

MANAGEMENT REPORT

Date: February 13, 2024
To: Social Services Sub-committee
From: Alex Burgess, Manager of Ontario Works
Report Number: SOC24-004
Attachments: None

Title: 2024 Salvation Army Tax Program – Stratford

Objective: To consider approval to enter into an agreement with The Governing Council of the Salvation Army in Canada, to deliver an income tax program in Stratford for low-income individuals and families.

Background: The City of Stratford Consolidated Municipal Service Manager (CMSM) and the Salvation Army have been working together since 2013 to provide a service to individuals who require tax preparation services and are considered low-income. Payment is remitted monthly to the Salvation Army based on the number of returns completed, and the tax program has been operational from March 1 until October 31 in previous years.

The total number of returns completed by the Stratford Salvation Army are as follows:

2020 – 447
2021 – 553
2022 – 581
2023 – 459

The current agreement with the Stratford Salvation Army expired on December 31, 2023, and due to an amendment in the funding allocation, Council approval is required to execute an updated agreement for 2024.

There has been no change to the tax program that is operational in North Perth. Details regarding the North Perth program can be found in report SOC23-008.

Analysis: This program has been very beneficial to residents of Stratford, St Marys and Perth County and continues to provide an essential service that helps residents access further resources and ensures they are receiving all federal benefits available to them.

Due to increased costs locally, the Salvation Army has requested an increase from the 2023 rate of \$40.00 per return to a new rate of \$50.00 per return. Due to this increase and reductions in the Provincial Ontario Works budget, the total number of returns approved to be completed has been reduced from 650 to 500. At a rate of \$50.00 per return, the total cost of the Stratford program, if all 500 returns are completed each year, will be \$25,000, funded from Ministry of Children, Community and Social Services (MCCSS). Furthermore, Stratford Salvation Army has requested that the program be operational from March 1 until a revised deadline of September 30, 2024, as opposed to the October 31st deadline which has been used in previous years.

The program is offered on a first come first served basis through a secured appointment. These appointments are booked, tracked, and recorded by the Salvation Army staff.

This program has been helpful for individuals requiring income tax returns for applications such as Rent-Geared-to-Income Housing or the Canada Child Benefit. By providing this service to low-income individuals in the community, they can foster greater financial stability by receiving federal benefit available to them, which are solely based on their Income Tax returns being completed, such as the GST/HST Credit.

The agreement outlines specific requirements of the program and highlight the process that is in place. The agreement is for a one-year term, which can be renewed annually unless terminated in writing, there is a change to the funding allocation, or it is replaced in accordance with the provision of the Agreement. The funding allotment that has been used historically, and is being proposed in this report, is Ontario Works Employment Supports funding. Each year, when completing the MCCSS Budget, funding is allotted to this program based on a maximum number of returns being completed. Due to a reduction in the Ontario Works Employment Supports portfolio, coupled with the requested per-return increase, the total number of approved returns has been reduced from 800 in 2023 to a maximum of 650 returns in 2024. These returns are being completed by both the Stratford location (500 returns) and the North Perth location (150 returns). As mentioned previously, details regarding the North Perth agreement can be found in report SOC23-008 as there are no changed pending for the North Perth agreement.

The proposed income scale to be used is the current Housing Stability Bank guidelines, which are listed below. This will allow for this essential service to be provided to individuals who may not otherwise be able to afford to file their taxes with private corporations, or an accountant.

Number of People	Annual Income
Single	\$30,000
Two People	\$32,500
Three People	\$38,000
Four or more People	\$42,500

Financial Implications:

Financial impact to current year operating budget:

The proposed tax program is 100% provincially funded through the Ontario Works Employment Supports (G-611-6191) budget, by the Ministry of Children, Community and Social Services. The required \$25,000 has been included on the 2024 Ontario Works provincial budget as a purchase of service agreement. Currently, there is no request for additional municipal funding to support this program. As such, there is no financial implication to the City's net tax levy.

Financial impact on future year operating budget:

This program will continue to be funded through the Ontario Works Employment Supports budget, which is 100% provincially funded. The total cost of the program will be included on provincial budgets moving forward. If there are changes to the Ontario Works funding that impact this program, the budget and program will be reviewed at that time for viability while exploring alternate funding sources. The Tax Program agreement has a termination clause if funding is no longer allocated through the Ontario Works program.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Staff Recommendation: THAT the entering into of an agreement with The Governing Council of the Salvation Army in Canada to deliver the income tax program in Stratford for 2024, be authorized;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to execute the agreement on behalf of the municipal corporation.

Prepared by:

Alex Burgess, Manager of Ontario Works

Recommended by:

Kim McElroy, Director of Social Services

Joan Thomson, Chief Administrative Officer