



REPORT

EX18-17

TO: EXECUTIVE/AUDIT COMMITTEE

FROM: Joseph Bradbury, CAO
Dawn Carlyle, Manager of Finance
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Jean Guy Belzile, Chief of EMS
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Melanie Shaye, Director of Corporate Services

DATE: December 14, 2017

RE: **2018 Draft Budget**

RECOMMENDATION

THAT the District of Nipissing Social Services Administration Board (DNSSAB) accepts option #1 of the 2018 Draft Budget report in EX18-17.

PURPOSE

The 2018 draft budget has been developed with an emphasis on stable financial planning and maximizing service delivery. The draft budget brings together financial planning from Housing Operations (formerly Nipissing District Housing Corporation) and DNSSAB. This is a prudent financial plan, which supports the 2015-2020 strategic plan, promotes continued excellence in client service, with a continued desire to find efficiencies in service delivery and program planning.

BACKGROUND –OVERALL 2018 DNSSAB BUDGET GOALS

Year to date for 2017, the Ontario Works (OW) average monthly caseload and cost per case is lower than what was forecasted during the budget cycle last year. With that said, based on actuals, the OW caseload is expected to increase year over year. Fortunately, for 2017 and depending upon which 2018 budget option is selected by the Board, this expected increased cost pressure will be more than fully offset by the continued savings from the upload of social services costs to the Province.

In 2018 EMS are expected to see service demand increasing, as our aging population increased and requires more frequent emergency medical calls. DNSSAB continues to provide the lowest cost per call in the north and continues to work with our providers to remain cost effective without compromising quality health care to

citizens of our District.

In addition to its current service system manager role for licensed child care programs and services, in 2018, Children's Services will begin its role as service system manager for the EarlyON Child and Family Centres. This additional responsibility will be fully funded by the Province. Fee subsidy costs are expected to remain the same year over year therefore the regular base budget has been slightly reduced to reflect the previous year expenditures. As previously planned, the general operating grants will continue to decrease through the regular base budget. In order to fully support the "new" licensed child care spaces planned for in 2018, the new provincial ELCC and Expansion investments will support not-for-profit licensed child care programs and services with fee subsidy, general operating, special needs resourcing services, capacity building and one-time special purpose funding.

The pressures Housing Services expects in 2018 relate to the cost of maintaining legacy programs (including Provincially Reformed, Municipal Non-Profit, Private Non-Profit, Urban Native and Commercial Rent Supplement). Pressures also felt from our legislated obligations of just under 6% for cost indices (for services like natural gas, oil and water), as well as from the service level standards.

The draft 2018 budget is a prudent budget that realistically accounts for cost pressures, realigns resources efficiently and effectively, and begins to position the Board to meet significant increasing cost pressures in the program delivery portfolios.

- ✓ The increase in municipal levy to support ongoing operations is 1.50%, below the rate of inflation and the 2% target set by the Board.
- ✓ The 2018 budget recognizes significant pressures will impact Housing Services, as it relates to service level standards. Housing Services will continue to work effectively connect homelessness with housing, focus on the client by providing more portable-type housing subsidies through rent supplement and housing allowance programs, continue to operate quality housing buildings and unit.
- ✓ The 2018 budget contains provisions to maintain the investment established in the 2017 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 through the creation of 2 mental health and addiction case managers. This will assist with bridging the gaps left by waiting lists for treatment.
- ✓ Partnerships will continue to be leveraged to support the needs of participants along with the pursuit of Ministry funding opportunities that may become

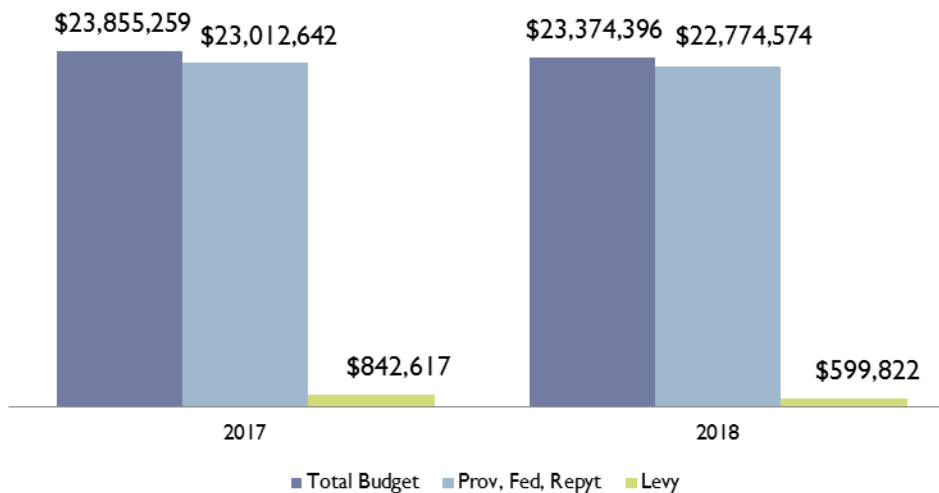
available in the coming year to further enhance services.

- ✓ The 2018 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 2017 budget recognizes and begins to address changes in EMS services relating to both call volumes and changing client demographics.

REPORT

Ontario Works (OW) Program:

**OW Financial Benefits and Employment Assistance
Budget by Source of Funds**



- In 2018, the OW Program budget has decreased year over year by about \$(480,863) or -2%. Due to the continued upload of social services costs, the required municipal contribution has also decreased year over year by \$(242,796), or -28.81%.
- In 2018, the cost share formula for OW financial assistance, mandatory benefits and discretionary benefits within the provincial cap will be 100% provincially funded with a 0% municipal funding contribution, compared to 97.2% and 2.8% in 2017.

- In 2018, Type B Municipal funerals/burials and discretionary benefits above the provincial cap are 100% municipal costs.
- In 2018, 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 67.64%, 0.58%, 0.28%, 1.44% & 23.52% of the OW program delivery budget respectively
- The remaining 6.53% represents all other program specific needs to maintain OW operations

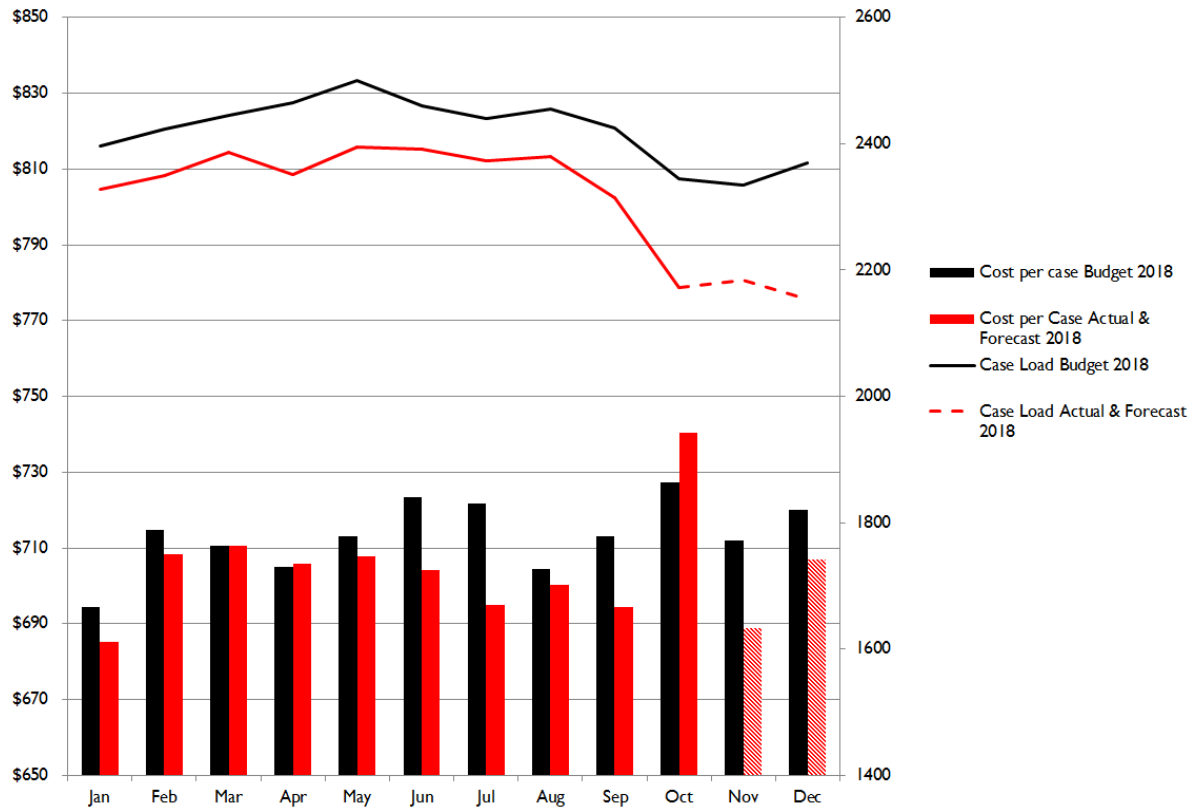
	YTD Actual	Forecast to YE	Budget2017	2018 Budget	Variance to Budget
Revenues:					
Municipal levies	\$ 707,788	\$ 842,617	\$ 842,617	\$ 599,821	\$ (242,796)
Province of Ontario	\$ 17,701,932	\$ 20,982,373	\$ 22,494,422	\$ 22,350,332	\$ (144,090)
Federal Funding (HRDC)	\$ -	\$ -		\$ -	\$ -
Repayments	\$ 383,932	\$ 435,061	\$ 518,219	\$ 424,243	\$ (93,976)
Total Revenues	\$ 18,793,653	\$ 22,260,051	\$ 23,855,258	\$ 23,374,396	\$ (480,862)
Expenditures:					
OW Financial Assistance	\$ 16,778,099	\$ 19,963,290	\$ 21,523,099	\$ 20,727,832	\$ (795,267)
OW Discretionary Benefits	\$ 703,454	\$ 989,003	\$ 997,974	\$ 1,072,064	\$ 74,090
OW Mandatory Benefits	\$ 458,384	\$ 550,384	\$ 590,000	\$ 590,000	\$ -
Funerals Type B (Municipal)	\$ 53,642	\$ 64,370	\$ 53,000	\$ 65,000	\$ 12,000
OW Employment Assistance Program	\$ 640,228	\$ 841,035	\$ 691,186	\$ 919,500	\$ 228,314
Total Expenditures	\$ 18,633,806	\$ 22,408,082	\$ 23,855,259	\$ 23,374,396	\$ (480,863)

- OW financial benefits costs are expected to decrease in 2018 from budgeted expenditures anticipated for 2017 by about \$795,267 or 3.69%. However, based on actuals, the cost drivers, average monthly caseload and cost per case, are both expected to increase in 2017, as shown on the following page. As mentioned earlier in report, for 2018, these costs are fully uploaded to the Province and therefore have no impact on the municipal levy.
- The average monthly caseload in 2018 is expected to be 2422, which represents about a 4% decrease from the budgeted average monthly caseload of 2525 for 2017.
- The annual average cost per case in 2018 is budgeted to be \$713.29 compared to \$710.26, the annual average expected by year end 2017.

- The 2018 budget for mandatory benefits has not been increased based on the lower than expected YTD expenditures. However, due to the proposed continued investment into employment services, it is anticipated that this variance will be fully utilized due to the increased issuance of mandatory employment related benefits (full time employment benefit and the other employment and employment assistance activities benefits.)
- Discretionary benefits are expected to be close to that budgeted in 2017 with an increase of about \$74,000 included for 2018 due to the anticipated pressures related to a possible revision of the ODSP Discretionary Benefits and CHPI Benefits local policies.
- Type B funerals (Municipal) are expected to increase in 2018 year over year in both volume and costs (as negotiated with the funerals homes in 2015) by about \$12,000.
- The increase in employment related costs reflects the continued focus on enhanced employment supports in 2018¹.

¹ Total expenditures budgeted in 2017 under OW Employment Assistance Program was \$691,186 however \$200,000 of Program Delivery was in fact allocated to Employment Assistance. An additional, \$500,000 (cost shared) was also approved post budget to support the 100 Jobs Pilot Project.

Cost per Case & Average Monthly Case Load

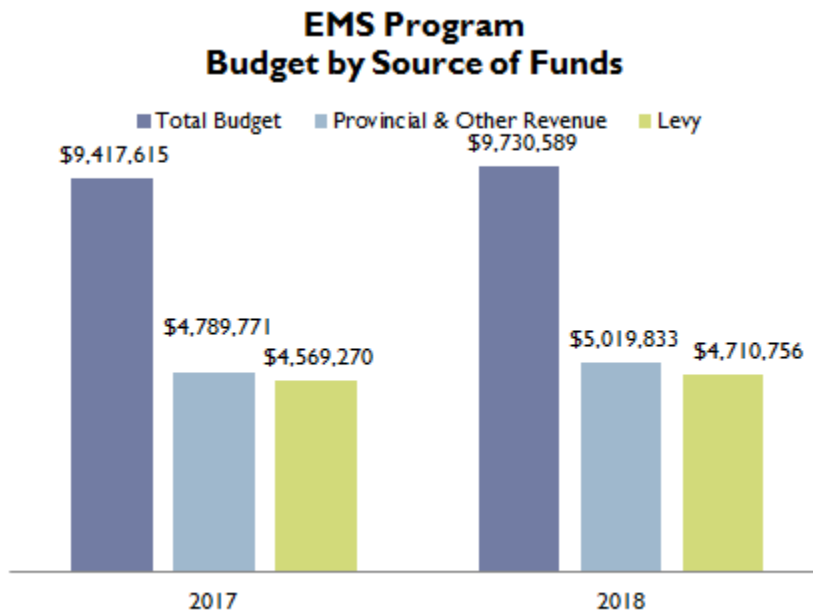


The next table shows in greater detail the changes in the municipal share of OW program budget year over year by fund.

Ontario Work Financial Benefits Total Budget by Program Fund and Municipal Share 2017 and 2018

Ontario Works Programs	2017	2018	Increase	2017	2018	Increase	%
	Budget	Budget	(Decrease)	Municipal Share	Municipal Share	(Decrease)	
OW Financial Assistance	\$ 21,523,099	\$ 20,727,832	\$ (795,267)	\$ 589,716	\$ -	\$ (589,716)	-100.00%
Discretionary Benefits	997,974	1,072,064	74,090	164,028	192,174	28,146	17.16%
Mandatory Benefits	530,000	530,000	-	16,520	-	(16,520)	-100.00%
Funerals - Type B	53,000	65,000	12,000	53,000	65,000	12,000	23%
Employment Assistance	631,186	319,500	228,314	19,353	342,648	323,295	1671%
Total	\$ 23,855,259	\$ 23,374,396	\$ (480,863)	\$ 842,617	\$ 539,822	\$ (242,796)	-28.81%

Emergency Medical Services



- In 2018 significant cost pressures are expected to continue in the EMS program. The budget is increasing year over year by 3.33% or \$312,974.

**Emergency Medical Services
For the Period 1/1/18 to 12/31/18**

Proposed 2018 Budget

	Budget 2017	Budget 2018	Variance	% Change
Revenues:				
Municipal levy	\$4,569,270	\$ 4,710,756	\$ 141,486	3.10%
MOHLTC	\$4,563,136	5,019,833	456,697	10.01%
Deferred revenue	200,000	-	(200,000)	
Repayments	13,759	-	(13,759)	-100.00%
Total Revenues	\$ 9,346,165	\$ 9,730,589	\$ 384,424	4.11%
Expenditures:				
Contractor Transfers	8,031,289	8,285,376	\$ 254,087	3.16%
Cross Border Billings	-	-	-	0.00%
Tem Boat Tax	4,361	5,561	1,200	27.52%
Uniforms	40,800	40,800	-	0.00%
EFRT & Training Support	14,000	12,700	(1,300)	-9.29%
Building Maint, Memberships	38,303	31,612	(6,691)	-17.47%
Rent, Internet, Insurance, computers,taxes .	537,614	576,463	38,850	7.23%
Laundry & Linen Replacement	41,400	33,600	(7,800)	-18.84%
Medical Equipment (capital)	96,000	100,000	4,000	4.17%
Medical Equipment (Consumables)	65,000	65,000	-	0.00%
Medical Equipment (Leases)	89,999	106,875	16,876	18.75%
Bio Medical (Mtnce & Repair)	8,400	12,602	4,202	50.02%
Ambulance Purchases	280,000	290,000	10,000	3.57%
Vehicle Maintenance	170,000	170,000	-	-
	-	-	-	-
Total Expenditures	\$ 9,417,165	\$ 9,730,589	\$ 313,424	3.33%
Surplus (Deficit)	\$ (71,000)	\$ -	\$ 71,000	

- The year over year increased cost are as follows:
 - Contractor transfer (purchase of paramedic services) increase of \$254,087 or 3.16% if the one time funding in 2017 for paramedicine is included. Without paramedicine dollars the increase is \$324,085 or 4.07%
 - Temagami Boat Tax increase of \$1,200 or 27.52%
 - Rent, Internet, Insurance, Computers, Taxes, ETC. increase of \$38,850 or 7.23%
 - Stretcher lease increase of \$16,876, or 18.75%
- EMS contracts paramedic services through the North Bay Regional Health Centre, the Municipality of Temagami, and the Mattawa General Hospital. The year over year increase by service area are shown on the following page.

EMS Land Ambulance Provider Budgets for 2017 Compared to 2018

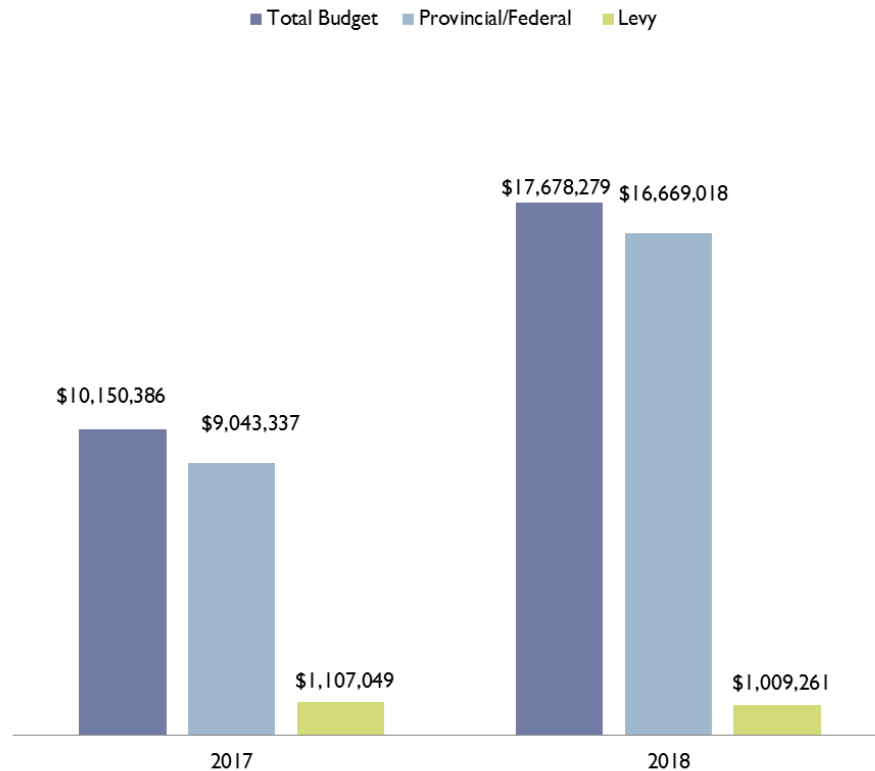
Service Area (Service Provider)	Budget 2017	Budget 2018	Variance Year over Year	% Change
North Bay (North Bay Regional Health Centre)	\$ 4,573,942	\$ 4,700,849	\$ 126,907	2.77%
West Nipissing (North Bay Regional Health Centre)	1,758,592	1,789,353	30,761	1.75%
Temagami (Municipality of Temagami)	634,122	646,285	12,163	1.92%
Mattawa (Mattawa General Hospital)	633,417	656,231	22,814	3.60%
South Algonquin (North Bay Regional General Hospital)	361,216	492,656	131,440	36.39%
	<u>\$ 7,961,289</u>	<u>\$ 8,285,374</u>	<u>\$ 324,085</u>	<u>4.07%</u>

- The increase in contractor transfers in the 2018 budget of about \$324,000 includes enhanced staffing pattern full year service to South Algonquin Park. This translates into an additional cost of about \$124,215.
- Without the additional service, the increase in contractor transfers year over year would be approximately 2.51%.
- The additional staffing pattern in South Algonquin Park budgeted in 2018 reflects the standardization of emergency services throughout the district.
- The increase in Rent, Grounds and Building Maintenance of \$38,850 reflects the unexpected cost of municipal taxes and annual increases.
- The stretcher lease increase of \$16,876 was due to the 2017 budget being prorated. The 2018 includes the full year of costs for the first time.
- The 2017 budget forecasted a 3% levy increase due to using reserves to offset the increased cost of the new build, the arbitration settlement, and the WSIB / PTSD presumptive. The 2018 budget has a levy increase of 3.1% showing that this strategy was successful.

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

Budget Overview (Licensed Child Care & EarlyON Child and Family Centres):

Children's Services Budget by Source of Funds



- The year over year increase in total costs for the Child Care and EarlyON programs is about \$7.5 million. Most of this increase is associated with the 100% provincially funded Expansion, Fee Stabilization, ELCC, Journey Together & EarlyON OEYC programs.
- Additional funding also includes deferred revenue from the 2017 ELCC and Expansion allocations.

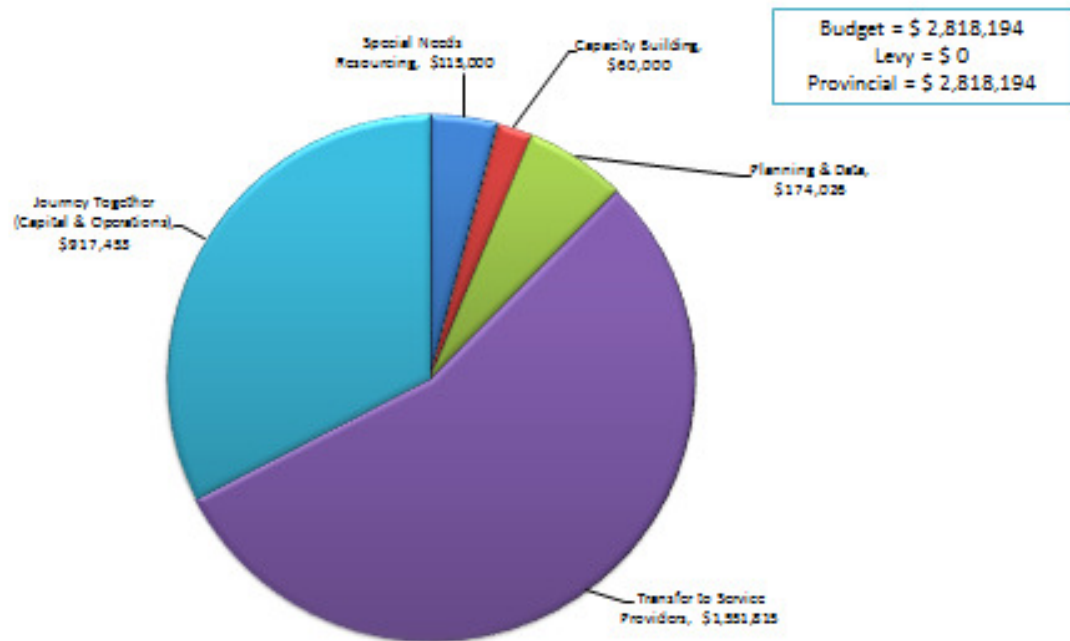
Children's Services Program Total Budget by Program Fund and Municipal Share 2017 and 2018

Child Care Program	2017	2018	Increase	2017	2018	Increase	%
	Budget	Budget	(Decrease)	Municipal Share	Municipal Share	(Decrease)	
Fee Subsidy - NFP	\$ 3,958,788	\$ 3,789,331	\$ (169,457)	\$ 670,237	\$ 624,271	\$ (45,966)	
Fee Subsidy - Commercial	578,184	578,184	-	115,637	115,637	-	
Fee Subsidy - OW Formal NFP	1,293,287	711,308	(581,979)	258,657	142,262	(116,395)	
Fee Subsidy - OW Formal Commercial	-	580,857	580,857	-	116,171	116,171	
Fee Subsidy - OW Informal	46,248	25,000	(21,248)	9,250	-	(9,250)	
Fee Subsidy - School Age Recreation	54,600	54,600	-	-	10,920	10,920	
Special Needs	758,304	658,304	(100,000)	-	-	-	
General Operating NFP	1,115,703	1,000,000	(115,703)	-	-	-	
General Operating Commercial	139,111	-	(139,111)	-	-	-	
Pay Equity	171,122	171,122	-	-	-	-	
Wage Enhancement	1,899,658	1,603,804	(295,854)	-	-	-	
Repairs and Maintenance	13,162	12,223	(939)	-	-	-	
Transformation	-	-	-	-	-	-	
Capacity Building	32,280	34,216	1,936	-	-	-	
Capital Retrofits	9,530	-	(9,530)	-	-	-	
Play-Based Material and Equip	25,821	25,000	(821)	-	-	-	
Resource Centre	53,268	-	(53,268)	53,268	-	(53,268)	
Expansion	-	2,182,147	2,182,147	-	-	-	
ELCC	-	836,469	836,469	-	-	-	
Fee Stabilization	-	92,234	92,234	-	-	-	
EarlyON OEYC	-	1,900,841	1,900,841	-	-	-	
Journey Together (OEYC)	-	917,453	917,453	-	-	-	
Journey Together (CC)	-	2,505,186	2,505,186	-	-	-	
Small Water Works	1,320	-	(1,320)	-	-	-	
Total	\$ 10,150,386	\$ 17,678,279	\$ 7,527,893	\$ 1,107,048	\$ 1,009,261	\$ (97,788)	-8.83%

- In 2018 the budget for fee subsidy expenditures (regular base budget) appears to be decreasing year over year by approximately \$192,000. This decrease reflects the unspent dollars in this funding allocation year over year. Therefore the budget has been planned to reflect this. New funding available through the ELCC and Expansion investments will offset cost associated to creating new child care spaces across our District. It is not anticipated that a fee subsidy waitlist will be required in 2018 however fee subsidy expenditures will continue to be closely monitored.
- When compared to the previous year, the General Operating grants (regular base budget) decreased by about \$215,703 to \$1 million. The transition period previously reported on has been completed and the use of mitigation reserves to offset the pressures on the General Operating is no longer necessary.
- The 100% provincially funded ELCC & Expansion funding are providing additional ongoing and one time support to the General Operating grants.
- This budget also aligns with the plan to further align expenditures in order to meet the Ministry's maximum for-profit threshold requirement as presented to the Board in 2017.
- Looking out to 2019, child care expenditures are expected to continue to fall within the EDU funding envelope. The demand for Fee subsidy is expected to continue to increase slightly because of the anticipated child care space

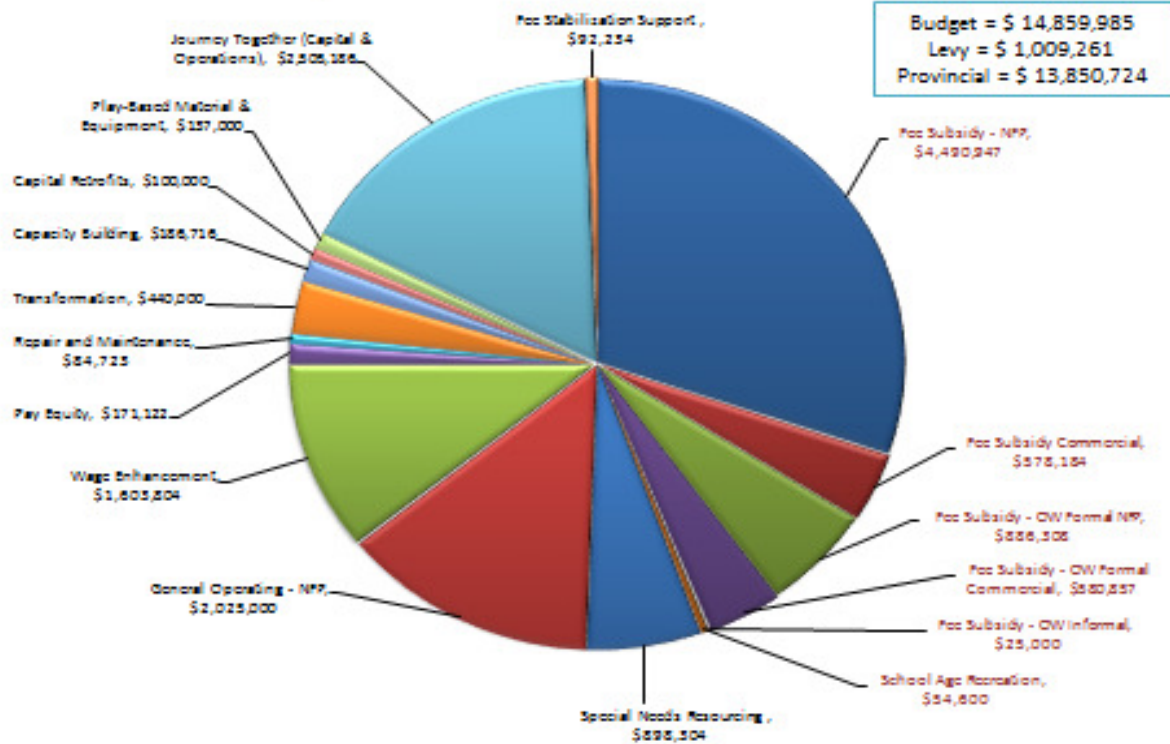
increase in 2018 and 2019.

PROGRAM BUDGET - EarlyON Child & Family Centres (OEYCFC)



- Although the EarlyON Child and Family Centres are funded 100% by the province, 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 current funding allocation provided by the Ministry of Education has permitted DNSSAB to enhance current service levels. We anticipate that the allocation provided by the Ministry of Education will enable DNSSAB to ensure quality, accessible, responsive and inclusive services across the District.
- Given the current budgetary pressures, it is recommended the DNSSAB plan for programs and services within the 100% provincial allocation.
- The allocations specific to the Journey Together initiative include both capital and operation funding.

PROGRAM BUDGET - Child Care



- The provincial portion represents 93% of the overall budget allocated to child care programs and services.
- Fee Subsidy continues to be a priority in the 2018 budget as indicated in the chart above (allocations that appear in red).
- As previously noted, additional investments in General Operating, Special Needs Resourcing, Capacity Building and One-time Special Purpose funding allocations have been planned for 2018.
- The allocations specific to the Journey Together initiative include both capital and operation funding.

2018 Budget Impact on Children's Services Restricted Reserves:

Opening Balance Mitigation Reserve 2018:	\$1,908,573
Expected transfers in 2018	
• Child Care Program (Fee Subsidy & General Operating)	\$ 0
• Child Care Administration	\$ 0
Expected Ending Balance Mitigation Reserve 2018:	\$1,908,573

- There is no anticipated expenditure related to the Mitigation Reserve in 2018.

Opening Balance BS Unconditional Reserve 2018:	\$ 570,240
Expected transfer in 2018	
• Child Care Program (Supports for South Algonquin Project):	up to \$ 300,000
• Child Care Program (CC Manager Project - Software):	up to \$ 65,000
Expected Ending Balance BS Unconditional Reserve 2018:	\$ 205,240

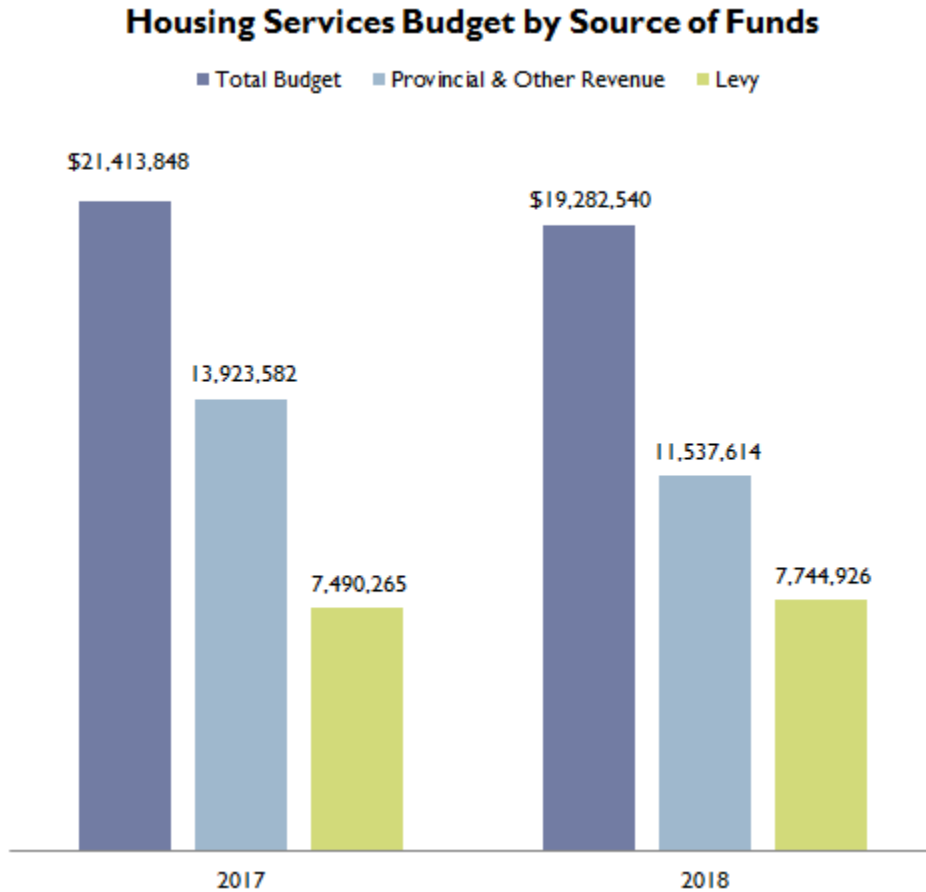
- Although \$100,000 has been set aside from the ELCC allocation to support the capital cost associated to the South Algonquin child care program, additional funds will be required in order to ensure that the space meets all legislative requirements. The Children’s Services Team is also working on a capital retrofit proposal for this project. The project proposal must be submitted to the Ministry of Education by January 19, 2018.
- The costs associated to the CC Manager software are one-time costs which will be expended in 2018 and 2019.

Municipal Budget Implications for 2018:

	2018 Budget	Municipal Impact	
		2017	2018
Program Delivery:	\$ 1,421,100	\$ 170,482	\$ 229,435
Program:	\$ 17,678,279	\$ 1,107,048	\$ 1,240,714
		Total:	\$ 1,240,714
		Variance:	(\$ 38,833)
	Overall Impact on Municipal Contribution:		- 3%

- The Program Delivery and Program budgets include an increase of 3 FTE positions within the Children’s Services Department in order to support with the increase responsibilities in 2018 (i.e. service system planning, EarlyON Child & Family Centres, child care expansions, etc.). The positions will be funded through 100% provincial funding.
- There is an increase in municipal contributions in the Program Delivery Budget to offset the cost associated to software and membership not covered by the Ministry’s funding allocation.
- There is a decrease in municipal contribution in the Program Budget which reflects the decrease of the required municipal contribution in 2018.
- The overall impact on municipal contributions is a decrease of 3% or a saving of approximately \$38,833.

Housing Services Program:



- The Housing Services budget is decreasing year over year by about \$2.1 million. The municipal share of this budget has remained close to the same year over year at about \$7.74 million.
- The decreased overall budget is associated with the 2018 budget, not including 100% provincially funded projects like the \$2.8 million IAH new build project, \$732,000 in SHEEP, and the \$72,000 contributions to the Affordable Housing Reserve that has been discontinued.
- The Provincial/Federal funding for the Legacy programs (Provincially Reformed, Public Housing, Urban Native, Federal, and Commercial Rent Supplement programs) will decrease by approximately about \$160,000. This decrease is a reflection of the end of operating agreements that are scheduled for 2018.
- The greatest impact on the Housing Services budget relates to our legislated obligations to fund and administer Legacy programs, which represents an increase of just under 6%.

- Another significant pressure is municipal property taxes. Last year's tax expenditures totaled \$2.633 million of a total Housing Municipal share of \$8.9 million.
- A significant benefit of integrating the NDHC into Housing Services/DSSAB came in the way of direct management and financial oversight.
- The staff completed a detailed analysis of Revenue and Expenditures to produce a budget based on actuals as opposed to Ministry mandated indices.
- To further control municipal levy implications, we have applied the 2017 forecasted unspent operating and capital savings to the 2018 budget.
- The unspent capital dollars are tethered to specific projects that were not completed in 2017 and are being delayed to 2018
- Any unspent operating dollars will be added to reserves in 2017 and used in 2018.
- If these in year savings are not realized there will be budget implications of up to \$514,000
- Going into 2019, our mitigation strategy will require an appropriate blend of reserves and municipal levy to not only offset this \$514,000 but also the expected increases in Commercial Rent Supplement expenses.
- 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.
- A mitigation strategy will be developed - a phase 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 the backbone of the Service Level Standards. This program has the flexibility to address both homelessness and the demand for subsidized housing without the capital investment.
- In 2018, deferred revenue of approximately \$135,775 will be applied to offset the cost of the Commercial Rent Supplement program in 2018. This short-

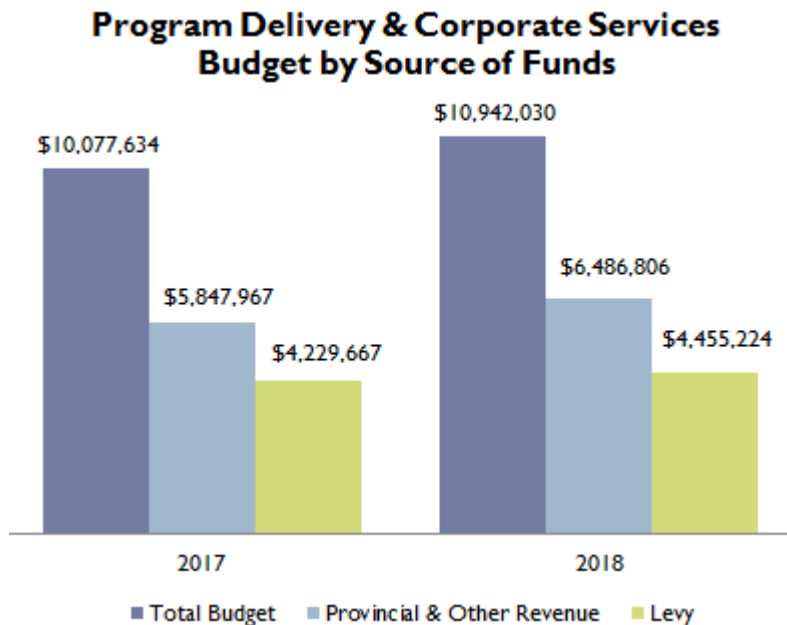
term savings will benefit this year's municipal levy however; it creates levy implications next year and beyond.

- In 2018, the provincial funding available for the Commercial Rent Supplement program is \$96,000; therefore the municipal levy should be \$400,000. Our mitigation strategy for 2019 will be to offset our requirements with the blend of reserves and municipal levy.
- The balance of Housing Services programs are 100% funded through Federal and Provincial initiatives.
- By participating in these programs, not only have we increased housing options in our district, we have offset the cost of administering all housing programs with provincial funds.
- Housing Services Programs assist approximately 5,095 individuals with forecasted spending of \$20,903,648.
- In 2018, Housing Services is looking forward to the Provincial release of the Long Term Affordable Housing Strategy and accommodating regulation changes. Along with the implementation of the Federal National Housing Strategy, we are anticipating significant new investments in affordable housing and programs to end homelessness.

Housing Services Total Budget by Program Fund and Municipal Share 2017 and 2018

Housing Services	2017			2018			%
	Budget	Budget	Increase (Decrease)	Municipal Share	Municipal Share	Increase (Decrease)	
Reformed non-profit	\$ 5,696,479	\$ 5,856,503	\$ 160,024	\$ 3,115,023	\$ 4,477,265	\$ 1,362,242	43.73%
Municipal non-profit	1,098,418	1,161,519	63,101	1,098,418	631,370	(467,048)	-42.52%
Federal non-profit	250,118	225,737	(24,381)	-	143,206	143,206	
Urban Native	1,100,231	1,083,278	(16,953)	-	40,366	40,366	
Nipissing District Housing Corp	2,597,254	6,368,323	3,771,069	2,597,254	2,060,047	(537,207)	-20.68%
Commercial Rent Supplement	530,700	496,800	(33,900)	409,740	264,151	(145,589)	-35.53%
Registry - Housing	69,194		(69,194)	69,194		(69,194)	-100.00%
Strong Communities Rent Supp	400,440	382,340	(18,100)				
Northern Remote - Build	128,637	128,522	(115)	128,637	128,522	(115)	-0.09%
CHPI	1,589,610	1,606,949	17,339				
Homelessness Partnership	135,714	178,776	43,062				
IAH - Housing Allowance	214,326	205,908	(8,418)				
IAH - Ontario Renovates	225,000	225,000	-				
IAH - Rental Housing	2,880,140	-	(2,880,140)				
IAH - Home Ownership	67,000	83,000	16,000				
IAH - SIF	1,916,511	539,764	(1,376,747)				
SHIP	1,709,240	740,121	(969,119)				
SHEEP	732,834	-	(732,834)				
Affordable Housing Reserve	72,000	-	(72,000)	72,000	-	(72,000)	-100.00%
Total	\$ 21,413,848	\$ 19,282,540	\$ (2,131,308)	\$ 7,490,265	\$ 7,744,926	\$ 254,661	3.40%

Program Delivery and Corporate Services



- The 2018 program delivery budget is showing an increase year over year of about \$864,000. Of these additional costs about \$639,321 are supported by provincial funds. The impact on the levy is a year over year increase of about \$225,075.
- The additional program delivery costs are result of a combination of factors that include:
 - Expected collective bargaining pressures.
 - Additional resources in Children’s Services to support the new ELCC, Expansion, EarlyON, & Journey Together initiatives.
 - Additional resources in Housing Services.
 - Enhanced services in Ontario Works to provide supports to clients with identified addiction and mental health concerns.
 - Investment in increased employment supports.
 - A continued emphasis on the Board endorsed e-channel strategy.
 - One time arbitration / mediation costs impacting both Ontario Works and Housing Services.

Program Delivery and Corporate Services

For the Period 1/1/17..10/31/17

Proposed Budget Budget for 2018

	YTD Actual	Forecast to YE	Budget 2017	Budget 2018	Variance to Budget 2017
Revenues:					
Municipal levy	\$ 3,524,720	\$ 4,230,147	\$ 4,229,667	\$ 4,453,183	\$ 223,516
Provincial Funding	4,812,757	5,519,679	5,487,903	6,284,552	796,649
Lease & Fee, Other Revenue	1,193	1,431	1,800	67,509	65,709
Interest Revenue	78,232	93,879	146,159	136,786	(9,373)
Repayments	53,139	54,381	17,549	-	(17,549)
Deferred revenue	57,304	109,362	85,017	-	(85,017)
Total Revenues	8,527,345	10,008,879	9,968,095	10,942,030	973,934
Expenditures:					
Salary & Benefits	\$ 6,333,520	\$ 7,699,753	\$ 8,095,304	\$ 8,670,473	\$ 575,169
Travel	42,406	50,478	30,980	69,056	38,076
Training	56,940	119,432	149,498	188,585	39,087
Insurance	28,105	82,495	33,223	34,983	1,760
Professional fees	61,277	146,599	181,420	231,668	50,248
Telephone & Internet	115,471	154,066	154,562	166,953	12,391
Office Supplies & Copier	31,359	35,411	18,056	39,682	21,626
Postage & Courier	54,044	62,993	56,975	70,128	13,153
Technology & Equipment	89,701	176,773	152,963	264,852	111,889
Rent, Utilities, Cleaning, parking	533,299	644,484	627,690	733,469	105,779
City of North Bay Services	148,366	178,039	179,460	197,124	17,665
Other (memberships, advertising, etc)	185,601	81,848	178,366	268,718	90,352
Transfers to Service providers	6,586	6,586	219,138	6,338	(212,800)
Total Expenditures	7,686,675	9,438,957	10,077,635	10,942,030	864,395
Surplus (Deficit)	840,670	569,922	(109,540)	0	109,540

- Staffing costs include an expected 1.5% wage increase as negotiated under the two collective agreements (expiring December 31, 2017 and January 31, 2017) with a matched increase for non-union positions to maintain parity.
- In 2018 group benefit costs are expected to increase modestly. In 2017 we experienced a 0.2% increase to the DNSSAB plan and 5.0% increase to Housing Operations (NDHC) plan.
- Training costs are expected to increase in 2018 by about \$40,000. Part of this increase is attributable to new staffing, but also includes a support for organization wide quality continuous improvement training.
- An increased uptake of the continuing education policy has also impacted the overall training budget.
- The increased training and travel costs are impacted by an expected increased Board and management presence at Ministry conferences and training.

- Professional fees in 2018 are expected to increase as the usage of the services increases along with the rates. Included in professional fees, as well as technology and equipment are the expected costs for enhancements to the OW employment database.
- In terms of technology, the accounting software upgrade that was scheduled for 2017 will need to occur in 2018. The update will involve a transition to cloud based hosting with Microsoft.
- The beginning of a computer refresh was also budgeted for in 2018. Ongoing savings have been achieved in previous years by delaying this refresh as long as was feasible
- Under other costs the increase year over year includes the cost to refresh the Mattawa office due to the project not being completed in 2017.
- Rent to City of North Bay increased by 3.38% and the cost of parking also increased. All other City provided services were estimated with a 3% increase
- The increased cost for cleaning services was estimated at 40% increase. This is as a result of the service going out to tender and the current provider advising of the impacts of Bill 148.

Notes:

City of North Bay Shared Services:

	2018
IT services	\$ 153,391.22
Purchasing	31,209.54
Legal	-
Utilities	77,770.71
Telephone	60,928.35
Elevator & Shared Mtncce	6,076.40
Parking	54,950.40
Rent	322,851.43
Shared Mtncce: washrm 2nd fl, nim bin, recycling	8,483.08
	\$ 715,661.13

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 2017 and 2018

Program Delivery	2017	2018	Increase	2017	2018	Increase	%
	Budget	Budget	(Decrease)	Municipal Share	Municipal Share	(Decrease)	
OW Program Delivery	\$ 7,361,035	\$ 7,283,196	\$ (77,839)	\$ 3,114,730	\$ 2,714,051	\$ (400,739)	-12.87%
Housing Program Delivery	1,169,948	1,608,498	438,550	713,567	1,187,593	474,026	66.43%
Child Care Program Delivery	1,008,638	1,421,100	412,462	170,482	229,435	58,953	34.58%
EMS Program Delivery	232,272	299,355	67,083	116,136	149,678	33,542	28.88%
Board & Governance	146,333	221,295	74,962	115,174	174,467	59,293	51.48%
Corporate Services	159,348	108,586	(50,762)			-	
Total	\$ 10,077,634	\$ 10,942,030	\$ 864,396	\$ 4,230,148	\$ 4,455,224	\$ 225,075	5.32%

FINANCIAL IMPLICATION – IMPACT ON LEVY

- The total 2018 budget proposed in this report shows an increase to the municipal funding year over year by approximately 1.5%, or \$280,640. The table below shows in the impact on the levy by each program area

Change in Levy	2017	2018	Increase	%
	Municipal Share	Municipal Share	(Decrease)	
Housing Services	\$ 7,490,265	\$ 7,744,926	\$ 254,661	3.40%
OCB Reinvestment	470,000	470,000	-	0.00%
OW Program	842,617	599,822	(242,796)	-28.81%
Children's Services Program	1,107,048	1,009,261	(97,787)	-8.83%
EMS	4,569,270	4,710,756	141,486	3.10%
Program Delivery	4,230,148	4,455,224	225,076	5.32%
Total	\$ 18,709,348	\$ 18,989,989	\$ 280,640	1.50%

- In terms of administrative overhead, the cost of corporate services remains at 3% of the total 2018 budget.
- Based on the 2018 budget, there continues to be about \$2,602,320 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 \$1,301,160 in order to maximize this funding envelope.

CONCLUSION

The 2018 budget is the first time Housing Operations (formerly NDHC) forms part of our Board's budget. The integration of Housing Operations into our organization is

an example of our staff's commitment to providing seamless service to citizens in the District. Staff will continue to look for efficiencies in order to add value to our citizens, and for opportunities for integration of service.

The Board has 4 budget options:

1. 1.5% levy increase – recommended option
2. 0% levy increase (less Type B funerals and Healthy Communities, except LIPI services)
3. 1.5% levy increase, plus Board directed increase in employment services (\$2.7 million available)
4. 2% increase, which represents an increase of \$93,547. It is recommended these dollars would go towards mental health supports, in the form of an additional FTE.

The total 2018 budget proposed in this report shows an increase to the municipal funding year over year by approximately 1.5%, or \$280,640. The total budget increased year over year by \$6,591,955, or 8.80%. This budget takes a more prudent approach than the 2017, which saw an increase to the municipal levy of 1.79% or \$328,356.