



2013 Budget Document
APPROVED BR2012-359

Board of Directors
December 13, 2012

Kenora District Services Board

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Executive Summary:

The 2013 KDSB Budget draft is a continuation of major policies and initiatives started in late 2011 and embedded within the 2012 Budget. These initiatives included the adoption of multiple, inter-related financial policies to drive the budget development and budget management process. These policies were:

Policy FNS-III-03 – Budgeting; describes the Board’s expectation of the budget development process and states Zero Base Budgeting processes should be utilized when services are developing their individual annual budget.

Policy Directive FNS-II-02 – Reserve for Working Capital; allows the Board to retain working capital reserves within the organization to allow for year over year surpluses or deficits to be managed over the long term. It is expected that these surpluses and deficits will be minimized in a ZBB environment.

Policy FNS-III-04 – Housing & EMS Renewal and Financing Policy; allows the Board to undertake housing & EMS equipment renewal to be conducted in isolation from the financing component of the process. The Board will review the first operational year (2012) of the renewal policy in January 2013.

A budget should be a reflection of an organization’s Strategic Plan (SP) and the goals, objectives (G&O) and key foundational initiatives needed to successfully implement the SP. In fall 2012, the Board reviewed the status of the 2009 SP to ascertain its validity and status as to the identified G&O. The conclusion was that the current SP was still relevant and we should continue with the plan until 2014, its original expiry date. The approved 2012 Budget had a number of allocations and plans incorporated to allow us to get on the path to meet our SP G&O.

2012 Budget – SP Initiatives:

There were a number of SP allocations embedded into the 2012 Approved Budget document.

Integration – In 2012, administration initiated the integration of our services. The process has started with the intake and clerical level blending the formerly siloed duties of child care, housing and OW into a single Integrated Services Worker (ISW) position. The training concluded on October 2012 and now each ISW has a portfolio of clients and properties from each service.

2012 Investment - \$25,000 – Training.

Marketing & Communications Plan – In 2012, the M&C Committee with representatives from the B of D and staff representatives from each of our services – Integrated Services, EMS, Housing and Finance. The committee had coordinated the efforts to

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develop and introduce our new logo and tagline and provided direction to improve communication practices in the KDSB. The 2012 Budget allocation was made with expected expenditures for a consultant, the implementation processes of the marketing plan and the development and installation of signage with our new logo. These processes have been 90% completed.

2012 Investment - \$50,000 – Communication Plan, Signage.

Partnerships – Partnerships are not an objective that requires a lot of financial investment. Partnership Development is a continuum and an organizational philosophy. Our services are embracing this SP goal and recognize the mutual benefits garnered by both parties. The KDSB assisted a couple of social entity groups to attend a NOSDA Homelessness Conference held in North Bay. These organizations provide on-going homelessness services in three of our communities and their participation at the conference was highly regarded. The administration must continue to work on expanding partnerships.

2012 Investment - \$20,000 – Memberships, Travel (Internal & External).

Organization Continuity – This strategic directive had included succession planning, discretionary funds and asset maintenance as individual items to be pursued. Although there were no succession plans in place, the KDSB has had some senior staff turnover and managed that turnover in a relatively smooth manner – even incorporating some staffing revisions in that process. The EMS & Housing Renewal Policy, and the respective 2012 Budget allocations, will ensure continuity in the delivery of those services.

2012 Investment - \$1,315,000 – Renewal

Information Management (Technology) – There were a number of technology upgrades and tools that were purchased and implemented in 2012. There were operating software upgrades (MS Windows 2000 to 2003, MS Email Exchange Server 2003 – 2010 and Citrix Desktop, Application and Server upgrades), new & upgraded application software initiatives (EMS Scheduling – Kronos Telestaff & Finance - MS Dynamics upgrade). These software investments were financed from service specific budgets as well as IS specific budgets on an integrated basis.

2012 Investment - \$175,000 – Software & Hardware Renewal

2013 Budget – SP Initiatives:

In the 2013 Draft Budget, there are a number of requests reflecting SP initiatives.

Integration – Integration has been implemented at the front line level (ISW), the service to service level (housing managing EMS base maintenance) and the Director level with the division of Asset Management and Tenant Management responsibilities in housing services. In 2013, we will be exploring Integrated Service opportunities at the manager

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level. Integration is the future and the KDSB will be moving steam ahead in operational areas that are logical.

2013 Budget - \$10,000 – Training, travel; to be financed from existing budgets.

Marketing & Communication – A primary outcome of the KDSB Communication plan was the establishment of a Communication Committee (CC). The committee is charged with the responsibility of leading the charge with the on-going goal of improving internal (website, newsletter, organizational meetings, BBQ's, SP) and external communication (website, media). The CC has been extremely efficient and practical in meeting their obligations and we will be meeting via TC in early 2013 to organize a spring 2013 organizational meeting planned for Vermilion Bay or Waldhof.

2013 Budget - \$20,000 - Organization Wide Communication Meeting & CC Meetings. (\$50,000-2012 Budget)

Partnerships – In 2012, the KDSB, as members of OMSSA & NOSDA, were participants and small contributors to lobbying efforts with the provincial government regarding social housing, the Social Services Review Commission, provincial OW analysis and other provincial system reviews. We need to continue to pursue partners that can enhance our skills and resources for client support, client program, lobbying various political entities to ensure our services are adequately resourced. The senior administration will continue to pursue new (Aboriginal Social Service entities) and enhance existing (NFP Corps) partnerships.

2013 Budget - \$20,000 - Memberships, travel; to be financed from existing budgets.

Organization Continuity – This strategic directive includes succession planning, discretionary funds and asset maintenance. Although there were no succession plans in place, the KDSB has weathered some retirements and staff turnover and managed that turnover in a relatively smooth manner incorporating some staffing revisions into that process. The EMS & Housing Renewal Policy, and the respective 2012 Budget allocations, will ensure continuity in the delivery of those services.

2013 Budget Request – INCREMENTAL - \$240,000 – Housing & EMS Equipment Renewal.

2013 Budget Request – INCREMENTAL - \$100,000 – Strategic Initiatives.

Information Management (Technology) – There will be continued investment into technology tools in 2013. In this draft there are requests for a process to review, investigate and replace existing property management software (current tool is a condominium management package) and our financial software. The goals to be reached with these replacements is to provide more effective “E” management of property and maintenance management functions and to streamline “E” payroll, rent receipt functions and reporting.

2013 Budget Request – \$80,000 – Software Renewal. (2012 - \$100,000)

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The Future:

The province is in a holding pattern regarding most initiatives. The Premiers Social Services Review Commission report has been released and, if implemented, the major recommendations should be positive for the clients and the KDSB. In regards to the review of the Day Nurseries Act, we anticipate that there will be major changes to the funding model supporting day care and a re-write of the legislation governing day care in Ontario. These changes may not be so positive for regional day care services and the funding stream supporting the service. Based on the legislative and political reality, we do not anticipate any significant shifts in provincial policy until there is a sitting majority or new government – late 2013 or early 2014.

EMS – Non-Emergent Transfers & the Comprehensive Service Review

The KDSB has implemented our Non-Emergent Transfer Policy effective November 9, 2012. There have been some issues with the process, but we have started to recover the costs of these transfers from our four regional hospitals. We are participating with the hospitals and ORNGE in a NW LHIN sponsored study to develop a comprehensive, integrated solution to the transfer challenges. We are hopeful this plan will be accepted and supported by the Finance Branch of the MOHLTC. The operating results of the EMS Service Review and the impacts of the transfer policy implementation will be considered in the final recommendations of the review.

The review and recommendations may have an impact on the final 2013 Budget.

EMS Equipment & Housing Stock Renewal & Financing Policy

As part of the 2012 Budget process, the Board adopted a policy that established long term asset renewal planning and financing principles that enable KDSB physical assets to be sustained and maintained in a manner that meets our regulatory obligations and ensures our ability to continue providing quality front line services – our primary operating objective.

The policy introduced Reserve management as the primary financing mechanism and source for ongoing Renewal Expenditures. In the medium term, the plan would increase the annual amount raised from the local share until the amount is equal to the annual renewal need. In the interim we would draw on our reserves to fund any shortfall. Based on current information, the reserve management levy for the next four years would be:

EMS Renewal – Annual Budget Allocations – Reserve Management Levy

2013	2014	2015	2016
\$305,000	\$320,000	\$335,000	\$350,000

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Housing Renewal – Annual Budget Allocations – Reserve Management Levy

2013	2014	2015	2016
\$1,250,000	\$1,480,000	\$1,720,000	\$1,771,000

The renewal and financing plan in conjunction with the annual budget allocations are further detailed in Appendix A.

A primary long term goal of this policy is to match the combined total annual EMS and Housing Renewal expenditures with a similar annual, current amount being raised on the revenue side. The policy also provides for appropriate annual reporting and approval mechanisms so the Board of Directors will continue to review and approve a rolling 10 year financing plan.

2013 Draft Budget Summary

The following table summarizes the financial requirements of the 2013 operations which will be described within the body of this document. The net local cost for each division is calculated by identifying the anticipated expenses and revenues and adjusting those amounts for financing activities. Financing activities include contributions made to/from the reserves and/or reserve funds, the pay down of principal portions of long term borrowing and the identification of capital initiatives which will not be financed in the budget year. For comparison purposes a second chart outlines the same information for 2012.

2013 Budget	Expenses	Revenues	Contributions	Contributions	Principal	Unfinanced	Net Local Cost	% of Total
			to Reserves/ Reserve Funds	from Reserves/ Reserve Funds	portion of LTD			
Program Support	0	0	0	0	0	0	0	0.00%
Interest on General Funds	0	-50,000	50,000	0	0	0	0	0.00%
Microfit Solutions	86,000	-71,700	55,700	-70,000	0	0	0	0.00%
Early Learning & Care	6,385,460	-5,640,734	0	0	0	0	744,726	4.90%
Ontario Works	8,162,805	-6,186,401	0	0	0	0	1,976,404	13.00%
Housing Services	11,281,163	-5,688,883	0	-527,200	603,665	0	5,668,745	37.28%
Emergency Medical Services	10,767,589	-3,588,440	0	-514,000	150,000	0	6,815,149	44.82%
	36,683,017	-21,226,158	105,700	-1,111,200	753,665	0	15,205,024	100.00%

2012 Budget	Expenses	Revenues	Contributions	Contributions	Principal	Unfinanced	Net Local Cost	% of Total
			to Reserves/ Reserve Funds	from Reserves/ Reserve Funds	portion of LTD			
Prog Supp/Board	25,000	0	25,000	-50,000	0	0	0	0.00%
Interest on General Funds	0	-50,000	50,000	0	0	0	0	0.00%
Microfit Solutions	751,000	-92,250	86,250	-745,000	0	0	0	0.00%
NWELCS	6,378,245	-5,639,083	0	0	0	0	739,162	4.92%
NWOWS	8,852,732	-6,553,391	35,000	0	0	0	2,334,341	15.53%
NWHS	11,373,185	-5,682,716	0	-1,175,000	560,818	0	5,076,287	33.77%
NWEMS	13,498,981	-3,621,246	0	-292,000	134,912	-2,836,500	6,884,147	45.79%
	40,879,143	-21,638,686	196,250	-2,262,000	695,730	-2,836,500	15,033,937	100.00%

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Net Local Cost – Definition

Net local cost is the difference between the total revenue and the total expenses which will be raised by levying the local municipalities and unincorporated areas.

Net local cost is used to compare the cost to the local taxpayer year over year. Expenses and revenue fluctuate each year as divisions receive one-time funding for various initiatives. If total expenses were used as a comparator for budget purposes the trends would not be consistent. Net local cost proves to be a comparable number year over year.

A summary of the net local costs for the 2013 and 2012 budgets and the 2011 and 2010 actual follows.

	<u>2013 Budget</u>	<u>2012 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
ODSP	0	0	0	983,431
Interest earned	0	0	-65,671	-50,733
Early Learning	744,726	739,162	739,161	727,923
Ontario Works	1,976,404	2,334,341	2,067,887	1,728,562
Housing	5,668,745	5,076,287	5,316,898	4,650,594
EMS	6,815,149	6,884,147	6,369,090	5,648,366
	<u>15,205,024</u>	<u>15,033,937</u>	<u>14,427,365</u>	<u>13,688,143</u>

The comparison of net local cost between the 2013 budget and the 2012 budget follows.

	<u>2012</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Early Learning	739,162	744,726	5,564	0.8%
Ontario Works	2,334,341	1,976,404	-357,937	-15.3%
Housing	5,076,287	5,668,745	592,458	11.7%
EMS	6,884,147	6,815,149	-68,998	-1.0%
	<u>15,033,937</u>	<u>15,205,024</u>	<u>171,087</u>	<u>1.1%</u>

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	Program Support & Board	Microfit Solutions	Integrated Services	Early Learning & Care	Ontario Works	Social Housing	Land Ambulance	Total	
Wages/benefits	845,625	0	738,066	40,931	1,169,338	1,183,356	8,548,004	12,525,320	33.4%
Interest on LTD	0	0	0	0	0	562,861	91,000	653,861	1.7%
Materials/supplies	469,778	10,000	12,500	34,400	147,400	2,283,519	772,453	3,730,050	9.9%
Contract services	147,500	6,000	0	1,200	34,554	734,946	165,800	1,090,000	2.9%
Rent/financial expenses	165,258	0	0	0	31,000	0	118,113	314,371	0.8%
Amortization	0	0	0	0	0	0	0	0	0.0%
External transfers	5,000	0	0	5,871,256	5,263,680	4,502,278	20,000	15,662,214	41.7%
Internal transfers	-1,639,161	0	-750,566	437,673	1,481,833	237,002	233,219	0	0.0%
Capital	6,000	70,000	0	0	35,000	1,777,200	819,000	2,707,200	7.2%
Contributions to reserve funds	50,000	55,700	0	0	0	0	0	105,700	0.3%
Principal payment of LTD	0	0	0	0	0	603,665	150,000	753,665	2.0%
Total Cash Requirements	50,000	141,700	0	6,385,460	8,162,805	11,884,827	10,917,589	37,542,381	100%
Provincial Revenue	0	0	0	-5,640,734	-6,185,901	-2,983,024	-3,574,440	-18,384,099	49.0%
Rent	0	0	0	0	0	-2,685,858	0	-2,685,858	7.2%
Microfit revenue	0	-71,700	0	0	0	0	0	-71,700	0.2%
Interest earned	-50,000	0	0	0	-500	-20,000	-14,000	-84,500	0.2%
Contributions from reserves	0	-70,000	0	0	0	0	0	-70,000	0.2%
Contributions from reserve funds	0	0	0	0	0	-527,200	-514,000	-1,041,200	2.8%
Unfunded capital outlay	0	0	0	0	0	0	0	0	0.0%
Net Local Cost	0	0	0	744,726	1,976,404	5,668,745	6,815,149	15,205,024	40.5%

The above chart provides an overview of the total cash requirements and net local cost for all divisions. It is important to note that 41.7% of our costs are external transfers to various programs. The next largest cost is the salary and benefit costs to deliver the programs at 33.4%. On average across all programs, the Province provides 49.0% of the funding. There is a significant difference in the funding formula for Land Ambulance that requires the TWOMO portion to be calculated directly on the gross costs and municipal portion is calculated on the net. In all other programs, TWOMO and the municipal portion is calculated on the net cost.

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Reserve for Working Funds

The reserve for working funds is used to ensure adequate cash flow to allow operations to continue to operate with payment of clients, vendors and transfer agencies as required. As per Regulation 279/98, Section 7(3), in preparing the estimates, the Board may provide for a reserve for working funds in a year not to exceed 15 percent of the total estimates of the Board for the year. The total estimates for 2013 are \$15,205,024 and 15% is calculated at \$2,280,754. There will be \$105,700 of interest earned for the internal financing of the Ear Falls and Sioux Lookout land ambulance bases and the revenues generated from the Microfit initiatives.

Discretionary Reserve Funds

The Board currently holds discretionary reserve funds for land ambulance vehicle/equipment replacement and general purposes and social housing operations and capital purposes. Interest earned on each fund is reinvested in the fund on a monthly basis. Contributions and withdrawals from the reserve funds must be budgeted per Board policies and directives.

Special Purpose Reserves

The Board currently holds reserves for social housing purposes that were raised with the sale of public housing units in Minaki.

Impact of 2013 Budget on Reserves & Reserve Funds:

	Estimated Opening Balance	Interest Earned	Contributions	Withdrawals	Ending Balance
Reserve for Working Funds	1,980,267	105,700		-70,000	2,015,967
Reserve for Social housing	1,155,171			-527,200	627,971
Special purpose reserves - new housing	561,541				561,541
Reserve for Land ambulance	1,292,494			-514,000	778,494
	<u>4,989,473</u>	<u>105,700</u>	<u>0</u>	<u>-1,111,200</u>	<u>3,983,973</u>

See Appendix A for more details on Reserve Balances.

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Program Support and Board of Director Expenses



The Program Support and Board Division provide support to the program divisions of the Kenora District Services Board. The cost centres identify various functions and costs are allocated to the program division according to sharing formulas.

Program Support - Administration

Program Support - Administration is provided for the KDSB by the Chief Administrative Officer, Executive Secretary, Director of Finance & Asset Management, Manager of Finance, Human Resources Advisor and two Accounting Clerks in the Finance Department.

Wages and benefits have been reduced on two fronts. The 2013 budget includes wages for the Director of Finance & Asset Management at the appropriate level and also assigns a portion of those wages to the Housing Services department.

Other expenses included are advertising, insurance, memberships, travel for program support staff, audit/consulting/legal fees, employee assistance plan and miscellaneous supplies.

Program Support - Dryden Office

A cost centre for the Dryden office located at 211 Princess Street represents universal costs of operating the location and costs are distributed to the various programs for funding.

Program Support - Kenora Office

A cost centre for the Kenora office located at 120 Matheson represents universal costs of operating the location and costs are distributed to the various programs for funding.

Program Support - Technology

The cost of wages, travel and universal program/system upgrades are budgeted in the program support cost centre. The hardware and direct support costs relating directly to the operation of a division will be budgeted in the division.

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Included in the materials/supplies line of the technology budget for 2013 is \$80,000 for software upgrades to address the changing needs of the organization. As management functions are spread across the district the need for electronic communication will continue to increase.

Board Costs

The Board costs reflect honoraria, per diem, and travel costs for the Board of Directors.

The Communications Committee recommended a 2013 budget of \$20,000. This fund is to be accessed to cover the various meetings and any other initiatives the committee approves during the year. This is a reduction of \$30,000 as 2012 was the initial year of this initiative and the majority of costs related to branding have been completed.

Included in the 2013 budget is \$100,000 identified as Strategic Direction Initiatives. These funds are being earmarked for expenses required to accomplish the goals set out by the Board of Directors in its approved Strategic Plan.

The Board also provides \$5,000 annually to the Northern Ontario Service Deliverers Association (NOSDA).

Summary by Department:

Program Support & Board	2012 Budget	2013 Budget	Change
Administration	768,723	751,861	-16,862
Dryden Office	220,700	197,589	-23,111
Kenora Office	201,020	148,347	-52,673
Technology	294,979	334,045	39,066
Board Expenses	153,546	207,320	53,774
Total operating costs	1,638,968	1,639,162	194
Transfers to Programs	-1,613,968	-1,639,162	-25,194
Capital	0	0	0
Contributions to reserves/ reserve funds	25,000	0	-25,000
Total cash requirements	50,000	0	-50,000
Contributions from reserves/ reserve funds	-50,000	0	50,000
NET LOCAL COST	0	0	0

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Summary by Function:

Program Support & Board	2012 Budget	2013 Budget	Change
Wages/benefits	881,082	845,625	-35,457
Materials/supplies	378,766	469,778	91,012
Contracted services	159,700	147,500	-12,200
Rent/financial expense	158,420	165,258	6,838
Amortization	0	0	0
External transfers	5,000	5,000	0
Transfers to Programs	-1,613,968	-1,639,161	-25,193
Capital	56,000	6,000	-50,000
Contributions to reserves/ reserve funds	25,000	0	-25,000
Total cash requirements	50,000	0	-50,000
Contributions from reserves/ reserve funds	-50,000	0	50,000
NET LOCAL COST	0	0	0

General Comment

Net local costs will be zero as costs are apportioned to the programs.

Integrated Services

Summary by Function:

Integrated Services	2012 Budget	2013 Budget	Change
Wages/benefits	720,090	738,066	17,976
Materials/supplies	14,000	12,500	-1,500
Transfers to Programs	-734,090	-750,566	-16,476
NET LOCAL COST	0	0	0

General Comment

Net local costs will be zero as costs are apportioned to the programs.

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Early Learning & Care Service



The Kenora District Services Board is the service system manager for the Early Learning and Care (ELC) in the Kenora district. Early Learning and Care is comprised of three funding streams, Day Nurseries Act (DNA) funding; funding provided under Early Learning and Care program and Best Start Funding.

The Child Care District Administration budget comes in a little under (\$834) the 20112 budget at \$228,419.

The Child Care Program Transfers are slightly higher (\$8,531) than budgeted in 2011. This increase is due to increased support for the children's resource centres which remain within the ministry funding envelope.

Best Start Administration has decreased slightly to \$262,785.

Best Start Transfers have remained substantially the same. The Best Start Network is receiving the same level of funding from the Ministry in 2013.

Summary by Department:

	2012 Budget	2013 Budget	Change
Early Learning & Care			
Child Care District Admin	229,253	228,419	-834
Child Care Program Transfers	3,136,391	3,144,922	8,531
Best Start District Admin	264,191	262,785	-1,406
Best Start Program Transfers	2,725,410	2,726,334	924
Best Start Network	23,000	23,000	0
Total cash requirements	6,378,245	6,385,460	7,215
Provincial revenue	-5,639,083	-5,640,734	-1,651
NET LOCAL COST	739,162	744,726	5,564

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Summary by Function:

Early Learning & Care	2012 Budget	2013 Budget	Change
Wages/benefits	61,600	40,931	-20,669
Materials/supplies	25,000	34,400	9,400
Contracted services	1,200	1,200	0
External transfers	5,861,801	5,871,256	9,455
Program support/Integrated services	428,644	437,673	9,029
Total cash requirements	6,378,245	6,385,460	7,215
Provincial revenue	-5,639,083	-5,640,734	-1,651
NET LOCAL COST	739,162	744,726	5,564

General Comment

The 2013 Early Learning and Care Budget comes in \$7,215 over the 2012 budget

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Ontario Works Services



Overall the Ontario Works budget has decreased by \$689,927. There are several components in this decrease as follows:

- District Administration \$58,787
- Program Delivery \$133,522
- Employment Program \$1,302
- Client Transfers \$405,168
- Healthy Communities \$91,149

Ontario Works administrative (COA) funding is calculated on a two year cycle based on several factors including caseload, northern factor, rural factor, and supplementary caseload. Although the KDSB has not received notice of their funding allocation for the next two year period, staff anticipates a reduction in the funding envelope due to a smaller caseload, and the change in reporting emergency applications. The smaller caseload means that fewer client benefits are provided, a decrease of \$405,168 in regular transfers and \$1,302 in the employment program. Program delivery and district administration have been reduced through a thorough analysis of true costs and budgeting, as well as reallocating some costs. The Healthy Communities budget was reduced as some benefit lines were moved to the Consolidated Homeless Prevention Initiative (CHPI) line. Funding included in the CHPI is 100% provincial replacing some previous budget items that were cost shared.

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Summary by Department:

Ontario Works	2012 Budget	2013 Budget	Change
District Administration	1,724,123	1,665,336	-58,787
Program Delivery	1,013,955	880,433	-133,522
Employment Program	671,434	670,132	-1,302
Client Transfers	5,191,050	4,785,882	-405,168
Healthy Community Fund	252,170	161,022	-91,148
Total operating costs	8,852,732	8,162,805	-689,927
Capital	0	0	0
Contributions to reserves/ reserve funds	35,000	0	-35,000
Total cash requirements	8,887,732	8,162,805	-724,927
Provincial revenue	-6,553,391	-6,185,901	367,490
Interest earned	0	-500	-500
NET LOCAL COST	2,334,341	1,976,404	-357,937

Summary by Function:

Ontario Works	2012 Budget	2013 Budget	Change
Wages/benefits	1,186,491	1,169,338	-17,153
Materials/supplies	173,980	147,400	-26,580
Contracted services	100,680	34,554	-66,126
Rent/financial expense	34,600	31,000	-3,600
External transfers	5,794,997	5,263,680	-531,317
Program support/Integrated Services	1,526,984	1,481,833	-45,151
Capital	35,000	35,000	0
Contributions to reserves/ reserve funds	35,000	0	-35,000
Total cash requirements	8,887,732	8,162,805	-724,927
Provincial revenue	-6,553,391	-6,186,401	366,990
NET LOCAL COST	2,334,341	1,976,404	-357,937

General Comment

The net effect of the changes to the Ontario Works budget is a decrease in local share of \$357,937. This budget is based on last year's actuals and an anticipated level of funding from the provincial government.

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Microfit Solutions



Installation of Microfit solar panels has been completed in 2012. The cost of installing one additional unit at the Kenora Land Ambulance base is estimated at \$70,000. Funds for the capital cost of the additional system will be funded through the working fund reserve.

Revenue generation from the systems net of the operating costs will be contributed to the working fund reserve. It is estimated that \$71,700 will be generated in revenue in 2013 with operating costs estimated at \$16,000. The net effect is an estimated \$55,700 contribution to the working fund reserve for 2013.

Summary by Function:

Microfit Solutions	2012 Budget	2013 Budget	Change
Contracted services	6,000	16,000	10,000
Capital	745,000	70,000	-675,000
Contributions to reserves/ reserve funds	86,250	55,700	-30,550
Total cash requirements	837,250	141,700	-695,550
Microfit revenue	-92,250	-71,700	20,550
Contributions from reserves/ reserve funds	-745,000	-70,000	675,000
NET LOCAL COST	0	0	0

General Comment

This program is being used to sustain reserves into the future. No local costs will be apportioned to this program.

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Housing Services



KDSB Housing Services provides subsidized housing to those who qualify. Subsidized housing in the district consists of 528 KDSB units, 560 non-profit units and 42 rent supplement units. These units are located in Minaki, Keewatin, Kenora, Vermilion Bay, Ear Falls, Red Lake, Eagle River, Dryden, Dinorwic, Hudson and Sioux Lookout.

Housing District Administration

There is an increase in this section of \$75,635 (8.73%) which is largely attributed to wage increases and Administration allocations.

The capital budget reflects the renewal plan which is based on the Building Condition Assessments completed in 2011/2012. The total cost has increased by \$284,136.

Housing Property Management

This section of the budget contains the operating maintenance and building renewal for the 528 public housing units and has decreased by \$1,579,677 (28%) from the 2012 budget. The decrease is significant as it reflects the new reserve management policy for capital expenditures. In previous budget, repairs and improvements were included as expenses within each housing project and reflected in the Contracted Services expense line. For 2013 we have included the capital costs as part of the financing of net costs. This provides a more realistic, zero-based view of planned operations versus capital spending. Specifically, building renewal in 2013 is being funded \$527,200 from reserve funds and \$1,250,000 from within the budget levy.

Investment in Affordable Housing Administration and Ontario Renovates

The decrease in this section is \$373,383. The 2013 budget is based on the completed and approved Program Delivery and Fiscal Plan submitted in 2012. These costs are funded 100% by the Province of Ontario. The 2012 budget reflected amounts for two discontinued programs – Northern Home Repair and Social Housing Renovation and Retrofit.

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Non-Profit Housing Providers

The increase in this section is \$68,202. The increase is attributed to an expected increase in costs due to the increased indices established by the Ministry of Municipal Affairs and Housing. The indices are used to calculate the benchmarked amounts for the subsidy paid to the non-profit providers.

The building renewal plan was reviewed for non-profits providers and it is estimated that reserves for non-profits will not be adequate to complete planned projects. The estimated shortfall for 2013 is \$70,000. Non-profit providers will be required to submit a business case in order to receive the funds. These funds have been included in the capital renewal plan outlined above.

Rent Supplement

The rent supplement area of the 2013 budget has remained unchanged from the 2012 budget.

Summary by Department:

	2012 Budget	2013 Budget	Change
Housing Services			
District Administration	866,288	941,923	75,635
Property Management	5,616,075	4,036,398	-1,579,677
IAH / Ontario Renovates	468,085	94,702	-373,383
Non-Profit Housing	4,011,911	4,080,113	68,202
Rent Supplement	350,826	350,826	0
Total operating expenses	11,313,185	9,503,962	-1,809,223
Capital	0	1,777,200	1,777,200
Contributions to reserves/ reserve funds	0	0	0
Principal on long term debt	620,818	603,665	-17,153
Total cash requirements	11,934,003	11,884,827	-49,176
Provincial revenue	-2,996,857	-2,983,024	13,833
Tenant rent	-2,685,859	-2,705,858	-19,999
Contributions from reserves/reserve funds	-1,175,000	-527,200	647,800
NET LOCAL COST	5,076,287	5,668,745	592,458

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Summary by Function:

	2012 Budget	2013 Budget	Change
Housing Services			
Wages/benefits	1,125,376	1,183,356	57,980
Interest on long term debt	599,731	562,861	-36,870
Materials/supplies	2,283,819	2,283,519	-300
Contracted services	2,386,223	734,946	-1,651,277
Amortization	0	0	0
External transfers	4,770,822	4,502,277	-268,545
Program support/Integrated services	196,214	237,003	40,789
Capital/Renewal	11,000	1,777,200	1,766,200
Contributions to reserves/ reserve funds	0	0	0
Principal on long term debt	560,818	603,665	42,847
Total cash requirements	11,934,003	11,884,827	-49,176
Provincial revenue	-2,996,857	-2,983,024	13,833
Tenant rent	-2,685,859	-2,705,858	-19,999
Contributions from reserves/reserve funds	-1,175,000	-527,200	647,800
NET LOCAL COST	5,076,287	5,668,745	592,458

General Comment

The net effect of the changes to the Housing Division budget is an increase in local share of \$592,458. This budget is based on last year's actuals, anticipated provincial funding levels and the effect of the reserve management policy.

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Emergency Medical Services – Land Ambulance



Land Ambulance Management

Land Ambulance Management provides oversight and leadership for the EMS program within the District by ensuring adherence to legislation, regulations, standards, organizational policies and fiscal objectives. It also manages the operational resources required to provide an effective and efficient service delivery throughout our vast geographical area.

There is a significant decrease of \$3,246,199 (68%) over last year which is largely attributed to the completion of the Kenora Land Ambulance Base and the treatment of the EMS Equipment Renewal Plan as a financing portion of the budget. This provides a more realistic, zero-based view of planned capital spending. Specifically, renewal in 2013 is being funded \$514,000 from reserve funds and \$305,000 from within the budget levy.

Land Ambulance Program Delivery

Land Ambulance Program Delivery includes all of the day-to-day operations for the delivery of emergency medical services within our communities including wages and benefits for the paramedic staff, buildings, patient care supplies, oxygen, drugs, laundry, etc.

There is a small decrease of \$304,193 (4%) compared the 2012 budget. This reflects an adjustment to more accurately reflect wages and benefits for regular base staffing as well as to include additional positions per the EMS review recommendations. The interest on long term debt was also adjusted to be a more accurate representation of actual costs to be incurred. Both the principal and interest portions of the Kenora Land Ambulance base debt have been included in these calculations.

Building rental costs reflect a decrease that coincides with the 2012 budget for the Kenora Lease. With the new base in operation, no rental amount will be required in 2013.

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Revenue for Land Ambulance Services comes from the Ministry of Health & Long Term Care. The First Nations funding is estimated at the 2012 actual and the 50:50 funding is estimated at a 2% decrease to the 2012 actual approved funding.

Summary by Department:

Land Ambulance	2012 Budget	2013 Budget	Change
Management - Administration	4,808,792	1,562,593	-3,246,199
Program Delivery - Sites	8,690,189	8,385,996	-304,193
Total operating costs	13,498,981	9,948,589	-3,550,392
Capital/Renewal	0	819,000	819,000
Contributions to reserves/ reserve funds	0	0	0
Principal on long term debt	134,912	150,000	15,088
Total cash requirements	13,633,893	10,917,589	-2,716,304
Provincial revenue	-3,616,246	-3,574,440	41,806
Interest earned	-5,000	-14,000	-9,000
Contributions from reserves/reserve funds	-292,000	-514,000	-222,000
Unfunded capital outlay	-2,836,500	0	2,836,500
NET LOCAL COST	6,884,147	6,815,149	-68,998

Summary by Function:

Land Ambulance	2012 Budget	2013 Budget	Change
Wages/benefits	8,535,466	8,548,004	12,538
Interest on long term debt	257,575	91,000	-166,575
Materials/supplies	775,453	772,453	-3,000
Contracted services	158,800	165,800	7,000
Rent/financial expenses	136,971	118,113	-18,858
External transfers	20,000	20,000	0
Program support/Integrated services	196,216	233,219	37,003
Capital/Renewal	3,418,500	819,000	-2,599,500
Contributions to reserves/ reserve funds	0	0	0
Principal on long term debt	134,912	150,000	15,088
Total cash requirements	13,633,893	10,917,589	-2,716,304
Provincial revenue	-3,616,246	-3,574,440	41,806
Interest earned	-5,000	-14,000	-9,000
Contributions from reserves/reserve funds	-292,000	-514,000	-222,000
Unfunded capital outlay	-2,836,500	0	2,836,500
NET LOCAL COST	6,884,147	6,815,149	-68,998

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General Comment

Net local costs decreased by \$68,998 from the 2012 budget.

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CONSOLIDATED SUMMARY by Function

Kenora District Services Board	2012 Budget	2013 Budget	Change
Wages/benefits	12,510,105	12,525,321	15,216
Interest on long term debt	857,306	653,861	-203,445
Materials/supplies	3,657,018	3,730,050	73,032
Contracted services	2,806,603	1,090,000	-1,716,603
Rent/financial expenses	329,991	314,371	-15,620
External transfers	16,452,620	15,662,214	-790,406
Amortization	0	0	0
Capital	4,265,500	2,707,200	-1,558,300
Contributions to reserves/ reserve funds	196,250	35,700	-160,550
Principal on long term debt	695,730	753,665	57,935
Total cash requirements	41,771,123	37,472,382	-4,298,741
Provincial revenue	-18,805,577	-18,384,099	421,478
Tenant rent	-2,685,859	-2,685,859	0
Interest earned	-55,000	-84,500	-29,500
Microfit revenue	-92,250	-71,700	20,550
Contributions from reserves/reserve funds	-2,262,000	-1,041,200	1,220,800
Unfunded capital outlay	-2,836,500	0	2,836,500
NET LOCAL COST	15,033,937	15,205,024	171,087

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Municipal and Unincorporated Area Allocation

Cost allocations are determined by using the un-weighted assessment across the district. The allocations are calculated when the Municipal Property Assessment Corporation provides the 2013 property assessments. This information is usually available in late December or early January.

The following chart outlines the cost allocations from 2009 to 2012. Each year as assessment changes in the district, the apportionment percentages change.

Municipality	2012	2011	2010	2009
Dryden	11.0717	11.2740	11.5475	11.7375
Ear Falls	1.0248	1.0281	1.0308	1.0283
Ignace	1.1784	1.1974	1.2285	1.2335
Kenora	21.2812	21.4004	21.3853	21.3043
Machin	2.2857	2.2679	2.2585	2.2104
Pickle Lake	0.3962	0.4110	0.4155	0.3965
Red Lake	5.6769	5.4841	5.2556	4.9587
Sioux Lookout	6.8610	6.9132	6.9866	7.0126
Sioux Narrows – Nestor Falls	5.5512	5.3816	5.1442	4.9616
Unincorporated Areas	44.6729	44.6423	44.7475	45.1566
Total	100.0000	100.0000	100.0000	100.0000

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Recommendation

It is the recommendation of the administration, in consultation and agreement of the Chair, that this 2013 Budget draft be adopted subject to any resource consideration resulting from the EMS Review.

Under this draft, the 2013 regional property tax share would be \$15,205,024 or an increase of approximately 1.1% or \$171,086 higher than the 2012 levy.

This draft budget has incorporated the following operational and strategic measures and operating costs/revenue variances embedded:

New, Incremental Investments & Revenue Reductions

- | | |
|--------------------------------------|-----------|
| • Strategic Initiatives | \$100,000 |
| • Housing & EMS Renewal Amortization | \$410,000 |
| • EMS Grant | \$40,000 |
| • NFP Subsidies | \$70,000 |
| • NET Capital/Reserve (2012 VS 2013) | \$60,000 |

ZBB Reviews and Other Operating Savings

- | | |
|--|-------------|
| • Staffing, Salary & Benefit
and Operating Costs Reductions - NET | (\$0) |
| • Interest | (\$30,000) |
| • OW Client Benefit (Net-Local Share) | (\$320,000) |

Represents year over year – 2013 VS 2012 – Major Increases (Decreases) Variance

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APPENDIX A – Reserve Summary Schedule – 10 Year Plan

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Opening Balances											
General Reserves	1,980,267	2,015,967	2,146,867	1,527,867	1,659,267	1,790,967	1,172,967	1,305,267	1,437,767	1,570,667	1,980,267
Social Housing Reserves	1,716,712	1,189,512	420,112	678,212	271,512	170,642	445,499	413,919	331,378	391,293	1,716,712
EMS Equipment Reserves	1,292,494	778,494	809,494	844,894	849,270	861,181	310,169	181,756	230,446	280,724	1,292,494
TOTAL RESERVE OPENING BALANCE	4,989,473	3,983,973	3,376,473	3,050,973	2,780,049	2,822,790	1,928,634	1,900,941	1,999,591	2,242,684	4,989,473
Withdrawals/Transfers from Reserves											
General Reserves	70,000	0	750,000	0	0	750,000	0	0	0	0	1,570,000
Social Housing Reserves	527,200	769,400	491,900	406,700	100,870	475,143	31,580	82,541	0	282,688	3,168,023
EMS Equipment Reserves	514,000	0	0	0	0	551,013	128,413	0	0	0	1,193,426
TOTAL WITHDRAWALS	1,111,200	769,400	1,241,900	406,700	100,870	1,776,156	159,993	82,541	0	282,688	5,931,448
Contributions/Transfers to Reserves											
General Reserves	105,700	130,900	131,000	131,400	131,700	132,000	132,300	132,500	132,900	133,200	1,293,600
Social Housing Reserves	0	0	750,000	0	0	750,000	0	0	59,915	0	1,559,915
EMS Equipment Reserves	0	31,000	35,400	4,376	11,911	0	0	48,690	50,278	51,329	232,985
TOTAL CONTRIBUTIONS	105,700	161,900	916,400	135,776	143,611	882,000	132,300	181,190	243,093	184,529	3,086,500
Net effect of changes to reserves	-1,005,500	-607,500	-325,500	-270,924	42,741	-894,156	-27,693	98,649	243,093	-98,159	-2,844,948
Closing Balance											
General Reserves	2,015,967	2,146,867	1,527,867	1,659,267	1,790,967	1,172,967	1,305,267	1,437,767	1,570,667	1,703,867	1,703,867
Social Housing Reserves	1,189,512	420,112	678,212	271,512	170,642	445,499	413,919	331,378	391,293	108,604	108,604
EMS Equipment Reserves	778,494	809,494	844,894	849,270	861,181	310,169	181,756	230,446	280,724	332,053	332,053
CLOSING BALANCE	3,983,973	3,376,473	3,050,973	2,780,049	2,822,790	1,928,634	1,900,941	1,999,591	2,242,684	2,144,525	2,144,525

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APPENDIX B – Building Renewal and Financing – 10 Year Plan

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Housing Renewal Plan											
KDSB Operated Units by Community											
Kenora	367,300	400,200	356,200	526,200	668,100	871,200	588,700	444,500	775,300	721,100	5,718,800
Dryden	744,800	475,200	424,800	204,200	100,900	216,800	126,300	523,600	327,700	222,200	3,366,500
Sioux Lookout	283,700	375,300	260,600	179,200	169,100	407,900	148,900	314,800	79,000	251,400	2,469,900
Red Lake	86,200	231,700	207,600	140,500	192,600	228,900	437,500	166,300	96,000	420,900	2,208,200
Ear Falls	80,700	142,600	269,500	244,300	100,500	199,200	189,400	213,900	219,900	297,100	1,957,100
Dinorwic/Hudson	98,200	548,000	159,200	378,800	354,400	61,900	114,600	34,400	89,400	33,000	1,871,900
Minaki	46,300	16,400	234,000	194,500	19,500	38,000	20,800	26,900	43,300	88,400	728,100
TOTAL KDSB Operated	1,707,200	2,189,400	1,911,900	1,867,700	1,605,100	2,023,900	1,626,200	1,724,400	1,630,600	2,034,100	18,320,500
Non-Profit Housing Providers	70,000	60,000	300,000	310,000	319,300	328,879	338,745	348,907	359,374	359,374	2,794,579
Total Housing Renewal	1,777,200	2,249,400	2,211,900	2,177,700	1,924,400	2,352,779	1,964,945	2,073,307	1,989,974	2,393,474	21,115,079
					3%	3%	3%	3%	3%	3%	
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	TOTAL
Projected Financing Schedule											
Prior Year Levy	1,025,000	1,250,000	1,480,000	1,720,000	1,771,000	1,823,530	1,877,636	1,933,365	1,990,766	2,049,889	16,921,186
Provincial Capital Funding	0	0	0	0	0	0	0	0	0	0	0
Recommended Increase	225,000	230,000	240,000	51,000	52,530	54,106	55,729	57,401	59,123	60,897	1,085,786
CURRENT Budget Levy	1,250,000	1,480,000	1,720,000	1,771,000	1,823,530	1,877,636	1,933,365	1,990,766	2,049,889	2,110,786	18,006,971
Financing Sources											
Current Budget Allocation	1,250,000	1,480,000	1,720,000	1,771,000	1,823,530	1,877,636	1,933,365	1,990,766	2,049,889	2,110,786	18,006,971
Housing Reserves	527,200	769,400	491,900	406,700	100,870	475,143	31,580	82,541	-59,915	282,688	3,108,108
	1,777,200	2,249,400	2,211,900	2,177,700	1,924,400	2,352,779	1,964,945	2,073,307	1,989,974	2,393,474	21,115,079
Projected Reserve Schedule											
Opening Balance	1,716,712	1,189,512	420,112	678,212	271,512	170,642	445,499	413,919	331,378	391,293	
Renewal Reserve Financing	-527,200	-769,400	-491,900	-406,700	-100,870	-475,143	-31,580	-82,541	59,915	-282,688	
Transfers from(to) other reserves			750,000			750,000					
CLOSING BALANCE	1,189,512	420,112	678,212	271,512	170,642	445,499	413,919	331,378	391,293	108,604	

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APPENDIX C – EMS Equipment Renewal and Financing – 10 Year Plan

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
EMS Renewal Schedule											
Defib including 12 Lead	0	0	0	0	0	500,000	0	0	0	0	500,000
Tablets	24,000	24,000	24,000	24,000	20,000	20,000	20,000	20,000	20,000	20,000	216,000
Computer/Hardware/Software	50,000	0	0	0	0	6,000	6,000	6,000	6,000	6,000	80,000
Stretcher	0	0	0	35,000	35,000	35,000	0	0	0	0	105,000
Uniforms	50,000	0	0	0	0	60,000	0	0	0	0	110,000
12 Lead Upgrade	165,000	0	0	0	0	0	0	0	0	0	165,000
Admin Vehicles	150,000	0	0	0	0	0	175,000	0	0	0	325,000
Vehicles	380,000	265,000	275,600	286,624	298,089	310,013	322,413	335,310	348,722	362,671	3,184,441
Total EMS Renewal	819,000	289,000	299,600	345,624	353,089	931,013	523,413	361,310	374,722	388,671	4,685,441
Projected Financing Schedule											
Prior Year Levy	90,000	105,000	120,000	135,000	150,000	165,000	180,000	195,000	210,000	225,000	1,575,000
Amortization Portion of PY Levy	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
Provincial Capital Funding	0	0	0	0	0	0	0	0	0	0	0
Recommended Increase	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
CURRENT Budget Levy	305,000	320,000	335,000	350,000	365,000	380,000	395,000	410,000	425,000	440,000	3,725,000
Financing Sources											
Current Budget Allocation	305,000	320,000	335,000	350,000	365,000	380,000	395,000	410,000	425,000	440,000	3,725,000
EMS Reserves	514,000	-31,000	-35,400	-4,376	-11,911	551,013	128,413	-48,690	-50,278	-51,329	960,441
	819,000	289,000	299,600	345,624	353,089	931,013	523,413	361,310	374,722	388,671	4,685,441
Projected Reserve Schedule											
Opening Balance	1,292,494	778,494	809,494	844,894	849,270	861,181	310,169	181,756	230,446	280,724	
Renewal Reserve Financing	-514,000	31,000	35,400	4,376	11,911	-551,013	-128,413	48,690	50,278	51,329	
Transfers from(to) other reserves											
CLOSING BALANCE	778,494	809,494	844,894	849,270	861,181	310,169	181,756	230,446	280,724	332,053	