

**District of Timiskaming Social Services Administration Board approves a one percent decrease in the 2007 Budget for area municipalities and TWOMO**

At the March 28, 2007 District of Timiskaming Social Services Administration Board (DTSSAB) meeting the 2007 budget was approved. In arriving at the budget amounts for the 2007 budget, the Board continued to reflect the costs associated with providing the programs based on the current level of service and funding.

For 2007, a decrease of approximately 1% or \$100,000 in the amount billed to the municipalities and TWOMO (Territories Without Municipal Organization) is projected.

After reviewing the projected revenues and expenditures for 2007 based on the latest information available, the Board decided to allocate funds from the contingency reserve to offset any increases in costs to the municipalities and to provide a 1% reduction over the amount billed in 2006. This will require a contribution of approximately \$891,000 from the contingency reserve which will substantially reduce the fund balance. However, the Board felt that this was the proper action to take in light of the financial pressures currently facing the municipalities, especially when you consider that if no contribution from the contingency reserve was made, the DTSSAB net budget would need to increase by approximately \$791,000 or 7.8%.

The reduction of approximately \$100,000 is achieved through the various programs which have different funding formulas depending on the program and the cost apportionment formula used. Therefore the impact on each municipality will differ accordingly.

Each municipality receives Ontario Municipal Partnership Funding (OMPF) directly from the province in order to help reduce the local costs for the services provided by the DTSSAB through the Local Service Realignment. When this funding is deducted, based on previous information provided, the amount paid locally for Ontario Works, Ontario Disability Support Program, Child Care and Emergency Medical Services totals approximately \$2.05 million or 5.06% of the gross budget.