June 24, 2019

District of Nipissing
Social Services
Administration Board

Conseil d'administration
des services sociaux
du district de Nipissing

To: Nipissing District municipalities of Bonfield Township, Calvin Township, Chisholm Township, City of North Bay, Corporation of the Municipality of East Ferris, Mattawa, Mattawan Township, Papineau/Cameron Township, South Algonquin Township, Temagami, and West Nipissing

Dear District Members

As part of our efforts to be transparent in regards to provincial funding announcements that impact the municipal levy, we are providing our member municipalities this update to explain some of our cost saving efforts as well as to further explain how some of the provincial funding announcements impact the municipal levy. While some of the initially announced costs sharing adjustments have been deferred until January 1, 2020, these changes will still impact our 2020 budget, so we want to ensure we're giving our member municipalities as much notice as possible of these impacts. Please remember we don't have the full picture and are still waiting on details from the province, expected sometime this Fall.

In line with the Province's request that all provincially funded organizations find savings, the DNSSAB has been working very hard to find ways to reduce costs in an attempt to minimize municipal levy increases. These efforts include, but are not limited to the following:

- In response to Child Care and EarlyON funding cuts announced by the Province, the DNSSAB eliminated 5 of the 13 Children's Services positions within our organization;
- In response to the Emergency Medical Services (EMS) funding freeze announced by the Province, the DNSSAB restructured our EMS department which resulted in the elimination of one position;
- Self-imposed organization-wide temporary hiring freeze for all non-essential positions until all funding changes are known and their impacts can be thoroughly analyzed;
- Cancelled all practices that are not directly related to client services to find internal efficiencies totaling over $100,000 annually to date.

We continue to keep looking for ways to reduce costs in order to minimize municipal levy increases as much as possible; however, we do need to ensure that services continue to be provided at legislatively required levels. Historically, DNSSAB has maintained a lean and efficient operation in order to keep levies as low as possible in past years at the request of municipalities.

The unfortunate news is that regardless of how efficient we can be, some of the provincial funding announcements are cost-sharing adjustments to legislatively required services that are flowed through directly to clients. This means that with some of the provincial cuts, there is no opportunity or option to reduce the services and therefore the burden gets shifted to the municipal levy. A couple of examples of this include the announced funding changes to Children's Services and EMS.

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The announced cost sharing changes to Children's Services includes the following:

- Operating portion of Expansion Plan funding changed from 100% provincially funded to an 80/20 provincial/ municipal cost sharing allocation;
- All administration funding will now be cost shared at a rate of 50/50. Previously some of the administration costs were 100% provincially funded.

These cost-sharing allocations are a "minimum" requirement for us to access our much needed Child Care funding. There is no discretion to reduce the amount we want to fund via the municipal levy by reducing services or costs. These are both tied to provincially set targets that we are, by law, required to meet. These two cost sharing adjustments alone will have an approximate impact of $500,000 on the 2020 municipal levy.

In regards to the EMS funding freeze, there is little we can do to reduce costs outside of the restructuring and internal efficiencies we have already identified, therefore, EMS services in the District would likely have to be reduced in order to further reduce costs. Our Board has expressed no desire to reduce EMS services as this is a required emergency service. We are also legislatively required to meet provincially set standards for EMS. Therefore any annual increase in costs including, but not limited to, inflation and increased call volumes due to an ageing population, will need to be fully funded through the municipal levy since the Province is freezing funding.

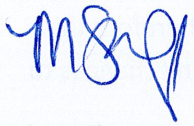
We understand that these changes are going to have significant impacts on your municipal budgets. It is not our intent to simply transfer the burden of these costs on to our member municipalities, nor is it a matter of choice as some of the cost-sharing adjustments are simply a download of mandated costs that we cannot reduce. We are open to working with all our municipal partners in trying to find solutions to these issues and we are available to meet with any municipal staff or councilors who wish to discuss these issues further. As previously mentioned, we want to be transparent with all our partners and we encourage you to review our Board committee packages and minutes on our website here https://dnssab.ca/board/.

Once we receive more information from the province and have a better understanding of all the funding changes in the Fall, we will provide you with a detailed report on the implications these provincial directives will have regarding funding, cost-sharing and cuts. This report will not only provide you with a more detailed picture of known funding changes, it will also include estimates on the 2020 municipal levy impact.

Our goal is to minimize municipal levy increases as much as possible and we encourage dialogue between our organizations as we are all going to be significantly impacted by these funding changes over the next several years. We are confident that by working together, we can continue to serve the most disadvantaged members of our communities.

If you have any questions, please do not hesitate to reach out to our office.

Sincerely,



Melanie Shaye

Acting CAO, District of Nipissing Social Services Administration Board (DNSSAB)
cc: DNSSAB Board Members