

***DISTRICT OF PARRY SOUND SOCIAL SERVICES
ADMINISTRATION BOARD***

2022 BUDGET

APPROVED January 13, 2022

DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
OVERVIEW

OVERVIEW:

The 2022 budget for the District of Parry Sound Social Services Administration Board (DSSAB) was approved on January 13, 2022 with a 1% increase to the municipal levy from the prior year.

Overall changes to the municipal levy are as follows:

2021 Budgeted Levy	\$6,421,953
OW Program decrease	(21,288)
Child Care decrease	(91,500)
Social Housing increase	82,000
Community Services increase	74,469
Corporate Services decrease	(48,635)
One-time reserve contribution	64,220
Other Reserve Contributions increase	<u>4,954</u>
2022 Budgeted Levy	\$6,486,173

The DSSAB budgets are prepared with two primary goals: minimizing municipal levy fluctuations and maximizing Provincial:Municipal cost sharing arrangements.

Program costs include a general inflationary increase to expenses.

The budget includes adjustments for collective agreement obligations and a CPI increase for non-union staff for the year.

Ontario Works financial assistance costs have been budgeted at the same level as in 2021. It should be noted that the Province is planning to change the definition of disability for the Ontario Disability Support Program (ODSP) to align it with the definition used in federal government benefit programs. This change has the potential of reducing ODSP caseloads and increasing Ontario Works (OW) caseloads across the Province.

The Province is also planning to transform employment services for all job seekers. Included within this is the integration of Ontario Works social assistance employment services into Employment Ontario. At this point in time, we have no way of ascertaining what the impact of this change will be to our operations and whether or not we will be providing these supports for our clients.

Ontario Works program costs have been reduced by \$91,831 due to a redistribution of staffing between our Ontario Works and Homelessness programs, in response to the proposed changes mentioned above. The corresponding decrease to the municipal levy is \$21,288 as per cost sharing guidelines.

***DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
OVERVIEW and DIRECTION***

Child Care Program costs have decreased by \$137,938 from 2021 to 2022. This is predominantly the result of reducing our child care administration costs due to reductions in related funding from the Province. At the same time, our parent fee revenue will increase as our child care basic rate will be rising \$1 per day. Any parent fee revenue received helps to reduce our municipal levy.

Social Housing program costs have decreased by \$176,391 from 2021 to 2022. However, due to a \$216,261 decrease in federal funding the net result is an increase in the municipal levy of \$82,000. The major decreases in costs are due to the changes in non-profit housing subsidies and debenture payments (two social housing projects reached the end of their operating agreements in 2021). Other operating costs have been reduced where possible to offset this loss in revenue, but with inflation running at over 4% in the Province, costs continue to rise to meet the ongoing repairs and maintenance challenges of our buildings.

Community Services program costs, for our Violence Against Women and Homelessness Programs have increased by \$262,813 with a corresponding increase to the municipal levy of \$74,469. The majority of these costs relate to staffing increases in the Homelessness Program. In order to support people through this program during covid, we have added a team lead and two community relations works to the staffing complement.

Corporate Services costs have decreased by \$16,635. Removal of the one-time cost allocation in 2021 of \$100,000 is offset by inflationary increases to staffing and operating costs. Combined with an increased allocation to the programs, the net result is an overall decrease to the municipal levy of \$48,635.

The Social Assistance Restructuring allocation has been held at the same level as the prior year. We continue our practice of spending the prior year's allocation in the current year. These funds are used to support those in our communities with the most limited resources and include funding for local food banks, the emergency shelter and energy program, community based supports for children and the Transitional Support.

DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
OVERVIEW and DIRECTION

OTHER ISSUES and CONCERNS:

Homelessness and Affordable Housing are now recognized as the greatest challenge for municipalities in our District, as well as in the Province. Our Housing department continues to work to identify opportunities to address the housing shortage through the Canada-Ontario Affordable Housing Programs. Since 2006, investment in our District under these programs has reached \$10,562,173.

The expiration of operating agreements for our non-profit housing providers is an issue of concern. As the operating agreements end, the related federal funding ends. Providers may at that point (if we are in agreement) decide to end their partnership with the DSSAB and convert their housing into market rent units – thereby reducing the social housing stock in the District. We have successfully negotiated continuing agreements with two non-profit programs in the District this year, thereby maintaining the related social housing units for these vulnerable tenants.

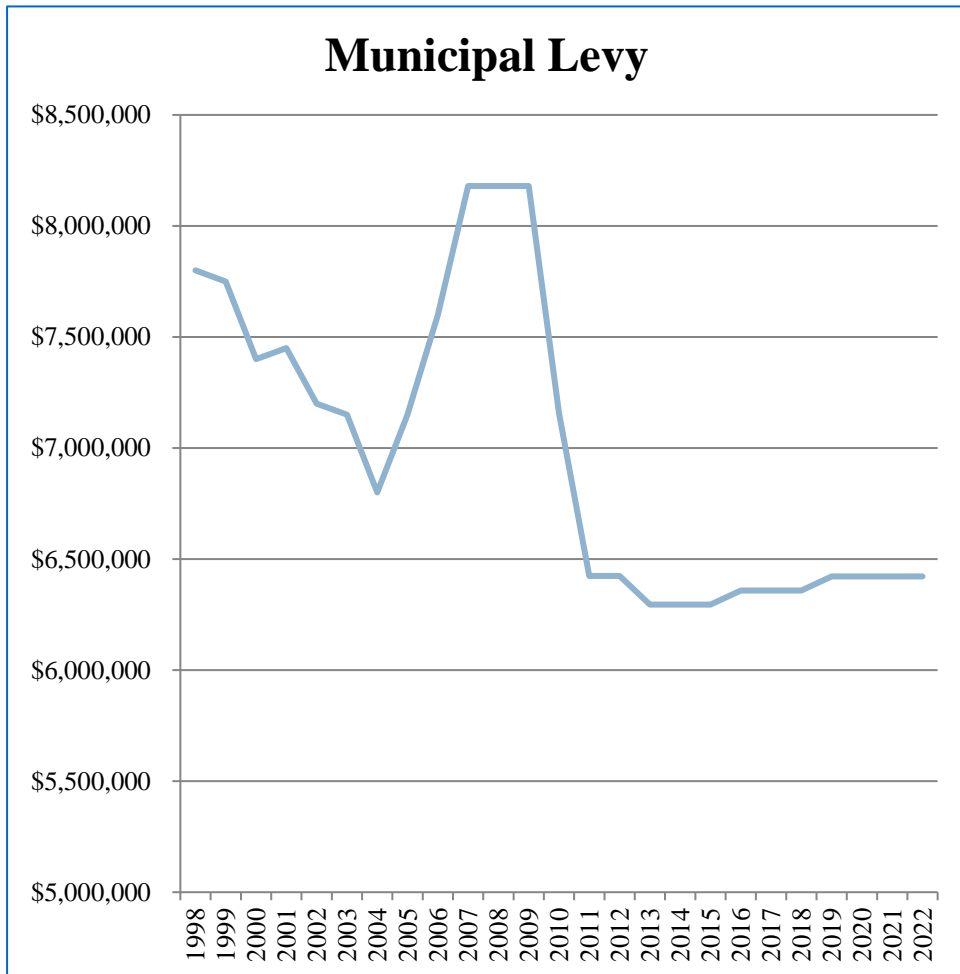
As reported in the past, the Local Housing Corporation buildings were transferred from the Province to the DSSAB without capital reserves. One of our greatest priorities over the years has been to minimize the risk of a potential capital fund deficit for these buildings. Based on our building condition assessments and our capital planning process we have established a consistent funding approach with a yearly contribution of \$800,000 (\$700,000 from the municipal levy and \$100,000 from investment income) to minimize levy variability and formulate funding costs into the future.

Further to this, the Board approved a 1% increase of \$64,220 to the levy as a one-time contribution to reserves. These funds are being held to support the organization with any critical needs that might arise in the future.

DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
SUMMARY OF MUNICIPAL LEVY: OPERATING AND CAPITAL
1.0% INCREASE TO LEVY

	2019 ACTUAL	2020 ACTUAL	2021 BUDGET	2022 BUDGET	% CHANGE IN LEVY
OPERATING FUND					
ONTARIO WORKS	1,186,839	1,057,730	1,184,242	1,162,954	-0.33%
CHILD CARE	485,680	921,093	541,090	449,590	-1.42%
SOCIAL HOUSING	2,309,993	2,422,894	2,450,000	2,532,000	1.28%
COMMUNITY SERVICES	86,682	112,442	156,940	231,409	1.16%
CORPORATE SERVICES	586,136	543,094	724,635	676,000	-0.76%
DSSAB MUNICIPAL INITIATIVES	350,000	264,700	270,000	270,000	0.00%
MUNICIPAL COST	5,005,330	5,321,953	5,326,907	5,321,953	-0.08%
TRANSFERS TO (FROM) OPERATING RESERVES/CONTINGENCY	316,623	-	(4,954)	64,220	1.08%
MUNICIPAL LEVY FOR OPERATIONS	5,321,953	5,321,953	5,321,953	5,386,173	1.00%
CAPITAL FUND					
DSSAB PROGRAM FACILITIES	400,000	400,000	400,000	400,000	0.00%
DSSAB HOUSING FACILITIES	700,000	700,000	700,000	700,000	0.00%
MUNICIPAL COST	1,100,000	1,100,000	1,100,000	1,100,000	0.00%
NOT YET ALLOCATED CONTRIBUTION	-	-	-	-	0.00%
MUNICIPAL LEVY FOR CAPITAL	1,100,000	1,100,000	1,100,000	1,100,000	0.00%
TOTAL MUNICIPAL LEVY	6,421,953	6,421,953	6,421,953	6,486,173	1.00%
INCREASE(DECREASE) TO LEVY			-	64,220	
PERCENTAGE INCREASE (DECREASE)			0.00%	1.00%	

**DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
MUNICIPAL LEVY TRENDS**

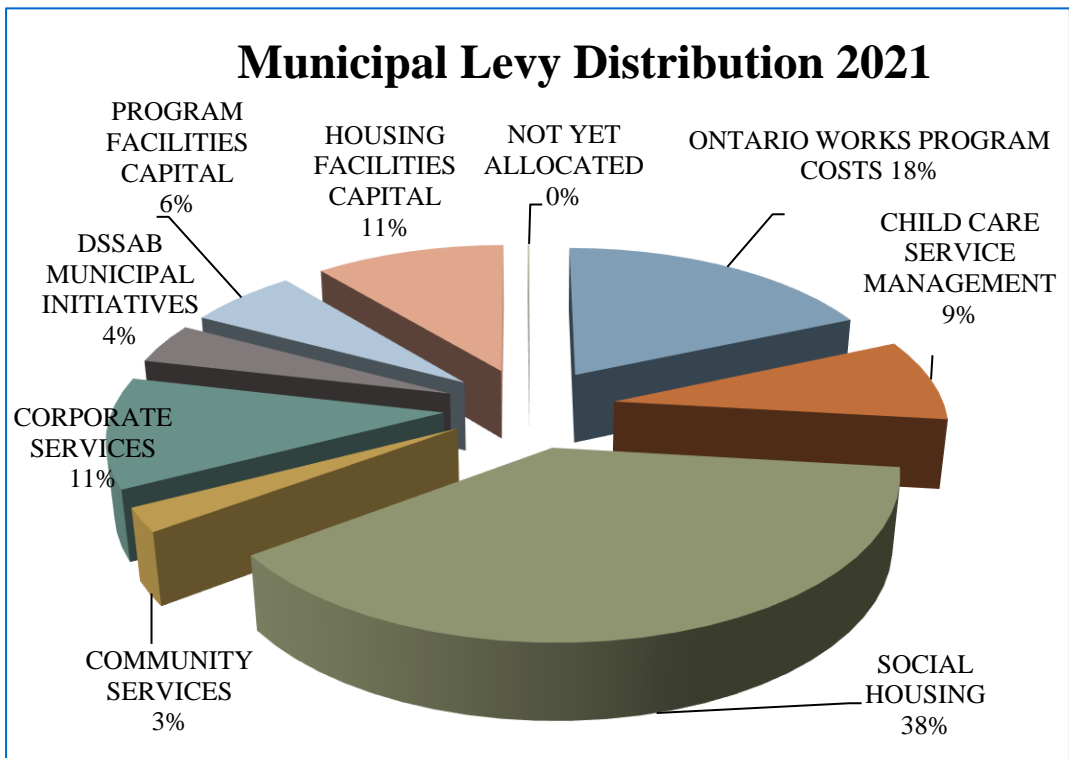
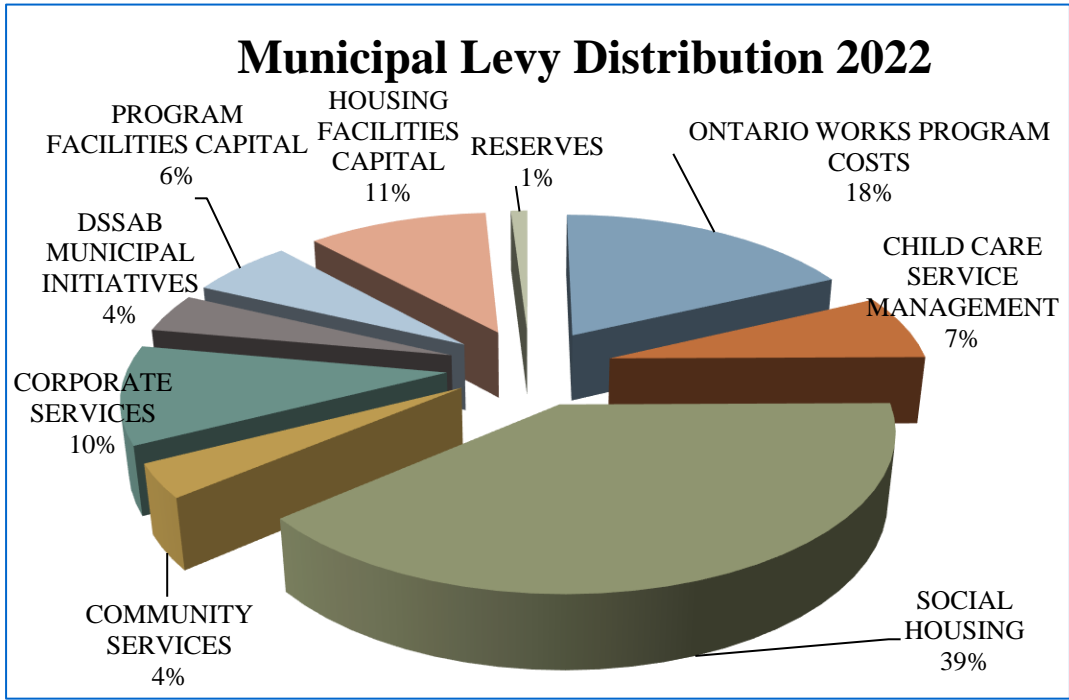


The municipal levy decreased drastically in 2011 when ODSP financial assistance costs were uploaded to the Province. Since then, the levy has hovered between \$6,295,415 and \$6,432,893 – a range of only \$128,478 or 2% of the levy.

DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
MUNICIPAL LEVY
WITH 2021 COMPARISON

<i>Municipality</i>	<i>2022 Apportionment Percentage</i>	<i>2021 Levy Actual</i>	<i>2022 Levy Actual</i>	<i>Increase (Decrease) to Levy</i>
<i>Armour</i>	2.54%	162,577	164,946	2,369
<i>Burks Falls</i>	0.54%	35,077	35,058	(19)
<i>Callander</i>	3.71%	239,438	240,483	1,045
<i>Carling</i>	6.93%	442,691	449,470	6,779
<i>Joly</i>	0.42%	26,237	26,954	717
<i>Kearney</i>	2.53%	161,645	164,114	2,469
<i>Machar</i>	1.76%	112,135	114,141	2,006
<i>Magnetawan</i>	4.73%	302,958	306,601	3,643
<i>McDougall</i>	5.18%	330,622	336,241	5,619
<i>McKellar</i>	4.47%	286,030	289,815	3,785
<i>McMurrich</i>	1.54%	99,088	100,022	934
<i>Nipissing</i>	2.60%	167,296	168,830	1,534
<i>Parry Sound</i>	4.94%	318,150	320,548	2,398
<i>Perry</i>	3.21%	205,573	207,868	2,295
<i>Powassan</i>	2.25%	144,235	146,079	1,844
<i>Ryerson</i>	1.27%	81,439	82,023	584
<i>Seguin</i>	23.82%	1,529,631	1,544,932	15,301
<i>South River</i>	0.48%	30,476	30,889	413
<i>Strong</i>	1.98%	127,414	128,119	705
<i>Sundridge</i>	0.70%	45,126	45,288	162
<i>The Archipelago</i>	14.12%	909,553	915,568	6,015
<i>Whitestone</i>	4.08%	262,259	264,531	2,272
	93.80%	6,019,650	6,082,520	62,870
<i>Unincorporated</i>	6.22%	402,303	403,653	1,350
Total	100%	6,421,953	6,486,173	64,220

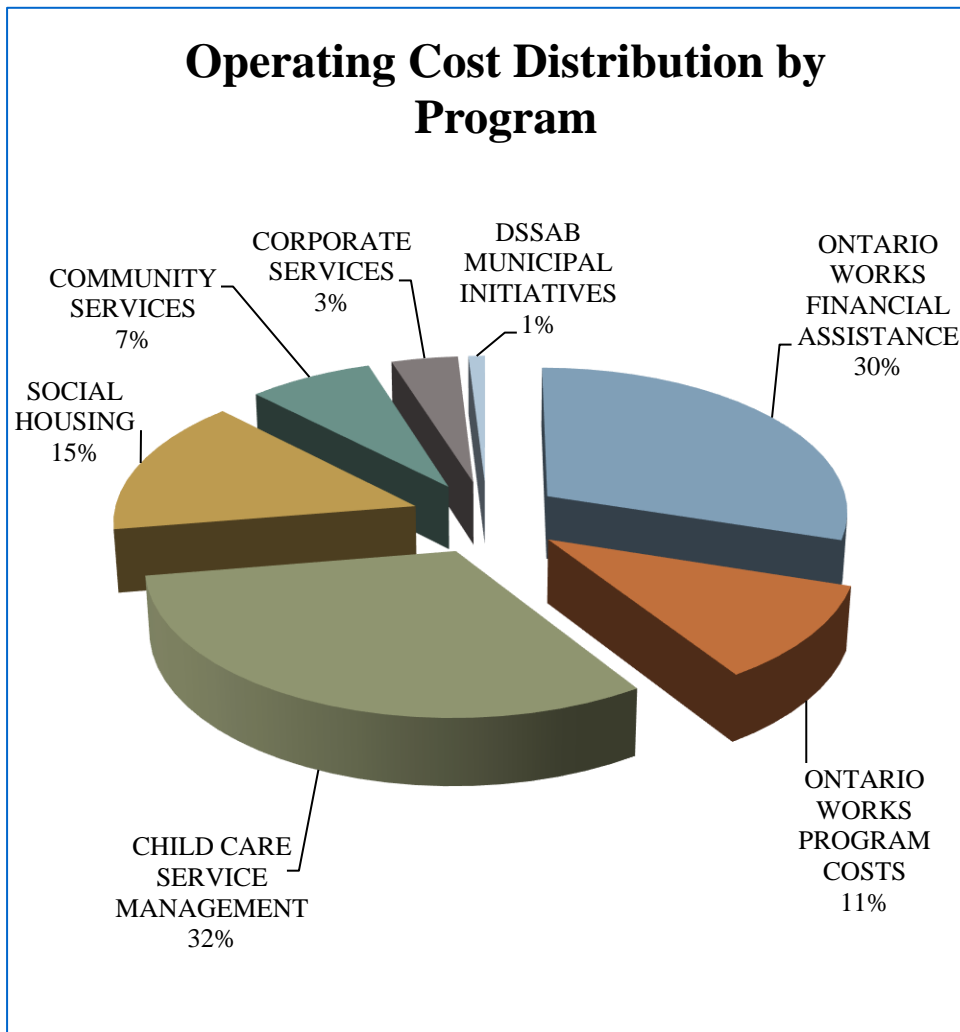
**DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
MUNICIPAL OPERATING LEVY DISTRIBUTION**



DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
OPERATING BUDGET
TOTAL EXPENDITURES AND FUNDING

	2021	2022	CHANGE
	BUDGET	BUDGET	
ONTARIO WORKS			
ONTARIO WORKS FINANCIAL ASSISTANCE	\$8,262,000	\$8,262,000	0
ONTARIO WORKS PROGRAM	<u>3,093,185</u>	<u>3,001,354</u>	-91,831
	11,355,185	11,263,354	-91,831
CHILD CARE SERVICE MANAGEMENT			
CHILD CARE ADMINISTRATION	400,000	250,000	-150,000
CHILD CARE CENTRE OPERATIONS	5,449,438	5,501,500	52,062
EARLY YEARS	1,052,000	1,037,000	-15,000
INCLUSION SUPPORT SERVICES	600,000	615,000	15,000
INTEGRATED RECEPTION	40,000	0	-40,000
NON DSSAB FEE SUBSIDY	470,000	600,000	130,000
NON DSSAB OPERATING SUBSIDY	390,000	260,000	-130,000
NON DSSAB OPERATING WAGE ENHANCEMENT	100,000	100,000	0
JOURNEY TOGETHER	295,364	295,364	0
PLANNING AND PROJECTS	<u>80,716</u>	<u>80,716</u>	<u>0</u>
	8,877,518	8,739,580	-137,938
SOCIAL HOUSING			
SOCIAL HOUSING ADMINISTRATION	742,912	619,803	-123,109
AFFORDABLE HOUSING PROGRAM COSTS	29,830	25,200	-4,630
BUILDING OPERATING COSTS	2,556,564	2,712,912	156,348
RENT SUPPLEMENT/HOUSING BENEFIT/HOUSING ALLOWANCE	224,600	187,100	-37,500
NON-PROFIT HOUSING COSTS	<u>812,000</u>	<u>644,500</u>	-167,500
	4,365,906	4,189,515	-176,391
COMMUNITY SERVICES			
VIOLENCE AGAINST WOMEN PROGRAMS	805,680	828,680	23,000
HOMELESSNESS PROGRAM	431,700	671,513	239,813
EMERGENCY HEATING AND SHELTER	396,000	396,000	0
TRANSITIONAL HOUSING SUPPORT	61,200	61,200	0
HOMEMAKERS PROGRAM	<u>100,000</u>	<u>100,000</u>	<u>0</u>
	1,794,580	2,057,393	262,813
CORPORATE SERVICES			
CORPORATE SERVICES	1,051,135	1,034,500	-16,635
BOARD	<u>60,000</u>	<u>60,000</u>	<u>0</u>
	1,111,135	1,094,500	-16,635
SOCIAL ASSISTANCE RESTRUCTURING FUND	270,000	270,000	0
TOTAL ANNUAL OPERATING EXPENSES	27,774,324	27,614,342	-159,982
LESS FUNDING FROM OTHER SOURCES			
PROVINCIAL FUNDING	19,084,141	19,075,374	-8,767
FEDERAL FUNDING	802,076	585,815	-216,261
SOCIAL ASSISTANCE RESTRUCTURING FUND	121,200	121,200	0
PARENT FEE REVENUE	1,430,000	1,500,000	70,000
TENANT REVENUE	910,000	910,000	0
INVESTMENT INCOME AND OTHER	<u>100,000</u>	<u>100,000</u>	<u>0</u>
	22,447,417	22,292,389	-155,028
MUNICIPAL FUNDING - OPERATING EXPENSES	\$5,326,907	\$5,321,953	-4,954
TRANSFERS TO (FROM) RESERVES	(\$4,954)	\$64,220	69,174
MUNICIPAL LEVY FOR OPERATIONS	\$5,321,953	\$5,386,173	64,220

**DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
OPERATING COST DISTRIBUTION BY PROGRAM**



Total costs are based on the Total Expenditures and Funding schedule found on page 8.

**DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
CAPITAL BUDGET AND OPERATING FUNDS OVERVIEW**

OVERVIEW:

General Operating Fund:

The DSSAB maintains operating funds for cash management purposes. As per the Board Operating Reserve Policy, operating funds of no greater than three months of annual operating expenses will be maintained by the DSSAB. This equates to \$6,848,463 at the end of 2021.

Our projected level of operating funds at December 31, 2022 is \$3,208,242 or 42 days of annual operating expenses. Coupled with our capital reserves, we believe that we have sufficient funds on hand to meet our current short-term operating requirements.

Program Facilities Capital Fund:

The DSSAB holds capital funds for program facilities that we own. These include our multi-use building in South River (offices, child care centre and EarlyON site), our office building in Parry Sound, Child Care Centres in Emsdale and Parry Sound, our 6 unit apartment building in Parry Sound and our women's shelter in Parry Sound. In addition we lease space for our child care centre in Powassan from the local school board and from the Sound Community Hub in Parry Sound for our EarlyOn, Integration Support Services and Home Child Care programs.

We are making a \$400,000 contribution to the Program Facilities Capital Fund in 2022 to ensure that sufficient capital funds are available to meet our needs.

***DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
CAPITAL BUDGET OVERVIEW***

Social Housing Capital Fund:

The DSSAB also holds capital funds for the 344 housing units owned and operated within our Social Housing programs. These include the Local Housing Corporation housing units as well as the Non Profit Housing program units that we fund, as we are responsible for any of their operating or capital shortfalls.

Our building condition assessments (BCA's), when initially prepared in 2006, indicated that our Social Housing capital fund would be fully depleted over a period of 5-10 years, and that we would need to contribute \$13,249,903 to the fund in order to maintain these buildings to December 31, 2025. This infrastructure deficit is the DSSAB's most significant financial exposure and is the result of the Provincial transfer of ownership of the Ontario Housing Stock to the Municipalities in 2000 with \$0 capital.

We updated the BCA's in 2018 and have revised the schedules to include an additional 10 years – to December 31, 2035.

Per a review of the anticipated levels of spending recommended by the building condition assessments we require an \$800,000 contribution yearly in order to maintain these reserves at needed levels into the future. In light of the investment income that we are earning on these reserves, we have been making municipal contributions to these reserves of \$700,000 (offset by the additional investment income of \$100,000 each year).

Accordingly, Social Housing Capital Fund contributions will continue at the same level in 2021 i.e. \$700,000 per year.

DISTRICT OF PARRY SOUND SOCIAL SERVICES ADMINISTRATION BOARD
2022 BUDGET
SCHEDULE OF CHANGES IN CAPITAL & OPERATING FUNDS

	GENERAL OPERATING FUND	PROGRAM FACILITIES CAPITAL FUND	SOCIAL HOUSING CAPITAL FUND	TOTAL
Balance, December 31, 2019	\$3,295,877	\$2,335,239	\$7,707,080	\$13,338,196
Contribution: 2020 Municipal Levy		400,000	700,000	1,100,000
Contribution: 2020 Surplus/Adjustments	(82,681)	-	-	(82,681)
Contribution: Interest Earned		87,310	302,009	389,319
Capital Expenditures in 2020		(42,473)	(635,394)	(677,867)
Non Profit Capital Expenditures in 2020		-	-	-
CMHA Funding			67,800	67,800
Projected Balance, December 31, 2020	\$3,213,196	\$2,780,076	\$8,141,495	\$14,134,767
Contribution: 2021 Municipal Levy		400,000	700,000	1,100,000
Contribution: 2021 Surplus/Adjustments	(4,954)	-	-	(4,954)
Contribution: Interest Earned		20,000	100,000	120,000
Capital Expenditures in 2021		(160,703)	(668,387)	(829,090)
Non Profit Capital Expenditures in 2021		-	(300,000)	(300,000)
Projected Balance, December 31, 2021	\$3,208,242	\$3,039,373	\$7,973,108	\$14,220,723
Contribution: 2022 Municipal Levy		400,000	700,000	1,100,000
Contribution: 2022 Interest Earned	-	20,000	100,000	120,000
Capital Expenditures in 2022		(1,727,000)	(1,652,000)	(3,379,000)
Non Profit Capital Expenditures in 2021		-	(300,000)	(300,000)
SSRF Funding		1,034,500		1,034,500
One-time Reserve Contribution	64,220			64,220
Projected Balance, December 31, 2021	\$3,272,462	\$2,766,873	\$6,821,108	\$12,860,443
Daily operating cash flow requirements	\$ 76,094			
# Days operating funds on hand	42			
Maximum allowable operating fund	\$ 6,848,463			
Social Housing Contributions / unit	\$2,035			
Social Housing Spending / uni	\$5,674			