



REPORT

EX02-19

TO: EXECUTIVE/AUDIT COMMITTEE

FROM: Joseph Bradbury, CAO
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DATE: January 30, 2019

RE: **2019 Draft Budget**

RECOMMENDATION

THAT the District of Nipissing Social Services Administration Board (DNSSAB) accepts option #1 of the 2019 Draft Budget report in EX02-19.

PURPOSE

The 2019 draft budget has been developed with an emphasis on stable financial planning and maximizing service delivery. This is a prudent financial plan, which supports the 2015-2020 strategic plan and promotes continued excellence in client service with a continued desire to find efficiencies in service delivery and program planning.

BACKGROUND – OVERALL 2019 DNSSAB BUDGET GOALS

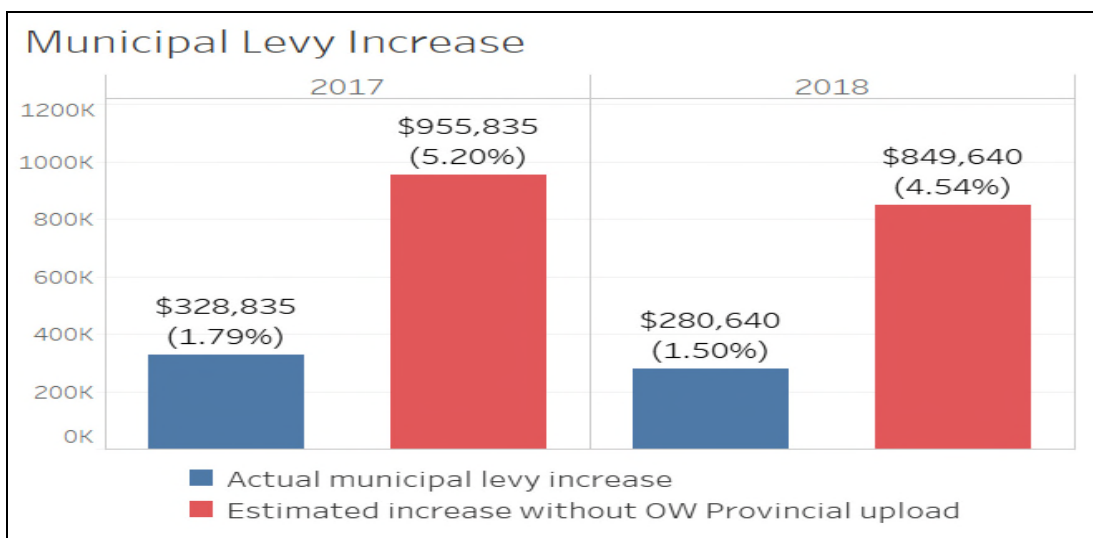
Given the change in the Provincial government in 2018 from Liberal to PC, there is a possibility for significant changes to our future funding. Other than the cancellation of the cap and trade related funding, the sunset of N-PREP funding and a 5% reduction to the OW cap, the new PC government has not announced any other significant changes at this time. Therefore we have prepared the 2019 budget assuming status quo from 2018, except for any known program cancellations or changes. We'll expect to have a better picture of the new government's plans once the provincial budget is announced.

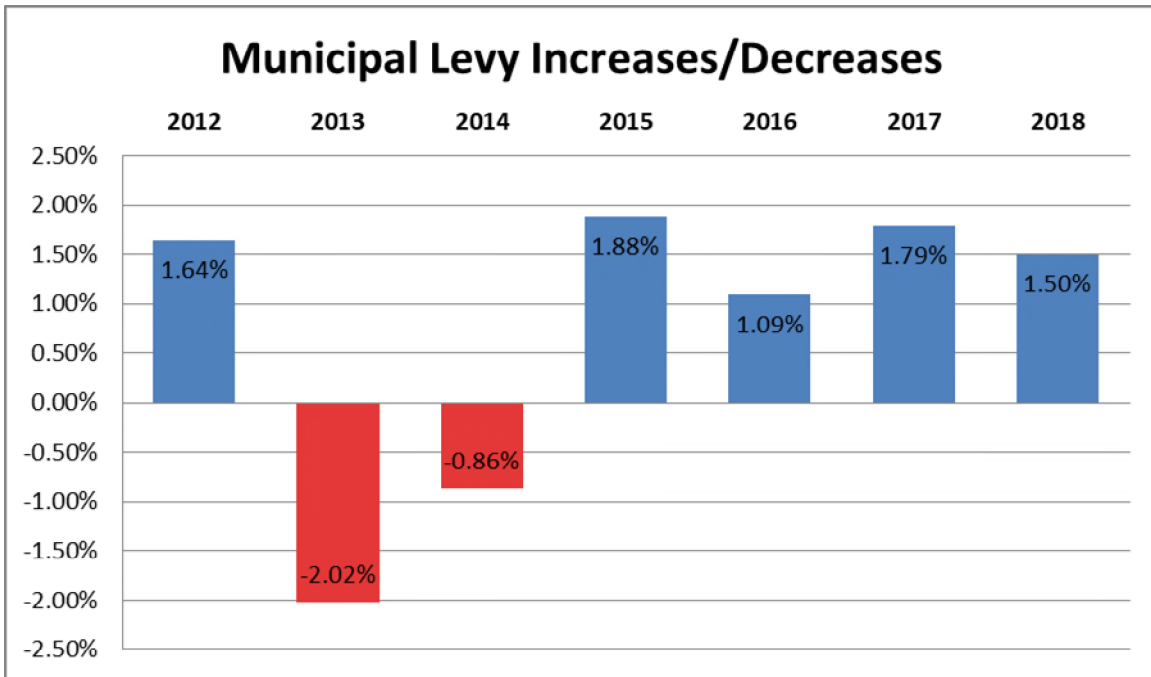
Year to date for 2018, the Ontario Works (OW) average monthly caseload and cost per case is lower than what was forecasted during the budget cycle last year. Actual average caseload is also lower than the previous year for the third consecutive year while average cost per case is up slightly from the previous year. Unfortunately none of these savings can be realized by the municipalities as OW financial assistance has been fully uploaded to the Province. Table 1 below outlines how the OW financial assistance has been gradually uploaded to the province.

| Table 1 - Ontario Works Cost Sharing of Basic Financial Assistance | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Ongoing |
| Municipal/ First Nations Share | 17.2% | 14.2% | 11.4% | 8.6% | 5.8% | 2.8% | 0% | 0% |
| Provincial Share | 82.8% | 85.8% | 88.6% | 91.4% | 94.2% | 97.2% | 100% | 100% |

Regarding the OW financial assistance upload, attention needs to be drawn to the fact that the DNSSAB has been able to keep the municipal levy increases very low for the last eight years due to the gradual provincial upload of these benefits. The upload enabled DNSSAB to offset increased cost pressures from other departments to keep the municipal levy increases artificially low. The OW financial benefits became 100% provincially uploaded in 2018, so we can no longer use the upload to minimize levy increases. The completion of this upload will have a significant impact on the 2019 budget and to a lesser degree all future budgets.

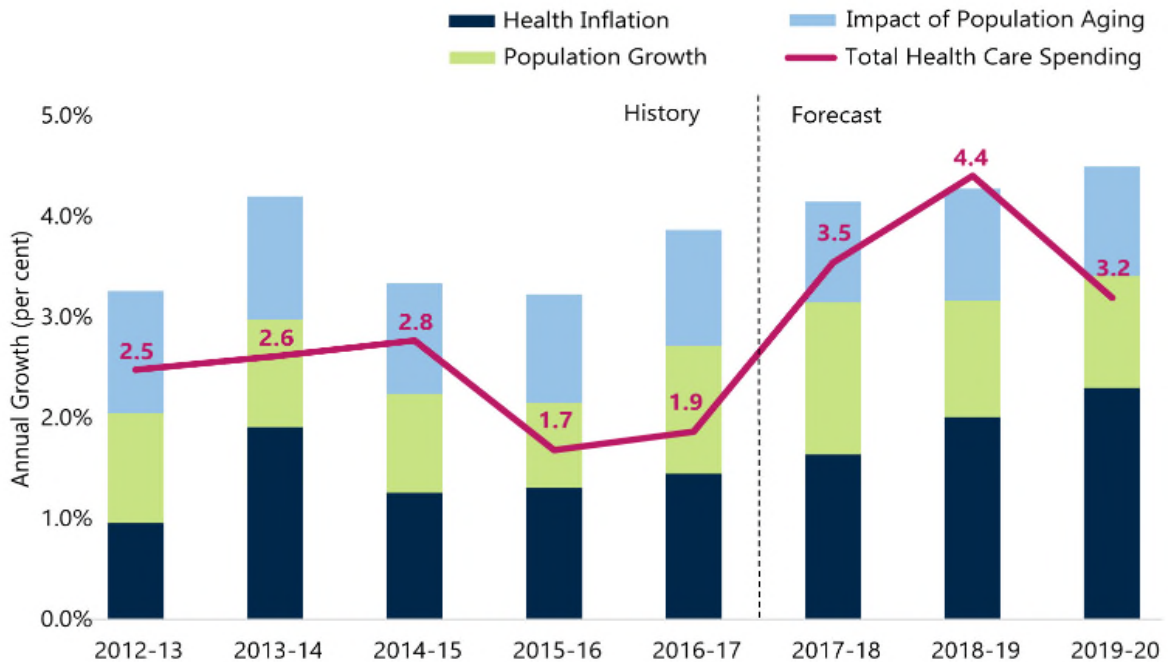
The charts below demonstrate the impact the OW financial assistance upload has had on the municipal levy. Without the savings from the continued upload, the historical municipal levy increases would have had to be significantly higher to maintain our service levels.





In 2019, EMS is expected to see service demand increasing, as our population continues to age and requires more frequent emergency medical calls. DNSSAB continues to work with our providers to remain cost effective without compromising quality health care to citizens of our District. Health care funding in Ontario has historically been growing slower than its core cost drivers which is leading to “catch up” funding being required per the following chart¹.

Health spending is growing slower than its core cost drivers every year except 2018-19



¹ Ontario Health Sector - An Updated Assessment of Ontario Health Spending, FAO, <https://www.fao-on.org/en/Blog/Publications/health-sector-march-18>

While we are not expecting any significant changes to Children's Services programming, the two construction projects for new Child Care and EarlyON centres in South Algonquin and North Bay will continue with estimated completion for the South Algonquin building in the Spring and the Fall/Winter for the 1040 Brookes Street building (former Dr. McDougal School).

Housing Services faces pressures in 2019 relating to the cost of maintaining legacy programs (including Provincially Reformed, Municipal Non-Profit, Private Non-Profit, Urban Native and Commercial Rent Supplement) as well as the cancellation of two provincially funded programs (through the now cancelled cap and trade program). These two 100% provincially funded programs would have provided a total of \$1,666,671 towards social housing capital works projects.

Other cost pressures faced by the DNSSAB include:

- City of North Bay (CNB) rent increases 2.5% annually while CNB technology services and parking costs increase by 3%.
- The initial provincial grant of \$750,000 to fund the three-year, N-PREP pilot has ended. To continue the program for another year, the required funding of \$180,000 will be provided through Ontario Works employment assistance funding which is a 50/50 municipal/provincial split.
- Collective bargaining increases (1.5% plus step-up within pay bands).
- Inflation rate has been steadily increasing in 2018 and is expected to average 2.5% for 2018 and 2.1% for 2019².
- Although it won't affect the 2019 budget, there will be future district wide costs related to the approval of a casino in North Bay. This will need to be studied further in 2019 to assess the impact this will have across the district.

The draft 2019 budget is a prudent budget that realistically accounts for cost pressures, realigns resources efficiently and effectively, and continues to position the Board to meet significant increasing cost pressures.

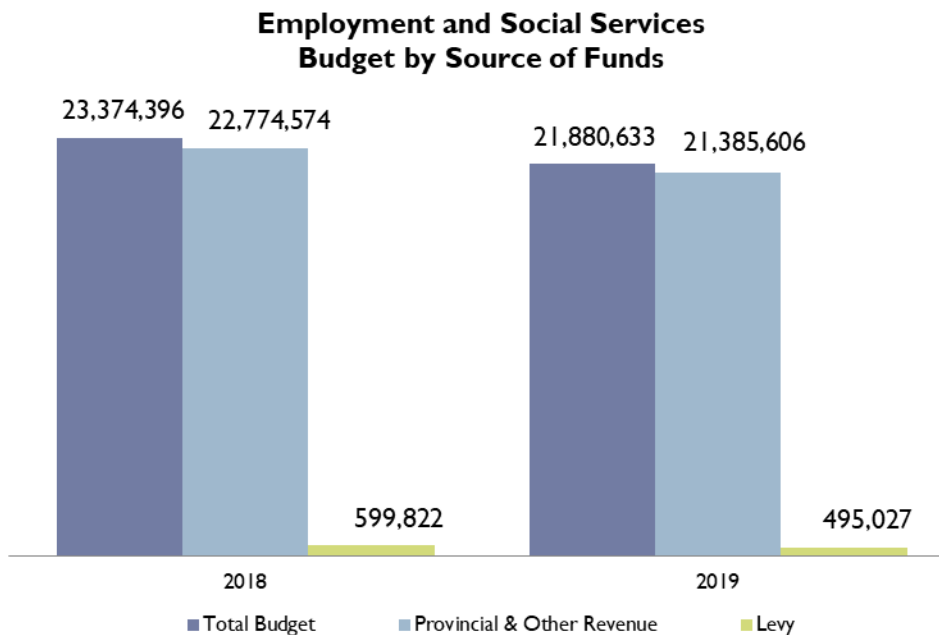
- ✓ The overall increase to the municipal levy for 2019 is 4.43%. Of this increase, 3.39% will support ongoing operations while the remaining 1.04% relates to enhancements to the budget for Homemaker and Homecare Services, as well as the addition of two mental health and addiction case managers.
- ✓ The 2019 budget recognizes significant pressures that will impact Housing Services. Housing Services will continue to operate quality housing buildings and offering supports to residents facing homelessness.

² Fall Economic Update 2018: A Plan for the People, MFOA, http://mfoa.on.ca/MFOA/Main/MFOA_Policy_Projects/2018_Fall_Economic_Statement.aspx

- ✓ The 2019 budget contains provisions to maintain and improve on the investment established in the 2018 budget into OW employment assistance supports and services. Greater focus will be placed on supporting the needs of participants struggling with mental health and addiction issues. To accomplish this, two additional mental health and addiction case manager positions will need to be created. This will assist with bridging the gaps left by waiting lists for treatment.
- ✓ In addition to the enhancements noted above, the 2019 budget provides options around the delivery of Type B funerals and the administration of the Healthy Communities Fund.
- ✓ Access to child care fee subsidy is fully maintained, and provides investment in system planning and capacity building that will enhance program development by meeting the needs of children and families in the District.
- ✓ The 2019 budget recognizes and continues to address changes in EMS services relating to both call volumes and changing client demographics.

REPORT

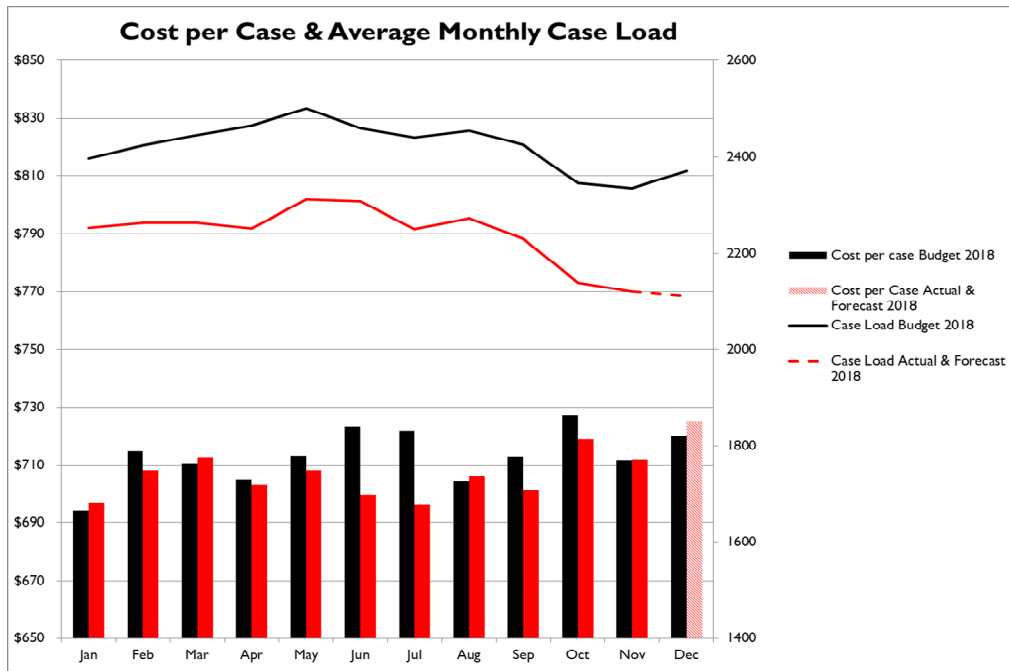
Employment and Social Services Program:



**Ontario Works Programs
2019 Proposed Budget**

| | Budget 2018 | Budget 2019 | Variance in Budgets | % Change |
|----------------------------------|----------------------|----------------------|-----------------------|---------------|
| Revenues: | | | | |
| Municipal levies | \$ 599,822 | \$ 495,027 | \$ (104,795) | -17.47% |
| Province of Ontario | 22,262,755 | 20,859,477 | (1,403,278) | -6.30% |
| Repayments | 511,819 | 476,996 | (34,823) | -6.80% |
| Other revenue | - | 45,000 | 45,000 | 0.00% |
| Deferred revenue | - | 4,133 | 4,133 | 0.00% |
| Total Revenues | \$ 23,374,396 | \$ 21,880,633 | \$ (1,493,763) | -6.39% |
| Expenditures: | | | | |
| OW Financial Assistance | \$ 20,727,832 | \$ 19,200,000 | \$ (1,527,832) | -7.37% |
| OW Discretionary Benefits | 1,072,064 | 940,000 | (132,064) | -12.32% |
| OW Mandatory Benefits | 590,000 | 590,000 | - | 0.00% |
| Funerals and Burials (Type B) | 65,000 | 85,000 | 20,000 | 30.77% |
| OW Employment Assistance Program | 919,500 | 976,500 | 57,000 | 6.20% |
| The Gateway Hub | - | 89,133 | 89,133 | 0.00% |
| Total Expenditures | \$ 23,374,396 | \$ 21,880,633 | \$ (1,493,763) | -6.39% |
| Surplus (Deficit) | \$ - | \$ - | \$ 0 | 0.00% |

- In 2019, the Employment and Social Services (OW) Program budget has decreased year over year by \$1,493,763 or 6.4%. The decrease in the municipal levy contribution is discussed in further detail below.
- OW financial assistance and mandatory benefits are now 100% funded by the Province. Discretionary benefits are also provincially funded, but are capped at \$10 per average caseload with any costs exceeding the cap being 100% municipal.
- Type B municipal funerals/burials are 100% municipal costs (non-mandated by DSSAB).
- In 2019, the only costs that remain cost shared are program delivery and employment services. A portion of which will be 100% provincially funded with the rest being 50/50.
- Program delivery is inclusive of salaries and benefits, training, travel, rent for satellite offices & central administration making up 69.60%, 0.39%, 0.46%, 1.28% & 21.11% of the OW program delivery budget respectively
- The remaining 7.16% represents all other program specific needs to maintain OW operations.
- OW financial benefits costs are expected to decrease in 2019 from budgeted expenditures for 2018 by \$1,527,832 or 7.37%. We're expecting the trend for lower average monthly caseloads along with slight increases in cost per case to continue for 2019. As mentioned previously, these costs are now fully uploaded to the Province and therefore have no impact on the municipal levy.



- The average monthly caseload in 2019 is expected to be 2,188, which represents about a 9.7% decrease from the budgeted average monthly caseload of 2,422 for 2018.
- The annual average cost per case in 2019 is budgeted to be \$711.57 compared to \$705.89, the annual average expected by year end 2018.
- The 2019 budget for mandatory benefits has not been increased based on the lower than expected YTD expenditures.
- YTD discretionary benefits have been significantly lower than budgeted, so the budget has been reduced for 2019. We are, however, anticipating some increased demand for discretionary benefits, compared to 2018 YTD actual expenditures. This is due to the planned revision of the ODSP Discretionary Benefits policy which will make these benefits more accessible to ODSP recipients. This program also funds type A funerals for social assistance recipients which we are expecting increased demand going forward due to an aging population.
- Type B funerals (Municipal) are difficult to budget for, but we are expecting increased demand going forward similar to type A funerals.

- There's a moderate increase in employment related costs due to the end of the 100% provincial grant from the Ontario Trillium Foundation for the three year N-PREP pilot program. This program is being extended at least one more year to support the current students from the pilot program and is now being funded through the 50/50 funding portfolio with MCCSS.
- It should also be noted that the Nipissing DSSAB utilizes less of the available 50/50 funding from MCCSS than any other DSSAB, leaving approximately \$1.25 million dollars on the table (50% of the \$2.5 million). Please see the chart below which summarizes each DSSAB's utilization of the available 50/50 funding from MCCSS for 2018.

| NOSDA Members | Gross MCCSS Planning Allocation | 2018 Board Approved OW Budget | 50/50 Funding not Utilized | % of 50/50 funding not Utilized |
|--|---------------------------------|-------------------------------|----------------------------|---------------------------------|
| Algoma DSAB | 3,543,000 | 3,671,034 | (128,034) | 0.0% |
| Cochrane DSSAB | 6,029,700 | 6,045,276 | (15,576) | 0.0% |
| Greater Sudbury | 14,670,600 | 12,208,969 | 2,461,631 | 16.8% |
| Kenora District Services Board | 2,913,600 | 2,899,325 | 14,275 | 0.5% |
| Manitoulin-Sudbury District Services Board | 2,323,700 | 2,279,000 | 44,700 | 1.9% |
| Nipissing DSSAB | 10,742,400 | 8,202,696 | 2,539,704 | 23.6% |
| Parry Sound DSSAB | 3,733,500 | 3,733,500 | - | 0.0% |
| Rainy River | 1,181,100 | 977,883 | 203,217 | 17.2% |
| The District of Thunder Bay Social Services Administration Board | 13,646,800 | 11,307,000 | 2,339,800 | 17.1% |
| Sault Ste Marie | 9,080,800 | 7,663,155 | 1,417,645 | 15.6% |
| Timiskaming DSSAB | 2,890,400 | 2,872,000 | 18,400 | 0.6% |

Municipal Budget Implications for 2019:

| Program | 2019 Budget | Municipal Impact | |
|-------------------------|--|---------------------|---------------------|
| | | 2018 | 2019 |
| | \$ 21,880,633 | \$ 599,822 | \$ 495,027 |
| Program Delivery | \$ 7,411,801 | \$ 2,714,051 | \$ 2,757,958 |
| | Total: | \$ 3,313,873 | \$ 3,252,985 |
| | | Variance: | \$ (60,888) |
| | Overall Impact on Municipal Contribution: | | -1.84% |

The next table shows in greater detail the changes in the municipal share of OW program budget year over year by fund.

Ontario Work Financial Benefits Total Budget by Program Fund and Municipal Share 2018 and 2019

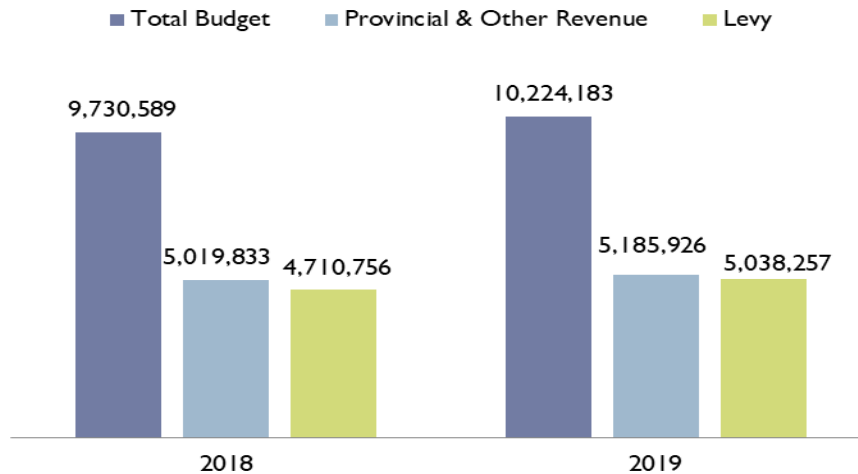
| Employment and Social Services | 2018 | 2019 | Increase | 2018 | 2019 | Increase | % |
|--------------------------------|----------------------|----------------------|-----------------------|-------------------|-------------------|---------------------|----------------|
| | Budget | Budget | (Decrease) | Municipal Share | Municipal Share | (Decrease) | |
| OW Financial Assistance | \$ 20,727,832 | \$ 19,200,000 | \$ (1,527,832) | \$ - | \$ - | \$ - | 0.00% |
| Discretionary Benefits | 1,072,064 | 940,000 | (132,064) | 192,174 | 67,784 | (124,390) | -64.73% |
| Mandatory Benefits | 590,000 | 590,000 | - | - | - | - | 0.00% |
| Funerals - Type B | 65,000 | 85,000 | 20,000 | 65,000 | 49,000 | (16,000) | -24.62% |
| Employment Assistance | 919,500 | 976,500 | 57,000 | 342,648 | 358,243 | 15,595 | 4.55% |
| The Gateway Hub | - | 89,133 | 89,133 | - | 20,000 | 20,000 | 0.00% |
| Total | \$ 23,374,396 | \$ 21,880,633 | \$ (1,493,763) | \$ 599,822 | \$ 495,027 | \$ (104,795) | -17.47% |

- Municipal levy changes within programs:
 - Discretionary Benefits – YTD expenditures have been lower than expected as previously noted, so we have reduced the budget for 2019.
 - Type B Funerals – Although we’re budgeting for an increase in total costs, we budgeted for the impact of repayments (ex. CPP death benefit) for 2019 which has reduced the municipal impact.
 - Employment Assistance – The 100% provincial three year grant from the Ontario Trillium Foundation for the N-PREP program has ended, so this program is now being funded through the 50/50 funding portfolio with MCCSS.
 - Gateway Hub – This was budgeted within Employment Assistance in 2018, however we decided to break it out separately for 2019. This only impacts the presentation of the budget and there is no impact on the municipal levy. This program is cost shared with the North Bay Police Service, North Bay Parry Sound District Health Unit, and Hands the Family Help Network.

- Municipal levy changes within program delivery:
 - Increase of \$43,906 or 1.62% primarily due to the suggested addition of two additional mental health and addiction case managers

Emergency Medical Services

EMS Program Budget by Source of Funds



Emergency Medical Services Proposed 2019 Budget

| | Budget 2018 | Budget 2019 | Variance in Budgets | % Change |
|---------------------------------|---------------------|----------------------|---------------------|--------------|
| Revenues: | | | | |
| Municipal levy | \$ 4,710,756 | \$ 5,038,257 | \$ 327,501 | 6.95% |
| Provincial Funding | 5,019,833 | 5,185,926 | 166,093 | 3.31% |
| Total Revenues | \$ 9,730,589 | \$ 10,224,183 | \$ 493,594 | 5.07% |
| Expenditures: | | | | |
| Rent | \$ 313,181 | \$ 314,256 | \$ 1,075 | 0.34% |
| Utilities | 56,818 | 39,338 | (17,480) | -30.76% |
| Internet Expense | 19,200 | 12,456 | (6,744) | -35.13% |
| Water | - | 6,984 | 6,984 | 0.00% |
| Insurance | 96,061 | 92,964 | (3,097) | -3.22% |
| Membership Fees | 1,700 | 1,956 | 256 | 15.06% |
| Postage & Courier | - | 1,092 | 1,092 | 0.00% |
| Municipal taxes | 55,200 | 59,340 | 4,140 | 7.50% |
| Janitorial Services | - | 8,172 | 8,172 | 0.00% |
| Building maintenance | 29,912 | 41,280 | 11,368 | 38.01% |
| Computer SfW, supplies, service | 36,004 | 38,412 | 2,408 | 6.69% |
| Ambulance Purchases | 290,000 | 328,908 | 38,908 | 13.42% |
| Paramedic Training | 12,700 | 14,628 | 1,928 | 15.18% |
| EMS Laundry Services | 33,600 | 33,600 | - | 0.00% |
| Uniforms | 40,800 | 41,800 | 1,000 | 2.45% |
| Cross Brd PQ and Water taxi | 5,561 | 5,561 | - | 0.00% |
| Medical Equipment | 65,000 | 70,788 | 5,788 | 8.90% |
| Medical Equip Capital | 100,000 | 114,446 | 14,446 | 14.45% |
| BioMed Equip Mtncdcwe & Rpr | 12,602 | 12,602 | - | 0.00% |
| Stretcher Lease | 106,875 | 107,256 | 381 | 0.36% |
| Vehicle Expense | 170,000 | 189,012 | 19,012 | 11.18% |
| Transfers to service providers | 8,285,376 | 8,689,332 | 403,956 | 4.88% |
| Total Expenditures | \$ 9,730,589 | \$ 10,224,183 | \$ 493,594 | 5.07% |
| Surplus (Deficit) | \$ - | \$ - | \$ 0 | 0.00% |

- In 2019 significant cost pressures are expected to continue in the EMS program. The budget is increasing year over year by 5.07% or \$493,594.
- Explanations for the significant variances year over year are as follows:
 - Utilities decrease of \$17,480 or 30.76% is due to actual YTD expenses being significantly lower than the budgeted amount.
 - Building maintenance increase of \$11,368 or 38.01% is due to actual YTD expenses being higher than the budgeted amount.
 - Budgeted increase of \$38,908 or 13.42% in ambulance purchases is due to the decision to begin purchasing the power loaders rather than leasing them. While this does result in an immediate higher cost, the cost to purchase vs lease is significantly less expensive over time.
 - Medical Equipment Capital increase of \$14,446 or 14.45% is due to the requirement for specialized brackets to be installed in the ambulances to hold the defibrillators.
 - Vehicle expense increase of \$19,012 or 11.18% is based on actual expenditures being higher than the budgeted amount.
 - Transfers to service providers are based on the submitted budgets from each of the providers which will be discussed in further detail below.
- EMS contracts paramedic services through the North Bay Regional Health Centre (NBRHC), the Municipality of Temagami, and the Mattawa General Hospital. The year over year increase by service area are shown below.

EMS Land Ambulance Provider Budgets for 2019 Compared to 2018

| <u>Service Area (Service Provider)</u> | Budget 2018 | Budget 2019 | Variance Year over | |
|---|------------------|------------------|--------------------|--------------|
| | | | Year | % Change |
| North Bay (North Bay Regional Health Centre) | 4,714,521 | 4,903,825 | 189,304 | 4.02% |
| West Nipissing (North Bay Regional Health Centre) | 1,798,995 | 1,877,163 | 78,168 | 4.35% |
| Temagami (Municipality of Temagami) | 636,285 | 668,099 | 31,814 | 5.00% |
| Mattawa (Mattawa General Hospital) | 656,231 | 718,568 | 62,337 | 9.50% |
| South Algonquin (North Bay Regional General Hospital) | 492,656 | 521,681 | 29,025 | 5.89% |
| | 8,298,688 | 8,689,336 | 390,648 | 4.71% |

- Service provider budgets have increased significantly due to the following reasons:
 - As mentioned previously, inflation rates are significantly higher in the health care sector.
 - Collective bargaining increases.
 - Up-staffing required for increased call volumes due to an aging population.

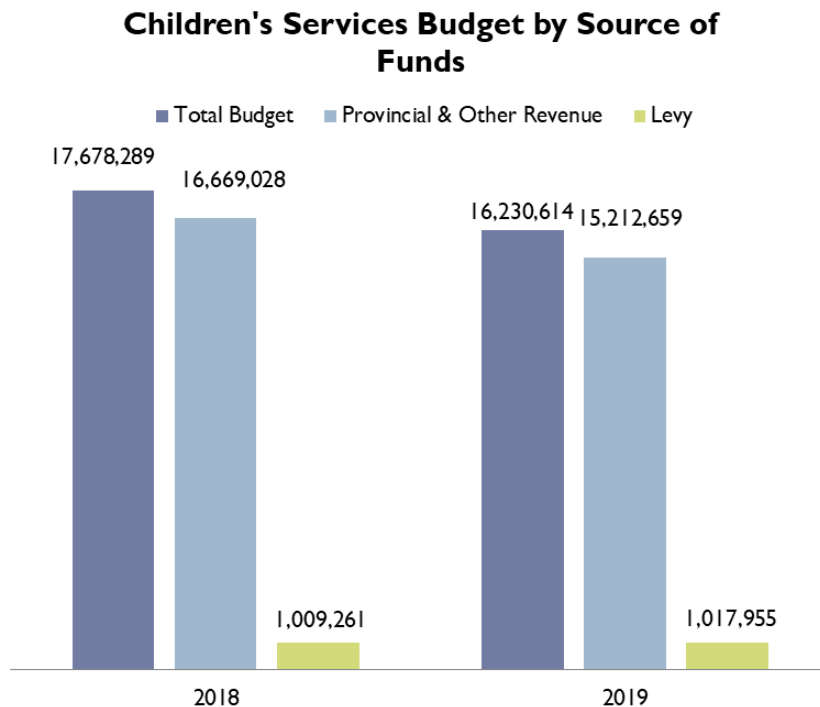
- Increased call volumes impact other costs as well such as fuel, supplies, vehicle maintenance, etc.
- Mattawa specific:
 - Mattawa has been experiencing higher than normal turnover rates, as many of their staff do not live in Mattawa and there is little incentive for them to travel there for work. This has led to increased costs for continually recruiting, hiring, and training new staff. Therefore, we have approved a travel reimbursement as an incentive for Mattawa Hospital to retain employees that do not live in Mattawa.
- Temagami specific:
 - Increase for rent of the EMS base in Temagami by \$12,000. This rent has been flat for many years, so an increase was long overdue.

Municipal Budget Implications for 2019:

| | 2019 Budget | Municipal Impact | |
|--|------------------------|-------------------------|--------------|
| | | 2018 | 2019 |
| Program | \$ 10,224,183 | \$ 4,710,756 | \$ 5,038,257 |
| Program Delivery | \$ 375,360 | \$ 149,678 | \$ 171,120 |
| | | <hr/> | <hr/> |
| | Total: | \$ 4,860,434 | \$ 5,209,377 |
| | | Variance: | \$ 348,943 |
| Overall Impact on Municipal Contribution: | | | 7.18% |

- Primary cost drivers for EMS programming have been noted above.
- EMS Program Delivery costs have increased as we have budgeted \$50,000 for a value for money service review.

Children's Services (Licensed Child Care Services & EarlyON Child & Family Centres):



- The provincial portion represents 93.73% of the overall budget allocated to children's services.
- The year over year decrease in total costs for the Child Care and EarlyON programs is approximately \$1.44 million. Most of this decrease is associated with the 100% provincially funded Expansion, ELCC, Journey Together & EarlyON programs.
- ELCC and Expansion annual allocations are expected to remain consistent in 2019. While the budget demonstrates a decrease, we had significant ELCC and Expansion deferred revenue from 2017 available in 2018. This funding could not be deferred any longer and was required to be spent in 2018.
- The Indigenous Community Hub, partially funded through the Journey Together initiative, is funded for 2 years (2018 & 2019), with the majority of the funding relating to 2018. The allocations specific to this initiative include both capital and operating funding.
- In 2019, EarlyON and child care expenditures are expected to continue to be within the EDU funding envelope.
- The 100% provincially funded ELCC & Expansion dollars are providing ongoing support to several licensed child care program expansions through: fee subsidy, general operating, special needs resourcing, etc.

Children's Services Program Total Budget by Program Fund and Municipal Share 2018 and 2019

| Children's Services Programs | 2018 | 2019 | Increase | 2018 | 2019 | Increase | % |
|-------------------------------------|---------------|---------------|----------------|-----------------|-----------------|------------|----------|
| | Budget | Budget | (Decrease) | Municipal Share | Municipal Share | (Decrease) | |
| Fee Subsidy | \$ 5,069,132 | \$4,779,465 | \$ (289,667) | \$ 739,908 | \$ 830,966 | \$ 91,058 | 12.31% |
| Fee Subsidy - OW Formal | 1,467,165 | 1,621,985 | 154,820 | 258,433 | 186,989 | (71,444) | -27.65% |
| Fee Subsidy - OW Informal | 25,000 | 25,000 | - | - | - | - | 0.00% |
| Fee Subsidy - School Age Recreation | 54,600 | 58,000 | 3,400 | 10,920 | - | (10,920) | -100.00% |
| Special Needs | 898,304 | 878,304 | (20,000) | - | - | - | 0.00% |
| General Operating | 2,025,000 | 1,832,000 | (193,000) | - | - | - | 0.00% |
| Pay Equity | 171,122 | 171,122 | - | - | - | - | 0.00% |
| Wage Enhancement | 1,603,804 | 1,603,804 | - | - | - | - | 0.00% |
| Repair and Maintenance | 84,723 | 60,000 | (24,723) | - | - | - | 0.00% |
| Play-Based Material & Equipment | 137,000 | 65,000 | (72,000) | - | - | - | 0.00% |
| Capital Retrofits | 100,000 | 72,736 | (27,264) | - | - | - | 0.00% |
| Capacity Building | 186,716 | 145,000 | (41,716) | - | - | - | 0.00% |
| Transformation | 440,000 | 340,891 | (99,109) | - | - | - | 0.00% |
| Fee Stabilization | 92,243 | 92,264 | 21 | - | - | - | 0.00% |
| Journey Together - Childcare | 2,505,186 | 1,421,738 | (1,083,448) | - | - | - | 0.00% |
| Journey Together - EarlyON | 917,453 | 717,464 | (199,989) | - | - | - | 0.00% |
| EarlyON Programs | 1,900,841 | 1,900,841 | - | - | - | - | 0.00% |
| Capital - Childcare | - | 172,500 | 172,500 | - | - | - | 0.00% |
| Capital - EarlyON | - | 272,500 | 272,500 | - | - | - | 0.00% |
| Total | \$ 17,678,289 | \$ 16,230,614 | \$ (1,447,675) | \$ 1,009,261 | \$ 1,017,955 | \$ 8,694 | 0.86% |

- When compared to the previous year, the General Operating Grant decreased by \$193,000 to approximately \$2 million. The additional investments that were made in 2018 related to deferred revenue, therefore the 2019 budget better reflects actual funding available to DNSSAB.
- The demand for Fee subsidy is expected to continue to increase due to the expansion of licensed child care spaces in late 2018 and throughout 2019.
- EarlyON Child and Family Centres are funded 100% by the Ministry of Education (EDU); however, CMSMs and DSSABs do have the option to support with a 20% funding contribution (\$422,409). With this contribution, DNSSAB would be permitted to add the DNSSAB logo to all correspondence and signage associated to the EarlyON programs and services.
- The South Algonquin Hub is partially funded through Community Based Capital Funding (EDU) in the amount of \$525,000. We are budgeting to defer \$445,000 (\$172,500 + \$272,500) for 2019 as the majority of the costs are expected to be incurred from January to April 2019.
- Additional funding for these initiatives will flow from the Mitigation Reserve as detailed below.

2019 Budget Impact on Children’s Services Restricted Reserves:

| | |
|--|---------------------|
| Opening Balance Mitigation Reserve 2019: | \$1,908,573 |
| Expected transfers in 2019 | |
| • Child Care Program – South Algonquin | \$ (400,000) |
| • Indigenous Community Hub – North Bay | <u>\$ (500,000)</u> |
| Expected Ending Balance Mitigation Reserve 2019: | \$1,008,573 |

| | |
|---|-------------|
| Opening Balance BS Unconditional Reserve 2019: | \$ 570,240 |
| At this time, there are no expected transfers in 2019 | <u>\$ 0</u> |
| Expected Ending BS Unconditional Reserve 2019: | \$ 570,240 |

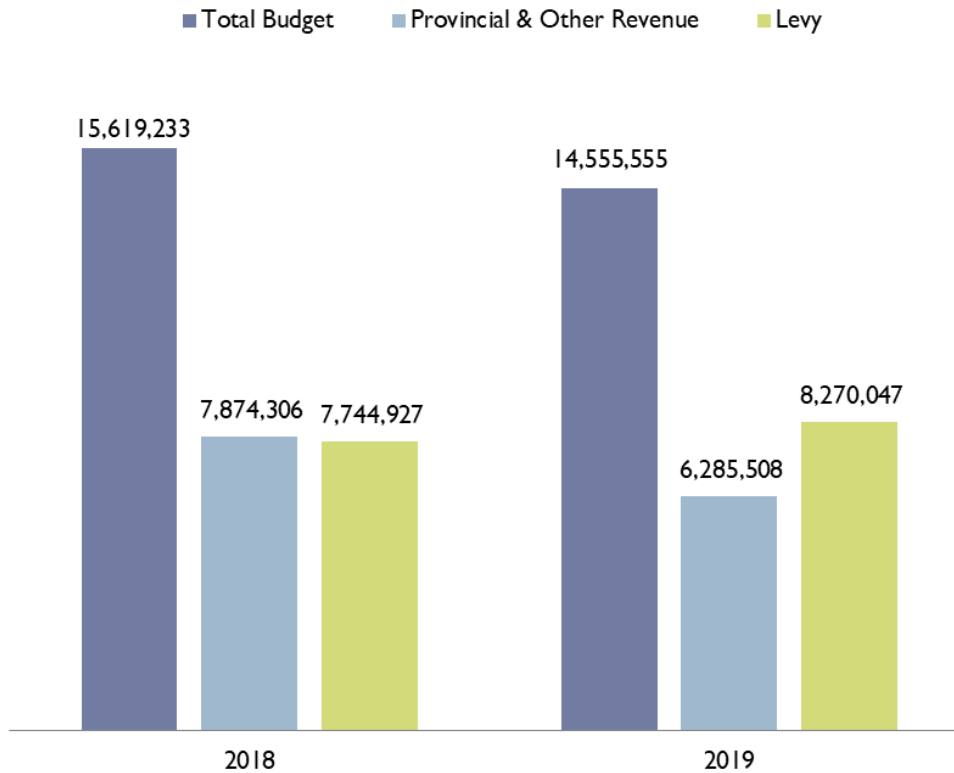
Municipal Budget Implications for 2019:

| | 2019 Budget | Municipal Impact | |
|--|------------------------|-------------------------|--------------|
| | | 2018 | 2019 |
| Program | \$ 16,230,614 | \$ 1,009,261 | \$ 1,017,955 |
| Program Delivery | \$ 1,424,678 | \$ 229,435 | \$ 225,985 |
| | | <hr/> | <hr/> |
| Total: | | \$ 1,238,696 | \$ 1,243,940 |
| | | Variance: | \$ 5,244 |
| Overall Impact on Municipal Contribution: | | | 0.42% |

- The Children’s Services municipal levy allocation is the minimum cost share requirement per the 2018 transfer payment agreement with the Ministry of Education. No additional levy beyond the minimum requirement is allocated to this program. The budget is based on the 2018 transfer payment agreement since we have not yet received the 2019 agreement.
- The Children’s Services Program Delivery budget includes one additional FTE position in order to support with the increased administrative responsibilities (i.e. service system planning, EarlyON Child & Family Centres, child care expansions, capital projects, etc.). The position is 100% provincially funded.

Housing Services Program:

Housing Services Budget by Source of Funds



Housing Services Total Budget by Program Fund and Municipal Share 2018 and 2019

| Housing Services | 2018 | | | 2019 | | | % |
|---------------------------------|----------------------|----------------------|-----------------------|--------------------|---------------------|---------------------|--------------|
| | Budget | Budget | Increase (Decrease) | Municipal Share | Municipal Share | Increase (Decrease) | |
| Reformed non-profit | \$ 5,856,503 | \$ 5,929,020 | \$ 72,517 | \$4,477,265 | \$ 4,549,782 | \$ 72,517 | 1.62% |
| Municipal non-profit | 1,161,519 | 1,187,868 | 26,349 | 631,370 | 657,719 | 26,349 | 4.17% |
| Federal non-profit | 225,737 | 225,744 | 7 | 143,206 | 143,213 | 7 | 0.00% |
| Urban Native | 1,083,278 | 1,061,568 | (21,710) | 40,366 | 18,656 | (21,710) | -53.78% |
| Nipissing District Housing Corp | 2,684,307 | 3,043,584 | 359,277 | 2,060,047 | 2,486,444 | 426,397 | 20.70% |
| Commercial Rent Supplement | 496,800 | 503,004 | 6,204 | 264,151 | 285,128 | 20,977 | 7.94% |
| Registry - Housing | - | - | - | - | - | - | 0.00% |
| Strong Communities Rent Supp | 382,340 | 324,096 | (58,244) | - | - | - | 0.00% |
| Northern Remote - Build | 128,522 | 129,105 | 583 | 128,522 | 129,105 | 583 | 0.45% |
| CHPI | 1,606,949 | 1,466,584 | (140,365) | - | - | - | 0.00% |
| Homelessness Partnership | 199,485 | 162,252 | (37,233) | - | - | - | 0.00% |
| IAH | 513,908 | 454,480 | (59,428) | - | - | - | 0.00% |
| SIF | 539,764 | 68,250 | (471,514) | - | - | - | 0.00% |
| SHIP | 740,121 | - | (740,121) | - | - | - | 0.00% |
| SHEEP | - | - | - | - | - | - | 0.00% |
| Affordable Housing Reserve | - | - | - | - | - | - | 0.00% |
| Total | \$ 15,619,233 | \$ 14,555,555 | \$ (1,063,678) | \$7,744,927 | \$ 8,270,047 | \$ 525,120 | 6.78% |

- The Housing Services budget is decreasing year over year by approximately \$1.06 million. The municipal share of this budget has increased year over year by approximately \$525k.
- The decreased overall budget is associated with the completion of 100% provincially funded projects like the \$740,000 in Social Housing Improvement Program (SHIP) and Social Infrastructure Fund (SIF) funding.
- 2018 marked the cancelation of two provincially funded programs; GreenOn and Social Housing Apartment Improvement Program (SHAIP) for a combined total of \$1,666,671. The termination of these programs impacted social housing capital works projects planned and has therefore increased the municipal share.
- The 2019/20 Ministry of Municipal Affairs and Housing (MMAH) fiscal year marks the final year of the federally and provincially funded Investment in Affordable Housing Ext 2014 (IAH-E) program. The funds received over this 6 year program totalled \$5,399,200. Also, SIF, another federally and provincially funded program, has not yet been renewed for 2019/20. The district has been receiving funds under this program for the last three fiscal years, in the total amount of \$4,471,200. We are hopeful that with the release of the Provincial Budget in the spring there will be an announcement regarding funding for affordable housing programs.
- While program funding years have ended we continue to deliver the Affordable Housing Program; Housing Allowance, Homeownership and Ontario Renovates, as we see current files through to completion. These will be supported through the use of deferred revenue.
- Given the cancellation and completion of the various adhoc programs and the finalizing of the IAH-E program and the delayed extension announcement of the SIF program, in order to mitigate an increase in municipal levy, we have made reductions to our staffing compliment to offset the loss in provincial administration funding.
- The Provincial/Federal funding provided by MMAH for the Legacy programs (Provincially Reformed, Public Housing, Urban Native, Federal, and Commercial Rent Supplement programs) is decreasing from 2018 by \$67,121. This reduction is directly related to the funding targeted to Public Housing, which correlates to an increase in the Municipal Levy for Housing Operations (NDHC).

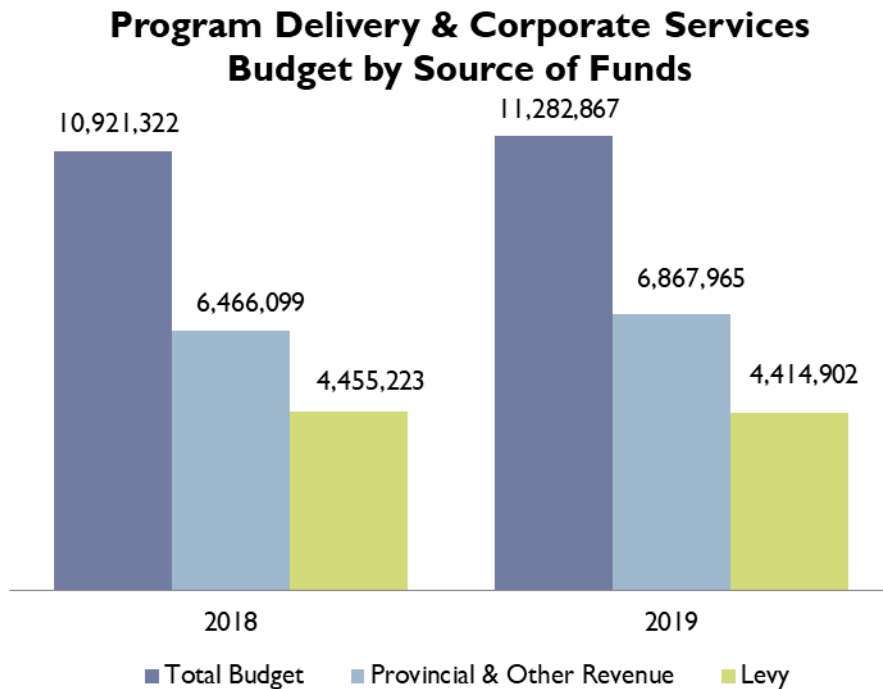
- There is a significant increase in the subsidies required to fund Phase III of NDHC's operations. This is due to the following factors:
 - The reduction in Provincial/Federal funding of \$67,121 noted above.
 - A share of the central administration costs being allocated to NDHC for the first time.
 - Collective bargaining increase.
 - Water and property tax increases. Property taxes have been increasing significantly due to the combination of municipal tax rate and Municipal Property Assessment Corporation (MPAC) assessment increases.
- In order to reduce some of the pressures on the levy due to the above mentioned costs increases, we have reduced the NDHC capital budget by approximately \$414,000 year over year. It should be noted that this is not a long-term sustainable strategy as our housing portfolio needs to be properly maintained. This is where the cancellation of the cap-and-trade related funding significantly impacts our operations as we could have used that 100% provincial funding to reduce the levy impact of maintaining our housing portfolio.
- For the 2019 budget, many of the housing provider budgets remained the same or were reduced in comparison to 2018. This is a result of the 2019 indices and the drastic lowering of the index for natural gas from 11.63% to -2.75%. Due to expected 2019 reconciliations, the Provincial Reformed budget ultimately amounts to \$5,929,020, representing a modest Municipal Levy increase of 1.62%.
- Legislation outlines the DNSSAB's Service Level Standards; the specific number of Rent Geared to Income units we are required to fund. We are currently not meeting this obligation and are currently short approximately 206 units of housing.
- A mitigation strategy has been developed - a phased in approach to add new units to address our legislative obligations while exercising prudent financial management. As part of this strategy, the Portable Housing Benefit program will be developed and implemented.

- The Commercial Rent Supplement program is an instrumental component in reaching our District's Service Level Standards for Rent Geared to Income units. This program is typically associated with a municipal levy increase as the DNSSAB attempts to ramp up the program to meet legislative obligations.
- In 2018, the Commercial Rent Supplement budget amounted to \$496,800 with a large portion taken from previous years' deferred revenue. Expenditures in 2018 are expected to be \$442,063. The decreased spending is a result of halting the planned ramp-up to 120 units to offset increased expenditures in other legacy programs.
- For 2019, DNSSAB intends to maintain the current 100 units under the program. By doing so, the total budget will increase by \$6,204 to a total budget of \$503,004. This represents a Municipal Levy increase of 7.94% since there is less deferred revenue available compared to 2018.
- In 2018, the demands for Community Homelessness Prevention Initiative (CHPI) Household Benefits have been higher than anticipated, which correlates to an increase in shelter and overflow usage. This is a trend which has been seen across the province. The 2019 CHPI budget recognizes this changing need in our community, and realigns funding to better support those experiencing or at risk of homelessness.

Municipal Budget Implications for 2019:

| | 2019 Budget | Municipal Impact | |
|-------------------------|--|------------------|--------------|
| | | 2018 | 2019 |
| Program | \$ 14,555,555 | \$ 7,744,927 | \$ 8,270,047 |
| Program Delivery | \$ 1,394,638 | \$ 1,187,593 | \$ 1,085,191 |
| | Total: | \$ 8,932,520 | \$ 9,355,238 |
| | | Variance: | \$ 422,718 |
| | Overall Impact on Municipal Contribution: | | 4.73% |

Program Delivery and Corporate Services



- The 2018 program delivery budget is showing an increase year over year of \$361,545. Despite the increase in total costs, the municipal levy has actually decreased by \$40,322.
- The additional program delivery costs are result of a combination of factors that include:
 - Collective bargaining increases.
 - Enhanced services in Ontario Works to provide supports to clients with identified addiction and mental health concerns.
 - Additional Children's Services staff which is 100% provincially funded.
 - Other items will be discussed in further detail below.

Program Delivery and Corporate Services

Proposed Budget for 2019

| | Budget 2018 | Budget 2019 | Variance to Budget | % Change |
|----------------------------------|----------------------|----------------------|-----------------------|--------------|
| Revenues: | | | | |
| Municipal levy | \$ 4,455,224 | \$ 4,414,902 | \$ (40,322) | -0.91% |
| Provincial Funding | 6,282,513 | 6,312,396 | 29,883 | 0.48% |
| Lease & Fee, Other Revenue | 1,800 | 241,200 | 239,400 | 13300.00% |
| Interest Revenue | 136,786 | 260,660 | 123,874 | 90.56% |
| Repayments | - | 33,000 | 33,000 | 0.00% |
| Federal Funding | 45,000 | 20,709 | (24,291) | -53.98% |
| Total Revenues | 10,921,322 | 11,282,867 | 361,545 | 3.31% |
| Expenditures: | | | | |
| Salaries & Benefits | \$ 8,665,141 | \$ 9,020,468 | \$ 355,327 | 4.10% |
| Travel | 72,056 | 100,915 | 28,859 | 40.05% |
| Training | 155,085 | 90,491 | (64,594) | -41.65% |
| Professional Fees | 232,142 | 248,169 | 16,027 | 6.90% |
| Rent | 429,287 | 452,880 | 23,593 | 5.50% |
| Utilities | 77,771 | 95,340 | 17,569 | 22.59% |
| Telephone & Internet | 166,953 | 133,182 | (33,771) | -20.23% |
| Office | 245,872 | 246,509 | 637 | 0.26% |
| Insurance Expense | 34,983 | 65,130 | 30,147 | 86.18% |
| Janitorial Services | 82,752 | 70,684 | (12,068) | -14.58% |
| Furniture, Equipment and Repairs | 185,326 | 130,781 | (54,545) | -29.43% |
| Computer and Technology | 264,852 | 357,037 | 92,185 | 34.81% |
| Health and Safety/Wellness | 46,541 | 43,722 | (2,819) | -6.06% |
| Parking | 54,100 | 49,908 | (4,192) | -7.75% |
| CNB IT Services | 197,124 | 171,312 | (25,812) | -13.09% |
| Transfer to service providers | 11,338 | 6,339 | (4,999) | -44.09% |
| Total Expenditures | \$ 10,921,322 | \$ 11,282,867 | \$ 361,545 | 3.31% |
| Surplus (Deficit) | - | - | 0 | 0.00% |

- Increase in other revenue is due to the central administration charge to NDHC. DNSSAB has taken over the corporate services functions at NDHC, so it is appropriate that we now charge NDHC a central administration allocation similar to the other departments.
- Interest revenue has increased significantly with rising interest rates. We've also had some one-time capital funding which has temporarily increased our cash balance until the funding is spent by the end of 2019.
- Staffing costs include a 1.5% wage increase as negotiated under the two collective agreements with a matched increase for non-union positions to maintain parity. Total budgeted staff related payroll costs for 2019 is \$9,367,834.

- In 2019 group benefit costs are expected to increase modestly. In 2018 we experienced a 1.0% decrease to the DNSSAB plan and 8.6% increase to Housing Operations (NDHC) plan.
- Training and travel costs combined are decreasing \$35,735 as all DNSSAB departments are reducing discretionary expenses where possible being conscious of the levy pressures.
- Professional fees are expected to increase due to the \$50,000 budgeted for the EMS value for money review as well as costs associated with the ongoing accommodation review.
- Rent is increasing per all the various lease agreement including the 2.5% annual increase of the City Hall rent.
- Insurance costs have increased as we have added NDHC to our insurance portfolio.
- Repairs and maintenance have decreased because we budgeted for first floor renovations in 2018 which didn't occur and we are not planning for these renovations in 2019.
- Technology costs are increasing significantly due to planned expenditures on the employment database and Let's Talk Employment.
 - The Employment Database expenditures are to enhance the overall functionality of the database to increase the effectiveness of the tool. We are moving to a new platform that has increased capabilities.
 - Let's Talk Employment will be an interactive employment website that Clark Communications will be building for us that will allow job seekers to find all of the resources they will need to be successful in a job search. It is intended to pull together as much relevant and current information available into one site. The site will also be connected to the Get Trained Workers initiative.
- Parking costs increase 3% annually but these costs have been partially offset by the increase to our staff parking payroll deduction from \$5 to \$10 bi-weekly effective January 1, 2019.
- CNB services (which is comprised of IT and had previously included purchasing services) also appear to be decreasing despite an annual 3% increase, however, this is because we budgeted to use the CNB for purchasing services in 2018 but have brought this position in house with the Contract Specialist position.

- The following summarizes the 2019 CNB budgeted costs for various services. We also pay the CNB approximately \$60,000 per year for postage but this has been excluded from this list.

| City of North Bay costs: | 2019 |
|---------------------------------|-------------------|
| Rent | 325,199.19 |
| IT services | 171,304.41 |
| Parking | 72,786.76 |
| Utilities | 95,343.05 |
| Telephone | 34,928.00 |
| Elevator shared maintenance | 5,769.42 |
| Other shared maintenance | 8,469.48 |
| | 713,800.31 |

The following table shows in greater detail the changes in the municipal share of Program delivery and corporate services budget year over year.

Program Delivery Total Budget by Program and Municipal Share 2018 and 2019

| Program Delivery | 2018 | 2019 | Increase | 2018 | 2019 | Increase | % |
|--------------------------------------|----------------------|----------------------|-------------------|---------------------|---------------------|--------------------|---------------|
| | Budget | Budget | (Decrease) | Municipal Share | Municipal Share | (Decrease) | |
| Employment and Social Services | | | | | | | |
| Program Delivery | \$ 7,283,196 | \$ 7,411,802 | \$ 128,606 | \$ 2,714,051 | \$ 2,757,958 | \$ 43,907 | 1.62% |
| Housing Program Delivery | 1,587,789 | 1,394,639 | (193,150) | 1,187,593 | 1,085,191 | (102,402) | -8.62% |
| Children's Services Program Delivery | 1,421,101 | 1,424,678 | 3,577 | 229,435 | 225,985 | (3,450) | -1.50% |
| EMS Program Delivery | 299,355 | 375,240 | 75,885 | 149,678 | 171,120 | 21,442 | 14.33% |
| Board & Governance | 221,295 | 204,648 | (16,647) | 174,467 | 174,648 | 181 | 0.10% |
| Corporate Services | 108,586 | 471,860 | 363,274 | - | - | - | 0.00% |
| Total | \$ 10,921,322 | \$ 11,282,867 | \$ 361,545 | \$ 4,455,223 | \$ 4,414,902 | \$ (40,322) | -0.91% |

Homemaker and Homecare Services

- The Homemaker and Nurses Services Act 1990³ provides the opportunity for DSSAB's and Municipal Services System Managers to provide Homemaker and Homecare services to qualified individuals through an 80/20 funding split with the Province of Ontario.
- The DNSSAB is proposing to offer Homemaker and Homecare services to individuals with mental health and addiction issues, frail seniors, individuals with developmental disabilities, and low income and social housing occupants. A financial needs test will be used to determine the qualification of potential clients with an expected co-pay being applied where applicable.
- By providing these services, not only will this vulnerable sector of our population be receiving better and more frequent health/home care, the services provided will allow for better housing stability and fewer EMS calls.
- It is anticipated, through the proposed model, that DNSSAB will provide Homemaker and Homecare services to over 350 individuals, utilizing a staff compliment of 4.2 FTE housekeepers, 3.0 FTE Personal Support Workers (PSW's) and 1 RN.
- We are anticipating approximately \$500,000 in program costs for this initiative. This would require a municipal levy contribution of \$100,000) to access the provincial funding of \$400,000 (80/20 split). We have also included an additional \$25,000 (5% of \$500,000 budget) municipal contribution to cover administrative costs as this funding envelope does not provide any administrative dollars. Therefore the total municipal contribution would be \$125,000.
- Please see the next page for details on the cost estimates.

³ <https://www.ontario.ca/laws/statute/90h10>

| Area of Service | Est. # of clients served Annually | Average active clients | Avg. Hrs service per client (monthly) | Per hour cost Homemaker \$17 + 26% benefit costs \$21.42 PSW \$22.20 – \$24.12 + 26% benefit costs (\$27.97-\$30.39) RN \$44.05 + 26% benefit costs \$55.49 | Avg. Cost per client visit HM \$21.42 per hr + \$5.36 travel time + \$10 avg. km rate PSW \$29.18 per hr + \$7.30 travel time + \$10 avg. km rate RN \$27.75 | Cost share DNSSAB | Cost share Ministry | Budget Total |
|--------------------|-----------------------------------|------------------------|--|--|---|-------------------|---------------------|------------------|
| Homemaker | 72 | 65 | 8 | \$21.42 | \$58.20 (based on 2hrs/wk) | \$39,343 | \$157,373 | \$196,716 |
| Homecare | 290 | 60 | 6 | \$29.18 avg | \$61.07 (based on 1.5hrs/wk) | \$38,108 | \$152,431 | \$190,538 |
| RN/ Coordinator | 362 | 125 | 50% (Coordination) 50% (Homecare) | \$55.49 | \$27.75 | \$20,198 | \$80,794 | \$100,992 |
| Total | 362 | 125 | | | | \$97,649 | \$390,597 | \$488,246 |

*funding figures do not account for client payments

*Estimates/Targets based on current demand

| Area of Service | Est. # of clients served Annually | Average active clients | Avg. Hrs service per client (monthly) | Per hour cost Homemaker \$17 + 26% benefit costs \$21.42 PSW \$22.20 – \$24.12 + 26% benefit costs (\$27.97-\$30.39) RN \$44.05 + 26% benefit costs \$55.49 | Avg. Cost per client visit HM \$21.42 per hr + \$5.36 travel time + \$10 avg. km rate PSW \$29.18 per hr + \$7.30 travel time + \$10 avg. km rate RN \$27.75 | Cost share DNSSAB | Cost share Ministry | Budget Total |
|--------------------|-----------------------------------|------------------------|--|--|---|-------------------|---------------------|------------------|
| Homemaker | 72 | 65 | 8 | \$21.42 | \$58.20 (based on 2hrs/wk) | \$39,343 | \$157,373 | \$196,716 |
| Homecare | 290 | 60 | 6 | \$29.18 avg | \$61.07 (based on 1.5hrs/wk) | \$38,108 | \$152,431 | \$190,538 |
| RN/ Coordinator | 362 | 125 | 50% (Coordination) 50% (Homecare) | \$55.49 | \$27.75 | \$20,198 | \$80,794 | \$100,992 |
| Total | 362 | 125 | | | | \$97,649 | \$390,597 | \$488,246 |

FINANCIAL IMPLICATION – IMPACT ON LEVY

- The total 2019 budget proposed in this report shows an increase to the municipal funding year over year by approximately 4.43%, or \$841,199. The table below shows the impact on the levy by each program area.

Total Budget by Program Fund and Municipal Share 2018 and 2019

| Total Budget | 2018 | 2019 | Increase | 2018 | 2019 | Increase | % |
|---------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-------------------|--------------|
| | Budget | Budget | (Decrease) | Municipal Share | Municipal Share | (Decrease) | |
| Employment and Social Services | \$ 23,374,396 | \$ 21,880,633 | \$ (1,493,763) | \$ 599,822 | \$ 495,027 | \$ (104,795) | -17.47% |
| Healthy Communities Fund | 470,000 | 470,000 | - | 470,000 | 470,000 | - | 0.00% |
| Housing Services | 15,619,233 | 14,555,555 | (1,063,678) | 7,744,927 | 8,270,047 | 525,120 | 6.78% |
| Children's Services | 17,678,289 | 16,230,614 | (1,447,675) | 1,009,261 | 1,017,955 | 8,694 | 0.86% |
| EMS - Land Ambulance | 9,730,589 | 10,224,183 | 493,594 | 4,710,756 | 5,038,257 | 327,501 | 6.95% |
| Program Delivery & Corporate Services | 10,921,322 | 11,282,867 | 361,545 | 4,455,223 | 4,414,902 | (40,321) | -0.91% |
| | - | 525,000 | 525,000 | - | 125,000 | 125,000 | 0.00% |
| | - | - | - | - | - | - | - |
| Total | \$ 77,793,829 | \$ 75,168,852 | \$ (2,624,977) | \$ 18,989,989 | \$ 19,831,188 | \$ 841,199 | 4.43% |

- In terms of administrative overhead, the cost of corporate services remains low at 3.66% of the total 2019 budget.
- Based on the 2018 budget, there continues to be about \$2.5 million in available 50/50 funding to support OW program delivery/employment services. That means to access this funding; the municipalities would have to invest an additional \$1.25 million in order to maximize this funding envelope.

CONCLUSION

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2019 BUDGET SUMMARY

| | 2018 Forecast to Year End | 2018 Budget | 2019 Budget | Increase (Decrease) | 2018 Municipal Share of Budget | 2019 Municipal Share of Budget | Increase (Decrease) | % |
|---------------------------------------|---------------------------------|-------------------|-------------------|------------------------------|--------------------------------------|--------------------------------------|------------------------|----------|
| Employment and Social Services | 20,888,205 | 23,374,396 | 21,880,633 | (1,493,763) | 599,822 | 495,027 | (104,795) | (17.47%) |
| Healthy Communities Fund | 470,000 | 470,000 | 470,000 | - | 470,000 | 470,000 | - | 0.00% |
| Housing Services | 17,320,003 | 15,619,233 | 14,555,555 | (1,063,678) | 7,744,927 | 8,270,047 | 525,120 | 6.78% |
| Children's Services | 16,301,267 | 17,678,289 | 16,230,614 | (1,447,675) | 1,009,261 | 1,017,955 | 8,694 | 0.86% |
| EMS - Land Ambulance | 9,761,065 | 9,730,589 | 10,224,183 | 493,594 | 4,710,756 | 5,038,257 | 327,501 | 6.95% |
| Program Delivery & Corporate Services | 10,803,009 | 10,921,322 | 11,282,867 | 361,545 | 4,455,223 | 4,414,902 | (40,321) | (0.91%) |
| Homemaker and Homecare Services | - | - | 525,000 | 525,000 | - | 125,000 | 125,000 | |
| Total | 75,543,549 | 77,793,829 | 75,168,852 | (2,624,977) | 18,989,988 | 19,831,188 | 841,199 | |
| | | | | % Increase (Decrease) | (3.37%) | % Increase | 4.43% | |
| 2019 Provincial/Federal Share | 54,093,714 | | 71.96% | | | | | |
| 2019 Municipal Share | 19,831,188 | | 26.38% | | | | | |
| 2019 Repayments & Other Income | 1,243,950 | | 1.65% | | | | | |
| 2018 Apportionment | 18,989,988 | 24.41% | | | | | | |

With the completion of the OW Financial Assistance benefits upload to the province, we will no longer be able to sustain sub 2% levy increases going forward if we want to maintain our services and if our ratio of provincial/municipal funding stays status quo.

We realize that the recommended levy increase is significant in 2019 and although this is our recommended budget which balances fiscal responsibility with slight enhancements to much needed mental health and addictions supports, we have provided some additional options below for your review.

The Board has 3 budget options:

1. 4.43% levy increase – recommended option as presented
2. The cancellation/denial to proceed with any one or a combination of the following options:
 - a. Healthy Communities Fund
 - i. This would reduce the municipal levy increase by 2.47% resulting in an overall increase of 1.95%. Please see Appendix A for a background on the fund and a list of the organizations that the fund has supported in the past. The potential community impacts of cancelling the fund should also be considered.
 - b. Type B Funerals for non-social assistance recipients
 - i. This would reduce the municipal levy increase by 0.26% resulting in an overall increase of 4.17%. The DNSSAB provides this service on behalf of the municipalities which would be legislated to provide this service if DNSSAB did not.
 - c. Homemaker and Homecare Services
 - i. If the Board denies the request to move forward with this new program, this would reduce the municipal levy increase by 0.66% resulting in an overall increase of 3.77%.
 - d. Two additional mental health and addictions case managers
 - i. This would reduce the municipal levy increase by 0.38% resulting in an overall increase of 4.05%.
3. Any \$100,000 municipal (\$200,000 total investment from matching provincial portion) incremental increase to the available MCCSS 50/50 funding would result in a 0.53% increase to municipal levy.

The total 2019 budget proposed in this report shows an increase to the municipal funding year over year by approximately 4.43%, or \$841,199. The total budget decreased year over year by \$2,624,977, or 3.37%.

REVISED BUDGET SUMMARY

When the budget was presented to the Board on January 30, 2019, they approved the following amendments to the budget:

- Homemaker and Homecare Services, option 2(c), was denied and was therefore removed from the budget.
- The Healthy Communities Fund, option 2(a), was reduced from \$470,000 to \$400,000.

The remainder of the budget was approved as presented. The below budget summary takes these revisions into account to reflect the Board approved budget on January 30, 2019.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2019 BUDGET SUMMARY

| | 2018 Forecast to Year End | 2018 Budget | 2019 Budget | Increase (Decrease) | 2018 Municipal Share of Budget | 2019 Municipal Share of Budget | Increase (Decrease) | % |
|---------------------------------------|---------------------------------|-------------------|-------------------|------------------------------|--------------------------------------|--------------------------------------|------------------------|----------|
| Employment and Social Services | 20,888,205 | 23,374,396 | 21,880,633 | (1,493,763) | 599,822 | 495,027 | (104,795) | (17.47%) |
| Healthy Communities Fund | 470,000 | 470,000 | 400,000 | (70,000) | 470,000 | 400,000 | (70,000) | (14.89%) |
| Housing Services | 17,320,003 | 15,619,233 | 14,555,555 | (1,063,678) | 7,744,927 | 8,270,047 | 525,120 | 6.78% |
| Children's Services | 16,301,267 | 17,678,289 | 16,230,614 | (1,447,675) | 1,009,261 | 1,017,955 | 8,694 | 0.86% |
| EMS - Land Ambulance | 9,761,065 | 9,730,589 | 10,224,183 | 493,594 | 4,710,756 | 5,038,257 | 327,501 | 6.95% |
| Program Delivery & Corporate Services | 10,803,009 | 10,921,322 | 11,282,867 | 361,545 | 4,455,223 | 4,414,902 | (40,321) | (0.91%) |
| Total | 75,543,549 | 77,793,829 | 74,573,852 | (3,219,977) | 18,989,988 | 19,636,188 | 646,199 | |
| | | | | % Increase (Decrease) | (4.14%) | % Increase | 3.40% | |
| 2019 Provincial/Federal Share | 53,693,714 | | 72.00% | | | | | |
| 2019 Municipal Share | 19,636,188 | | 26.33% | | | | | |
| 2019 Repayments & Other Income | 1,243,950 | | 1.67% | | | | | |
| 2018 Apportionment | 18,989,988 | 24.41% | | | | | | |

- **APPENDIX A**

HEALTHY COMMUNITIES FUND

The 2019 Healthy Communities Fund (HCF) budget is set at \$470,000 which follows that of recent years. The fund is comprised of 100% municipal dollars and is administered by DNSSAB on behalf of the district's municipalities. Currently, the fund is focused on poverty reduction in Nipissing District and is allocated to various organizations and their projects/programs through an annual application process. (Note: in 2018 LIPI was removed from the application process and is now directly funded through the HCF).

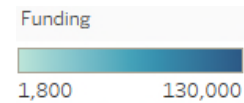
As additional background for the new Board members, the origin of the Healthy Communities Fund can be traced back to 2001 when the municipal funds were distributed through Ontario Child Benefit (OCB) funding. Since that time, the fund has undergone many changes including the provincial restructuring of social services in 2008 which resulted in fundamental changes to the fund. The fund has also had a number of administrative changes and redesigns over the years, often in response to a shift in Board policy or challenges associated with managing the fund. Also of note, the Healthy Communities Fund and the funds before it (Innovation and OCB) have been the subject of numerous staff briefing notes, presentations, and committee/ Board discussions over the years.

Throughout the above period however, the municipal funds have always been used to fund various community organizations and projects/programs, intended to meet the needs of low income families, children and individuals, and reduce poverty in local Nipissing communities. This pattern of funding can be observed in Table 1 on the following page which shows the distribution of municipal funds by organization/ service provider over the past five years (prior to 2016 the fund was named the 'Innovation Fund'). Most of these organizations have received municipal funding for projects in the areas of education, employment, housing and homelessness, food security, substance abuse/addictions, access to services, and general health and well-being.

With regards to budget option #2a (p. 26) it is important for the Board to consider the community impacts associated with that option – for example, the loss of funding could significantly impact these organizations as some of them may be dependent on this funding.

Table 1. Healthy Communities and Innovation Funds (\$), 2014-2018

| Organization | 2014 | 2015 | 2016 | 2017 | 2018 | Total, \$ |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| Big Brothers Big Sisters of North Bay | 15,000 | 15,000 | 15,000 | | 20,000 | 65,000 |
| Canadore College | | 25,000 | | | | 25,000 |
| Children's Aid Society, Nipissing & Parry Sound | 35,293 | 87,000 | 30,000 | | | 152,293 |
| CMHA-Nipissing Branch | 90,768 | | 30,000 | 30,000 | | 150,768 |
| Community Living North Bay | 25,000 | 25,000 | 18,371 | | 30,000 | 98,371 |
| Crisis Centre North Bay | | | 25,153 | 24,440 | 25,790 | 75,383 |
| Family Enrichment Program | 25,000 | 25,000 | 30,000 | 30,000 | | 110,000 |
| Literacy Alliance of West Nipissing | 19,900 | | | | | 19,900 |
| Low Income People Involvement (LIPI) | 125,000 | 100,000 | 120,000 | 130,000 | 130,000 | 605,000 |
| Mattawa Wellness and Life Enrichment Corp. | | | 29,916 | 29,916 | | 59,832 |
| Mattawa Women's Resource Centre | 13,440 | | | | | 13,440 |
| Nipissing District Housing Corporation (NDHC) | 36,507 | | 60,000 | | | 96,507 |
| North Bay & Area Drug Strategy | | | | | 23,000 | 23,000 |
| North Bay & District Multicultural Centre | | | | | 1,809 | 1,809 |
| North Bay Indian Friendship Centre | 12,000 | 25,000 | | | | 37,000 |
| North Bay Parry Sound District Health Unit (NBPSDHU) | | 25,000 | | 30,000 | 15,275 | 70,275 |
| North Bay Warming Centre | | | | 30,000 | | 30,000 |
| One Kids Place Children's Treatment Centre | | 50,000 | | | | 50,000 |
| Powassan and District Union Public Library | 4,855 | | | | | 4,855 |
| St. Joseph-Scollard Hall CSS | 25,000 | | | | | 25,000 |
| Stepping Stones Services | | | | | 60,000 | 60,000 |
| The Business Centre Nipissing Parry Sound Inc. | | 24,970 | | 23,804 | | 48,774 |
| The Gathering Place | | | 30,000 | 47,556 | 65,000 | 142,556 |
| The North Bay Food bank | | | | 22,500 | | 22,500 |
| The North Bay Literacy Council Inc. | 25,000 | 25,000 | 25,000 | 25,000 | 25,700 | 125,700 |
| True Self Debwewendizwin | | 50,000 | 60,000 | 46,784 | 72,800 | 229,584 |
| YMCA | 17,356 | | | | | 17,356 |
| Total, \$ | 470,120 | 476,970 | 473,440 | 470,000 | 469,374 | 2,359,904 |



Note: The HCF currently has a maximum of \$30,000 per application/ project. Some organizations are funded for more than one application/project in a given year.