staff working in supportive housing facilities will also be eligible for this temporary pandemic pay. This could include those in security, counselors, and maintenance and cleaning staff. Management is excluded.

Recognizing their role in local service delivery and their relationship with a range of providers across their communities, Service Managers and Indigenous Program Administrators will administer the temporary wage increase to eligible staff.

As always, my ministry will work with you and are counting on your support to implement this important benefit for your staff and the staff of the organizations you work with in your communities.

I am pleased that our government is able to work together with you to continue to support the important work you do to improve the lives of our most vulnerable residents.

Sincerely,

A handwritten signature in blue ink that reads "Steve Clark". The signature is written in a cursive, flowing style with a large initial "S".

Steve Clark
Minister

BRIEFING NOTE FA13-20

For information For Approval

Date: September 23rd, 2020

Purpose: New Reserves Policy and Annual Reserves Report

Prepared by: Justin Avery, Manager of Finance

Reviewed by: Melanie Shaye, Director of Corporate Services

Approved by: Catherine Matheson, CAO

RECOMMENDATION

THAT the District of Nipissing Social Services Administration Board (DNSSAB) adopts the newly recommended Reserve Policy; and

THAT the DNSSAB approves the reserves recommendations as outlined in briefing note FA13-20.

BACKGROUND

The Board had previously requested to be provided with information on DNSSAB's reserves and reserves balances. This briefing note provides a recommended reserves policy as well as an annual update report that is included in the policy's procedures.

POLICY

The proposed reserve policy outlines the goals and objectives of DNSSAB's reserves, the delegation of authority over the reserves, recommendations for the level of reserves, and the procedures regarding the creation or elimination of reserves, transfers to or from reserves and the annual reporting process to the Board. Please see Appendix A for the proposed reserve policy.

REPORT

Per the proposed 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, 2019 totaled \$5,631,785. The 2020 budgeted expenditures totaled \$73,983,008, meaning current reserves represent 7.61% of the DNSSAB's annual expenditures. This also represents less 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 \$18,495,752 (25%). In Appendix B, 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.

More work will need to be performed by staff to develop recommendations for appropriate target balances for each specific reserve. This report is being presented to the Board to correspond with the newly recommended reserve policy and to provide the Board with an update on the status of the current reserves. The timelines did not provide for enough time to perform a thorough analysis on appropriate reserve balances. Recommendations for specific reserve balances will be brought to the Board in the future.

See Appendix C 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, 2018 - \$1,464,417

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

Net change year over year = \$352,213

The net change is calculated as follows per the 2019 audited financial statements:

Net deficit	\$ (336,230)
Add-back usage of Child Care Mitigation reserve	\$ 900,000
Less increase in net value of tangible capital assets	<u>\$ (208,557)</u>
	\$ 352,213

Fifteen percent of the DNSSAB's 2020 estimated expenditures is \$11,097,451 (\$73,983,008 total budget * 15%). Therefore the balance as of December 31, 2019 of \$1,816,630 is well within the legislated limits.

Recommendation

Transfer the balance from the Healthy Communities Fund reserve of \$9,783 into the Working Fund.

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, 2019 - \$817,274 (no change from 2018)

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 2018).

Recommendation

It is recommended that the name be updated to reflect current internal naming conventions. Nipissing District Housing Corporation (NDHC) is referred to internally as Housing Operations. The Social Housing Operations reserve refers to all social housing operators within the district under the DNSSAB's authority. Therefore, in order to reduce confusion, a name change to the Social Housing Programs reserve is recommended.

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 terms of affordable housing needs in the Nipissing district.

Balance

Balance as of December 31, 2019 - \$512,445 (no change from 2018).

Recommendation

It is recommended to expand the scope of the purpose of the reserve to also include other housing programs such as emergency shelter, transitional housing and more. Expanding the purpose of this reserve will allow for more flexibility to support all housing related programs without the need to create additional reserves.

EMS HR Operations

Purpose

Funds set aside to cover the future costs of an advanced care paramedic training program and any other significant, one-time EMS related operational expenditures.

Balance

Balance as of December 31, 2019 - \$195,537 (no change from 2018).

Recommendation

Change name from EMS HR Operations to EMS.

Change purpose to cover the costs of significant, unforeseen, one-time, EMS related expenditures, operational or capital, to minimize significant levy fluctuations.

ASO Employee Benefits

Purpose

In 2003 DNSSAB adopted an Administrative Services Only (ASO) employee benefit plan. The Board agreed to put aside 50% any annual savings resulting from the plan which could then be used to offset the cost of an employee wellness program. Historically, savings have been accumulating, and have not been needed to offset the modest costs associated with the wellness program.

Balance

Balance as of December 31, 2019 - \$140,222 (no change from 2018).

Recommendation

Under an ASO arrangement, DNSSAB retains full liability for all claims paid under the plan, with the exception of those claims that qualify under the stop-loss pooling arrangement. As a result, DNSSAB is responsible for the financial risk of funding the benefit plan.

It is recommended that the purpose of this fund be changed to mitigate the financial risk of excessive benefit claims.

Healthy Communities Fund

Purpose

Any surpluses from the Healthy Communities Fund (HCF) have been put aside in this reserve for potential future HCF use.

Balance

Balance as of December 31, 2019 - \$9,783 (no change from 2018).

Recommendation

The balance of this reserve is insignificant and there are rarely any surpluses in the HCF as the full allocation is normally expended. It is therefore recommended that this reserve be eliminated and the \$9,783 balance transferred to the Working Fund.

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, 2019 - \$112,000 (no change from 2018).

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, 2019 - \$149,080 (no change from 2018).

Recommendation

It is recommended to expand the purpose of the reserve to include all significant DNSSAB projects.

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, 2019 - \$570,241 (no change from 2018).

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, 2018 - \$1,908,573

Balance as of December 31, 2019 - \$1,008,573

Net change year over year = \$(900,000)

In 2019 the Board approved the usage of \$500,000 and \$400,000 of this reserve to go towards the Indigenous hub and Whitney community hub renovations respectively.

Recommendation

No recommended changes at this time, however, it may be recommended to use this reserve to mitigate municipal levy increases as a result of provincial funding changes within the 2021 budget which will be presented to the Finance & Administration Committee in December.

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.

As mentioned previously, more analysis needs to be performed to determine appropriate target balances for each specific reserve. Recommendations for specific target reserve balances will be brought to the Board during the next annual reserves report.

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.

A strategy will need to be developed to bring the DNSSAB's reserve balances to an appropriate level.

APPENDIX A

BOARD POLICY	DEPARTMENT: CORPORATE SERVICES
	SUBJECT: RESERVE POLICY

AUTHORITY

The DSSAB Act, 1990
The DNSSAB Procedural By-law 2020-01

INTENT OF POLICY

To provide a policy governing the management and use of reserves and reserve funds.

To maximize transparency while setting standards of care to protecting the financial best interest of the DNSSAB.

DEFINITIONS

Reserve is an allocation of accumulated net revenue. It does not require the physical segregation of assets.

Working Fund is a type of reserve that does not have a specified purpose and is used to offset deficits as well as deposit surpluses.

Reserve Fund is supported by assets which are physically segregated and restricted to meet the identified purpose of the Reserve Fund.

Obligatory Reserve Fund is created whenever legislation requires revenues received for special purposes to be segregated from the general revenues of an organization.

POLICY

STANDARD OF CARE

Reserves and reserve funds (hereinafter referred to as “reserves”) are important assets of the DNSSAB for which a high standard of care will be maintained.

BUDGET AND STRATEGIC PLAN

Reserves will form an important part of the annual budget and the DNSSAB’s strategic plan.

APPENDIX A (CONTINUED)

GOALS AND OBJECTIVES

The goals and objectives of reserves policy include:

- To reduce the risks to member municipalities of significant budget impacts arising from uncontrollable events and activities;
- To provide a source of funding for one-time expenditures not approved in budget allocations;
- To provide an internal source of funds for unanticipated situations such as a sudden increase in expenses or a reduction in funding;
- To ensure adequate cash flows and liquidity

DELEGATING AUTHORITY

1. Once the Board approves reserves by resolution, the CAO shall have overall authority for reserves managed by the DNSSAB.
2. The CAO may delegate to the Director of Corporate Services the responsibility to ensure an annual review of reserves is completed; and may delegate to the Manager of Finance the responsibilities of:
 - a. Determining needs and making recommendations for the establishment, maintenance, usage, and withdrawal or elimination of reserves, based on legislative requirements, sound financial practices and other requirements;
 - b. Ensure all administrative matters related to the establishment, maintenance and control of reserves are completed.

MANAGEMENT OF RESERVES AND RESERVE FUNDS

Reserves will be maintained cumulatively at a level of no lower than 5% of the DNSSAB's annual expenditures.

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 year¹. This minimum balance will be reviewed on an annual basis.

¹ District Social Services Administration Boards Act, R.S.O (1990). *O. Reg. 278/98*. Retrieved from Ontario e-Laws/Regulations <https://www.ontario.ca/Laws/regulations>

APPENDIX A (CONTINUED)

The working fund is the allocation of accumulated deficits and surpluses that have not been put into a reserve for a specific purpose. There is no discretion for this figure, other than transfers to/from other reserves, as it is an accounting calculation and therefore contributions as a result of surpluses or reductions as a result of deficits do not require Board approval. Transfers to or from other reserves will require Board approval in accordance with the procedures listed below.

There is no upper limit for reserves set aside for a specific purpose.

PROCEDURE

- The creation or elimination of reserves must be approved by the Board. Approval may be granted by specific resolution or through the approval of the annual budget.
- Transfers to or from reserves must be approved by the Board with the exception of the working fund. Approval may be granted by specific resolution or through the approval of the annual budget.
- As part of the annual budget process the Manager of Finance or equivalent, in consultation with the CAO and program leads, shall recommend and planned changes to the reserves (see examples of changes below);
- 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.

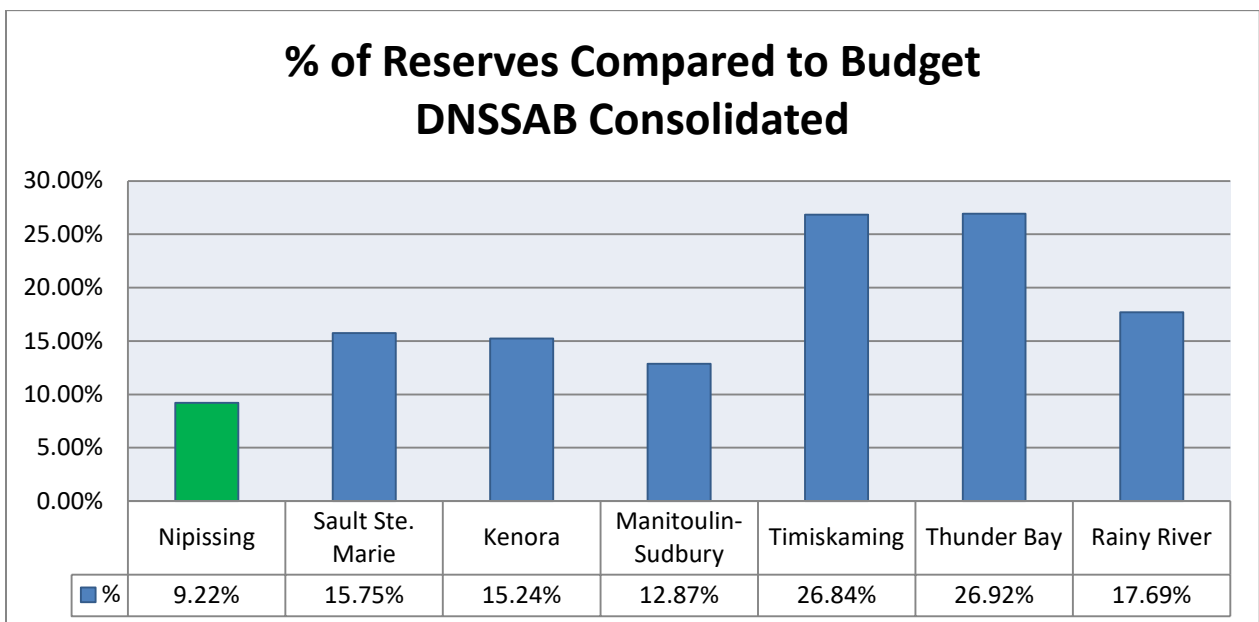
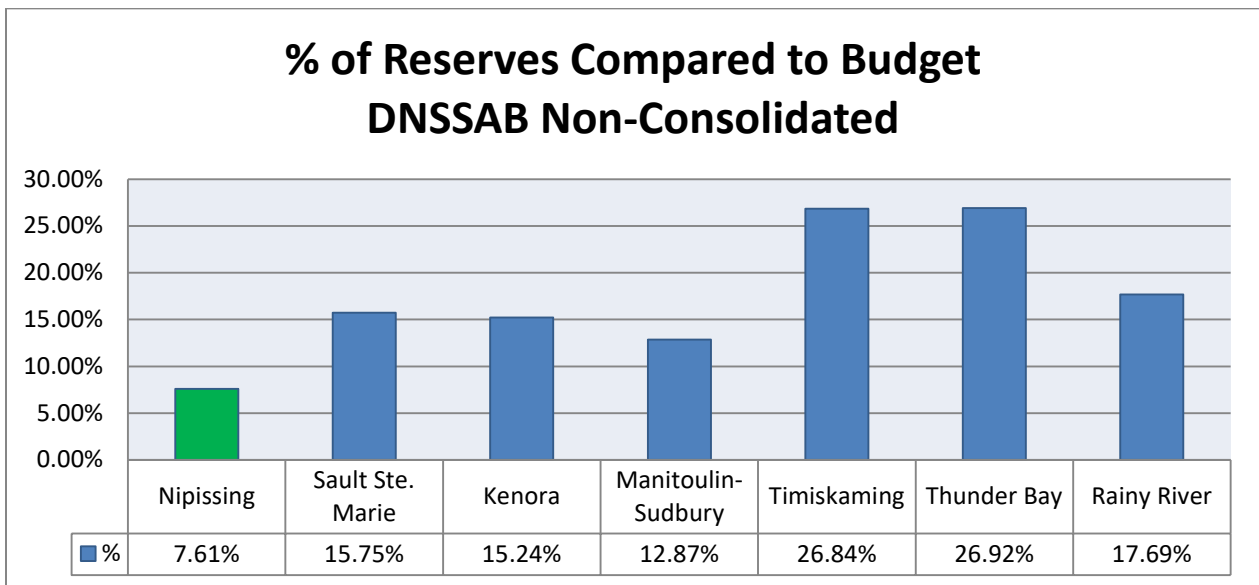
REFERENCES

Municipal Act, 2001

APPENDIX B

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 C

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	\$1,816,630	\$9,783	\$1,826,413
Social Housing Capital	Future capital repair costs of the social housing stock	N/A	\$817,274	N/A	\$817,274
Social Housing Operations	Mitigate the financial risk of unforeseen social housing costs	Change name to Social Housing Programs	\$300,000	N/A	\$300,000
Affordable Housing	Develop affordable housing	Expand scope to include other Housing programs such as emergency shelter, transitional housing, etc.	\$512,445	N/A	\$512,445
EMS HR Operations	Advanced care paramedic training program and any other significant, one-time EMS related operational expenditures	Change name to EMS Expand scope to include all EMS related costs (operational and capital)	\$195,537	N/A	\$195,537
ASO Employee Benefits	Offset costs of wellness program	Mitigate financial risk of excessive benefit claims	\$140,222	N/A	\$140,222
Healthy Communities Fund	HCF use	Eliminate reserve	\$9,783	(\$9,783)	\$0
Organizational Design Contingency Project	Reorganization costs Help cover costs of any future city hall renovation costs	N/A Expand scope of to include all significant DNSSAB projects	\$112,000 \$149,080	N/A N/A	\$112,000 \$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