

## Salt Spring and Southern Gulf Islands Community Services Society

### 2022-23 Budget notes:

- 1. Overall Operating Budget.** 2022-23 revenue is projected to be \$ 6,889,085 and expenses \$ 6,859,070 leaving a small profit of 30,015. This is a small decrease of approximately 211,000 (3%) from last year's actual revenue of approximately \$ 7,100,000. This year will see an increase in core program funding, but a larger decrease in project funding which saw a "Covid bump" last year. Historically SSICS has gained additional revenue every year along the way, so it is reasonable to expect the total revenue and expense for 2022-23 may exceed 7 million.
- 2. Budget Process.** The overall budget is built around 35 Core Program budgets and 6 project budgets. Two new core program were added this year (Drake Road Supported Housing and Landbank Properties). One core program ended (Island Health MH Housing Rent Supplements, and two programs were combined (Special Needs Children services and Summer Camp).

Each of the core and project budgets are unique and require varying degrees of prescriptiveness based on funder requirements and agreements. Individual budgets are guided by these external requirements and are compared with prior year revenue and expenses. Labour costs are the biggest expense category (approx. 62%), so an initial step is to update wages and benefits costs, union agreements, employee contracts etc. to ensure permanent, casual and backfill staff costs are projected correctly. Overall administration costs, including staffing, buildings, and computers are drawn from each budget at a rate ranging from 5 to 12% based on the capacity of each budget to contribute. These amounts, along with some modest global revenue sources, combine for the revenue for the administration budget. The draft program budgets are reviewed with Directors and Managers to ensure each program budget is realistic and accounts for emerging priorities and needs. One thing to note about SSICS revenue is that very little is "discretionary". Most revenue is funder-directed, or in the case of rental revenue goes directly back to cover costs. Donations are typically directed for specific purposes, and the amount of unspecified donations is typically less than \$ 50,000, or less than 1% of the total budget. As these donations are accepted during the year they are typically allocated to the area of most need.

- 3. New Programs.** Drake Road Supported Housing is projected to be operating in November. This 28 unit 24/7 staffed program will be fully funded through an operating agreement with BC Housing. The operating details and budget agreement is yet to be finalized and negotiated, but the budget should be in the range of \$ 60-75,000 per month. A "placeholder" budget of \$ 50,000 X three months has been set for this program

SSI Landbank properties are just coming on line and there are many variable to be determined before a reliable budget can be established. Once renovations are complete, Rainbow Road property sold, and some internal short term housing needs are addressed the two properties will settle in as 18 units of affordable housing with a projected revenue of 13-15,000/month. A “placeholder” budget of \$ 30,000 has been set for this program

**4. Capital Projects and Expenses.** The capital expenditures proposed for this year include:

- a) SSI Landbank properties renovations. Dean Road estimate \$ 250-300,000 and Fulford-Ganges House \$ 200-250,000. We currently have approximately \$ 300,000 reserved and available, of which half were donations specifically for housing. With this in place the plan is to proceed with Dean Road work asap. A request has been in to BC Housing to contribute \$ 350,000 and we are awaiting a response.
- b) Vesuvius elevator \$ 45,000. \$ 10,000 has been secured from the SS Foundation
- c) Truck (used) for garbage/recycle hauling est. \$ 25,000.

**5. Wage increases.**

A new collective agreement is being negotiated that will likely bring wage increases of 2-3% + SSICS will receive wage lift funding for all provincially funded positions. Provincial funders typically provide increases for associated union-excluded positions as well. SSICS will need to absorb or adjust for wage increases for non provincial programs such as Recycle Depot, federal government, projects, community housing, food programs.

**6. Rent Increases.**

The operating agreement with BC Housing for SS Commons has a requirement that annual rent increase be applied. It is proposed that this practice be the organization wide policy for all rentals.

**7. Infrastructure changes.**

To support organizational growth the following changes have been made to organization-wide administration and support capacity: increased maintenance, doubling tenant relations staffing, and developing/expanding an accounts payable position.

**8. Cost savings** will be achieved this year through moving our insurance broker from March to Cooperators, and through shifting to an “in house” garbage and recycling hauling system.

RG, June 15, 2023