



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

## City Services Benefit Card: An Update

<b>Date:</b>	April 25 2016
<b>To:</b>	Government Management Committee
<b>From:</b>	General Manager, Toronto Employment and Social Services Director, Purchasing and Materials Management Treasurer
<b>Wards:</b>	All
<b>Reason for Confidential Information:</b>	This report involves the security of the property of the municipality or local board.
<b>Reference Number:</b>	

### SUMMARY

The City Services Benefit Card (CSBC), introduced in July 2012, is a reloadable electronic funds transfer card that has improved services and reduced costs for low income residents and generated savings for the City. This report, including the confidential attachment, responds to a recommendation to report back with an update on the CSBC in the context of important changes, including the Province's intention to implement their own benefit card solution.

### RECOMMENDATIONS

The General Manager, Toronto Employment and Social Services, the Treasurer and the Director, Purchasing and Materials Management recommend that:

1. City Council adopt the confidential recommendation in Confidential Attachment 1.
2. City Council authorize the public release of all or part of the confidential recommendation and information in Confidential Attachment 1, if adopted, at the discretion of the City Solicitor, in consultation with the Treasurer and the General Manager, Toronto Employment and Social Services.

## **Financial Impact**

There are no financial implications for the 2016 Operating Budget for TESS resulting from this report, as identified in the Confidential Attachment 1 to this report.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting on July 12, 13 and 14 2011, City Council endorsed the development of a City Services Benefit Card and granted authority to issue a Request for Proposal and award a contract contingent on the considerations outlined in the report from the Acting Deputy City Manager, Cluster A and the Treasurer, including lowering current City costs. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM5.5>

At its meeting on February 25, 2013, the Government Management Committee requested that the General Manager, Employment and Social Services, report back to the May 13, 2013, Government Management Committee meeting on the implementation to date of the City Services Benefit Card and other opportunities to expand its use for City of Toronto services, including any agencies or corporations. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM20.4>

At its meeting on October 15, 2013, the Government Management Committee requested that the General Manager, Employment and Social Services, report back to the Government Management Committee at the end of the first quarter 2014 regarding the opportunities to expand the use of the City Services Benefit Card. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM25.14>

At its meeting on December 9, 2015, City Council adopted the following report providing an update on the City Services Benefit Card, including the confidential instructions to staff in Confidential Attachment 1. <http://www.toronto.ca/legdocs/mmis/2015/gm/bgrd/backgroundfile-85053.pdf>

## **ISSUE BACKGROUND**

Since its introduction in July 2012, the City Services Benefit Card (CSBC) has quickly become established as an integral component of Toronto Employment and Social Services (TESS) approach to service delivery. The CSBC has successfully met its goals, providing tangible benefits to some of TESS' most vulnerable clients, as well as to the City. Each month more than 6300 clients access more than \$4.2 million through the card. Most importantly, the card has reduced the reliance of Ontario Works (OW) recipients on expensive cheque cashing fees and improved the security of their funds. In addition, as

noted in previous reports to Council<sup>1</sup>, it has established more streamlined, efficient business processes and led to annual cost savings of \$3.1 million net for the City.

A number of important changes, notably the pending implementation of a reloadable payment card program for social assistance in Ontario, have significant implications for the CSBC. The Province has begun a gradual, phased-in approach for their reloadable payment card, starting with the Ontario Disability Support Program (ODSP) as follows:

- Phase 1 (April 18, 2016): Participation will be on voluntary basis for new ODSP clients who are unable to open or maintain a bank account. Clients who do not participate in Direct Bank Deposit (DBD) and do not wish to enrol with the repayable card will be able to receive their social assistance payments by cheque.
- Phase 2 (July 2016): Implementation will be extended to all non-DBD cases and cheques will only be issued to ODSP clients in exceptional circumstances.

In addition, the Province is still planning to extend the reloadable card to the OW program at a future date. Given its success to date, the City's focus moving forward is to consolidate and, where possible, enhance the benefits of the CSBC and ensure that it is appropriately aligned with the pending provincial card technology.

## CONTACT

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## SIGNATURE

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Patricia Walcott  
General Manager  
Toronto Employment and Social Services

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Michael Pacholok  
Director  
Purchasing and Materials  
Management

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Mike St. Amant  
Treasurer

## ATTACHMENTS

Attachment 1: Confidential Attachment: City Services Benefit Card: An Update

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<sup>1</sup> <http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-57925.pdf>