



# Board of Health Finance Standing Committee

Wednesday, November 1, 2017

9 a.m. to 11 a.m.

SDHU Boardroom

# Board of Health Finance Standing Committee - November 1, 2017

9 to 11 a.m., SDHU Boardroom

## 1. CALL TO ORDER

## 2. ROLL CALL

## 3. REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST

Agenda

## 4. APPROVAL OF BOARD FINANCE STANDING COMMITTEE MEETING NOTES

Board of Health Finance Standing Committee Meeting Notes dated May 4, 2017

MOTION: of Board of Health Finance Standing Committee Meeting Notes

## 5. NEW BUSINESS

### 5.1 MOHLTC Provincial Funding

### 5.2 Benefits Review

### 5.3 Year-to-Date Financial Statements

#### a) September 2017 Financial Statements

### 5.4 2018 Program-Based Budget

#### a) 2018 Budget Principles

#### b) Budget 2018 – Summary of Current Context Relevant to 2018 Budget Deliberations

#### c) 2018 Cost Reduction Initiatives and Pressures

#### d) 5-Year Financial Projections

#### e) 2018 Proposed Mandatory Cost-Shared Budget

## 6. IN CAMERA

- Security of the SDHU Property
- Personal matters involving one or more identifiable individuals, including employees or prospective employees
- Labour relations or employee negotiations

MOTION: In Camera

## 7. RISE AND REPORT

MOTION: Rise and Report

## 8. ADJOURNMENT

MOTION: Adjournment

**AGENDA**  
**BOARD OF HEALTH FINANCE STANDING COMMITTEE**  
**WEDNESDAY, NOVEMBER 1, 2017**  
**9 A.M. TO 11 A.M.**  
**BOARDROOM – SUDBURY & DISTRICT HEALTH UNIT**

**MEMBERS:** Carolyn Thain (Chair)                      René Lapierre                      Paul Myre  
Mark Signoretti

**STAFF:** Colette Barrette                      France Quirion                      Rachel Quesnel  
Dr. Penny Sutcliffe

**GUEST:** Bill Kafkis, Account Executive | Mosey & Mosey Insurance Agency Limited ~

~via teleconference

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST**
4. **APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES**
  - 4.1 Board of Health Finance Standing Committee Notes dated May 4, 2017 \*

**MOTION: APPROVAL OF MEETING NOTES**

**THAT the meeting notes of the Board of Health Finance Standing Committee meeting of May 4, 2017, be approved as distributed.**

5. **NEW BUSINESS**
  - 5.1 Ministry of Health and Long-Term Care (MOHLTC) Provincial Funding
    - a) Status of 2017 Funding
  - 5.2 Benefits Review
    - a) Mosey & Mosey Overview of the SDHU Benefit Program
  - 5.3 Year-to-Date Financial Statements
    - a) September 2017 Financial Statements \*
  - 5.4 2018 Program-Based Budget
    - a) 2018 Budget Principles\*
    - b) Budget 2018 – Summary of Current Context Relevant to 2018 Budget Deliberations\*
    - c) 2018 Cost Reduction Initiatives and Pressures\*
    - d) 5-Year Financial Projections\*
    - e) 2018 Proposed Mandatory Cost-Shared Budget \*

**6. IN CAMERA**

**MOTION: IN CAMERA**

**THAT this Board of Health Finance Standing Committee goes in camera. Time: \_\_\_\_\_ a.m.**

- Security of the SDHU Property
- Personal matters involving one or more identifiable individuals, including employees or prospective employees
- Labour relations or employee negotiations

**7. RISE AND REPORT**

**MOTION: RISE AND REPORT**

**THAT this Board of Health Finance Standing Committee rises and reports. Time: \_\_\_\_\_ a.m.**

**8. ADJOURNMENT**

**MOTION: ADJOURNMENT**

**THAT we do now adjourn. Time: \_\_\_\_\_ a.m.**

**MEETING NOTES  
BOARD OF HEALTH FINANCE STANDING COMMITTEE  
SUDBURY & DISTRICT HEALTH UNIT, BOARDROOM  
THURSDAY, MAY 4, 2017, AT 9 A.M.**

**BOARD MEMBERS PRESENT**

Carolyn Thain

René Lapierre

Paul Myre

**REGRETS**

Mark Signoretti

**STAFF MEMBERS PRESENT**

Colette Barrette  
Dr. P. Sutcliffe

Rachel Quesnel

France Quirion

**GUEST:** Derek D'Angelo, KPMG ~

~via teleconference

**R. QUESNEL PRESIDING**

**1.0 CALL TO ORDER**

The meeting was called to order at 9:03 a.m.

**2.0 ROLL CALL**

**3.0 ELECTION OF BOARD FINANCE STANDING COMMITTEE CHAIR FOR 2017**

3.1 Board of Health Finance Standing Committee Terms of Reference

**01-17 ELECTION OF BOARD OF FINANCE STANDING COMMITTEE CHAIR FOR 2017**

*Moved by Lapierre – Myre: THAT the Standing Committee appoint Carolyn Thain as the Finance Standing Committee Chair for 2017.*

**CARRIED**

**C. THAIN PRESIDING**

**4.0 REVIEW OF AGENDA / DECLARATION OF CONFLICT OF INTEREST**

There were no declarations of conflict of interest.

**5.0 APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES**

5.1 Board of Health Finance Standing Committee Notes dated November 2, 2016

**02-17 APPROVAL OF MEETING NOTES**

*Moved by Myre – Lapierre: THAT the meeting notes of the Board of Health Finance Standing Committee meeting of November 2, 2016, be approved as distributed.*

**CARRIED**

## 6.0 NEW BUSINESS

### 6.1 2016 Audited Financial Statements

- a) Briefing Note from the Medical Officer of Health and Chief Executive Officer on the 2016 Financial Statements

Dr. Sutcliffe noted that the Ministry of Health and Long-Term Care (MOHTLC) requires each health unit to have their financial records audited by an external auditing firm annually. The MOH thanked F. Quirion and her team for their work on the audit and for working with the new auditor, KPMG.

- b) Review of the 2016 Audit Report and Audited Financial Statements
  - D. D'Angelo, KPMG
  - C. Barrette, Manager, Accounting Services

Derek D'Angelo joined the meeting via teleconference for this agenda item and was invited to summarize the independent auditor's report.

KPMG conducted its audit in accordance with Canadian Auditing Standards. The Auditors' Report includes management and the auditors' responsibilities in conducting the audit and auditor delivering its opinion as per the procedures during the course of the audit. The auditor was pleased to re-affirm its opinion for a clean audit for 2016 noting the statements will be dated with the date of approval. To finalize the audit, confirmation of approval of the 2016 audit must be provided to KPMG and the management representation letter signed before the final statements will be released.

The auditor provided an overview of their procedures, including the assessment of the risks of material misstatement of the financial statements, and their findings. KMPG concluded that, in their opinion, these financial statements present fairly, in all material respects, the financial position of Sudbury & District Health Unit as at December 31, 2016 and its results of operations and accumulated surplus, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Highlights were provided from the accompanying notes to the financial statements. KPMG appreciated the assistance of SDHU staff in conducting the audit.

Questions and comments were entertained.

C. Barrette reviewed the draft statement ending December 31, 2016.

Notes to Financial Statements were reviewed and questions entertained. The variance in professional fees as well as the financial impacts of the Healthy Smiles Ontario program integration were explained. In response to questions, clarification was provided regarding staff education allocations based on cost reduction initiative, internal decision making relating to transfers to reserve, internal processes relating to monitoring and reporting of variances for revenues and expenses as well as the implementation of the vacancy management policy where collectively, management looks at competing priorities within the organization before filling a vacancy.

### **03-17 2016 AUDITED FINANCIAL STATEMENTS**

***Moved by Lapierre – Myre: THAT the Board of Health Finance Standing Committee recommend to the Sudbury & District Board of Health the adoption of the 2016 audited financial statements.***

**CARRIED**

#### **6.2 Annual Insurance Review**

- a) Frank Cowan Company Summary of the SDHU's 2016 Insurance Program

F. Quirion reviewed the SDHU's insurance coverage. This year, changes to our policy include removal of deductible for sewer back-up per claimant and increased blanket limits for the equipment breakdown. Sexual Abuse Therapy/Counselling coverage have been added to comply with a new College of Dental Hygienists requirement.

The emerging topic of openness and transparency leads to risks as it relates to stolen personal information and ransomware; therefore, a quote has been requested for cyber liability.

- b) Frank Cowan Company Summary of the SDHU's Claims update for 2016

Last year, the Finance Standing Committee (FSC) received a summary of insurance claims. An updated summary included in today's agenda package shows the one still active claim.

It was questioned whether implications of a growing number of SDHU short-term disability claims need consideration from an insurance coverage perspective. Although the numbers are currently higher, it is difficult to predict trends year over year.

#### **6.3 Year to Date Financial Statements**

a) March 2017 Financial Statements

The financial statements ending March 31, 2017, were shared for information and are comparative with last year's year-to-date statements. There is a slight shift in that this year's gapping is occurring less in salary and more in operating. Discussion ensued regarding short-term disability leaves and their impacts on the budget and operations. The SDHU's return to work and employee assistant programs were noted and data sources indicate that same sick time trends are being seen in other sectors.

Dr. Sutcliffe flagged the unknowns with the current modernization of the Standards and noted that the Senior Management Executive Committee will be carefully looking at the cost reduction initiatives for 2018 and beyond during its budget deliberations.

b) MOHLTC Funding Approval – Schedule A6

Schedule A-6 was reviewed and explained. One-time funding requests were approved as submitted.

6.4 Financial Management Policy Review

- a) Briefing Note from the Medical Officer of Health and Chief Executive Officer on the Financial Management Policy Review
- b) By-laws and Regulatory Requirements Power Point Presentation
- c) Schedule of Policy Review
  - BOH By-Laws

In November 2016, the FSC requested to receive the review schedule of financial management administrative policies and be apprised of key findings as appropriate.

The briefing note provides a detailed description of the review requirements for management as well as management's internal process for the Board's awareness.

The FSC reviewed the *Regulatory Requirements: By-laws and Policies Review* presentation, providing an overview of financial administration requirements set out by the MOHLTC and SDHU compliance with these requirements. Financial administrative requirements are specified in the following:

- Health Protection and Promotion Act - HPPA
- Ontario Public Health Organizational Standards – OPHOS
- Public Health Funding and Accountability Agreement - PHFAA



The review did not find any gaps in meeting the governance or operational policy requirements. Management will continue to annually review the by-laws and policies as per the BOH Manual review process ensuring advisement of FSC (for recommendation to the BOH as appropriate). The FSC will review relevant by-laws at its spring meeting as part of the Board of Health Manual Review process.

FSC will annually receive the review schedule of financial management administrative policies including any changes and/or recommendations

The review schedules for the relevant financial Policies, Procedures and By-Laws in the Board of Health Manual and in the General Administrative Manual were included in the agenda package. The MOH recommended that only proposed revisions that are substantive from the management review come forward. The SDHU is currently exploring automating the review dates with electronic alerts. The overview was found helpful.

The internal process for new policies was also outlined.

Questions and comments were entertained. The FSC members appreciated the overview for reassurances that there are sound internal processes to ensure these requirements are being met.

The next FSC meeting will be held in the fall.

## 5.0 ADJOURNMENT

### 04-17 ADJOURNMENT

*Moved by Lapierre – Myre : THAT we do now adjourn. Time: 10:40 a.m.*

**CARRIED**

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(Chair)

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(Secretary)

**APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MEETING NOTES**

**MOTION:** *THAT the meeting notes of the Board of Health Finance Standing Committee meeting of May 4, 2017, be approved as distributed.*

**Sudbury & District Health Unit**  
**STATEMENT OF REVENUE & EXPENDITURES**  
For The 9 Periods Ending September 30, 2017

**Cost Shared Programs**

	Annual Budget	Budget YTD	Current Expenditures YTD	Variance YTD (over)/under	Balance Available
<b>Revenue:</b>					
MOHLTC - General Program	14,687,000	11,015,250	11,015,250	0	3,671,750
MOHLTC - Unorganized Territory	819,400	614,550	614,550	0	204,850
MOHLTC - VBD Education & Surveillance	65,000	48,750	48,750	0	16,250
MOHLTC - SDWS	106,000	79,500	79,500	0	26,500
Municipal Levies	6,943,298	5,207,467	5,207,467	0	1,735,832
Municipal Levies - Small Drinking Water Syst	47,222	35,417	35,417	(0)	11,805
Municipal Levies - VBD Education & Surveill	21,646	16,235	16,235	(0)	5,411
Interest Earned	85,000	56,516	56,516	0	28,484
<b>Total Revenues:</b>	<b>\$22,774,566</b>	<b>\$17,073,684</b>	<b>\$17,073,685</b>	<b>\$(1)</b>	<b>\$5,700,881</b>
<b>Expenditures:</b>					
<b>Corporate Services:</b>					
Corporate Services	4,452,551	3,448,789	3,415,596	33,193	1,036,955
Print Shop	152,774	65,850	57,705	8,146	95,070
Espanola	120,973	90,068	87,673	2,394	33,299
Manitoulin	124,624	93,188	86,651	6,537	37,974
Chapleau	99,667	74,401	73,222	1,179	26,445
Sudbury East	16,486	12,364	12,540	(176)	3,946
Intake	307,739	219,466	217,310	2,156	90,429
Volunteer Services	5,508	2,005	236	1,769	5,272
<b>Total Corporate Services:</b>	<b>\$5,280,321</b>	<b>\$4,006,131</b>	<b>\$3,950,932</b>	<b>\$55,199</b>	<b>\$1,329,389</b>
<b>Clinical Services:</b>					
General	954,765	660,602	655,815	4,788	298,951
Clinical Services	1,388,572	1,046,079	1,032,307	13,772	356,265
Branches	245,822	170,936	161,335	9,601	84,487
Family	645,716	475,025	460,570	14,455	185,146
Risk Reduction	124,408	93,725	73,700	20,024	50,708
Clinical Preventative Services - Outreach	141,610	102,622	98,418	4,203	43,192
Sexual Health	925,829	669,734	652,603	17,131	273,225
Influenza	0	0	(0)	0	0
Dental - Clinic	500,484	354,767	334,216	20,551	166,268
Family - Repro/Child Health	646,798	646,798	646,798	(0)	(0)
Substance Misuse Prevention	80,894	80,894	80,894	0	0
<b>Total Clinical Services:</b>	<b>\$5,654,898</b>	<b>\$4,301,182</b>	<b>\$4,196,656</b>	<b>\$104,526</b>	<b>\$1,458,242</b>
<b>Environmental Health:</b>					
General	823,554	582,219	573,071	9,148	250,483
Enviromental	2,446,521	1,720,713	1,654,083	66,631	792,439
Vector Borne Disease (VBD)	86,667	73,586	66,029	7,557	20,637
Small Drinking Water System	174,185	128,217	119,858	8,359	54,327
<b>Total Environmental Health:</b>	<b>\$3,530,927</b>	<b>\$2,504,735</b>	<b>\$2,413,040</b>	<b>\$91,695</b>	<b>\$1,117,887</b>
<b>Health Promotion:</b>					
General	1,186,915	839,769	826,126	13,643	360,790
School	1,355,637	950,562	926,241	24,321	429,396
Healthy Communities & Workplaces	181,274	124,605	120,304	4,300	60,970
Branches - Espanola / Manitoulin	280,717	210,975	198,431	12,544	82,286
Nutrition & Physical Activity	1,156,580	838,448	769,611	68,837	386,969
Branches - Chapleau / Sudbury East	371,021	268,983	254,362	14,620	116,659
Injury Prevention	449,779	323,073	298,647	24,426	151,132
Tobacco By-Law	352,735	252,588	224,287	28,301	128,448
Policy & Planning	528,767	194,188	142,776	51,412	385,991
Substance Misuse Prevention	81,669	30,289	9,562	20,727	72,107
Alcohol Misuse	155,470	121,677	89,513	32,163	65,957
<b>Total Health Promotion:</b>	<b>\$6,100,564</b>	<b>\$4,155,156</b>	<b>\$3,859,860</b>	<b>\$295,295</b>	<b>\$2,240,703</b>
<b>RRED:</b>					
General	1,561,853	1,093,121	1,042,552	50,569	519,301
Workplace Capacity Development	27,609	18,095	15,481	2,614	12,128
Health Equity Office	27,586	17,511	10,927	6,584	16,659
Strategic Engagement	590,808	401,966	394,601	7,364	196,207
<b>Total RRED:</b>	<b>\$2,207,856</b>	<b>\$1,530,692</b>	<b>\$1,463,561</b>	<b>\$67,131</b>	<b>\$744,295</b>
<b>Total Expenditures:</b>	<b>\$22,774,566</b>	<b>\$16,497,897</b>	<b>\$15,884,050</b>	<b>\$613,847</b>	<b>\$6,890,516</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$575,787</b>	<b>\$1,189,635</b>	<b>\$613,847</b>	

## Sudbury & District Health Unit 2015 - current

### Cost Shared Programs

#### STATEMENT OF REVENUE & EXPENDITURES

Summary By Expenditure Category

For The 9 Periods Ending September 30, 2017

	BOH Annual Budget	Budget YTD	Current Expenditures YTD	Variance YTD (over) /under	Budget Available
<b>Revenues &amp; Expenditure Recoveries:</b>					
Funding	22,980,448	17,261,791	17,299,007	(37,216)	5,681,441
Other Revenue/Transfers	923,131	696,613	754,115	(57,502)	169,016
<b>Total Revenues &amp; Expenditure Recoveries:</b>	<b>23,903,580</b>	<b>17,958,404</b>	<b>18,053,122</b>	<b>(94,718)</b>	<b>5,850,457</b>
<b>Expenditures:</b>					
Salaries	15,596,494	11,310,599	11,034,879	275,720	4,561,615
Benefits	4,372,101	3,268,681	3,182,735	85,946	1,189,366
Travel	260,173	172,924	152,314	20,610	107,859
Program Expenses	968,166	617,298	505,919	111,379	462,248
Office Supplies	68,912	45,481	37,676	7,805	31,235
Postage & Courier Services	79,374	45,040	41,860	3,180	37,514
Photocopy Expenses	33,487	24,476	17,886	6,589	15,601
Telephone Expenses	60,406	45,170	41,335	3,835	19,071
Building Maintenance	497,477	424,058	438,781	(14,723)	58,695
Utilities	205,097	156,923	156,742	181	48,355
Rent	242,657	182,041	184,129	(2,088)	58,528
Insurance	103,774	92,184	92,376	(192)	11,399
Employee Assistance Program ( EAP)	34,969	23,902	25,716	(1,814)	9,253
Memberships	31,736	28,657	28,103	554	3,633
Staff Development	232,035	114,970	121,752	(6,782)	110,283
Books & Subscriptions	12,465	7,727	4,369	3,358	8,096
Media & Advertising	101,342	53,054	32,470	20,583	68,872
Professional Fees	197,256	109,042	113,402	(4,360)	83,854
Translation	48,201	33,460	27,758	5,702	20,443
Furniture & Equipment	33,002	28,943	16,712	12,231	16,290
Information Technology	724,455	597,988	606,575	(8,587)	117,880
<b>Total Expenditures</b>	<b>23,903,579</b>	<b>17,382,617</b>	<b>16,863,487</b>	<b>519,129</b>	<b>7,040,092</b>
<b>Net Surplus ( Deficit )</b>	<b>0</b>	<b>575,787</b>	<b>1,189,635</b>	<b>613,847</b>	

**Sudbury & District Health Unit**  
**SUMMARY OF REVENUE & EXPENDITURES**  
For the Period Ended September 30, 2017

**100% Funded Programs**

<b>Program</b>	<b>FTE</b>	<b>Annual Budget</b>	<b>Current YTD</b>	<b>Balance Available</b>	<b>% YTD</b>	<b>Program Year End</b>	<b>Expected % YTD</b>
MOHLTC Local Model for Indigenous Engagement	703	227,718	77,840	149,878	34.2%	Mar 31/18	41.7%
Pre/Postnatal Nurse Practitioner	704	139,000	101,566	37,434	73.1%	Dec 31	66.7%
OTF - Getting Ahead and Circles	706	216,800	33,686	183,114	15.5%	Mar 31/2020	41.7%
CGS - Local Poverty Reduction Evaluation	707	44,897	6,305	38,592	14.0%	Dec 31	66.7%
SFO - Electronic Cigarette Act - New Nov./15 - Base Fndg	722	36,700	16,507	20,193	45.0%	Dec 31	66.7%
SFO -TCAN - Prevention	724	97,200	33,604	63,596	34.6%	Dec 31	66.7%
SFO - Tobacco Control Area Network - TCAN	725	285,800	182,761	103,039	63.9%	Dec 31	66.7%
SFO - Local Capacity Building: Prevention & Protection	726	259,800	137,285	122,515	52.8%	Dec 31	66.7%
SFO - Tobacco Control Coordination	730	104,442	76,139	28,303	72.9%	Dec 31	66.7%
SFO - Youth Engagement	732	80,000	55,658	24,342	69.6%	Dec 31	66.7%
Infectious Disease Control	735	479,100	339,672	139,428	70.9%	Dec 31	66.7%
LHIN - Falls Prevention Project & LHIN Screen	736	100,000	30,333	69,667	30.3%	Mar 31/18	41.7%
MOHLTC - Special Nursing Initiative	738	180,500	131,904	48,596	73.1%	Dec 31	66.7%
MOHLTC - Northern Fruit and Vegetable Funding	743	156,600	80,704	75,896	51.5%	Dec 31	66.7%
Beyond BMI - LDCP	747	150,000	87,520	62,480	58.3%	"May/16 to May/18	54.2%
Food Safety - Haines Funding	750	36,500	7,590	28,910	20.8%	Dec 31	66.7%
Triple P Co-Ordination	766	34,359	36,867	(2,508)	107.3%	Dec 31	66.7%
CGS - Healthy Kids Bright Bites Project	772	23,136	9,429	13,707	40.8%	Dec 31	66.7%
CGS - Food Skills for Kids & Families Project	773	31,755	10,768	20,987	33.9%	Dec 31	66.7%
Healthy Babies Healthy Children	778	1,476,897	1,072,781	404,116	72.6%	Dec 31	66.7%
Healthy Smiles Ontario (HSO)	787	502,600	360,561	142,039	71.7%	Dec 31	66.7%
Anonymous Testing	788	59,393	30,143	29,250	50.8%	Mar 31/18	41.7%
PHO/LDCP First Nations Engagement	790	108,713	24,797	83,917	22.8%	May/17 to May/18	16.7%
HQO - Northern Health Equity	791	135,000	135,000	-	100.0%	"Oct./16 to Oct./17	66.7%
MHPS- Diabetes Prevention Program	792	175,000	55,027	119,973	31.4%	Dec 31	66.7%
<b>Total</b>		<b>5,141,910</b>	<b>3,134,447</b>	<b>2,007,464</b>			

## Sudbury & District Board of Health Budget Principles

The following are the guiding principles for the 2018 SDHU budget deliberations.

The principles are based on Board Finance Committee and Senior Management deliberations. They are intended to promote a transparent budget process; a process which is occurring in the context of anticipated significant long term fiscal constraints.

All budget proposals are assessed for degree of fit with these principles as is the final recommended budget in its entirety.

Guiding principles:

1. We will maintain our **long term focus on health**. This requires an appropriate balance of responsiveness to health protection and immediate needs (e.g. immunizations, environmental health hazards, communicable disease control, tobacco enforcement, etc.) with investment in longer term health promotion (e.g. healthy eating, child resiliency, municipal policies, etc.).
2. We will ensure that we build and maintain **surge capacity**, enabling us to respond to unplanned/unexpected new and emerging threats to people's health (e.g. community communicable disease outbreaks, industrial or natural hazards, etc.).
3. SDHU programs will continue to strive to improve **equity in health** consistent with our strategic plan vision, mission and strategic priorities. We will do this by focusing on evidence-informed local public health practice to promote health equity (i.e. 10 promising practices) and by ensuring upstream work with partners on the social determinants of health.
4. We will work to ensure our fiscal path forward is congruent with our values, interpreted generally in this context as follows:
  - a. **Accountability** – due consideration is given to the Accountability Agreement, particularly the Performance Indicators, the OPHS and its review, Organizational Standards, SDHU Performance Monitoring Plan; transparency is part of accountability and includes clearly articulated budget principles and assumptions including at least three-year forecasting
  - b. **Caring leadership** – compassion guides our approach to changes that directly or indirectly impact on staff
  - c. **Collaboration** – collaboration is sought out within the SDHU and with partners to achieve efficiencies to respond to needs
  - d. **Diversity** –the diversity of our clients/populations is respected, positioning the SDHU to plan for and respond to needs (e.g. geographic, language, cultural, etc.)
  - e. **Effective communication** – this is key to change management and is front of mind for internal and external audiences; communication is bilateral and input/feedback is actively sought
  - f. **Excellence** – trade-offs are carefully thought through to ensure service excellence is not sacrificed (e.g. evaluation, data, teaching, etc.)
  - g. **Innovation** – innovative ideas are actively sought to respond to public health needs with increased efficiencies; there is active engagement with processes that will assist with innovation and continuous improvement

# Briefing Note

**To:** Carolyn Thain, Chair, Finance Standing Committee of the Sudbury & District Board of Health  
**From:** Dr. Penny Sutcliffe, Medical Officer of Health/Chief Executive Officer  
**Date:** October 25, 2017  
**Re:** Budget 2018 – Summary of Current Context Relevant to 2018 Budget Deliberations

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For Information

For Discussion

For a Decision

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**Issue:**

The 2018 cost-shared budget deliberations for the Sudbury & District Board of Health are occurring within an environment of ongoing fiscal constraint combined with significant uncertainty affecting fundamental cost drivers. This briefing note provides the Board Finance Committee with a summary of these challenges, providing an important context for deliberations on the proposed 2018 budget.

**Recommended Action:**

That the Board Finance Committee review and discuss this briefing note to ensure strategic issues for the 2018 cost-shared budget are identified and carefully considered.

**Background:**

Provincial Fiscal Context:

The MOHLTC 2017 Program-Based Grant to boards of health has yet to be announced.

The MOHLTC Public Health Funding Formula, introduced in 2015, has resulted in no increase in provincial funding to the Sudbury & District Board (and the majority of boards) for the last three years. We understand that there will be no increases for any board of health for 2017 and we do not expect any increases for 2018.

Provincial funding for 100% ministry-funded programs has not increased for many years (the duration is program-specific). This funding freeze has resulted in increased pressures to maintain service delivery levels. These pressures have been managed to date with reallocation between budget lines, however, this is not a sustainable option.

SDHU-Specific Fiscal Context:

The SDHU is experiencing ongoing increases to salary and benefits. In 2017 we negotiated a new collective agreement with ONA. In 2018 the CUPE collective agreement will be renegotiated.

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2013–2017 Strategic Priorities:

1. Champion and lead equitable opportunities for health.
2. Strengthen relationships.
3. Strengthen evidence-informed public health practice.
4. Support community actions promoting health equity.
5. Foster organization-wide excellence in leadership and innovation.

O: October 19, 2001  
R: October 2013

Benefits costs also continue to increase as a result of market rate increases and an increase in claims.

There are ongoing increases to fixed costs including heat, hydro, and physical infrastructure and system infrastructure maintenance costs continue to rise.

Anticipated and unanticipated attrition occurred within 2017. Given the uncertainties in the current environment, temporary measures were taken to support work required at the time. The measures were temporary in order to maximize future flexibility for planning and related budget allocation and include the result that a director FTE is available to offset identified priorities for 2018.

#### Provincial Health System Transformation:

The Board Finance Committee is aware of a number of initiatives underway as part of the provincial government's health system transformation:

- **Expert Panel** – recommending to the Minister of Health and Long-Term Care fundamental changes to the governance, structure and organization of local public health.
- **Patients First Act** – enacting requirements for formal engagement between LHIN CEO's and MOHs on issues relating to local health system planning, funding and service delivery.
- **Modernization of the Ontario Public Health Standards** – resulting in draft Ontario Standards for Public Health Programs and Services that incorporate new requirements, most notably in the areas of LHIN engagement and population health assessment, mental health promotion, Indigenous engagement, vision screening, among others. Working groups are developing guidelines and protocols in support of the new standards.
- **Renewal of the accountability requirements** for board of health resulting in the Accountability Framework and Organizational Requirements consultation document and a draft Annual Service Plan and Budget Submission process.

#### SDHU-Specific Program Delivery and Supports:

**Indigenous Engagement** – In support of the motion #20-12 and #54-16, the SDHU is developing a comprehensive strategy for the organization's engagement with Indigenous people and communities in its service area. Financial support for this important work was requested through the 2017 One-Time Funding request process with the intention to submit a request for phase two during the 2018 budget cycle. However, the SDHU has yet to receive notification of the 2017 one-time request.

**New Standards Implementation** – There is uncertainty with respect to the requirements of the final standards and the related financial implications. It is understood that 2018 will be a transition year but details are yet to be communicated.

**Mental Health and Addictions** – Mental health is a new formal area of local public health work and dedicated resources are required to determine and implement the public health roles, in partnership with other agencies working in this area. Further, the intensified concerns related to addictions, including those that drive the provincial opioid strategy, require a stronger public health focus in this area. To date, resources have been realigned to create a small Mental and Addictions team.

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#### 2013–2017 Strategic Priorities:

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**Health Equity** – This continues to be a local priority with further recognition under the draft new Standards. Additional supports are needed related to local poverty reduction activities, health equity impact assessments, public education and other initiatives.

**Digital Media** – Digital media, including social media is a fundamental tool in effective public health practice and is also referenced in the draft Standards. Although traditional mediums still need to be part of our communication strategies, digital and social media strategies are required to reach our target audiences. To position us within this arena, the SDHU needs to engage the services of professionals to support the development of an agency-wide, comprehensive and sustainable social media strategy.

**Facilities Management** – The current business model to support the organization’s infrastructure consists of one manager trained to support critical building automation and security systems. This role is supported by a part time building technician focused on general maintenance. Senior management has identified concerns with this model in that there is little redundancy built into these critical functions. Attrition has created an opportunity to address this issue and mitigate risks related.

**Staff Development** –Staff Development remains a priority for the organization, particularly within the current context. Critical to meeting the changing environment is a well-trained, responsive and flexible workforce and as such we continue to consider staff development allocations within year.

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2013–2017 Strategic Priorities:

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**2018 Cost Reduction Initiatives and Pressures**

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<b>Fiscal Period</b>		<b>2018</b>
<b>Projected funding shortfall based on needs</b>	-	<b>334,026</b>
<b>2018 Proposed Cost Reduction Initiatives</b>		
Attrition 2017		265,564
2018 HR Adjustment		15,050
Operational		81,559
<b>Less new cost saving initiatives</b>		
Part VIII user fee increase		30,000
<b>2018 Program Pressures</b>		
Staff Development Allowances .8% of Salaries	-	123,965
Indigenous Engagement Initiative	-	222,133
Digital Media	-	75,000
Health Equity - resources support	-	58,251
<hr/> <b>Unfunded Organizational needs before proposed budget increase</b>		
	-	<b>421,202</b>
<hr/>		
Proposed 1.75% Municipal increase		121,508
<b>Outstanding Organizational needs</b>	-	<b>299,694</b>

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**SUDBURY & DISTRICT HEALTH UNIT**

**Cost Shared Programs & Services**

	MOHLTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Municipal	1.75%	0.00%	0.00%	0.00%	0.00%	0.00%
	2017 MOHLTC Apprv'd	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2023 Year 7
<b>Total Revenue</b>	22,774,566	22,896,074	22,896,074	22,896,074	22,896,074	22,896,074	22,896,074
<b>Total Expenditures</b>	22,774,566	22,896,074	23,297,380	23,708,234	24,128,926	24,559,753	25,002,477
<b>Projected surplus or (deficit)</b>		0	(401,306)	(812,160)	(1,232,852)	(1,663,679)	(2,106,403)

**Sudbury & District Health Unit**  
**Cost Shared Programs & Services**

**2018 Proposed Budget**

MOHLTC:0% : MUN:1.75%

Description	BOH 2017 Approved	2018 Budget	Increase (Decrease)	% Change Inc/(Dec)
<b>Revenue</b>				
MOHLTC - General Programs	14,687,000	14,687,000	-	0.00%
MOHLTC - Unorganized Territory	819,400	819,400	-	0.00%
MOHLTC - Vector Borne Disease (VBD) Educ. & Surveillance	65,000	65,000	-	0.00%
MOHLTC - SDWS	106,000	106,000	-	0.00%
Municipal Levies	6,943,298	7,064,806	121,508	1.75%
Municipal Levies - Vector Borne Disease (VBD) Educ. & Surv.	21,646	21,646	-	0.00%
Municipal Levies - Small Drinking Water Systems	47,222	47,222	-	0.00%
Interest Earned	85,000	85,000	-	0.00%
<b>Total Revenue</b>	<b>22,774,566</b>	<b>22,896,074</b>	<b>121,508</b>	<b>0.53%</b>
<b>Expenditures</b>				
<b>Corporate Services</b>				
Corporate Services	4,171,337	4,294,732	123,395	2.96%
General Office Administration (previously Print Shop)	152,774	120,816	(31,958)	-20.92%
Espanola	120,973	119,921	(1,052)	-0.87%
Manitoulin Island	124,624	128,909	4,285	3.44%
Chapleau	99,667	101,289	1,622	1.63%
Sudbury East	16,486	16,508	22	0.13%
Intake	318,239	325,506	7,267	2.28%
Volunteer Resources	5,711	5,711	-	0.00%
<b>Total Corporate Services</b>	<b>5,009,810</b>	<b>5,113,391</b>	<b>103,581</b>	<b>2.07%</b>
<b>Clinical Services</b>				
Clinical Services - General	1,112,195	1,168,998	56,803	5.11%
Clinic	1,271,189	1,280,708	9,519	0.75%
Clinical Services - Branches	379,602	270,828	(108,774)	-28.65%
Family Team	663,316	618,225	(45,091)	-6.80%
Risk Reduction	124,408	98,842	(25,566)	-20.55%
Clinical Outreach	141,610	144,218	2,608	1.84%
Sexual Health	958,320	947,285	(11,035)	-1.15%
MOHLTC - Influenza	-	0	0	0.00%
MOHLTC - Meningitis	-	0	0	0.00%
MOHLTC - HPV	-	-	-	0.00%
Dental	512,984	520,984	8,000	1.56%
<b>Total Clinical Services</b>	<b>5,163,624</b>	<b>5,050,089</b>	<b>(113,535)</b>	<b>-2.20%</b>
<b>Health Promotion</b>				
Promotion - General	984,086	1,223,355	239,269	24.31%
School	1,386,960	1,392,900	5,940	0.43%
Workplace	181,274	184,962	3,688	2.03%
Branches (Espanola/Manitoulin)	262,717	334,251	71,534	27.23%
Nutrition & Physical Activity Team	1,293,387	1,147,959	(145,428)	-11.24%
Branches (Sudbury East/Chapleau)	278,641	389,609	110,969	39.82%
Injury Prevention	475,504	375,956	(99,548)	-20.94%
Tobacco Cessation	366,735	371,553	4,817	1.31%
Reproductive & Child Health	1,185,292	1,076,573	(108,719)	-9.17%
Substance Misuse Prevention - Drugs	162,563	15,000	(147,563)	-90.77%
Mental Health and Addictions	-	326,953	326,953	0.00%
Alcohol and Substance Misuse	110,805	117,176	6,370	5.75%
<b>Total Health Promotion</b>	<b>6,687,964</b>	<b>6,956,246</b>	<b>268,282</b>	<b>4.01%</b>
<b>RRED</b>				
RRED	1,621,812	1,687,847	66,035	4.07%
Workplace Capacity Development	22,007	23,507	1,500	6.82%
Health Equity Office	14,440	14,440	(0)	0.00%
Strategic Engagement Unit	597,441	581,215	(16,226)	-2.72%
<b>Total RRED</b>	<b>2,255,700</b>	<b>2,307,009</b>	<b>51,309</b>	<b>2.27%</b>
<b>Environmental Health</b>				
Environmental Health - General	787,124	804,254	17,130	2.18%
Environmental	2,609,493	2,425,197	(184,296)	-7.06%
Vector Borne Disease	86,667	86,667	0	0.00%
Small Drinking Water Systems	174,185	153,222	(20,963)	-12.03%
<b>Total Environmental Health</b>	<b>3,657,468</b>	<b>3,469,339</b>	<b>(188,129)</b>	<b>-5.14%</b>
<b>Total Expenditures</b>	<b>22,774,566</b>	<b>22,896,074</b>	<b>121,508</b>	<b>0.53%</b>
<b>Net Surplus (Deficit)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	

**Revenue by Funding Agency**

	2017 BOH Approved	2018 Recommended Budget	%	Increase (Decrease)
<b>Ministry of Health and Long-Term Care</b>				
Official Local Health Agency	14,687,000	14,687,000		-
Unorganized Territories	819,400	819,400		-
Vector Borne Disease- education & surveillance	65,000	65,000		-
Small Drinking Water System	106,000	106,000		-
<b>Total MOHLTC</b>	<b>15,677,400</b>	<b>15,677,400</b>	<b>0.69</b>	<b>-</b>
<b>Municipalities</b>				
Official Local Health Agency	6,943,298	7,064,806		121,508
Vector Borne Disease- education & surveillance	21,646	21,646		-
Small Drinking Water System	47,222	47,222		-
<b>Total Municipalities</b>	<b>7,012,166</b>	<b>7,133,674</b>	<b>0.31</b>	<b>121,508</b>
<b>Other Revenue</b>				
Transfer from Working Capital Reserve	0	-		-
Interest	85,000	85,000		-
<b>Total Other</b>	<b>85,000</b>	<b>85,000</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>22,774,566</b>	<b>22,896,074</b>		<b>121,508</b>

**Sudbury & District Health Unit**  
**Expenditures By Category**

**2018 Proposed Budget**  
 MOHLTC: 0% : MUN: 1.75%

Description	2017 BOH Approved Budget	2018 Recommended Budget	Change (\$) Inc/(Dec)	Change (%) Inc/(Dec)
Salaries	15,926,325	15,972,727	46,402	0.29%
Benefits	4,355,556	4,542,221	186,665	4.29%
<b>Total Salaries &amp; Benefits</b>	<b>20,281,881</b>	<b>20,514,949</b>	<b>233,067</b>	<b>1.15%</b>
Health Services / Purchased Services	162,617	84,040	(78,577)	-48.32%
Media & Advertising	142,739	103,661	(39,078)	-27.38%
Expense Recoveries	(919,040)	(939,568)	(20,528)	2.23%
Office Supplies	110,857	105,712	(5,145)	-4.64%
Travel	264,403	261,164	(3,239)	-1.22%
Postage & Courier Services	72,730	70,536	(2,194)	-3.02%
Photocopy Expenses	27,735	26,455	(1,280)	-4.62%
Translation	46,600	46,000	(600)	-1.29%
Books & Subscriptions	11,875	11,315	(560)	-4.71%
Vector Borne Disease - Education and Surveillance	45,286	44,825	(461)	-1.02%
Insurance	103,774	103,774	(0)	0.00%
Vector Borne Disease - Control Measure Contingency	-	-	-	0.00%
Rent Revenue	(67,881)	(67,881)	-	0.00%
Rent Surplus Transferred to Reserve	55,744	55,744	-	0.00%
Professional Fees	41,490	41,490	0	0.00%
Furniture & Equipment	14,270	14,770	500	3.50%
Information Technology	566,540	567,040	500	0.09%
Staff Development	116,031	116,925	894	0.77%
Memberships	29,527	32,289	2,762	9.35%
Telephone Expenses	190,986	193,826	2,840	1.49%
Utilities	205,097	208,937	3,840	1.87%
Program Expenses	657,987	665,257	7,270	1.10%
Building Maintenance	370,854	378,709	7,856	2.12%
Rent	242,464	256,105	13,641	5.63%
<b>Total Operational Expenses</b>	<b>2,492,685</b>	<b>2,381,125</b>	<b>(111,559)</b>	<b>-4.48%</b>
<b>Total Expenditures</b>	<b>22,774,566</b>	<b>22,896,074</b>	<b>121,508</b>	<b>0.53%</b>

**SUDBURY & DISTRICT HEALTH UNIT**  
**2018 Cost-Shared Budget**  
**DRAFT for Finance Committee Review**

**2018 Proposed Budget**  
**MOHLTC:0% : MUN:1.75%**

**Municipal Levy (excluding VBD Contingency)**

	2017	2018
Total Budget	22,774,566	22,896,074
Municipal Levy	6,943,298	7,064,806
Municipal Levy - Vector Borne Disease	21,646	21,646
Municipal Levy Small Drinking Water System	47,222	47,222
<b>Total Levy**</b>	<b>7,012,166</b>	<b>7,133,674</b>

	2017	%	2017	2018		Monthly
Municipal Levy	Population*	Population	Levy	Levy	Difference	Billing
Assignack (Township of)	754	0.459%	32,260	32,747	488	2,729
Baldwin (Township of)	505	0.307%	21,671	21,904	233	1,825
Billings (Township of)	501	0.305%	21,531	21,762	230	1,813
Burpee and Mills (Township of)	273	0.166%	11,504	11,846	342	987
Central Manitoulin (Township of)	1,711	1.042%	73,702	74,337	635	6,195
St. Charles	1,156	0.704%	48,809	50,225	1,416	4,185
Chapleau (Township of)	1,915	1.166%	82,958	83,182	225	6,932
French River	2,374	1.445%	101,540	103,085	1,545	8,590
Espanola Town	4,362	2.655%	186,317	189,403	3,086	15,784
Gordon/ Barrie Island	449	0.273%	18,656	19,479	823	1,623
Gore Bay Town	739	0.450%	31,488	32,105	617	2,675
Markstay-Warren	2,328	1.417%	99,156	101,088	1,932	8,424
Northeastern Manitoulin & the Islands ( Town)	2,129	1.296%	90,671	92,456	1,785	7,705
Nairn & Hyman ( Township)	396	0.241%	17,114	17,196	82	1,433
Killamey	346	0.211%	14,940	15,056	116	1,255
Sables-Spanish River (Township of)	2,680	1.631%	115,564	116,354	790	9,696
City of Greater Sudbury	141,290	86.010%	6,028,854	6,135,677	106,823	511,306
Tehkummah (Township of)	363	0.221%	15,431	15,769	339	1,314
<b>TOTAL</b>	<b>164,271</b>	<b>100%</b>	<b>7,012,165</b>	<b>7,133,671</b>	<b>121,506</b>	<b>594,473</b>
Per Capita Rate			42.530	43.43	0.90	

<b>Municipal Levy Increase/-Decrease over previous year</b>	<b>1.73%</b>
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\* Population data per 2017 Ontario Population Report, Municipal Property Assessment Corporation

\*\* The above levy excludes VBD Control Measures Contingency. It will be billed only if expenditures deemed necessary by the Medical Officer of Health.

**IN CAMERA**

**MOTION:** *THAT this Board of Health Finance Standing Committee goes in camera. Time: \_\_\_\_\_ p.m.*

- Security of the SDHU Property
- Personal matters involving one or more identifiable individuals, including employees or prospective employees
- Labour relations or employee negotiations



**RISE AND REPORT**

**MOTION:** *THAT this Board of Health Finance Standing Committee rises and reports. Time: \_\_\_\_\_ p.m.*

**ADJOURNMENT**

**MOTION: THAT we do now adjourn. Time: \_\_\_\_\_ p.m.**