

# KENORA DISTRICT SERVICES BOARD

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Minutes of the Finance Committee Meeting held  
Monday, September 14 and Tuesday, September 15, 2009  
at the Kenora District Services Board Office in Dryden  
Commencing at 8:00 a.m.

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**PRESENT:** Anne Krassilowsky, Chair  
Ray Leray  
Dianne Loubier  
Garry Parkes  
Kim Thain

**STAFF:** Sten Lif, Chief Administrative Officer  
Toni Thurbide, Director of Finance

**GUESTS:** Joyce Timpson, September 15

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1. **CALL TO ORDER**

The meeting of the Finance Committee was called to order at 8:15 a.m. on Monday, September 14<sup>th</sup> and at 8:05 a.m. on Tuesday, September 15<sup>th</sup>.

2. **APPROVAL OF AGENDA**

**MOTION NO.: FC2009-08**

Moved by Garry Parkes  
Seconded by Dianne Loubier

**RESOLVED THAT** the Finance Committee approve the agenda for the standing committee meeting to be held on Monday, September 14 and Tuesday, September 15, 2009 at the Kenora District Services Board Administration office in Dryden commencing at 8:00 a.m.

**CALLED; CARRIED**

**ACTION: None**

3. **DISCLOSURE OF INTEREST AND THE GENERAL NATURE THEREOF**

None Declared

4. **DELEGATIONS / DEPUTATIONS**

None at this time

5. MINUTES OF PREVIOUS MEETING(S)

5.1 Minutes of Finance Committee Meeting held July 28, 2009

MOTION NO.: FC2009-09

Moved by Dianne Loubier  
Seconded by Ray Leray

RESOLVED THAT the Finance Committee approve the minutes of the July 28, 2009 standing committee meeting.

CALLED; CARRIED

ACTION: File

6. CORRESPONDENCE

None

7. PROGRAM DIRECTOR'S REPORT

7.1 FC 2009-17 - 2009 Budget Amendment

The Director of Finance reviewed the report which identified budget amendments for the Best Start, Ontario Works, Social Housing, Land Ambulance programs and Board Costs.

Additional funding has been received for both the Best Start and Social Housing programs. The 2009 budget has been amended to reflect the increased revenue and offsetting expenditure.

Financial benefits paid to others in the Ontario Works program have increased as a result of increased caseload. The budget line has been increased to \$5,423,671 from \$4,275,000; the offsetting revenue from MCSS has been increased to \$4,476,672 from \$3,523,000. The net local costs have been increased to \$1,159,999 from \$965,000. An additional levy of \$194,999 will be sent to the municipalities and unincorporated areas upon approval of the amendment by the Board.

Funding from the Ministry of Health and Long Term Care has not yet been confirmed for the 2009 budget year. Informal conversations between the Ministry and the Director of Finance have taken place and funding estimates have been identified. First Nations funding was budgeted at \$988,400 and will be amended to \$1,410,000 (increase of \$421,600). TWOMO funding was budgeted at \$2,249,747 and will be amended to \$3,195,983 (increase of \$946,236). 50/50 funding was budgeted at \$2,624,704 and will be amended to \$1,940,786 (decrease of \$683,918). The result of the changes to funding lines sees the net local cost increased to \$5,136,769 from \$4,874,451.

Net local costs have been levied to the municipalities amounting to \$1,488,078 and they will be increased to \$1,940,786. Net local costs have been levied to the unincorporated area amounting to \$3,386,373 and they will be decreased to \$3,195,983. The total impact is additional levy of \$262,318.

Delay in funding confirmation from the Ministry of Health and Long Term Care has resulted in changes to the amount levied for the net local cost. The Finance Committee recommended the Board address the issue of funding from the Ministry of Health and Long Term Care.

The Finance Committee decided to use the 2009 Amended Budget amounts to discuss the 2010 budget proposals.

**7.2 Director of Finance - Administration Budget**

The Director of Finance reviewed the administration budget with the Committee. The budget included a Human Resources Advisor, Employee Assistance Program and computer hardware/software for a disaster recovery server; the Committee asked that the rationale be provided for all initiatives before the next meeting.

**7.3 Director of Finance - Board Budget**

The Director of Finance reviewed the board budget with the Committee. The Committee confirmed that honoraria and per diem amounts have not changed since the Board began in 1999. The Committee identified that they be revisited before the end of this term of the Board.

Any communications, branding or marketing initiatives have not been included in the budget for 2010.

**7.4 Director of Finance - Homelessness, Rent Bank and Energy Bank Budgets**

The Director of Finance reviewed the budgets with the Committee indicating the programs are restricted to the funding received by the Ministry.

**7.5 Director of Finance - Working Fund Reserve and Major Capital Budgets**

The Director of Finance reviewed the working fund reserve budget identifying that interest earned on general bank accounts is being used to reduce the municipal and unincorporated area levies.

There are two major capital projects identified for 2010 - the land ambulance bases in Sioux Lookout and Kenora.

**7.6 Director of Finance - Ontario Disability Support Program**

The Director of Finance reviewed the ODSP budget with the Committee. The Ministry is in the third year of their planned upload of costs. In the 2010 budget, the cost of transfers to clients will be supported at 90% by the Ministry. The final stage of the upload will be in 2011 when all costs are uploaded.

**7.7 Director of Emergency Medical Services - Land Ambulance Budget**

The Director of Emergency Medical Services reviewed the Land Ambulance budget with the Committee. Pressures were identified for increased vehicle maintenance costs, patient care equipment costs, wage/benefit increases, insurance, facility lease costs, computer software/licensing and reallocated administration. Cost savings were identified in fuel, uniforms, meals, footwear, administration, capital items and first response team funding.

A report accompanied the budget information reporting on the significant benefits relating to the introduction of the Manager of Quality Assurance, Training and Staff Development. The 2010 budget includes this position funded as a full-time complement of the program.

Professional fees will be reduced by \$5,000 as the cost of the Employee Assistance Program was included in the Administration Budget.

**7.8 Director of Ontario Works/Child Care - Child Care and Best Start Budgets**

The Director of Ontario Works/Child Care reviewed the child care and best start budgets with the Committee. The child care budget remains the same as 2009 as the funding allocations have not changed. Additional requests from early learning and child care providers were accommodated through the best start budget to the extent they could be. Fee subsidy requests have increased 20% in the past year. Measures are planned to manage the fee subsidy funding envelope by changes to the management of the OW clients accessing fee subsidy, the setting of fee subsidy limits for each centre and by applying stricter adherence to the three day absent/sick day rule.

The funding envelope for best start in 2010 has been reduced by \$241,845. The unconditional grant will be utilized to cover the shortfall in 2010. This shortfall will be annualized in 2011 at \$518,384. If there is no new commitment from MCYS before the end of the second quarter of 2010, KDSB staff will begin to plan ramping down the best start program.

The release of Dr. Pascal's report on Early Learning provided several recommendations that could impact the KDSB. Costs related to the recommendations were not included in the 2010 budget.

**7.9 Director of Ontario Works/Child Care - Ontario Works Budget**

The Director of Ontario Works/Child Care reviewed the Ontario Works budget with the Committee. Financial benefits paid to clients for 2010 is projected to be \$6,777,551 - estimated to be \$2 million over the 2009 approved budget. The Director outlined the changes to the caseload numbers, composition and earnings. The caseload has increased seeing more single clients applying. The trend in our district is that those laid off from the mills are picking up the service jobs generally occupied by OW clients. The increases in Kenora have been smaller as it appears Canadian tourism has offset impacts from the layoffs.

As a result of the larger caseload, two additional case manager positions have been included in the 2010 budget; the Committee asked that the rationale be provided for all initiatives before the next meeting.

**7.10 Director of Housing Services -Social Housing Budget**

The Director of Housing Services reviewed the social housing budget with the Committee. The transfer to non-profit housing providers has been reduced for the 2010 budget. Mortgage renewals processed in 2009 are reflected in the reduced funding transfers.

A modest increase is reflected in the rent supplement budget relating to the market rent increases expected from private sector landlords.

The public housing budget has increased by \$173,842. The increases are in administration, building expenses, utilities, taxes, debenture, insurance, capital, reallocated administration and reallocated board costs. The public housing budget includes costs relating to the Social Housing Renovation and Retrofit Program for administration and capital. These costs are being funded 100% by the Ministry.

It is unknown at this time whether the harmonization of GST and PST in 2010 will increase costs as details of this initiative are not forthcoming. No cost estimate has been included for potential increases for HST.

The KDSB through the Social Housing Reform Act must charge fixed rates for rent for those clients who reside in subsidized housing whose primary source of income is either Ontario Works or Ontario Disability Support Program. The same client living in the private sector housing would be provided with far larger amounts to pay rent. KDSB estimates that the difference to be in excess of \$400,000 annually of funds not received in rent. The Committee identified the rent scale issue needs to be brought forward to the Province.

#### 7.11 2010 Consolidated Budget - Wrap Up

The 2010 proposed total expenditures amount to \$45,426,719; the 2010 proposed total revenues amount to \$31,384,621; the 2010 proposed net local costs amount to \$14,042,098.

The proposed net local cost for 2010 is \$357,925 (2.62%) over the 2009 Approved Budget and \$99,394 (-0.70%) under the 2009 Amended Budget.

The Director of Finance provided a breakdown of the expenditures showing 59% coming from transfers to others, 24% in labour costs, 7% from operations, 3% from administration/board, 3% from long term debt, 3% from capital, and 1% from insurance, taxes, and contributions to reserve funds. The various ministries provide 63% of the revenue while 6% is generated in tenant rents, contributions from the working fund reserve and interest earned on bank accounts. The remaining 31% is contributed by the municipalities and unincorporated areas.

Information provided identified \$38,179,442 (84%) of the proposed budget was for items outside the control of the KDSB. These items included transfers to others, utilities, property taxes, debentures, insurance, SHRRP administration/capital, paramedic staffing, ambulance stations, vehicle operation costs, patient care costs, paramedic training and interest reinvested in reserve funds. The balance of \$7,222,277 (16%) within the control of the KDSB was made up of reallocated administration and board costs, program labour and operational costs, OW implementation initiative, capital projects and contributions to reserve funds.

The Committee identified the issues which must be addressed by the Board as

- rent scales in social housing (loss of revenue)
- Ministry of Health and Long Term Care funding (delay in approval notices)
- Harmonization of GST and PST (impact not yet known for KDSB)
- LHINS unwillingness to work with KDSB on common issues
- Pascal Report (impact of potential changes)
- marketing and communication initiative (not in 2010 budget)

The Finance Committee discussed the balance between providing services to those in need in our communities and the pressures all municipalities are facing in their own operations. A request was made to reduce the net local costs by \$100,000.

The Finance Committee also discussed the additional capital funding provided to the Social Housing program as a result of the SHRRP initiative. They identified that the contribution to the reserve fund for social housing capital could be reduced as a short term measure given the additional funding in 2010.

Staff will forward the rationale for the additional staff (Human Resource Advisor and 2 Case Managers), Employee Assistance Program and computer hardware/software for the disaster recovery server to the Finance Committee before the next committee meeting.

Staff will also make adjustments to the 2010 budget to reduce \$100,000 from the contribution to the reserve fund for social housing capital and remove \$5,000 from professional fees in the land ambulance budget for the employee assistance program.

The Finance Committee will meet on October 20<sup>th</sup> to review the document and provide a recommendation to the Committee of the Whole. It is anticipated that the Committee of the Whole will meet mid-November for a budget presentation and to receive the recommendation of the Finance Committee.

**8. GENERAL BUSINESS**

**8.1 July 2009 Disbursement**

The July disbursement report was reviewed by the Finance Committee members. No issues were raised.

**8.2 August 2009 Disbursement**

The August disbursement report was reviewed by the Finance Committee members. No issues were raised.

**8.3 Policy Review**

The financial services policies of the Board were reviewed by the Director of Finance and amended in order to separate the policy direction from the procedural direction. The Committee determined at their meeting of July 28, 2009 that they were unwilling to make a recommendation and the item was deferred to a future meeting.

The Chief Administrative Officer indicated the direction coming from the governance review was to separate the policy direction from the procedural direction with the Board providing the policy direction and the staff providing the procedural direction.

The Committee indicated they believed that both the policy and procedure documents would be approved by the Board. It was determined that a full discussion is required by the Board to unify the process of policy and procedure development.

**10. RESOLUTIONS/RECOMMENDATIONS**

**10.1 Recommend 2009 Amended Budget**

MOTION NO.: FC2009-10

Moved by Garry Parkes  
Seconded by Ray Leray

**RESOLVED THAT** the Finance Committee recommend that the Board of Directors approve the Amended 2009 Budget as presented at the September 14-15, 2009 Finance Committee meeting.

**CALLED; CARRIED**

**ACTION: Board**

**11. NEXT MEETING**

The next regular meeting of the Finance Committee is scheduled for Tuesday, October 20, 2009 at 10:00 a.m.

12. ADJOURNAMENT

The meeting adjourned on Monday, September 14 at 3:45 p.m. and on Tuesday, September 15 at 11:52 p.m.

Confirmed this 20th day of October, A.D. 2009,

By Resolution No.: FC2009-12

Anne Krassilowsky, Chair