

District of Nipissing
Social Services
Administration Board



Conseil d'administration
des services sociaux
du district de Nipissing

The District of Nipissing Social Services Administration Board

EX23-19 2020 Proposed Budget

December 18th, 2019 Board Meeting



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1. Purpose

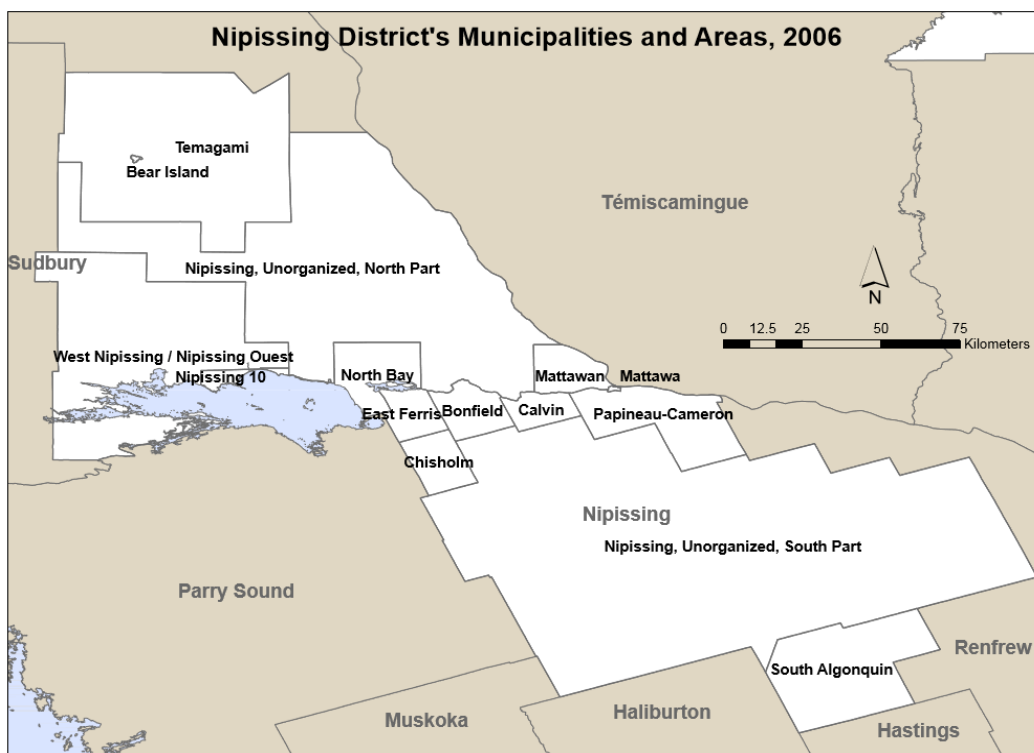
The District of Nipissing Social Services Administration Board (DNSSAB) 2020 proposed budget has been developed with an emphasis on stable financial planning and maximizing service delivery. This is a prudent financial plan, which supports the 2015-2020 strategic plan and promotes continued excellence in client service with a continued desire to find efficiencies in service delivery and program planning.

2. Background

The DNSSAB administers and delivers provincially mandated services on behalf of the citizens of the District of Nipissing in an equitable and cost-effective manner. These services include delivery of Ontario Works (OW) programs and administration and service system management for Emergency Medical Services (EMS), Child Care and EarlyON programs and Social Housing and Homelessness programs.

The DNSSAB's service area includes:

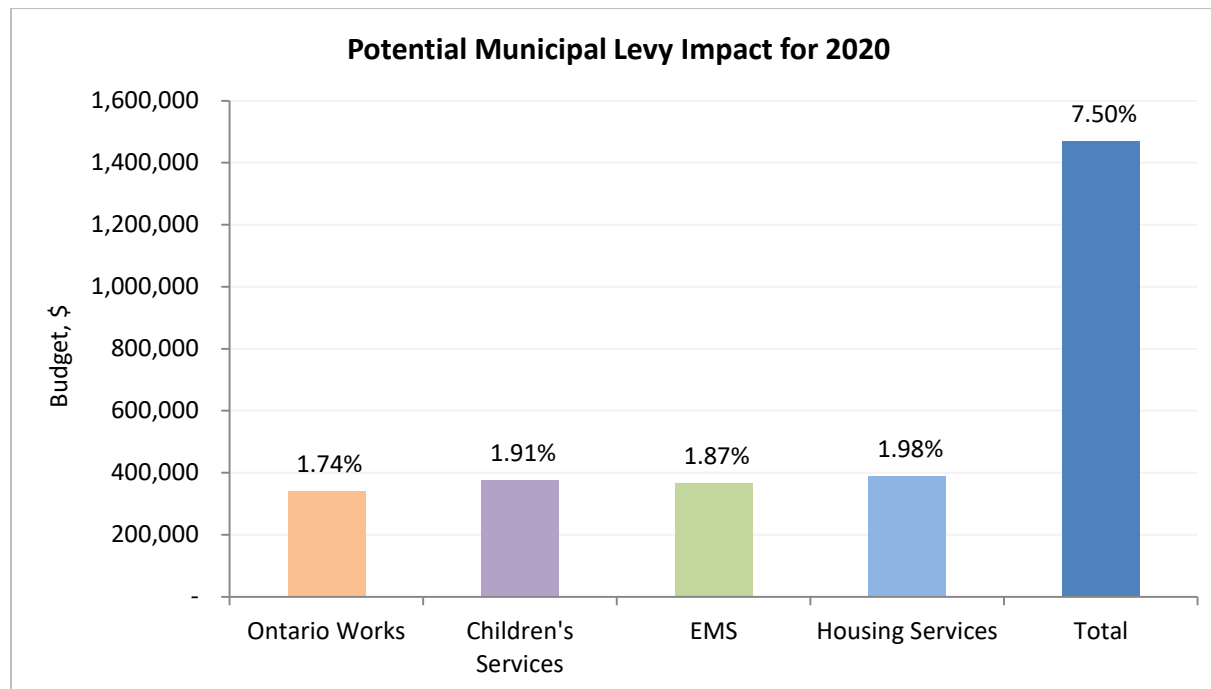
- The City of North Bay
- Municipality of West Nipissing
- Municipality of East Ferris
- Municipality of Temagami
- Township of South Algonquin
- Township of Bonfield
- Municipality of Calvin
- Township of Papineau-Cameron
- Town of Mattawa
- Township of Chisholm
- Township of Mattawan
- Territories without municipal organization (TWOMO)
- Nipissing and Temagami First Nations





2.1 Cost Pressures

In September, the 2020 Budget Issues Report was presented to the Board which detailed the impacts of the provincial funding changes for each department. While this report will not be fully repeated here, some of the significant issues will be discussed within this report. Within the Budget Issues Report, we were originally forecasting a potential municipal levy increase of approximately 7.5%.



In addition to the provincial funding changes, the DNSSAB continues to face regular inflationary budget pressures which include the following:

- Salary increases.
 - Between the collective bargained annual increase of 1.5% and step movements within the salary scales, the DNSSAB faces annual salary increases in the range of 2.5% to 3%.
- Increases in accommodation related costs (rent, property taxes, utilities, etc.).
- Inflationary increase to virtually all goods and services. Ontario's inflation rate is expected to be 2% for 2020.¹

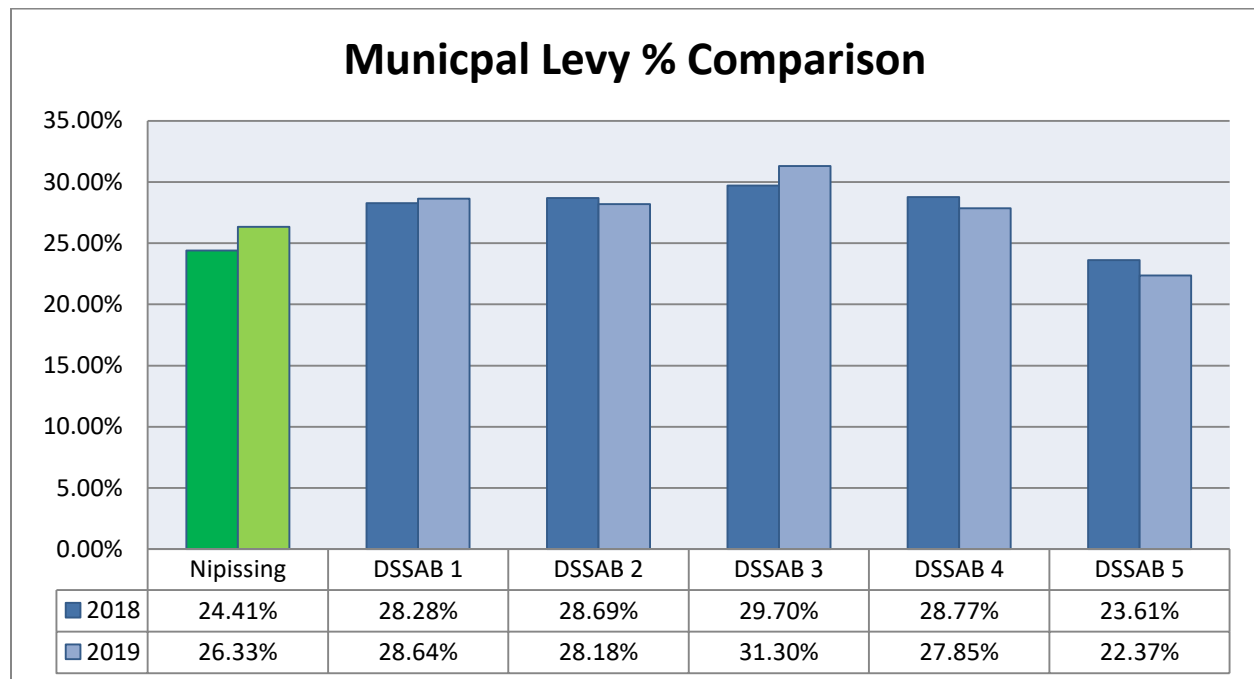
Specific departmental cost pressures and provincial funding changes will be examined further in each respective department section.

¹ 2019 Ontario Economic Outlook and Fiscal Review: A Plan to Build Ontario Together, p. 7, <http://budget.ontario.ca/2019/fallstatement/pdf/2019-fallstatement.pdf>

Given the provincial funding changes that have been announced, the 2020 proposed budget is seeing increased pressure on the municipal levy with a proposed increase of 4.42%. Staff have been working tirelessly throughout the year to find cost savings throughout the organization. These efforts include, but are not limited to the following:

- Various staffing reorganizations
- Renegotiating lease agreements
- Reduced level of City Hall cleaning services
- Limiting travel and overtime
- No longer purchasing water or coffee for staff
- Reducing parking subsidy for staff
- Cancelling healthy living benefit
- Reviewing all vendor relationships where possible
- Limiting training and continuing education costs
- Reviewing expenditures to eliminate inefficiencies

Even before these cost saving measures were implemented in 2019, the DNSSAB has always been amongst the most cost efficient of all the DSSABs. This can be seen in the following chart which shows the percentage of municipal levy utilized compared to the total budget.



The Municipal Levy as a % of Total Budget chart is organized by DNSSAB’s closest comparators, left to right, based on size of organization and services provided². Only one other DSSAB has lower percentage utilization of the municipal levy³.

² Only six of the ten DSSABs are shown because two did not have their financial information available online and two are not the service system managers for EMS in their district and are therefore not comparable.

³ Per review of this DSSAB’s budget, it appears they have been using reserves to keep their municipal levy lower.



3. Report

3.1 Budget Overview

As mentioned previously, the 2020 budget is proposing an overall municipal levy increase of 4.42% while there is an overall decrease in the budget from \$74,573,852 in 2019 to \$73,983,008 in 2020. The overall decrease is attributable to changes in 100% provincially funded programs.

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2020 BUDGET SUMMARY

	2019 Forecast to Year End	2019 Budget	2020 Budget	Increase (Decrease)	2019 Municipal Share of Budget	2020 Municipal Share of Budget	Increase (Decrease)	%
Employment and Social Services	20,296,553	21,791,500	20,252,960	(1,538,540)	475,027	356,393	(118,634)	(24.97%)
Housing Services	15,316,050	14,555,555	16,254,819	1,699,264	8,270,047	8,506,714	236,667	2.86%
Children's Services	16,726,408	16,230,614	15,219,987	(1,010,627)	1,017,955	1,281,474	263,519	25.89%
EMS - Land Ambulance	10,865,711	10,224,183	11,111,527	887,344	5,038,257	5,560,440	522,183	10.36%
Program Delivery & Corporate Services	10,430,228	11,282,867	10,652,801	(630,066)	4,414,902	4,379,965	(34,937)	(0.79%)
Healthy Communities Fund	398,870	400,000	400,000	-	400,000	400,000	-	0.00%
Gateway Hub	68,193	89,133	90,914	1,781	20,000	20,000	-	0.00%
Total	74,102,013	74,573,852	73,983,008	(590,844)	19,636,188	20,504,986	868,798	
% Increase (Decrease)				(0.79%)	% Increase		4.42%	
2020 Provincial/Federal Share	52,378,169		70.80%					
2020 Municipal Share	20,504,986		27.72%					
2020 Repayments & Other Income	1,099,853		1.49%					
2019 Apportionment	19,636,188		26.33%					

This budget maintains services in a cost effective manner with the following targeted investments:

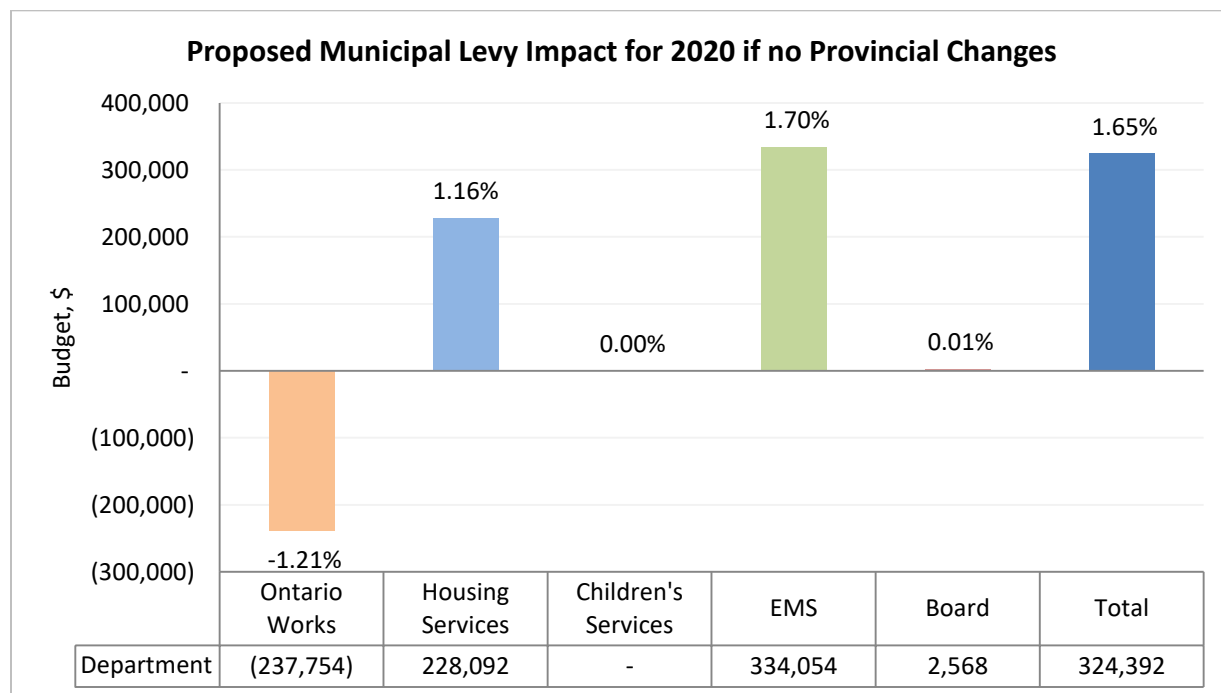
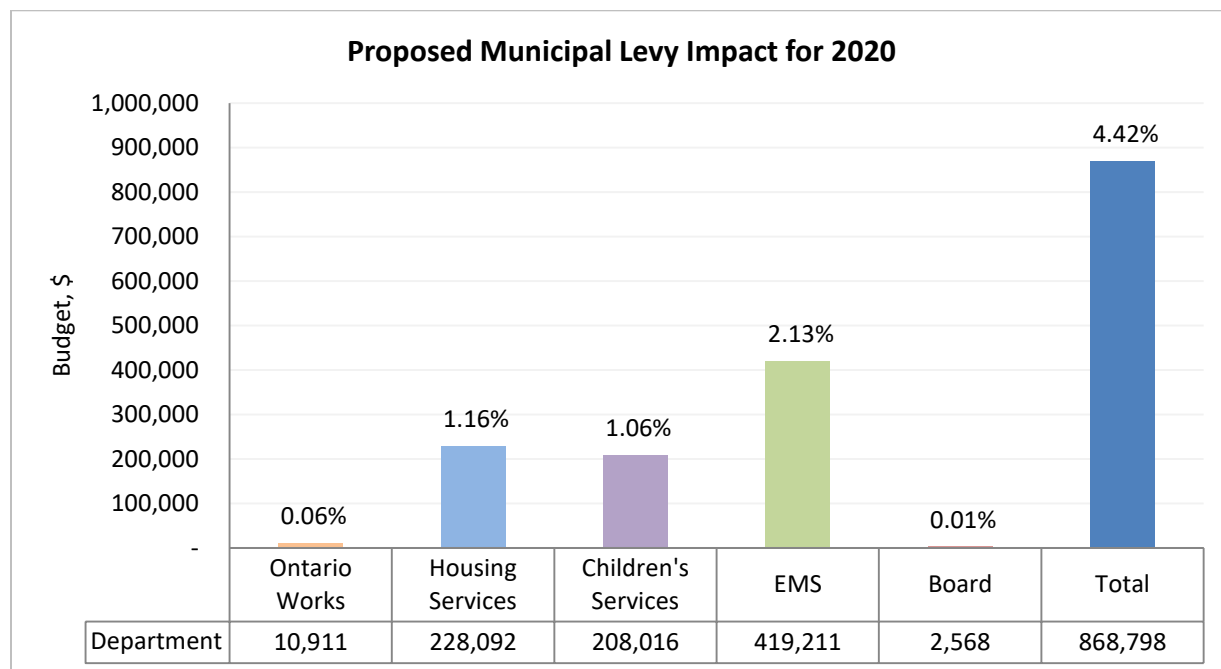
- EMS restructuring to address 911 call demand and operational issues.
- \$100,000 contribution to the Affordable Housing Reserve to support future builds.
- New Housing Development Specialist position to pursue development and funding opportunities in order to position the DNSSAB to further enhance and grow the housing stock in the District.

Each of these enhancements will be discussed in further detail in the respective department sections.



3.2 Overall Impact of Provincial Funding Changes

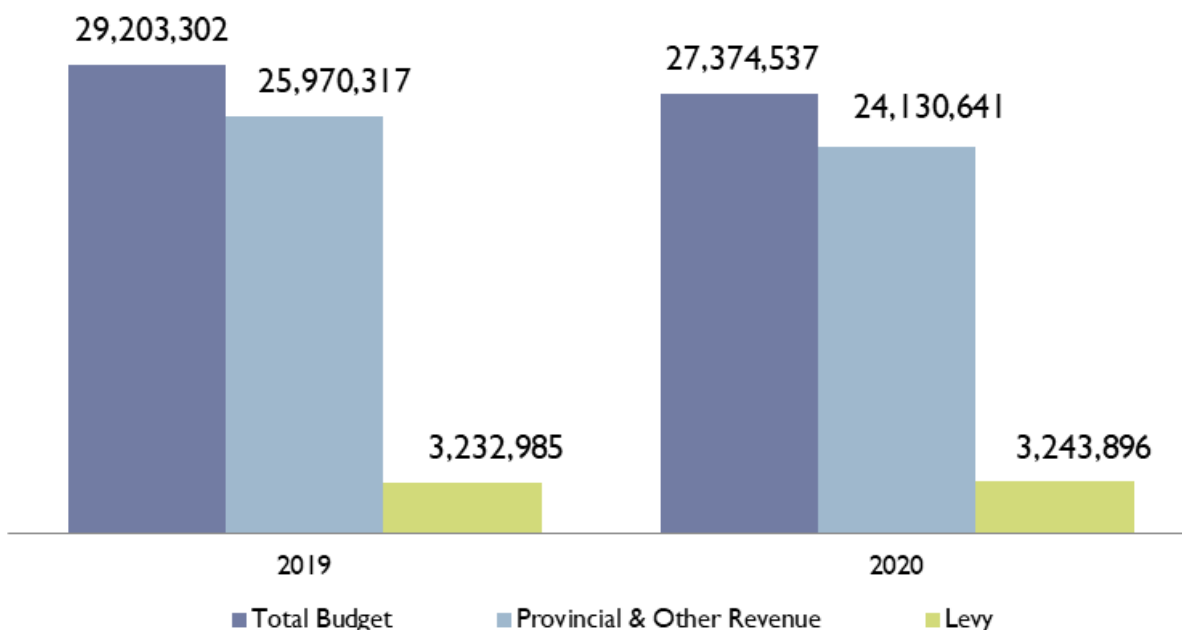
The following two charts demonstrate the impact that the provincial funding changes have had on the municipal levy. The first chart shows the current proposed levy impact per department including the impact of the provincial funding changes. The second chart indicates the increase to the municipal levy had there been no provincial funding changes. Based on these estimates, the provincial funding changes are resulting in an additional municipal levy increase of approximately \$544,406 or 2.77%.





3.3 Employment and Social Services (Ontario Works)

Employment and Social Services Budget by Source of Funds



Employment and Social Services Total Budget by Program and Municipal Share 2019 and 2020

	2019 Budget	2020 Budget	Increase (Decrease)	2019 Municipal Share	2020 Municipal Share	Increase (Decrease)	%
Employment and Social Services							
OW Financial Assistance	\$ 19,200,000	\$ 17,951,272	\$ (1,248,728)	\$ -	\$ -	\$ -	0.00%
Discretionary Benefits	940,000	837,000	(103,000)	67,784	-	(67,784)	-100.00%
Mandatory Benefits	590,000	640,000	50,000	-	-	-	0.00%
Funerals - Type B	85,000	99,600	14,600	49,000	62,400	13,400	27.35%
Employment Assistance	976,500	725,088	(251,412)	358,243	293,993	(64,250)	-17.93%
Program Delivery	7,411,802	7,121,577	(290,225)	2,757,958	2,887,503	129,545	4.70%
Total	\$ 29,203,302	\$ 27,374,537	\$ (1,828,765)	\$ 3,232,985	\$ 3,243,896	\$ 10,911	0.34%

- In 2020, the Ontario Works (OW) budget has decreased year over year by \$1,828,765 or 6.3%.



3.3.1 OW Provincial Funding Impact

- Despite the decrease in the Employment Assistance (EA) and Program Delivery budgets, the municipal levy contribution is going up slightly. This is due to the Ministry of Children, Community and Social Services (MCCSS) funding being frozen at 2018 actual expenditures.
- The freezing of provincial funding shifts the inflationary budget pressure solely on to the municipalities. Costs of inflation were previously cost shared 50/50 with the Province before funding was frozen in 2019.
- Despite the freeze in funding, outcome targets were increased, meaning service levels need to be maintained or we will face recovery (penalties) of our MCCSS funding.
- The funding being frozen at 2018 actual expenditure levels has significantly impacted the DNSSAB, likely more than other DSSABs, due to the following factors:
 - We were significantly underspent in 2018 due to significant staffing vacancies and difficulties filling positions. The 2018 EA and Program Delivery budget was \$8,201,696 compared to actual expenditures of \$7,330,337 for an \$871,359 underspend.
 - The DNSSAB was already running very lean within these programs as we were utilizing a lower proportion of the maximum MCCSS funding available (see table below).

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%

- Despite advocacy efforts for additional funding based on the unique circumstances in 2018, we have not had any success to date.



3.3.2 OW Programs

- OW financial assistance and mandatory benefits are now 100% funded by the Province (since 2018). Discretionary benefits are also provincially funded, but are capped at \$10 per average caseload with any costs exceeding the cap being 100% municipally funded.
- Type B municipal funerals/burials for non-social assistance recipients are 100% municipally funded (not mandated by the DSSAB Act).
- In 2020, the only costs that remain cost shared are program delivery and employment services.
- OW financial benefits costs are expected to decrease in 2020 from budgeted expenditures for 2019 by \$1,248,728 or 6.50%. We are expecting the trend for lower average monthly caseloads along with slight increases in cost per case to continue for 2020. 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 2020 is expected to be 2063, which represents about a 5.7% decrease from the budgeted average monthly caseload of 2,188 for 2019.⁴
- The annual average cost per case in 2020 is budgeted to be \$725.10 compared to \$711.75, the annual average expected by the end of 2019.
- Mandatory benefits are budgeted to increase based on year-to-date (YTD) costs.
- Discretionary benefits are budgeted based on the estimated provincial funding cap of \$10 per average caseload.
- Employment assistance expenditures are decreasing \$251,412 or 25.75%. The reductions primarily relate to our Get Trained Workers, 100 Jobs, and N-PREP programs. These programs will continue to be funded, however, to a lesser extent.

⁴ These estimates are based on data available as of September 30, 2019 and are subject to change based on various factors such as legislation, emerging trends, labour market changes, etc.



3.3.3 OW Program Delivery

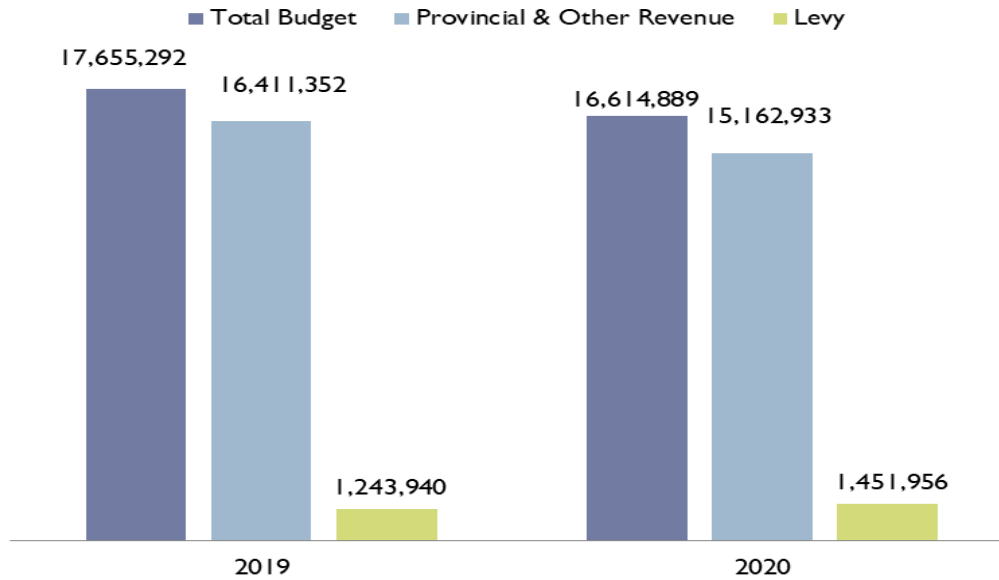
Ontario Works Program Delivery				
Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance in Budgets	% Change
Revenues:				
Municipal levy	\$ 2,757,958	\$ 2,887,503	\$ 129,545	4.70%
Provincial funding	4,653,844	4,234,074	(419,770)	-9.02%
Total Revenues	7,411,802	7,121,577	(290,225)	-3.92%
Expenditures:				
Salaries and benefits	\$ 5,158,559	\$ 5,039,176	\$ (119,383)	-2.31%
Training	33,800	28,288	(5,512)	-16.31%
Travel	29,000	19,500	(9,500)	-32.76%
Telephone	34,000	31,512	(2,488)	-7.32%
Technology	208,050	151,884	(56,166)	-27.00%
Accomodations	167,000	142,220	(24,780)	-14.84%
Professional fees	36,500	18,096	(18,404)	-50.42%
General office	180,150	141,968	(38,182)	-21.19%
Allocated administration costs	1,564,743	1,548,933	(15,810)	-1.01%
Total Expenditures	\$ 7,411,802	\$ 7,121,577	\$ (290,225)	-3.92%
Surplus (Deficit)	\$ -	\$ -	\$ -	0.00%

- In 2019, the budget included salaries and benefits costs for two additional Transitional Support Case Manager positions. These positions remained vacant and have since been eliminated. This has resulted in a decrease for salaries and benefits in the 2020 budget.
- Technology – there were significant investments made to the employment database in 2019. While not to the same extent as 2019, there will still be upgrades in 2020.
- Other line items have been decreased by detailed review of all discretionary costs.



3.4 Children's Services

Children's Services Budget by Source of Funds



Children's Services Total Budget by Program and Municipal Share 2019 and 2020

Children's Services Programs	2019	2020	Increase	2019	2020	Increase	%
	Budget	Budget	(Decrease)	Municipal Share	Municipal Share	(Decrease)	
Fee Subsidy	\$ 4,779,465	\$ 5,433,912	\$ 654,447	\$ 830,966	\$ 1,281,474	\$ 450,508	54.21%
Fee Subsidy - OW Formal	1,621,985	1,654,554	32,569	186,989	-	(186,989)	-100.00%
Fee Subsidy - OW Informal	25,000	25,000	-	-	-	-	0.00%
Fee Subsidy - School Age Recreation	58,000	58,000	-	-	-	-	0.00%
Special Needs	878,304	988,304	110,000	-	-	-	0.00%
General Operating	1,832,000	2,082,000	250,000	-	-	-	0.00%
Pay Equity	171,122	171,122	-	-	-	-	0.00%
Wage Enhancement	1,603,804	1,444,375	(159,429)	-	-	-	0.00%
Repair and Maintenance	60,000	65,000	5,000	-	-	-	0.00%
Play-Based Material & Equipment	65,000	85,000	20,000	-	-	-	0.00%
Capital Retrofits	72,736	-	(72,736)	-	-	-	0.00%
Capacity Building	145,000	215,918	70,918	-	-	-	0.00%
Transformation	340,891	35,000	(305,891)	-	-	-	0.00%
Fee Stabilization	92,264	-	(92,264)	-	-	-	0.00%
Journey Together - Childcare	1,421,738	541,978	(879,760)	-	-	-	0.00%
Journey Together - EarlyON	717,464	428,727	(288,737)	-	-	-	0.00%
EarlyON Programs	1,900,841	1,991,097	90,256	-	-	-	0.00%
Capital - Childcare	172,500	-	(172,500)	-	-	-	0.00%
Capital - EarlyON	272,500	-	(272,500)	-	-	-	0.00%
Program Delivery	1,424,678	1,394,902	(29,776)	225,985	170,482	(55,503)	-24.56%
Total	\$ 17,655,292	\$ 16,614,889	\$ (1,040,403)	\$ 1,243,940	\$ 1,451,956	\$ 208,016	16.72%

- In 2020, the Children's Services budget has decreased year over year by \$1,040,403 or 5.81%. This is due to one-time capital funding that was received in 2019.



3.4.1 Children's Services Provincial Funding Impact

The Ministry of Education (EDU) has announced the following funding changes over the next three years:

- 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 80/20 provincial/municipal. Please note that while cost sharing continues to be encouraged, the ministry is committed 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 will be required to cost share most administrative funding at a rate of 50/50; and
- On January 1, 2022, the threshold for allowable administrative funding that CMSMs/DSSABs can spend on child care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirements previously introduced.

The change in the cost sharing formula for Expansion Plan operating funding that is taking effect in 2020 results in additional municipal levy contributions of \$423,431 or 2.16%.

While the EDU has allowed for the flexibility of DSSABs to not match the 20% of the 80/20 split, this is not recommended. This funding is already supporting 2018 and 2019 licensed child care expansions (see table below) that were planned and implemented to address waitlist pressures prior to these announced funding changes. Any reductions in funding will reduce access, sustainability, affordability and the quality of these programs.

2019 PROGRAM EXPANSIONS

Child Care Centre	Municipality	"NEW" LICENSED CHILD CARE SPACES					Anticipated Start Date
		Infant	Toddler	Preschool	School Age	Family	
YMCA, Woodland Child Care	North Bay	10	15	32	30	0	01-Oct-18
YMCA, Our Lady of Sorrows	Sturgeon Falls	0	0	0	30	15	April 1, 2019
Garderie Petit Dragon	North Bay	10	0	8	30	0	April 29, 2019
YMCA, Mother St. Bride	North Bay	10	15	24	0	0	May 6, 2019
Kidz Kastle	South Algonquin	0	0	0	15	15	May 6, 2019
YMCA, St. Francis	North Bay	10	15	48	0	0	Q4, 2019
Indigenous Hub	North Bay	10	15	32	30	0	Q4, 2019
		Infant	Toddler	Preschool	School Age	Family	Total
		50	60	144	135	30	419

In order to mitigate the significant impact on the municipal levy in 2020, we are recommending using the child care mitigation reserve to phase these increases in over several years. We are budgeting to use \$211,715 of the reserve to reduce the 2020 Children's Service municipal levy impact by 50%.



Here is a breakdown of the reserve balance:

Balance as of January 1, 2019	1,908,573
Estimated usage in 2019 ⁵	(436,344)
Budgeted usage in 2020	<u>(211,715)</u>
Remaining balance for future years	1,260,514

Another area of uncertainty within the Children's Services provincial funding allocation is in regards to the Early Learning Child Care (ELCC) agreement. This funding is provided through a federal/provincial bi-lateral agreement which expires on March 31, 2020. If this agreement is not renewed, we would lose \$987,515 in funding for 2020 and \$1,316,688 for future years. This loss would significantly impact the sustainability, quality and affordability of licensed child care and EarlyON programs within the District.

3.4.2 Children's Services Programs

- Other than the cost sharing changes and one-time capital funding from 2019 mentioned previously, there have not been any significant changes to other funding pockets.
- We are continuing to receive operating funding for the Indigenous Hub.
- The demand for Fee subsidy is expected to continue to increase due to the expansion of licensed child care spaces that have occurred in 2019. Fee subsidy funding continues to be the priority to ensure families in the District have access to affordable licensed child care options.
- Fee stabilization was cancelled in 2019. This was funding that was intended to assist child care providers with the previously proposed increase to the minimum wage.
- The change in the Journey Together (Indigenous Hub) funding is due to the capital funding received in 2019. No further capital funding will be flowed for this program as construction is estimated to be completed by the end of 2019. Only operating and administration funding (10%) will be received for this project going forward.
- In December 2019, Children's Services will be issuing a Request for Proposals (RFP) in order to enhance current EarlyON Child and Family services provided in our District. Through the RFP process, DNSSAB will be seeking to purchase services that will enhance the current early years system by providing EarlyON Child and Family outreach and mobile services in targeted and underserved areas throughout the District. In 2019, DNSSAB received supplemental funding which will support startup costs related to this initiative. The ongoing costs will be managed through the regular EarlyON allocation received by the Ministry of Education.
- The municipal levy allocation is the minimum cost share requirement per the 2020 transfer payment agreement.

⁵ Usage in 2019 relates to capital projects.



3.4.3 Children's Services Program Delivery

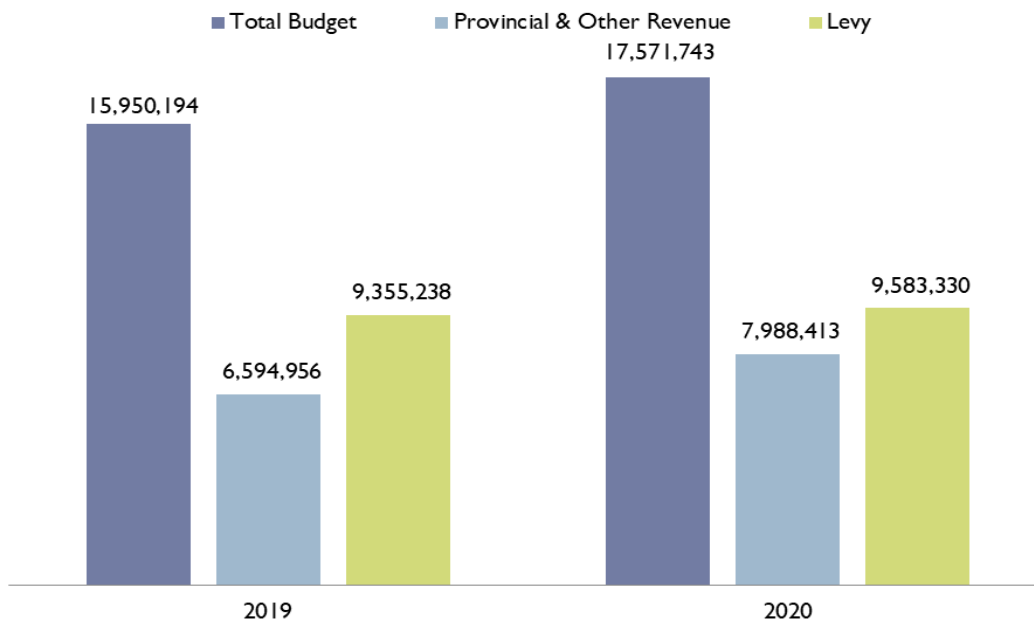
Children's Services Program Delivery				
Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance to Budget	% Change
Revenues:				
Municipal levy	\$ 225,985	\$ 170,482	\$ (55,503)	-24.56%
Provincial funding	1,198,693	1,224,420	25,727	2.15%
Total Revenues	1,424,678	1,394,902	(29,776)	-2.09%
Expenditures:				
Salaries and benefits	\$ 974,620	\$ 820,285	\$ (154,335)	-15.84%
Training	10,625	30,157	19,532	183.83%
Travel	15,000	11,570	(3,430)	-22.87%
Telephone	3,420	1,320	(2,100)	-61.40%
Technology	58,419	47,230	(11,189)	-19.15%
Professional fees	6,400	116,550	110,150	1721.09%
General office	10,827	39,081	28,254	260.96%
Transfers to recipients and service providers	6,339	8,238	1,899	29.96%
Allocated administration costs	339,028	320,471	(18,557)	-5.47%
Total Expenditures	\$ 1,424,678	\$ 1,394,902	\$ (29,776)	-2.09%
Surplus (Deficit)	\$ -	\$ -	\$ -	0.00%

- Similar to Children's Services programs, the amounts allocated to program delivery are set out within the 2020 transfer payment agreement with the EDU.
- Salaries and benefits have decreased because five of the thirteen Children's Services positions were eliminated when the provincial funding changes were first announced to be taking effect as of April 1, 2019. This in-year decrease in costs is being partially offset by the creation of three new contract positions. We are able to fund these contract positions since the originally announced changes to the administration funding have been deferred to 2021 and 2022. These positions have been created to support the Children's Services department in finding potential efficiencies, research best practices and support with special projects related to finance, communication, marketing and capacity building. Contract positions will align with the announced funding changes, starting with one year terms.
- Training has increased in order to offer our team targeted professional learning opportunities related to the indigenous culture and leadership.
- Professional fees are seeing a significant increase year over year as the DNSSAB is using the administration funding available over the next two years (before the full impact of the funding change comes into effect) to modernize and streamline the processes in the Children's Services department through the use of technology with the goal of creating efficiencies and improving service delivery while ensuring future savings.



3.5 Housing Services

Housing Services Budget by Source of Funds



Housing Services Total Budget by Program and Municipal Share 2019 and 2020

Housing Services	2019	2020	Increase	2019	2020	Increase	%
	Budget	Budget	(Decrease)	Municipal Share	Municipal Share	(Decrease)	
Provincially Reformed non-profit	\$ 5,929,020	\$ 5,978,604	\$ 49,584	\$ 4,549,782	\$ 4,599,366	\$ 49,584	1.09%
Municipal non-profit	1,187,868	1,233,456	45,588	657,719	703,307	45,588	6.93%
Federal non-profit	225,744	225,744	-	143,213	143,213	-	0.00%
Urban Native	1,061,568	1,111,320	49,752	18,656	68,408	49,752	266.68%
Nipissing District Housing Corp	3,043,584	3,305,537	261,953	2,486,444	2,425,942	(60,502)	-2.43%
Commercial Rent Supplement	503,004	440,244	(62,760)	285,128	307,370	22,242	7.80%
Portable Housing Benefit	-	30,000	30,000	-	30,000	30,000	0.00%
Strong Communities Rent Supp	324,096	327,972	3,876	-	-	-	0.00%
Northern Remote - Build	129,105	129,108	3	129,105	129,108	3	0.00%
CHPI	1,466,584	1,665,828	199,244	-	-	-	0.00%
Homelessness Partnership	40,563	-	(40,563)	-	-	-	0.00%
Reaching Home	121,689	134,276	12,587	-	-	-	0.00%
Community Capacity and Innovation	-	54,129	54,129	-	-	-	0.00%
IAH	454,480	222,777	(231,703)	-	-	-	0.00%
SIF	68,250	223,689	155,439	-	-	-	0.00%
COCHI	-	68,267	68,267	-	-	-	0.00%
OPHI	-	1,003,868	1,003,868	-	-	-	0.00%
Program Delivery	1,394,639	1,316,924	(77,715)	1,085,191	1,076,616	(8,575)	-0.79%
Affordable Housing Reserve	-	100,000	100,000	-	100,000	100,000	0.00%
Total	\$ 15,950,194	\$ 17,571,743	\$ 1,621,549	\$ 9,355,238	\$ 9,583,330	\$ 228,092	2.44%

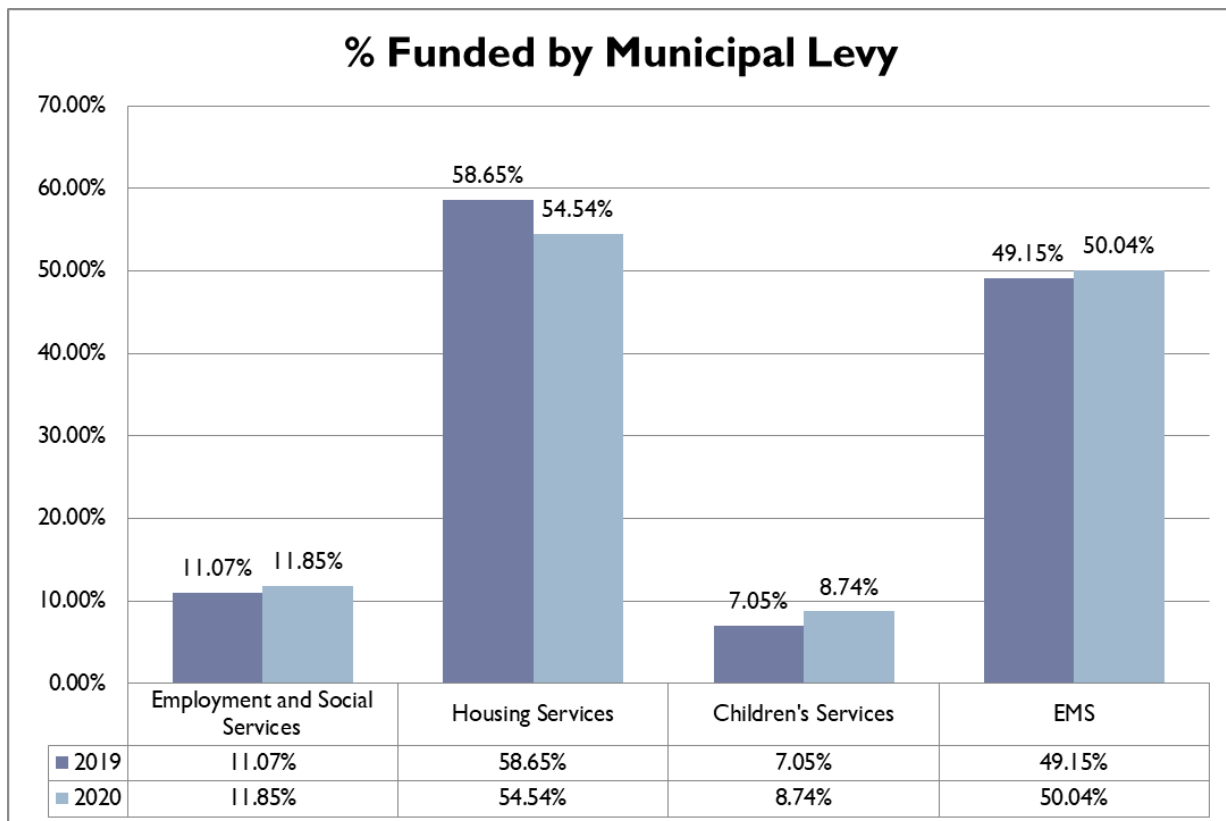
- In 2020, the Housing Services budget has increased year over year by \$1,621,549 or 10.17%. This is primarily due to the new 100% provincially funded programs (COCHI & OPHI).

3.5.1 Housing Services Provincial Funding Impact

Unlike the other departments, there have not been any significant negative provincial funding changes announced for 2019/2020⁶. There was funding related to the Ontario cap and trade program (GreenON and Social Housing Apartment Improvement Program) which was cancelled in 2018 in the amount of \$1,666,671. This funding was to go towards capital projects; therefore there will be a lasting impact from the cancellation of those programs.

Two new provincially funded programs have been announced for 2019-2022, the Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Community Housing Initiative (COCHI). Both programs are a joint initiative between the federal and provincial government and are designed to address local housing priorities that include affordability, repair and new construction. For 2020, the DNSSAB will receive \$1,003,868 for OPHI and \$68,267 for COCHI. OPHI is replacing the expired Investment in Affordable Housing for Ontario (2014 Extension) program. Although the federal and provincial governments have extended this type of funding, it is not significantly changing the total amount of annual investment into housing programs year over year.

Per the chart below, Housing Services is already funded more heavily by the municipal levy than any other department. Therefore it makes sense that this area was not targeted for significant provincial funding reductions.



⁶ A previously announced increase in CHPI funding of approximately \$91,000 for 2019/20 was deferred to 2020/2021.



3.5.2 Housing Services Programs

- There has been no change in the provincial/federal funding for legacy programs (Provincial Reformed, Municipal Non-Profit, Federal Non-Profit and Urban Native) in 2020. However, due to provincially mandated cost indices, costs have increased in most of these programs which then needs to be funded by the municipal levy.
- Costs for Nipissing District Housing Corporation's (NDHC) Phase III have increased by \$261,953. This is due to the increase in funding for the capital budget. Despite the increase in costs, the municipal levy share for this program has decreased \$60,502 due to a \$322,455 increase in provincial/federal funding for 2020.
- Legislation outlines the DNSSAB's service level standards (SLS); the specific number of Rent Geared-to-Income (RGI) units we are required to fund. We are currently not meeting this obligation and are short approximately 248 RGI housing units. The SLS Action Plan was presented to the Board in November which sees the DNSSAB making gradual investments over a 10 year period to address the SLS shortfall.
- Commercial Rent Supplement:
 - This program contributes towards the SLS.
 - Deferred revenue has been used for the last several years to mitigate the pressure on the municipal levy from increasing costs.
 - Most of the deferred revenue will have been used up in 2019; therefore we are seeing an increase in the municipal levy to maintain the number of units funded under this program at the same level of 2019.
- As part of the 10 year SLS plan mentioned above, the Portable Housing Benefits (PHB) program will continue in 2020 and will build off the pilot program, which took place in 2019.
- The Community Homelessness Prevention Initiative (CHPI) will see a modest funding increase in 2020 of \$199,244 and will assist the growing demand for homeless programs and emergency shelter.
- The Reaching Home program replaces the Homelessness Partnership Strategy (HPS) funding agreement which expired March 31, 2019. This funding mirrors the former HPS program with the addition of Community Capacity and Innovation (CCI) funding to assist with the costs associated with implementing coordinated access and the mandated point-in-time counts.



- Although the IAH and SIF funding agreements have ended, deferred revenue will be utilized to complete any remaining Ontario Renovates projects under these programs.
- It has become apparent that a lack of affordable housing is one of the most significant social service issues in our District. The DNSSAB cannot wait for federal/provincial funding that may not come. Steps need to be taken now to ensure the lack of affordable housing can be addressed. Therefore, we are recommending a \$100,000 contribution to the Affordable Housing Reserve in 2020. This contribution represents a fraction of the cost of a new build; however, given the pressure on the municipal levy this year, we felt it was prudent to only make a small contribution in 2020. The proposed contribution is small, but it shows commitment to take a step in the right direction.

3.5.3 Housing Services Program Delivery

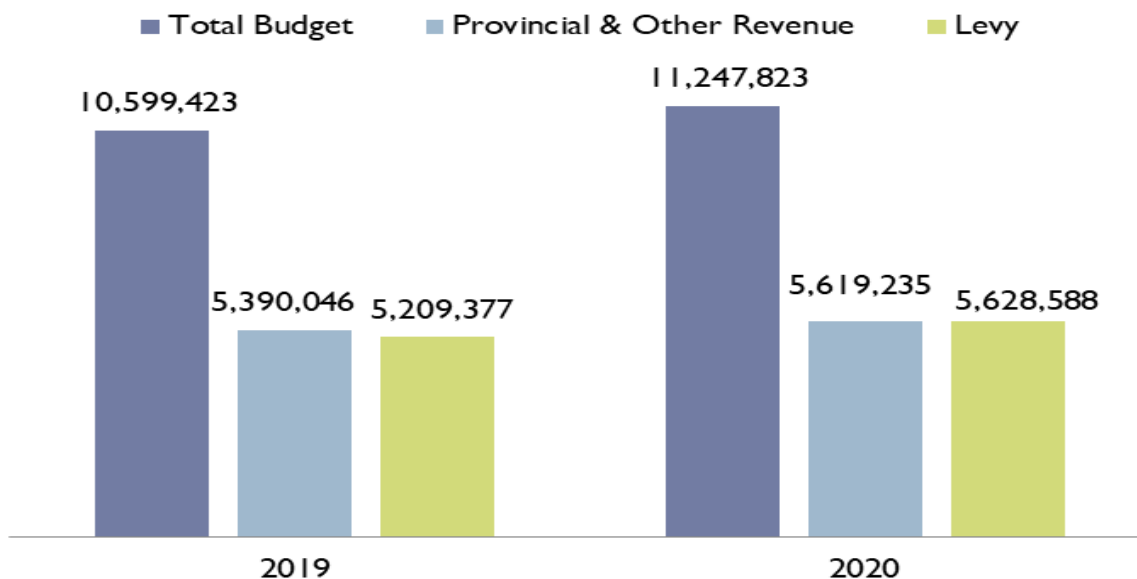
Housing Services Program Delivery					
Proposed Budget for 2020					
	Budget 2019	Budget 2020	Variance to Budget	% Change	
Revenues:					
Municipal levy	\$ 1,085,191	\$ 1,076,616	\$ (8,575)	-0.79%	
Provincial funding	288,739	193,599	(95,140)	-32.95%	
Deferred revenue	-	13,461	13,461	0.00%	
Federal funding	20,709	33,248	12,539	60.55%	
Total Revenues	1,394,639	1,316,924	(77,715)	-5.57%	
Expenditures:					
Salaries and benefits	\$ 1,045,164	\$ 1,005,794	\$ (39,370)	-3.77%	
Training	3,200	16,815	13,615	425.47%	
Travel	15,231	3,446	(11,785)	-77.38%	
Telephone	960	720	(240)	-25.00%	
Technology	13,620	16,188	2,568	18.85%	
Accommodations	31,200	312	(30,888)	-99.00%	
Professional fees	16,550	18,204	1,654	9.99%	
General office	11,072	17,258	6,186	55.87%	
Allocated administration costs	257,642	238,187	(19,455)	-7.55%	
Total Expenditures	\$ 1,394,639	\$ 1,316,924	\$ (77,715)	-5.57%	
Surplus (Deficit)	-	-	-	0.00%	

- Salaries and benefits are decreasing due to restructuring that took place in 2019 which is partially offset by a new position to pursue development and funding opportunities in order to position the DNSSAB to further enhance and grow the housing stock in the District.
- In previous years NDHC had charged housing services rent for office space at the 133 Main St offices. This practice has been eliminated for 2020.



3.6 Emergency Medical Services (EMS)

EMS Program Budget by Source of Funds



3.6.1 EMS Provincial Funding Impact

It appears the funding formula for EMS will stay the same in 2020 as it was for 2019. In 2019, the funding formula stayed the same as previous years with the exception of the incremental increase which has been eliminated.

The method in which the Land Ambulance Service Grant (LASG) is calculated (in a simplified way) is that we essentially receive 50% of our previous year's approved budget plus a 100% portion to cover TWOMO and First Nations funding. This means that our 2020 50/50 provincial funding would be based on our 2019 budget as opposed to the 2020 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 MOHLTC had previously addressed this timing difference by including an incremental (inflationary) increase to our previous year budget. In 2018 this incremental increase was 1.7%. If we received the 1.7% incremental increase in 2020, this would result in estimated additional funding of \$85,157.



3.6.2 EMS Program

Emergency Medical Services Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance in Budgets	% Change
Revenues:				
Municipal levy	\$ 5,038,257	\$ 5,560,440	\$ 522,183	10.36%
Provincial Funding	5,185,926	5,551,087	365,161	7.04%
Total Revenues	\$ 10,224,183	\$ 11,111,527	\$ 887,344	8.68%
Expenditures:				
Consulting Fees	\$ -	\$ 792	\$ 792	0.00%
Rent	314,256	314,484	228	0.07%
Utilities	39,338	39,923	585	1.49%
Internet Expense	12,456	11,496	(960)	-7.71%
Water	6,984	8,580	1,596	22.85%
Insurance	92,964	93,852	888	0.96%
Membership Fees	1,956	-	(1,956)	-100.00%
Postage & Courier	1,092	2,340	1,248	114.29%
Municipal taxes	59,340	64,524	5,184	8.74%
Janitorial Services	8,172	8,172	-	0.00%
Building maintenance	41,280	39,696	(1,584)	-3.84%
Computer S/W, supplies, service	38,412	74,304	35,892	93.44%
Ambulance Purchases	328,908	253,408	(75,500)	-22.95%
Paramedic Training	14,628	12,000	(2,628)	-17.97%
EMS Laundry Services	33,600	7,248	(26,352)	-78.43%
Uniforms	41,800	48,000	6,200	14.83%
Cross Brd PQ and Water taxi	5,561	5,500	(61)	-1.10%
Medical Equipment	70,788	47,712	(23,076)	-32.60%
Medical Equip Capital	114,446	-	(114,446)	-100.00%
BioMed Equip Mtncdcwe & Rpr	12,602	6,000	(6,602)	-52.39%
Stretcher Lease	107,256	180,252	72,996	68.06%
Vehicle Expense	189,012	207,492	18,480	9.78%
Transfers to service providers	8,689,332	9,685,752	996,420	11.47%
Total Expenditures	\$ 10,224,183	\$ 11,111,527	\$ 887,344	8.68%
Surplus (Deficit)	\$ -	\$ -	\$ -	0.00%

- The above budget is based on the consolidation of the Mattawa ambulance operations with the North Bay, West Nipissing, and South Algonquin operations. This is described further on in the report.
- In 2020 significant cost pressures are expected to continue in the EMS program. The budget is increasing year over year by \$887,344 or 8.68%
- Explanations for the significant variances year over year are as follows:



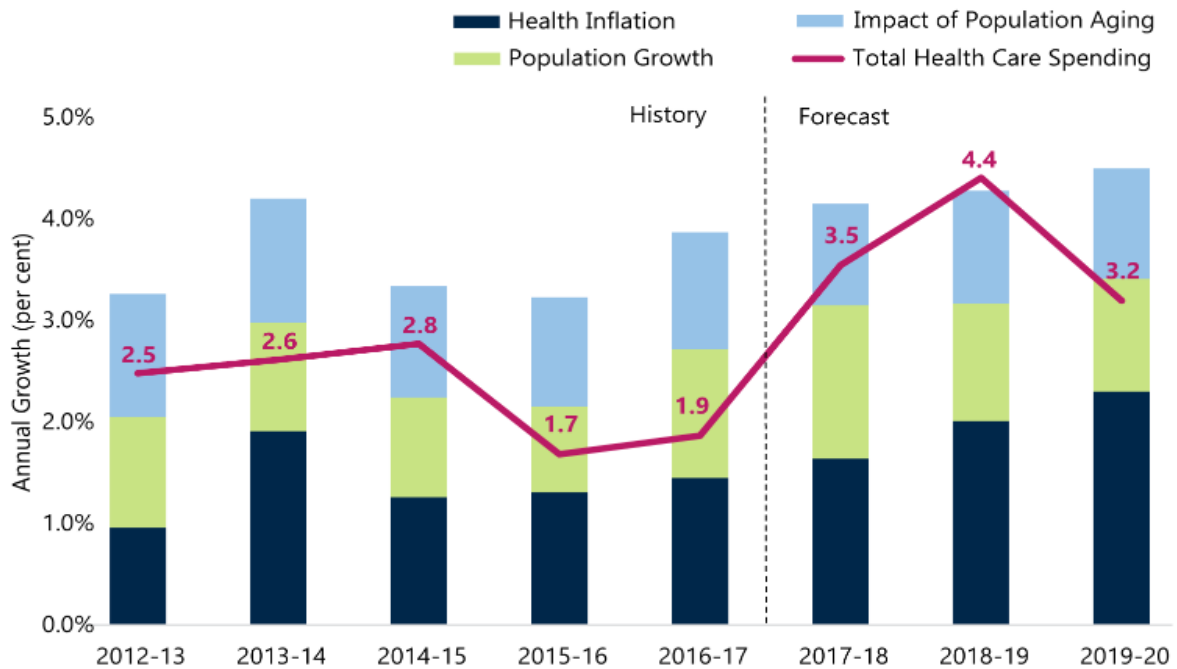
- Increased computer/technology costs are due to older hardware becoming obsolete. Our Toughbooks (EMS laptops) are all being upgraded to Windows 10 and some of the older Toughbooks are not compatible with Windows 10. Therefore, we have to purchase six new Toughbooks in 2020 at a cost of approximately \$4,000 each.
- Ambulance costs – The normal refresh rate for our ambulances is two per year; however, after review of the ambulance stock in 2019, it has been determined that we only need to purchase one in 2020. These savings are being partially offset by also purchasing an SUV that will add a rapid response unit to deployment to improve service delivery and patient care within the District. We will return to two ambulance purchases per year in 2021 and future years.
- Certain costs such as laundry services and medical equipment have been transferred to the service provider budgets.
- Medical equipment capital – The normal refresh rate for our defibrillators is four per year; however, it has been determined that there is no need for any new defibrillators in 2020. We will return to four defibrillator purchases per year in 2021 and future years.
- Stretcher lease – the lease for sixteen stretchers and six power loaders is expiring March 31, 2020. Therefore a buyout of approximately \$72,000 is required to maintain ownership of this equipment.
- In the past, transfers to service providers have been based on the respective budgets they submit for the upcoming year. Based on the proposed consolidation of the Mattawa station, there are just two EMS providers left for budgeting purposes: the North Bay Regional Health Centre (NBRHC) and Temagami. The budgets from each of these providers are discussed in further detail below.
- Going forward, the DNSSAB will contract EMS paramedic services through the NBRHC and the Municipality of Temagami. The year over year increase by service area/station is shown below: (Note: the NBRHC budget shows the breakdown by station which also includes Mattawa now).

EMS Land Ambulance Provider Budgets for 2020 Compared to 2019				
Service Provider (Service Area)	Budget 2019	Budget 2020	Variance Year over Year	% Change
North Bay Regional Health Centre (North Bay, West Nipissing, South Algonquin, Mattawa)	8,021,237.00	8,972,951.00	951,714.00	11.86%
Municipality of Temagami (Temagami)	668,099.00	712,800.00	44,701.00	6.69%
	8,689,336.00	9,685,751.00	996,415.00	11.47%



- General cost drivers:
 - As we all know, Ontario's population is aging with the number of people over age 65 projected to double by 2036. Seniors typically make a disproportionate number of 911 calls, so as the population continues to age, we can expect increases to both the overall number of calls as well as the severity of calls.⁷
 - The Financial Accountability Office of Ontario is also forecasting for inflation in the health industry to be approximately 4.5% in 2019-20.⁸ While this isn't specific to EMS, it still demonstrates the impact the aging population is having on health related costs.

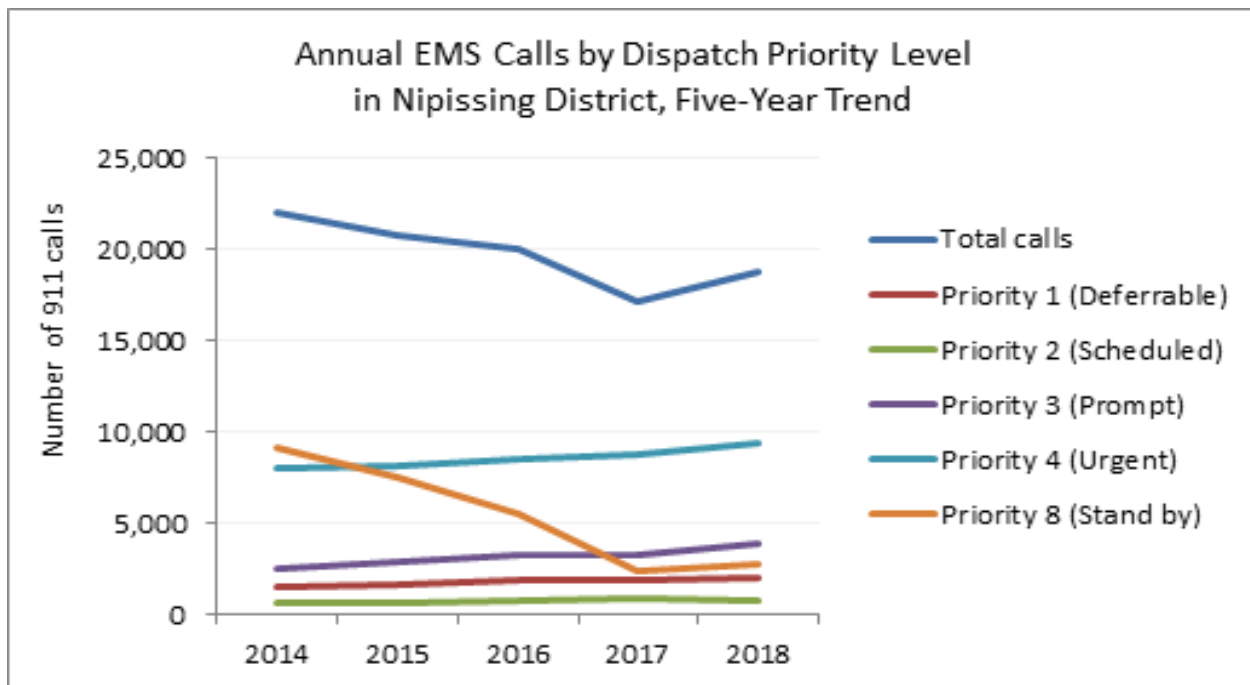
Health spending is growing slower than its core cost drivers every year except 2018-19



- The total EMS call volume had been trending downwards for several years until recently where the total calls are starting to increase again. While the total calls have been decreasing, this was largely driven by the falling number of standby calls. Meanwhile though, the high priority calls (priority 3 & 4) have been on the rise. These high priority calls are the larger cost driver as they require additional paramedic time and other resources such as medical supplies. Per the chart on page 23, the Nipissing EMS trends are in line with the forecasts identified by the OAPC and FAO as noted above.

⁷ OAPC Recommendations from the Provincial Municipal Land Ambulance Dispatch Working Group: Submission to the Minister of Health and Long-Term Care, May 28, 2015, p. 9, <https://www.oapc.ca/wp-content/uploads/2016/11/Land-Ambulance-Working-Group.pdf>

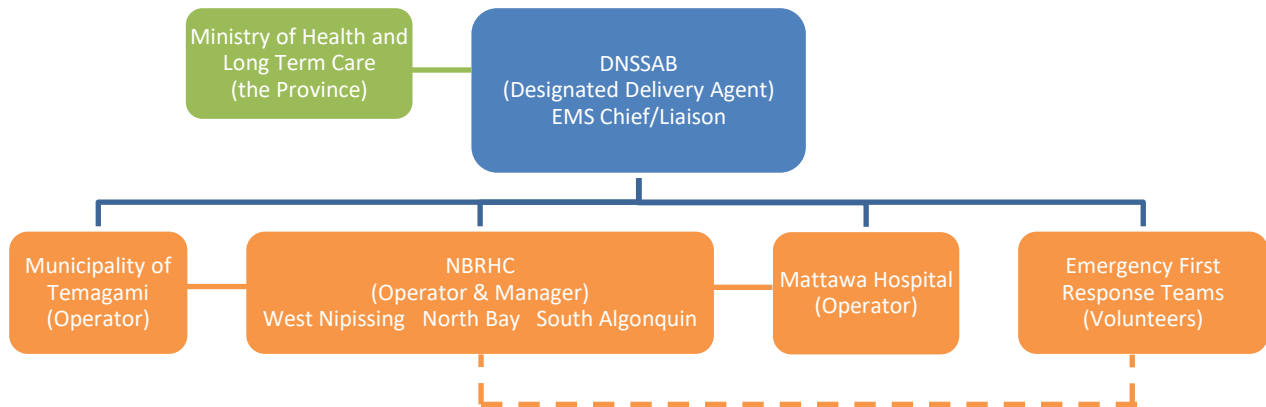
⁸ Ontario Health Sector - An Updated Assessment of Ontario Health Spending, FAO, p. 2, <https://www.fao-on.org/en/Blog/Publications/health-sector-march-18>



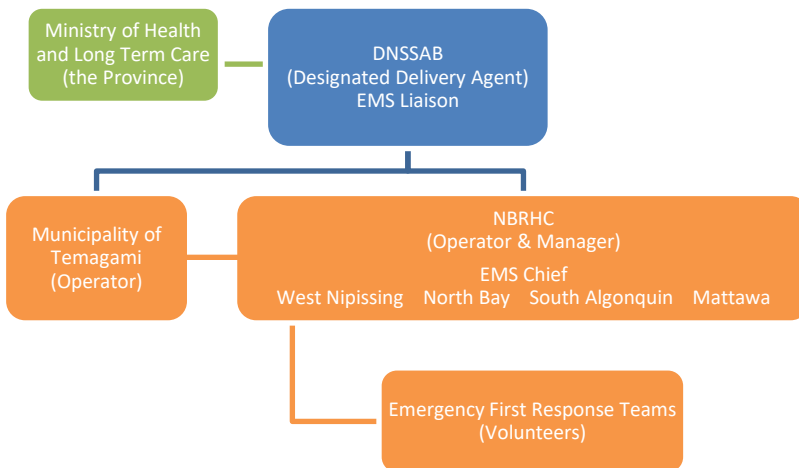
- Temagami:
 - Increase is due to inflation as well as an increase for the inter-operator agreement with NBRHC who provides management oversight services to the Temagami operation for a fee. As presented in the EMS Situation Analysis in September, this agreement is outdated and does not accurately reflect the scope and cost of the service. A new agreement will be put in place for 2020 and beyond.

- NBRHC:
 - As presented in the EMS Situation Analysis report (September) and the ensuing business case during the November EMS committee meeting, DNSSAB, in conjunction with our service providers, investigated the consolidation of EMS in our district. Consolidating the Mattawa and Temagami stations into the existing EMS operation (North Bay, West Nipissing, and South Algonquin) introduces economies and efficiencies into the system, particularly in the areas of paramedic staffing/scheduling, ambulance deployment, and patient response. However, at the present time the NBRHC is unable to proceed with the Temagami consolidation. The plan for 2020 is to start with NBRHC absorbing the responsibilities of Mattawa General Hospital with the goal of possibly revisiting consolidation of Temagami in the future based on timing and other factors.

Current EMS Structure:



Proposed EMS Structure:



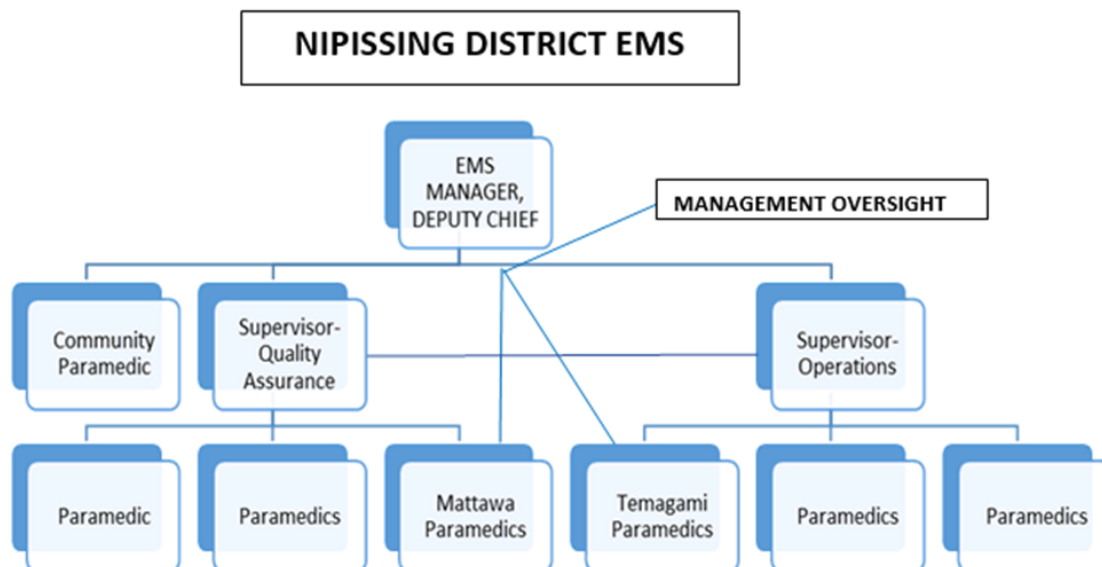
- NBRHC (continued)
 - During the November committee meeting, the EMS Liaison and the EMS Manager/Deputy Chief presented 911 call volume analysis and the issues facing the Nipissing District EMS which include⁹:
 - Management burnout due to workload and management on call duty
 - Lack of oversight and supervision
 - Compliance with on-shift health and safety
 - Command structure not aligned with provincial norms
 - Quality assurance issues due to limited management capacity
 - Mental health issues including PTSD
 - Depletions (code zero) – when no ambulances are available for a call

⁹For further details please refer to the EMS Situation Analysis presented in September and the November EMS committee presentation.

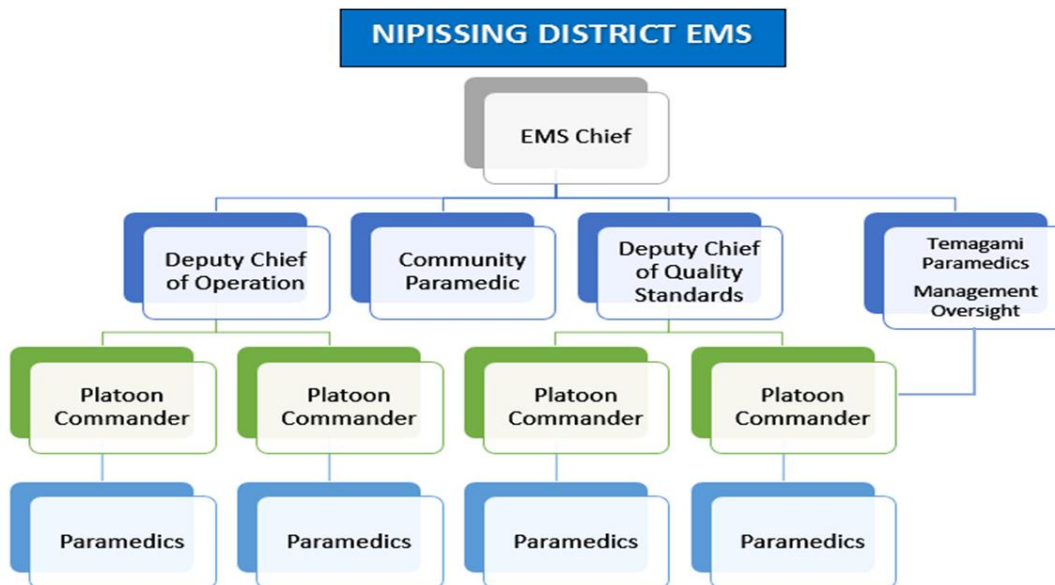


- Poor work culture
- Outdated deployment plan
- NBRHC (continued)
 - These issues were corroborated by a third party review.
 - The solution to these issues is to align the EMS staffing structure with other EMS operators as noted with the below staffing structure diagrams:

Current EMS Staffing Structure:

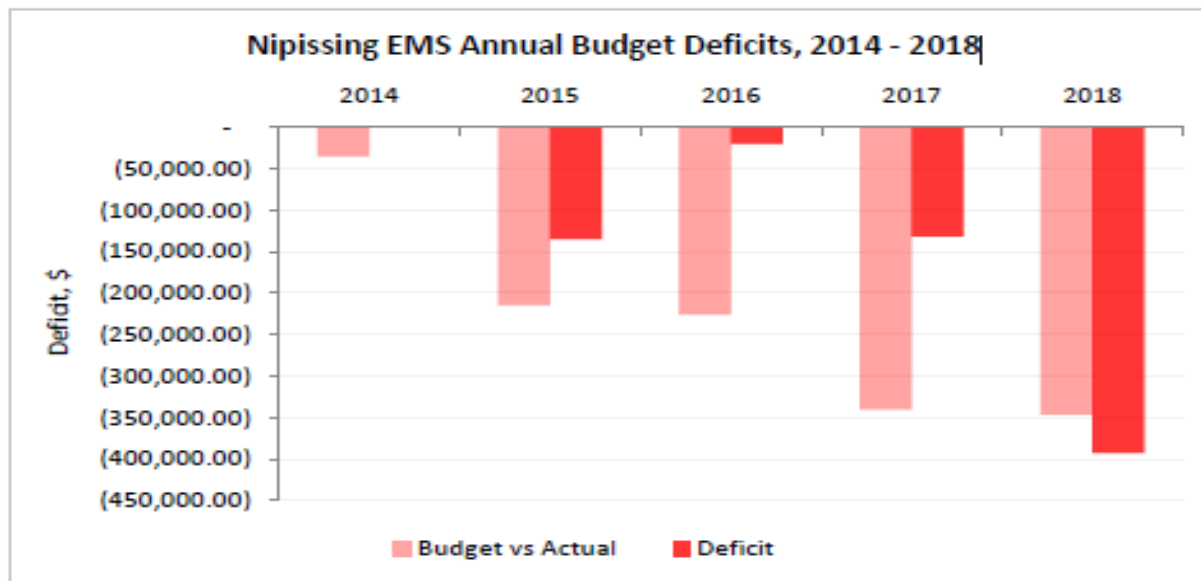


Proposed EMS Staffing Structure:





The four new supervisor positions will be for a one year contract term so the DNSSAB can assess whether this new structure is achieving the desired affects. Creating this new staffing structure obviously requires a significant investment which is why we are seeing such a large increase year over year for NBRHC's budget¹⁰. We are also seeing significant financial pressure with the current structure due to the many issues previously discussed. Per the chart below, Nipissing EMS has been incurring increasing deficits for the last several years.

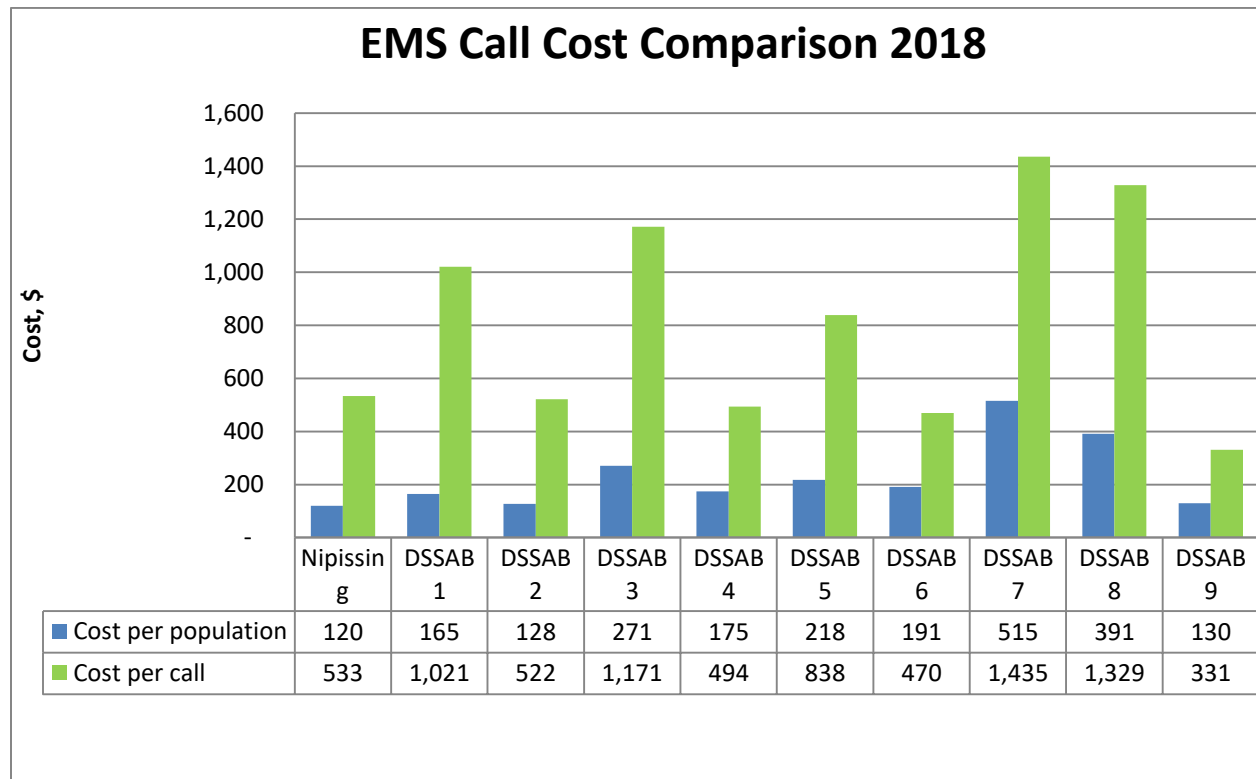


¹⁰ As noted in the November presentation to committee, the purpose of four (4) online supervisors is to provide consistent 24-7 onsite support and direction throughout the District of Nipissing. The current structure does not allow management to fulfill their vast EMS roles and responsibilities for the District. While going with less than four online supervisors might seem more economical from a budget perspective, this fundamentally and logistically does not allow NBRHC to operate in an effective manner for the following reasons;

- Reducing the number of supervisors, say by half, does not provide 24-7 onsite support. With less than four supervisors it is logistically difficult to provide a proper schedule for these individuals and there would still be no supervision and support for the paramedic crews throughout the District half of the time. This would also result in a 50% reduction in the Rapid Response Unit (RRU) deployment for the District.
- Changing the number of online supervisors not only affects the four Platoons in North Bay, but also paramedic staffing throughout the District. The goal is to improve ambulance operations for the entire District and the addition of only two supervisors undermines this goal as it does not fully address the current issues, multiple ambulance depletions, and deployment challenges.
- While increasing the paramedic staff complement by only two supervisors would appear to be a compromise it actually introduces additional challenges from a scheduling standpoint. There would be days and nights with no supervisor on due to rest violations as per scheduling policy. The only way to make the EMS service enhancements and improvements as presented is to have four supervisors who are each attached to a platoon of paramedics. This enables effective scheduling and provides District wide operations management and oversight.

This is not a sustainable trend so efforts need to be made to solve the ongoing problems. Efforts have been made to mitigate the substantial budget increase in 2020 which include deferring capital purchases where feasible and the program delivery restructuring that took place in 2019.

It should also be noted that the DNSSAB has the lowest EMS cost per population and one of the lowest cost per call amongst the DSSABs and other Northern EMS providers.¹¹



¹¹ Chart is organized by DNSSAB's closest comparators, left to right, based on the size of the district, considering population and geography.

Please note this data needs to be interpreted cautiously due to the wide variation in operating geography and other factors across Northern Ontario.



3.63 EMS Program Delivery

EMS Program Delivery				
Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance to Budget	% Change
Revenues:				
Municipal levy	\$ 171,120	\$ 68,148	\$ (102,972)	-60.18%
Provincial funding	171,120	68,148	(102,972)	-60.18%
Lease & fee, other revenue	33,000	-	(33,000)	-100.00%
Total Revenues	375,240	136,296	(238,944)	-63.68%
Expenditures:				
Salaries and benefits	\$ 236,236	\$ 107,115	\$ (129,121)	-54.66%
Training	2,331	1,190	(1,141)	-48.95%
Travel	840	600	(240)	-28.57%
Telephone	72	72	-	0.00%
Technology	120	-	(120)	-100.00%
Professional fees	50,120	128	(49,992)	-99.74%
General office	32,560	480	(32,080)	-98.53%
Materials and services (EMS)	800	-	(800)	-100.00%
Allocated administration costs	52,161	26,711	(25,450)	-48.79%
Total Expenditures	\$ 375,240	\$ 136,296	\$ (238,944)	-63.68%
Surplus (Deficit)	-	-	-	0.00%

- Significant decrease of \$238,944 or 63.68% for EMS program delivery costs.
- Salaries and benefits are decreasing because of two factors:
 - Restructuring that took place in 2019.
 - Change in the allocation of salaries and benefits to this program. Within the proposed new structure, the goal is to have the Chief of EMS position located in operations (with NBRHC) while maintaining an EMS Liaison position at the DNSSAB to fulfill the Board's provincial responsibility as the Designated Delivery Agent for EMS. This will lead to less resources being required within the DNSSAB.
- Decrease in professional fees is due to a one-time value for money service review that was budgeted for in 2019. This review did not take place in 2019 because of the uncertainty surrounding potential provincial consolidation.
- Decrease in general office expenses is due to the cancellation of the annual EMS symposium. With the cost pressures the EMS system is facing in combination with provincial uncertainty, the decision was made to cancel this annual event.



3.7 Healthy Communities Fund

The Healthy Communities Fund (HCF) 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.

As mentioned in the September 2020 Budget Issues Report, the HCF is one of only a few programs the DNSSAB operates that is not legislatively mandated. It is also 100% municipally funded; therefore if the Board would like to see a decrease in the municipal levy, this is an area where this can be achieved. Please keep in mind this program supports programs within the District that provide valuable supports to those in need. Here is a list of programs that were supported through this fund in 2019:

- Low Income People Involvement of Nipissing (LIPI) – Community Volunteer Income Tax Program
- LIPI – Denture Assistance Fund
- LIPI – Emergency Dental Assistance Fund
- LIPI – Essential Health Fund
- LIPI – Recreation Community Engagement Fund
- Crisis Centre North Bay (CCNB) – Identification Clinic
- CCNB – Food Security – Future Residence
- CCNB – Rent Smart
- North Bay Parry Sound District Health Unit – Families in the Kitchen – Food Skills Program
- The Gathering Place – Souper Suppers Project
- The Gathering Place – Food Outreach
- The Gathering Place – Warming Centre
- Nipissing First Nation – Empowering Paths
- Brain Injury Association of North Bay and Area – High Risk Community Coordinator
- Near North Palliative Care Network – Indigenous Engagement Program
- Salvation Army North Bay – Reducing Household Poverty and Providing Household Stabilization
- North Bay & District Multicultural Centre – Empowering Women to be Independent
- Discovery Routes Trails Organization – Recycle Bike Program

Other than the \$130,000 annualized amount provided to LIPI, funding to recipients through this program is approved through an online application process with each program limited to a maximum of \$30,000 in annual funding.

\$30,000 in administrative underspends was also directed to the second North Bay Warming Centre in 2019, in response to concerns with homelessness issues in the District.

The 2020 proposed budget maintains the HCF at the 2019 level of \$400,000. If the Board would like to see changes made to the level of funding for this program, it is staff's recommendation that an impact report be presented to the Board before any changes are finalized.



3.8 Gateway Hub

Gateway Hub				
Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance to Budget	% Change
Revenues:				
Municipal levy	\$ 20,000	\$ 20,000	\$ -	0.00%
Provincial funding	20,000	-	(20,000)	-100.00%
Lease & fee, other revenue	45,000	65,000	20,000	44.44%
Deferred revenue	4,133	5,914	1,781	43.09%
Total Revenues	\$ 89,133	\$ 90,914	\$ 1,781	2.00%
Expenditures:				
Salaries and benefits	\$ 79,933	\$ 83,346	\$ 3,413	4.27%
Training	1,000	1,000	-	0.00%
Travel	4,600	4,600	-	0.00%
Telephone	-	660	660	0.00%
Technology	1,600	-	(1,600)	-100.00%
General office	2,000	1,308	(692)	-34.60%
Total Expenditures	\$ 89,133	\$ 90,914	\$ 1,781	2.00%
Surplus (Deficit)	\$ -	\$ -	\$ -	0.00%

- The Gateway Hub was established in North Bay in 2013 and is now one of 50 situation tables in Ontario. A situation table is a strategic alliance of human service providers, guided by common principles and processes who review situations of acutely elevated risk (AER) to determine if an individual or family is at imminent risk of harm and victimization. In cases that are determined to have AER, utilizing a strict four filter process, interventions are coordinated and lead agencies are identified. Privacy is essential to the success of the Gateway Hub table and only de-identified data for each situation is captured for data analysis and decision making purposes.
- In 2019, the Gateway Hub was part of the Ontario Works budget as it was partially funded by MCCSS. Going forward, MCCSS has informed the DNSSAB they will no longer support this program so it is now a standalone program.
- The 2020 budget is comparable to 2019 with the biggest change being the change in the source of funding. Nipissing Mental Health Housing & Support Services (NMHHSS) has agreed to replace the \$20,000 that MCCSS was previously funding for 2020.
- Approximately \$119,000 of deferred revenue is available for this program to ensure its viability for the near future.

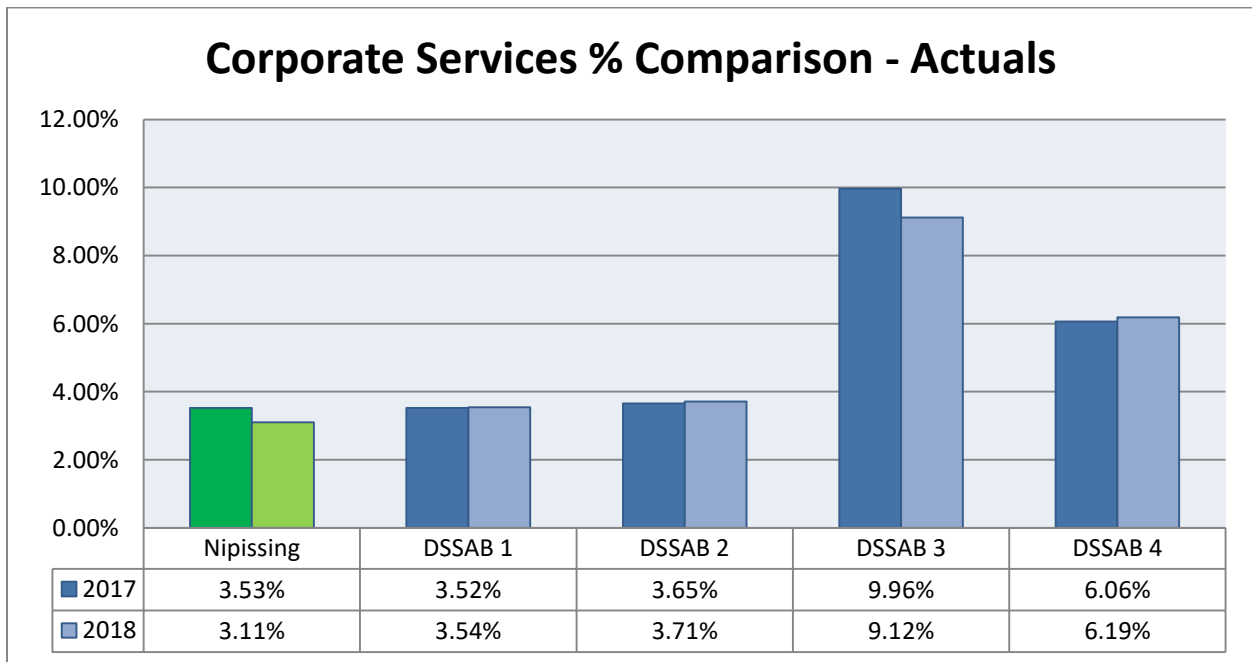


3.9 Corporate Services

Corporate Services				
Proposed Budget for 2020				
	Budget 2019	Budget 2020	Variance to Budget	% Change
Revenues:				
Municipal levy	\$ -	\$ -	\$ -	0.00%
Provincial funding	-	31,499	31,499	0.00%
Lease & fee, other revenue	241,200	241,200	-	0.00%
Interest revenue	230,660	203,167	(27,493)	-11.92%
Total Revenues	\$ 471,860	\$ 475,866	\$ 4,006	0.85%
Expenditures:				
Salaries and benefits	\$ 1,507,979	\$ 1,555,182	\$ 47,203	3.13%
Training	31,396	30,955	(441)	-1.40%
Travel	16,385	14,916	(1,469)	-8.97%
Telephone	41,010	39,000	(2,010)	-4.90%
Technology	301,260	313,536	12,276	4.07%
Accommodations	535,093	468,662	(66,431)	-12.41%
Professional fees	138,599	98,146	(40,453)	-29.19%
Insurance	65,130	65,601	471	0.72%
General office	113,772	90,931	(22,841)	-20.08%
Allocated administration costs	(2,278,764)	(2,201,063)	77,701	-3.41%
Total Expenditures	\$ 471,860	\$ 475,866	\$ 4,006	0.85%
Surplus (Deficit)	\$ -	\$ -	\$ -	0.00%

- As mentioned on page 4, staff have worked tirelessly throughout the year to find cost savings throughout the organization. This has led to a reduction in overall expenses in Corporate Service of \$73,695 or 2.68%. Corporate Services costs are budgeted to be 3.62% of the total budget for 2020; down from 3.69% for 2019.
- Explanations for the significant variances year over year are as follows:
 - Provincial funding – funding through NOHFC for a Corporate Services Intern position. This funding will cover approximately 75% of the salaries and benefits for this position.
 - Interest revenue – Reduced the interest rate earned due to the possibility of the Bank of Canada reducing the overnight rate in 2020. Our interest rate on our bank account is the TD prime rate less 1.73%. Normally when the Bank of Canada cuts the overnight rate, large banks follow suit with cuts to their prime rates. Also forecasting for a smaller bank balance to earn interest on as one-time capital funds will be spent by the end of 2019.

- Salaries and benefits – Savings due to restructuring and not filling a vacant accounting clerk position are offset by increases from the new Corporate Services Intern position mentioned above (75% funded) and annual cost of living increase of 1.5% as well as step movements within the salary scales.
 - Decrease in accommodations is due to renegotiations of lease agreements as well as decreasing the level of cleaning services for the City Hall offices.
 - Decrease in professional fees is related to the completion of the accommodation review in 2019.
 - Decrease in general office expenses relate to the cost saving measures discussed previously.
- This is an aggressive budget as the DNSSAB has already been operating with an extremely lean Corporate Services department for many years. Per the chart below, DNSSAB has the lowest corporate services costs as a percentage of the total expenses amongst all the comparable DSSABs.¹²



While the DNSSAB is committed to operating at these levels to try and mitigate the impacts on the municipal levy, it should be noted that there are operational risks with operating so lean and it may not be sustainable long-term.

¹² Chart is organized by DNSSAB’s closest comparators, left to right, based on size of organization and services provided. Only four other DSSAB’s had their financial information available on their website in a comparable format.



3.10 Board

Board					
Proposed Budget for 2020					
	Budget 2019	Budget 2020	Variance to Budget	% Change	
Revenues:					
Municipal levy	\$ 174,648	\$ 177,216	\$ 2,568	1.47%	
Interest revenue	30,000	30,000	-	0.00%	
Total Revenues	\$ 204,648	\$ 207,216	\$ 2,568	1.25%	
Expenditures:					
Honorariums	\$ 97,910	\$ 95,824	\$ (2,086)	-2.13%	
Training	9,139	25,101	15,962	174.66%	
Travel	24,459	16,428	(8,031)	-32.83%	
Telephone	600	752	152	25.33%	
General office	7,350	2,350	(5,000)	-68.03%	
Allocated administration costs	65,190	66,761	1,571	2.41%	
Total Expenditures	\$ 204,648	\$ 207,216	\$ 2,568	1.25%	
Surplus (Deficit)	\$ -	\$ -	\$ (0)	0.00%	

- No significant changes to the overall Board budget. Line changes are mainly due to changes in the way certain costs are coded (ex. travel for conferences was coded as travel in previous years and is now being coded as training).
- Annual honoraria rate increases continue to be tied to the consumer price index for a fair and transparent process. Honorariums are also based on attendance to reflect the respective contributions of Board members.
- In previous years (before 2019) the DNSSAB would pay to advertise its annual report through local newspapers. This proved to be a costly method of advertising therefore we are recommending using free resources (our webpage, Facebook, LinkedIn, etc.) to advertise this report going forward. This is the reason for the \$5,000 decrease in general office expenses.



3.11 Summary

DISTRICT OF NIPISSING SOCIAL SERVICES ADMINISTRATION BOARD 2020 BUDGET SUMMARY

	2019 Forecast to Year End	2019 Budget	2020 Budget	Increase (Decrease)	2019 Municipal Share of Budget	2020 Municipal Share of Budget	Increase (Decrease)	%
Employment and Social Services	20,296,553	21,791,500	20,252,960	(1,538,540)	475,027	356,393	(118,634)	(24.97%)
Housing Services	15,316,050	14,555,555	16,254,819	1,699,264	8,270,047	8,506,714	236,667	2.86%
Children's Services	16,726,408	16,230,614	15,219,987	(1,010,627)	1,017,955	1,281,474	263,519	25.89%
EMS - Land Ambulance	10,865,711	10,224,183	11,111,527	887,344	5,038,257	5,560,440	522,183	10.36%
Program Delivery & Corporate Services	10,430,228	11,282,867	10,652,801	(630,066)	4,414,902	4,379,965	(34,937)	(0.79%)
Healthy Communities Fund	398,870	400,000	400,000	-	400,000	400,000	-	0.00%
Gateway Hub	68,193	89,133	90,914	1,781	20,000	20,000	-	0.00%
Total	74,102,013	74,573,852	73,983,008	(590,844)	19,636,188	20,504,986	868,798	
% Increase (Decrease)				(0.79%)	% Increase		4.42%	
2020 Provincial/Federal Share	52,378,169		70.80%					
2020 Municipal Share	20,504,986		27.72%					
2020 Repayments & Other Income	1,099,853		1.49%					
2019 Apportionment	19,636,188		26.33%					

Given the significant financial pressures from the provincial funding changes announced in 2019, the overall municipal levy increase of 4.42% balances fiscal responsibility with investing funds where they are needed most to address ongoing social service issues within our District.



Staff has provided the following options to the Board for review:

1. 4.42% levy increase – recommended option as presented.
2. The cancellation/reduction of any one or a combination of the following options:
 - a. Healthy Communities Fund
 - Completely eliminating this fund would reduce the municipal levy increase by 2.04% resulting in an overall increase of 2.38%. A \$100,000 reduction would reduce the municipal levy increase by 0.51% resulting in an overall increase of 3.91%. As mentioned previously, we would recommend that an impact report be provided to the Board before any reductions to this fund are approved.
 - b. Type B Funerals for non-social assistance recipients
 - This would reduce the municipal levy increase by 0.32% resulting in an overall increase of 4.10%. The DNSSAB provides this service on behalf of the municipalities which they would be legislated to provide this service if DNSSAB did not.
 - c. Affordable Housing Reserve
 - This would reduce the municipal levy increase by 0.51% resulting in an overall increase of 3.91%.



4. 2021 Outlook

Based on 2019 provincial funding announcements, the DNSSAB is going to continue to face significant financial pressures in 2021. Here is a quick summary of the known pressures for 2021.

4.1 Ontario Works Program Delivery and Employment Assistance Funding

Details are limited for 2021, but we have been verbally informed by MCCSS that there will be a reduction in provincial funding in 2021 and that this could be a 22% reduction. It is too early to provide an estimate on this impact as there may be programming changes attached to this funding. However, given the difficulty the DNSSAB is facing with the current funding freeze, an additional reduction would likely have a significant impact on the municipal levy.

4.2 Children's Services

As mentioned in the Children's Services section of this report, CMSMs/DSSABs will be asked to continue cost-sharing Expansion Plan operating funding at a rate of 80/20 and will be required to cost share most administrative funding at a rate of 50/50.

This cost sharing change will result in an estimated \$369,551 increase to the municipal levy which, based on the 2020 proposed municipal levy, would result in a 1.8% increase in 2021.

4.3 Housing Services

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 will be utilized where necessary to transition expired projects to a more sustainable operational model and mitigate municipal levy increases.

4.4 Emergency Medical Services

When the Province announced their rollback of the originally announced budget changes¹³ they stated that municipalities would see continued growth in EMS funding for 2019 and 2020, however, nothing was mentioned for 2021 and beyond. At this time, we do not know what to expect for EMS funding for 2021, but there is potential for further funding changes.

¹³ The Province originally announced they were going to freeze EMS funding at the previous year's level. They subsequently backtracked on these changes.