



Board of Health Finance Standing Committee Meeting

Monday, November 6, 2023

1 p.m. - 3:00 p.m.

Boardroom/Hybrid

AGENDA
BOARD OF HEALTH FINANCE STANDING COMMITTEE
MONDAY, NOVEMBER 6, 2023 – 1 TO 3:00 P.M.
PHSD BOARDROOM

MEMBERS: Mark Signoretti, Chair René Lapierre Michel Parent
Ken Noland

STAFF: France Quirion Dr. Penny Sutcliffe Rachel Quesnel

1. CALL TO ORDER

2. ROLL CALL

3. REVIEW OF AGENDA/DECLARATIONS OF CONFLICTS OF INTEREST

4. APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE

4.1 Board of Health Finance Standing Committee Notes dated June 6, 2023*

MOTION: APPROVAL OF MEETING NOTES

THAT the meeting notes of the Board of Health Finance Standing Committee meetings of June 6, 2023, be approved as distributed.

5. NEW BUSINESS

5.1 Year-to-Date Financial Statements

- a) September 2023 Financial Statements *
- b) Capital Project Financial Summary*

5.2 Financial Management Policy Review

- a) Schedule of Policy Review *

5.3 2024 Operating Budget

- a) Briefing Note: Budget Context and Assumptions*
- b) 2024 Summary of Budget Pressures*
- c) 2024 Draft Budget Schedule*

IN CAMERA

MOTION: IN CAMERA

THAT this Board of Health Finance Standing Committee goes in camera for personal matters involving one or more identifiable individuals, including employees or prospective employees. Time: _____

RISE AND REPORT

MOTION: RISE AND REPORT

THAT this Board of Health Finance Standing Committee rises and reports. Time: _____

6. ADJOURNMENT

MOTION: ADJOURNMENT

THAT we do now adjourn. Time: _____

MINUTES
BOARD OF HEALTH FINANCE STANDING COMMITTEE
TUESDAY, JUNE 6, 2023 – 8:30 A.M.
VIRTUAL MEETING

BOARD MEMBERS PRESENT

René Lapierre
Mark Signoretti

Ken Noland

Mike Parent

EX-OFFICIO STAFF PRESENT

Dr. Penny Sutcliffe

France Quirion

Rachel Quesnel, Recorder

INVITED STAFF

Keeley O’Neill

GUEST

Derek D’Angelo, KPMG

R. QUESNEL PRESIDING

1. CALL TO ORDER

The meeting was called to order 8:30 a.m.

2. ROLL CALL

3. ELECTION OF BOARD OF HEALTH FINANCE STANDING COMMITTEE CHAIR FOR 2023

Nominations were held for the position of Board of Health Finance Standing Committee Chair. M. Parent and K. Noland were nominated, and nominations were closed. Both respectfully declined their nominations. Nominations were reopened and M. Signoretti was nominated. Nominations were closed, Mark accepted his nomination, and the following was announced:

01-23 APPOINTMENT OF BOARD OF HEALTH FINANCE STANDING COMMITTEE CHAIR

MOVED BY LAPIERRE – PARENT: THAT the Board of Health Finance Standing Committee appoint Mark Signoretti as the Board of Health Finance Standing Committee Chair for 2023.

CARRIED

M. SIGNORETTI PRESIDING

4. REVIEW OF AGENDA/DECLARATIONS OF CONFLICTS OF INTEREST

There were no declarations of conflict of interest.

5. APPROVAL OF BOARD OF HEALTH FINANCE STANDING COMMITTEE MINUTES

5.1 Board of Health Finance Standing Committee Notes dated October 31, 2022

02-23 APPROVAL OF MEETING NOTES

MOVED BY LAPIERRE – NOLAND: THAT the meeting notes of the Board of Health Finance Standing Committee meeting of October 31, 2022, be approved as distributed.

CARRIED

6. NEW BUSINESS

6.1 2022 Audited Financial Statements

- a) Briefing Note from the Medical Officer of Health and Chief Executive Officer dated May 30, 2023

Dr. Sutcliffe reviewed the briefing note for this item and acknowledged F. Quirion and finance team for the significant work and thoroughness throughout the year and in their preparation for the audit.

KPMG completed the audit of the 2022 Financial Statements for Public Health Sudbury & Districts and is in its second-year term of a three-year service agreement.

Based on the auditor's report, the financial statements present fairly, in all material respects, the financial position of Public Health Sudbury & Districts as at December 31, 2022, 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. There were no recommendations received as a result of the 2022 audit completed by KPMG.

- b) Review of the 2022 Audited Finding Report and Audited Financial Statements
 - F. Quirion, Director, Corporate Services
 - K. O'Neill, Manager, Accounting Services
 - Derek D'Angelo and Jennifer Bronicheski, KPMG

F. Quirion acknowledged the commitment and dedication of the Manager of Accounting Services and team for their work relating to the 2022 audit.

The financial statements provide the financial performance of the Public Health Sudbury & Districts and is based on the budget framework endorsed by our Board of Health. A condition of funding is that an annual audit is conducted of PHSD's financial information and copy of the Audited Financial Statements with the completed Annual Reconciliation and Attestation Report is provided to the Ministry. The Audited Financial

Statements, presented in draft, were prepared in compliance with the Generally Accepted Accounting Principles.

It was noted that Jennifer Bronicheski from KPMG could not join today's meeting. Derek D'Angelo was introduced and invited to present the Auditor's Audit Findings Report for year ending December 31, 2022.

It was highlighted that CAS 315, *Identifying and Assessing the Risks of Material Misstatements*, was effective for the fiscal 2022 audit; therefore, the auditors performed the required procedures to comply with this new auditing standard and had no findings to report. Audit quality indicators and content of the appendices were also summarized.

Questions and comments were entertained. It was clarified that language and audit procedures relating to management override of controls are standard for all audits.

D. D'Angelo was thanked for his presentation.

F. Quirion recapped that 2022 was another busy year due to PHSD's continued COVID-19 response, the focus on Public Health recovery priorities and addressing the backlog of programs and services due to the pandemic. The ministry continued to provide Public Health Units with funding for COVID-19 extraordinary expenses in 2022 for both case and contact management as well as vaccine clinics with the understanding that cost-shared funding would need to be completely expensed before being eligible for extraordinary funding. The Infrastructure Modernization projects also continued. The renovated Elm Place office opened its doors at the end of January 2022 and the renovations at 1300 Paris Street were substantially completed in August with staff being welcomed back to the main office location September of 2022 to a newly renovated building and a new hybrid working environment.

PHSD navigated through these shifting priorities and adjusted its spending approach to ensure the best financial position. Significant variances continue to be attributable primarily to COVID-19 and the modernization project overall.

K. O'Neill provided a detailed overview of the statements and notes.

Discussion was held regarding the accumulated surplus. It was shared that a review will be undertaken to evaluate the employee benefit obligations in order to determine appropriate funding for these funds and whether any transfers between funds are required. M. Parent inquired about PHSD's policy as it relates to its reserve fund and information will be summarized and shared. It was further noted that a detailed orientation to this topic would be of benefit to the entire Board.

It was clarified that the decrease in professional fees in 2022 compared to 2021 under Administrative Expenses in Note 8 are not related to professional licenses but rather to the decrease in COVID-19 partnership expenditures with the City of Greater Sudbury.

Additional information was provided regarding provincial funding for northern health units for service provision in unorganized territories.

03-23 2022 AUDITED FINANCIAL STATEMENTS

MOVED BY PARENT – NOLAND: THAT the Board of Health Finance Standing Committee recommend to the Board of Health for the Sudbury and District Health Unit the adoption of the 2022 audited financial statements.

CARRIED

6.2 Year to Date Financial Statements

a) March 2023 Financial Statements

The financial statements ending March 31, 2023, show a negative variance of \$93,462 in the cost-shared programs before considering COVID-19 extraordinary expenses. It was pointed out that the mitigation funding for 2023 is not reflected as the funding will start to flow to health units in the second quarter of 2023. When calculating the expected mitigation funding up to March 31, 2023, the actual variance in cost shared programs is a positive variance of \$201,413.

The year-to-date financial statements account for \$1,175,942 in COVID-19 extraordinary expenses incurred to the end of March 2023. Cost-shared funding must be fully used prior to utilizing COVID-19 extraordinary funding; therefore, the actual variance in cost-shared programs at March 31 is nil with \$974,529 in COVID-19 extraordinary expenses.

The Ministry has not yet approved funding for COVID-19 extraordinary programming in 2023; however, has messaged that health units will continue to be able to access COVID extraordinary funding in 2023.

Questions and comments were entertained. M. Parent inquired where substance use expenses are captured within the divisional programs/services expenses. It was clarified that the breakdown of divisional programs and services align with historical reporting requirements from the Ministry and operational structures. P. Sutcliffe and F. Quirion noted that specific budget lines under the Health Protection and Health Promotion divisions capture PHSD work in this area under harm reduction and mental health and

additions programs, in addition to programming within other lines and within the Knowledge and Strategic Services Division.

Dr. Sutcliffe added that a presentation on substance use is scheduled for the June Board of Health meeting and will outline responsibilities of the Board in this area.

7. ADJOURNMENT

04-23 ADJOURNMENT

MOVED BY LAPIERRE – PARENT: THAT we do now adjourn. Time: 9:44 a.m.

CARRIED

(Chair)

(Secretary)

APPROVAL OF MEETING NOTES

MOTION:

THAT the meeting notes of the Board of Health Finance Standing Committee meeting of June 6, 2023, be approved as distributed.

Public Health Sudbury & Districts
STATEMENT OF REVENUE & EXPENDITURES
For The 9 Periods Ending September 30, 2023

Cost Shared Programs

	Annual Budget	Budget YTD	Current Expenditures	Variance YTD	Balance Available
			YTD	(over)/under	
Revenue:					
MOH - General Program	17,005,200	12,838,950	12,838,950	0	4,166,250
MOH - One Time Mitigation Grant	1,179,500	884,627	884,627	0	294,873
MOH - Unorganized Territory	826,000	619,504	619,504	0	206,496
Municipal Levies	9,418,510	7,063,956	7,063,956	(0)	2,354,554
Interest Earned	120,000	120,000	320,578	(200,578)	(200,578)
Total Revenues:	\$28,549,210	\$21,527,037	\$21,727,615	\$(200,578)	\$6,821,595
Expenditures:					
Corporate Services:					
Corporate Services	5,572,941	4,422,665	4,206,546	216,119	1,366,396
Office Admin.	111,350	62,503	60,163	2,340	51,187
Espanola	120,721	91,779	90,351	1,428	30,370
Manitoulin	131,888	100,384	84,660	15,724	47,228
Chapleau	130,602	98,995	79,871	19,124	50,731
Sudbury East	18,970	14,227	14,532	(305)	4,438
Intake	343,287	264,067	254,047	10,020	89,240
Facilities Management	677,485	481,651	482,925	(1,274)	194,560
Volunteer Resources	3,850	963	0	963	3,850
Total Corporate Services:	\$7,111,094	\$5,537,234	\$5,273,095	\$264,139	\$1,837,999
Health Protection:					
Environmental Health - General	1,299,780	1,017,112	951,333	65,778	348,446
Environmental	2,668,155	1,974,796	1,805,112	169,684	863,043
Vector Borne Disease (VBD)	89,308	34,061	23,916	10,144	65,391
Small Drinking Water Systems	198,210	152,469	81,117	71,352	117,093
CID	786,461	612,100	803,372	(191,272)	(16,911)
Districts - Clinical	214,329	165,099	166,391	(1,291)	47,939
Risk Reduction	178,042	37,237	34,226	3,011	143,816
SFO: E-Cigarettes, Protection and Enforcement	265,559	182,115	161,461	20,654	104,098
Total Health Protection:	\$5,699,844	\$4,174,989	\$4,026,929	\$148,060	\$1,672,915
Health Promotion:					
Health Promotion - General	1,156,588	843,540	826,068	17,472	330,520
School Health and Behavior Change	1,177,924	893,520	813,336	80,185	364,588
Districts - Espanola / Manitoulin	353,273	268,990	272,073	(3,083)	81,200
Nutrition & Physical Activity	1,951,353	1,435,612	1,156,549	279,062	794,804
Districts - Chapleau / Sudbury East	421,764	321,143	326,420	(5,277)	95,344
Tobacco, Vaping, Cannabis & Alcohol	675,857	484,019	98,367	385,651	577,490
Family Health	1,344,607	1,006,163	865,606	140,557	479,001
Mental Health and Addictions	786,387	582,346	1,058,666	(476,320)	(272,280)
Dental	464,592	348,873	296,819	52,054	167,773
Healthy Smiles Ontario	634,445	474,537	465,385	9,153	169,060
Vision Health	11,770	7,214	4,539	2,675	7,231
SFO: TCAN Coordination and Prevention	473,208	344,703	337,817	6,887	135,391
Harm Reduction Program Enhancement	161,321	119,887	38,605	81,282	122,716
Total Health Promotion:	\$9,613,088	\$7,130,547	\$6,560,250	\$570,297	\$3,052,838
Vaccine Preventable Diseases and COVID Preventio					
VPD and COVID CCM - General	311,216	226,264	233,919	(7,655)	77,297
VPD and COVID CCM	909,095	700,120	915,879	(215,759)	(6,784)
Sexual Health	1,353,228	1,036,928	988,151	48,777	365,078
MOHLTC - Meningittis	(0)	(0)	0	(0)	(0)
Total SVC:	\$2,573,539	\$1,963,312	\$2,137,949	\$(174,637)	\$435,591
Knowledge and Strategic Services:					
Knowledge and Strategic Services	3,021,373	2,283,467	2,339,207	(55,740)	682,165
Workplace Capacity Development	23,507	11,463	8,196	3,268	15,311
Health Equity Office	14,440	8,740	17,491	(8,752)	(3,051)
Nursing Initiatives: CNO, ICPHN, SDoH PHN	482,094	370,842	367,148	3,694	114,946
Strategic Engagement	10,230	750	442	308	9,788
Total Knowledge and Strategic Services:	\$3,551,644	\$2,675,262	\$2,732,485	\$(57,223)	\$819,159
Total Expenditures:	\$28,549,210	\$21,481,344	\$20,730,708	\$750,636	\$7,818,502
Net Surplus/(Deficit)	\$0	\$45,692	\$996,907	\$951,215	

Public Health Sudbury & Districts

Cost Shared Programs

STATEMENT OF REVENUE & EXPENDITURES
 Summary By Expenditure Category
 For The 9 Periods Ending September 30, 2023

	BOH Annual Budget	Budget YTD	Current Expenditures YTD	COVID-19 Expenditures YTD	Total Expenditures YTD	Cost Shared Variance YTD (over)/under	Total Variance YTD (over)/under	Budget Available
Revenues & Expenditure Recoveries:								
MOH Funding	28,621,571	21,599,398	21,831,392	0	21,831,392	(231,995)	(231,995)	6,790,179
Other Revenue/Transfers	638,091	445,275	523,255	0	523,255	(77,980)	(77,980)	114,836
Total Revenues & Expenditure Recoveries:	29,259,662	22,044,673	22,354,648	0	22,354,648	(309,974)	(309,974)	6,905,014
Expenditures:								
Salaries	18,610,509	14,313,680	13,911,640	2,639,027	16,550,667	402,040	(2,236,988)	4,698,869
Benefits	5,870,045	4,515,171	4,368,409	373,705	4,742,114	146,762	(226,943)	1,501,636
Travel	291,920	175,456	151,403	33,092	184,495	24,053	(9,039)	140,517
Program Expenses	1,076,576	425,607	460,302	13,951	474,253	(34,695)	(48,646)	616,274
Office Supplies	75,150	44,791	16,717	6,589	23,305	28,074	21,486	58,433
Postage & Courier Services	74,100	52,410	50,204	0	50,204	2,206	2,206	23,896
Photocopy Expenses	4,240	2,994	8,540	0	8,540	(5,545)	(5,545)	(4,300)
Telephone Expenses	67,810	50,857	49,196	10,803	59,999	1,661	(9,141)	18,614
Building Maintenance	479,008	363,701	362,518	3,155	365,674	1,183	(1,972)	116,490
Utilities	236,920	177,690	125,169	0	125,169	52,521	52,521	111,751
Rent	323,548	242,661	242,813	84,744	327,558	(153)	(84,897)	80,735
Insurance	191,590	190,340	185,311	0	185,311	5,029	5,029	6,279
Employee Assistance Program (EAP)	35,000	26,250	25,903	0	25,903	347	347	9,097
Memberships	33,209	25,866	33,749	0	33,749	(7,883)	(7,883)	(540)
Staff Development	125,781	52,535	25,849	213	26,062	26,687	26,473	99,932
Books & Subscriptions	9,695	6,202	6,382	0	6,382	(180)	(180)	3,313
Media & Advertising	130,654	25,026	20,448	497	20,946	4,577	4,080	110,206
Professional Fees	415,012	261,522	352,342	55,146	407,488	(90,819)	(145,966)	62,670
Translation	49,390	39,679	49,585	10,534	60,119	(9,906)	(20,440)	(195)
Furniture & Equipment	22,120	7,357	(1,746)	0	(1,746)	9,103	9,103	23,866
Information Technology	1,137,385	999,186	913,008	32,538	945,546	86,178	53,640	224,377
Total Expenditures	29,259,662	21,998,981	21,357,740	3,263,996	24,621,737	641,240	(2,622,756)	7,901,921
Net Surplus (Deficit)	0	45,692	996,907		(2,267,089)	951,215	2,312,781	

Sudbury & District Health Unit o/a Public Health Sudbury & Districts
SUMMARY OF REVENUE & EXPENDITURES
For the Period Ended September 30, 2023

Program	FTE	Annual Budget	Current YTD	Balance Available	% YTD	Program Year End	Expected % YTD
100% Funded Programs							
Indigenous Communities	703	90,400	31,812	58,588	35.2%	Dec 31	75.0%
Pre/Postnatal Nurse Practitioner	704	139,000	72,355	66,645	52.1%	Mar 31/2024	50.0%
LHIN - Falls Prevention Project & LHIN Screen	736	100,000	8,930	91,070	8.9%	Mar 31/2024	50.0%
Northern Fruit and Vegetable Program	743	176,100	144,662	31,438	82.1%	Dec 31	75.0%
MOH - ISPA Vaccination Clinic Catch Up	756	-	80,412	(80,412)	#DIV/0!	Mar 31/2024	50.0%
Supervised Consumption Site	767	1,094,021	678,370	415,651	62.0%	Dec 31	75.0%
Healthy Babies Healthy Children	778	1,476,897	694,852	782,045	47.0%	Mar 31/2024	50.0%
IPAC Congregate CCM	780	840,000	356,856	483,144	42.5%	Mar 31/2024	50.0%
Ontario Senior Dental Care Program	786	1,256,200	696,272	559,928	55.4%	Dec 31	75.0%
Anonymous Testing	788	64,293	32,148	32,145	50.0%	Mar 31/2024	50.0%
Total		5,236,911	2,796,669	2,440,242			

Capital Projects

Financial Report - As of October 27, 2023 (Revised November 4, 2023)

Item # 5. b

	Budget	Paris Street	Elm Place	Lab Roof Repair	Elevator Repair	
Infrastructure Modernization Projects						
Reserves	11,000,000	8,819,361	1,022,812			1,157,827
MOH Funding for OSDC Clinic	1,245,299		1,245,299			-
MOH Funding for Patio/Terrace Repair	929,305			887,742		41,563
MOH Funding for Elevator Repair	200,000				221,601	(21,601)
Total Funding Available	13,374,604	8,819,361	2,268,111	887,742	221,601	1,177,789

Paris Street

Renovation Costs (Matheson)	6,965,218
Building Permit	85,200
Wall Remediation (Northern Corrugated)	193,600
Contract administration - kitchen equipment bid tender	27,143
Furniture & Equipment	835,716
Architect fees (3rd Line)	596,615

Total costs before HST	8,703,492
Plus HST	1,120,378
Less HST rebate	968,696
Net project cost	8,855,174
Less Enbridge rebate	13,095
Less auction revenue (2021/2022)	22,718
TOTAL PROJECT COSTS	8,819,361

Project budget 8,640,000

Under (over) budget (179,361)

Elm Place

Renovation Costs (Prosperi)	1,942,921
Building Permit	22,170
Furniture & Equipment	92,167
Architect fees (YBSA)	172,008.20

Total costs before HST	2,229,266
Plus HST	286,922
Less HST rebate	248,078
TOTAL PROJECT COSTS	2,268,111

Project budget 2,945,299

Under (over) budget 677,188

Lab Roof/Terrace Renovations

Construction	820,837
Contract costs	17,887
Architect fees	33,250

Total costs before HST	871,974
Plus HST	113,357
Less HST rebate	98,010
TOTAL PROJECT COSTS	887,321

Project budget 929,305

Under (over) budget 41,984

Elevator Repair

Contract costs	181,137
Admin fees	36,632

Total costs before HST	217,769
Plus HST	28,310
Less HST rebate	24,477
TOTAL PROJECT COSTS	221,601

Project budget 200,000

Under (over) budget (21,601)

Electrical Switchboard

	Cost	15%
North Engineering	7570	1135.5
	2650	397.5
	2310	346.5

	<u>Original Project cost</u>
Renovation Costs (Matheson)	6,664,900
Building Permit	90,643
Wall Remediation (Northern Corrugated)	206,200
Contract administration - kitchen equipment bid tender	28,593
Furniture & Equipment	
Architect fees (3rd Line)	531,217

current to change order 79

https://sp2013/sites/Corp/Finance/Funding%20and%20Budgeting/REVISED_Recon

Cumulative Change Orders	Adjusted Contract Amount	Cumulative Payments	Balance Owing
300,318	6,965,218	6,859,256	105,962
	85,200	85,200	-
(12,600)	193,600	193,600	-
	27,143	27,143	-
	835,716	835,716	-
65,398	596,615	596,615	-
Total costs before HST	8,703,492		
Plus HST	1,120,378		
Less HST rebate	968,696		
Net project cost	8,855,174		
Less Enbridge rebate	13,095		
Less auction revenue (2021/2022)	22,718		
TOTAL PROJECT COSTS	8,819,361		
Project budget	8,640,000		
Under (over) budget	(179,361)		

[Reconciliation of 3rd Line Fees Mar 24 2020-2023LS FQ.xlsx](#)

	<u>Original Project cost</u>	<u>Cumulative Change Orders</u>
Renovation Costs (Prosperi)	1,847,500	95,421
Building Permit	22,170	
Furniture & Equipment		
Architect fees (YBSA)	133,767	38,241

Total costs before HST

Plus HST

Less HST rebate

TOTAL PROJECT COSTS

Original project budget

Less amount repayable to MOH

Adjusted budget

Under (over) budget

<u>Adjusted Contract Amount</u>	<u>Cumulative Payments</u>	<u>Balance Owing</u>
1,942,921	1,936,375	6,546
22,170	22,170	-
92,167	92,167	-
172,008.20	189,895	(17,887)
2,229,266		
286,922		
248,078		
<u>2,268,111</u>		
3,206,734		
261,435		
<u>2,945,299</u>		
<u>677,188</u>		

Architect Fees

172517

23750

15000

133767

Change to basic service fees

116013

113147

2866

	<u>Original Project cost</u>	<u>Cumulative Change Orders</u>
Renovation Costs	9,122	
Architect fees	33,250	
Architect Reimbursable Expenses		
Geotechnical investigation & Review	7,708	
Admin fees	1,368	
CK Construction Cost	744,800	2,307
Construction Contingency 10%		

Total costs before HST
Plus HST
Less HST rebate
<u>TOTAL PROJECT COSTS</u>
<u>Project budget - MOH capital</u>
<u><u>Under (over) budget</u></u>

<u>Adjusted Contract Amount</u>	<u>Cumulative Payments</u>	<u>Balance Owing</u>	
9,122	9,122	-	
33,250	32,565	685	
413	413		
7,397	7,397	0	WSP E&I Canada Limited
1,368	1,368	0	
747,107	475,433	271,674	
73,730			
872,388			
113,410			
98,056			
887,742			
929,305			
41,563			

Lab Roof/Terrace Renovations	
Construction	819,280
Contract costs	17,887
Architect fees	33,250

	<u>Original Project cost</u>	<u>Cumulative Change Orders</u>	<u>Adjusted Contract Amount</u>
Contract costs	175,951	5,186	181,137
Admin fees			36,632
			-
			217,769
			28,310
			24,477
			221,601
			200,000
			(21,601)

Cumulative Payments Balance Owing

175,951	5,186	TK elevator (through Eqauns)
	36,632	Equans
	-	

Board of Health Finance Committee

Policy Review Schedule

STATUS COLOR LEGEND & TOGGLE

Not Started	In Progress	Delayed	Complete
ON	ON	ON	ON

CATEGORY	SECTION	NUMBER	SUBJECT	DESCRIPTION	APPROVED BY	ORIGINAL DATE	MOST RECENT ACTIVITY DATE	ACTIVITY TYPE	NEXT REVIEW DATE	STATUS
Board of Health By-Laws	By-laws	G-I-20	By-law 02-88	Duties of the Auditor of the BOH	Board of Health	1988/06/23	2022/09/15	Reviewed	2024/09/01	Not Started
Board of Health By-Laws	By-laws	G-I-10	By-law 01-88	Management of Property	Board of Health	1988/06/23	2022/09/15	Reviewed	2024/09/01	Not Started
Board of Health By-Laws	By-laws	G-I-40	By-law 01-93	Financial Authority	Board of Health	1993/04/22	2022/09/15	Reviewed	2024/09/01	Not Started
Board of Health By-Laws	By-laws	G-I-70	By-law 12-05	Reserve Management	Board of Health	2005/12/01	2022/09/15	Reviewed	2024/09/01	Not Started
Public Health Standards	Organizational Standards	J-I-10	Ontario Public Health Organizational Standards, Management Operations	OPH Standards, Management Operations	Board of Health	2014/02/20	2022/09/15	Revised	2024/09/01	Not Started

Board of Health Finance Committee

Operational Policy Review Schedule

STATUS COLOR LEGEND & TOGGLE

Not Started ON	In Progress ON	Delayed ON	Complete ON
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CATEGORY	SECTION	NUMBER	SUBJECT	DESCRIPTION	MOST RECENT ACTIVITY DATE	ACTIVITY TYPE	PROPOSED REVIEW CYCLE/DATE	STATUS
Human Resources	Compensation-Payroll & Benefit Administration	K-VII-30	Leave of Absence - Leave without pay	Sets out guidelines around leave of absences	2013/09/01	Revised	2019	In Progress
Corporate Services	Purchasing	E-IX-15	Initial Competitive Process for Procurement of goods and non-consulting services (\$15,000-\$75,000)	Sets out the competitive process for procurement when goods and services are between \$15,000 - \$75,000	2012/03/01	Revised	2019	In Progress
Corporate Services	Purchasing	E-IX-17	Procurement-Purchase Order	Outlines purpose, process, and responsibilities of issuing PO's	2012/03/01	Revised	2019	In Progress
Corporate Services	Purchasing	E-IX-30	Procurement-Petty Cash Fund and Reconciliation	Establishes when and how petty cash can be used	2012/03/01	Revised	2019	In Progress
Corporate Services	Operating Budget	E-VI-30	Execution and Control of Approved Budget	Establishes authority on budget spending and reallocation	2017/12/01	Reviewed	2020	In Progress
Corporate Services	Assets/Liabilities	E-X-20	Reserve for Sick Leave and Vacation Pay Benefits	Sets out how sick leave benefits will be paid upon employee termination	2017/12/01	Reviewed	2020	In Progress
Accounting	Internal Controls	E-V-30	Authorization	Describes the signing authority levels by dollar value and position	2012/04/01	Revised	2020	In Progress
Corporate Services	Operating Budget	E-VI-20	Budget Preparation and Review	Establishes a high level process for budget request and cycle	2012/05/01	Revised	2020	In Progress
Corporate Services	Purchasing	E-IX-18	Centralized Advertising Procurement	Establishes the advertising requirements for HR position and the purchase of advertising	2013/07/01	Revised	2020	In Progress
Accounting	Purchasing	E-IX-25	Purchase of Services-Agreements/Contracts	Establishes the principles, procedures, requirements and guidelines to be followed when establishing a contract	2015/06/01	Revised	2020	In Progress
Corporate Services	Monetary Issues	E-II-40	Reimbursement of Expenses	Sets out the rules for the reimbursement of out-of-pocket expenses while on business for the employer	2016/12/01	Revised	2020	In Progress
Corporate Services	Assets/Liabilities	E-X-10	Control of fixed Assets	Establishes the Dir, CS as the authority for the purchase of fixed assets	2017/12/01	Reviewed	2022	In Progress
Corporate Services	Assets/Liabilities	E-X-12	Disposal of Assets	Establishes the rules for the disposal of assets	2018/02/28	Reviewed	2023	Not Started
Corporate Services	Ontario Ministry of Health Budget Forms	E-VII-11	Budget Submission	Establishes the requirement to submit a budget to MOHLTC and MCYS	2018/02/28	Revised	2023	Not Started
Corporate Services	Banking	E-VIII-10	Security and Authorization	Establishes the MOH as having authorization for the financial affairs and signing authority and Dir. CS responsibilities	2018/02/28	Revised	2023	In Progress
Accounting	Purchasing	E-IX-10	Authorization	Establishes the requirement for purchase orders	2019/04/01	Revised	2024	Not Started
Accounting	Purchasing	E-IX-11	Receiving	Sets out the requirement to document all goods received by SDHU	2019/04/01	Revised	2024	Not Started
Accounting	Revenue	E-XI-10	Cash Receipts	Sets out how cash will be handled	2019/04/01	Revised	2024	Not Started
Accounting	Revenue	E-XI-20	Accounts Receivable	Describes how accounts receivable will be collected	2019/04/01	Revised	2024	Not Started
Accounting	Revenue	E-XI-30	Municipal Levy	Sets out the authority to levy municipalities	2019/04/01	Revised	2024	Not Started
Accounting	Revenue	E-XI-40	Fees	Establishes the authority to establish user fees	2019/04/01	Revised	2024	Not Started
Human Resources	Compensation-Payroll & Benefit Administration	K-IV-30	Authorization of Direct Deposit	Establishes that payroll will be through direct deposit	2019/04/01	Revised	2024	Not Started
Human Resources	Compensation-Payroll & Benefit Administration	K-IV-40	Death Benefits	Establishes the SDHU as being responsible to initiate death benefits with the executor of estate	2019/04/01	Reviewed	2024	Not Started
Corporate Services	Purchasing	E-IX-16	Open Competitive Process (contracts over \$75,000)	Sets out the competitive process for procurement when goods and services that are above \$75,000	2019/07/03	Revised	2024	Not Started
Corporate Services	Purchasing	E-IX-14	Procurement-Over-arching goods and services and consulting	Overarching policy regulating procurement	2019/07/03	Revised	2024	Not Started
Human Resources	Compensation-Payroll & Benefit Administration	K-IV-70	Verification of Employment and Wages	Requirements for SDHU verification of employment and wages	2022/10/19	Reviewed	2027	Not Started
Human Resources	Compensation-Payroll & Benefit Administration	K-X-20	Paid Holidays	Establishes observed paid holidays and eligibility	2022/05/30	Revised	2027	Not Started
Human Resources	Terms and Conditions of Employment	K-V-50	Personal Automobile	Sets out the guidelines for use of a personal automobile for business purposes	2022/07/20	Revised	2027	Not Started
Human Resources	Compensation-Payroll & Benefit Administration	K-IV-50	Pay Periods/Disbursements	Establishes pay periods based on employee status	2023/07/04	Revised	2028	Not Started
Corporate Services	Purchasing	E-IX-13	Credit Card Purchases	Establishes the rules for the provision of credit cards	2023/07/04	Revised	2028	Not Started
Corporate Services	Internal Controls	E-V-50	External Auditors	Establishes how the Auditors will be appointed and their responsibility	2023/07/04	Revised	2028	Not Started
Corporate Services	Internal Controls	E-V-40	Asset Safeguards	Describes insurance requirements, lock & keys, computer data access and back up requirements	2023/07/04	Reviewed	2028	Not Started
Corporate Services	Internal Controls	E-V-10	General	Sets out how budgets will be approved, the production of monthly financial statements, a chart of accounts and fidelity bonding	2023/07/04	Reviewed	2028	Not Started
Corporate Services	Internal Controls	E-V-20	Segregation of Duties	Ensures that difference positions complete different parts of processes and that different individuals check work done by other employee	2023/07/04	Reviewed	2028	Not Started
Corporate Services	Assets/Liabilities	E-X-11	Capitalization of Fixed Assets	Describes the minimum value for a capital purchase and how those will be dealt with as well as the amortizations periods	2023/07/04	Revised	2028	Not Started
Accounting	Purchasing	E-IX-12	Accounts Payable	Describes how payments will be made to suppliers and handled in our Accounting system	2023/07/04	Revised	2028	Not Started
Accounting	Banking	E-VIII-11	Bank Reconciliation	Establishes the requirement for banks balances to be reconciled to the GL on a monthly basis	2023/07/04	Reviewed	2028	Not Started

Briefing Note

To: Mark Signoretti, Chair, Board of Health Finance Standing Committee

From: Dr. Penny Sutcliffe, Medical Officer of Health and Chief Executive Officer

Date: October 30, 2023

Re: Proposed 2024 Cost-Shared Operating Budget – Background Context and Assumptions

For Information

For Discussion

For a Decision

Issue:

The proposed 2024 cost-shared operating budget for the Board of Health for Public Health Sudbury & Districts is based on careful planning in the context of unprecedented system change, programmatic uncertainties, and financial pressures.

This briefing note describes the background context and key assumptions for the 2024 budget deliberations, noting that they form the foundation for the proposed budget, in addition to considerations to be discussed in closed session. Following the Finance Standing Committee's deliberations, endorsement of the following is sought:

Recommended Action:

THAT the Board of Health Finance Standing Committee, having reviewed and discussed the details of the proposed 2024 cost-shared operating budget at its November 6, 2023, meeting, direct the Medical Officer of Health to finalize the budget per these discussions; and

THAT the Finance Standing Committee so recommend this budget to the Board of Health for approval at its November 16, 2023 meeting.

Context:

Environment:

The 2023 year saw continued local public health efforts in the response to the pandemic while we worked to prioritize and address the backlog of programs and services and focused on catching up. This involved the ongoing and careful repatriation of staff and resources from COVID-19 back to Ontario Public Health Standards (OPHS) programming while recruiting and filling needed positions in COVID-19 to ensure continued response capacity.

2018–2022 Strategic Priorities:

1. Equitable Opportunities
2. Meaningful Relationships
3. Practice Excellence
4. Organizational Commitment

The provincial government shifted its focus from the pandemic to pre-COVID-19 priorities. With this shift, on August 22, 2023, the Ministry of Health announced significant changes to the Ontario's public health system, titled *Strengthening Public Health*, which focuses on three areas:

1. **Roles and responsibilities** – review the Ontario Public Health Standards (OPHS) to identify what can be refined, stopped or “re-leveled” to regional or provincial levels; implement fully revised OPHS beginning January **2025**
2. **Voluntary mergers** - fewer local public health units/agencies but with greater capacity to delivery core programs and better aligned with broader health system; any savings would be reinvested in local public health; mergers to take effect January 1, **2025**
3. **Funding** – in addition to “stabilization funding” noted above, there will be a dedicated three-year merger support fund to provide one-time transition and stabilization costs; the ministry will undertake a review of their methodology for base funding for local public health; implement new funding approach in **2026**

Financial:

2023:

At its November 10, 2022, meeting, the Board of Health approved a cost-shared budget for programs and services of \$28,549,210, representing an increase of \$402,528 (1.43%) over the 2022 restated BOH 2022 approved budget. This included the provincial mitigation grant of \$1,179,500, the full impact of a 1% increase in provincial funding received in 2022 and a 3.75% municipal levy increase.

On August 29, 2023, the Board of Health received correspondence from the Ministry of Health dated August 22, 2023, providing notice of Ministry of Health funding for 2023, including one-time funding for the 2023-24 funding year.

- A 1% increase was received to Mandatory Program funding for an approved allocation of \$17,132,775 for 2023. This allocation is pro-rated for the period of April 1, 2023, to December 31, 2023.
- The approved base funding for the Ontario Seniors Dental Care Program (OSDCP) was increased to \$1,256,200, which is also pro-rated for the period of April 1, 2023, to December 31, 2023.
- The mitigation grant was approved as previously communicated at \$1,179,500.
- The funding for Unorganized Territories was maintained at \$1,092,500.

The Board of Health also requested one time funding. Funding was received for our roof repair capital project (terrace), vaccine catch up for school-aged children, vaccine fridges, and public health inspector practicum. One time funding was not received for our server replacement or for enhancements to the OSDCP.

The Ministry advises that funding approvals for COVID-19 extraordinary costs will be separately communicated and likely will be based on actual costs incurred (based on the quarterly reports). The Ministry also indicated that Infection Prevention and Control (IPAC) Hub funding approvals will be sent separately.

2018–2022 Strategic Priorities:

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2. Meaningful Relationships
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4. Organizational Commitment

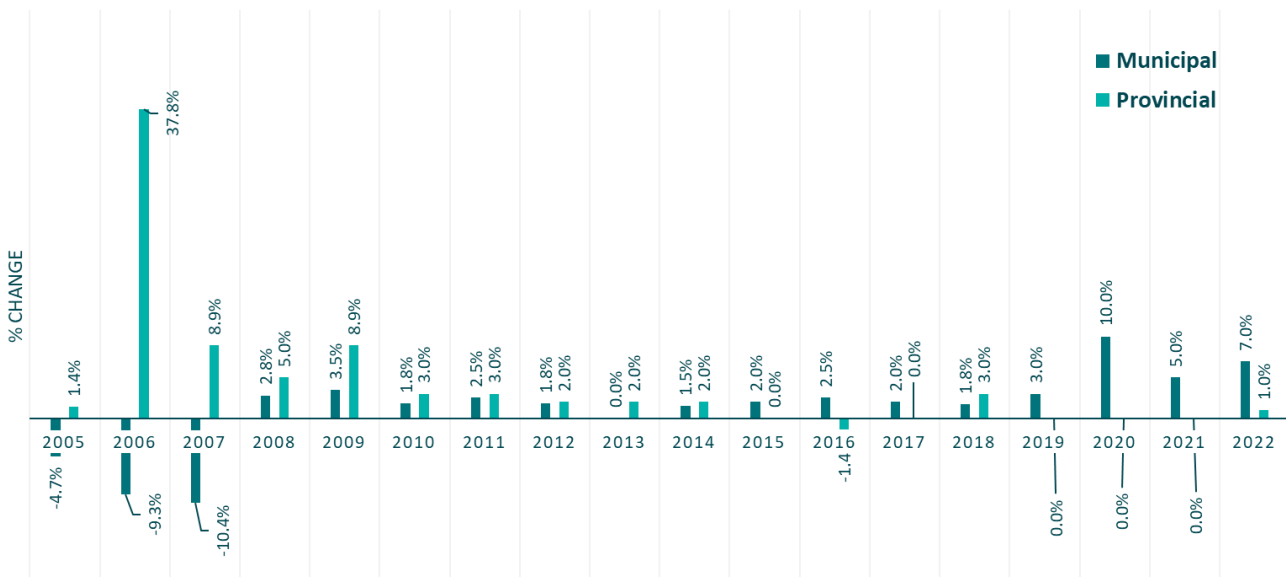
2024:

The Ministry of Health announced on August 22 that starting January 1, 2024, the province will return \$47 million in provincial annual base funding to public health units, which is the level previously provided in 2019 prior to the provincial funding policy change announced that year. Based on meetings with the Ministry, for PHSD that would mean \$1,179,500 (which has been the amount of our mitigation grant) being returned to provincial base funding. It was further announced that the province is also providing local public health units an annual one per cent funding increase over the next three years.

A preliminary financial assessment is that the return to provincial funding at the level provided in 2019 (which had not changed since 2018), combined with an upcoming provincial increase of 1% for three years (2024, 2025, 2026), and the prior increases of 1% in each of 2022 and 2023, is sub-inflationary and that it will be challenging to meet growing and complex local public health needs. Notwithstanding this, the Ministry has stated the recognition of the *urgent need for stabilization while change processes are underway within the system.*

Historical:

The graph below was shared at the September 2023 Board of Health meeting and shows the year over year percent changes to municipal and provincial funding for the base cost-shared budget for Public Health Sudbury & Districts, as per the Board-approved budgets.



Also as shared at the September Board of Health meeting, the funding policy that determines provincial funding as a percentage of Board-approved budgets has changed over time. There has been recognition by Ministry staff that the Ministry grant as a percentage of the Board’s costs has been eroded over time and is calculated based on historical provincial funding rather than on the budgets approved annually by boards of health. The current allocation is based on the 2018 funding to boards of health. Per the legislative responsibilities, boards of health have made different decisions based on

- 2018–2022 Strategic Priorities:
1. Equitable Opportunities
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local cost drivers and local public health needs and, in light of flat lined or sub-inflationary provincial funding, the relative contributions of municipalities have grown.

Assumptions for 2024:

1. In 2024, the Ministry is returning funding levels to those provided in 2019 (which remained at 2018 level). The provincial mitigation grant will be rolled into mandatory base funding. This, combined with a 1% increase in both 2023 and 2024, will provide a base provincial funding grant in 2024 of \$18,538,348.¹
2. The Ministry will continue to fund Unorganized Territories (which incorporates the Northern Fruit and Vegetable and Indigenous Communities programs), the MOH/AMOH Compensation Initiative and the Ontario Senior Dental Care Program (OSDCP) at 100% (as per the 2023 Public Health Funding and Accountability Agreement).
3. Fixed costs, including benefit increases of 13% overall (20% increase in STD, 15% increase in LTD and 16% in dental as well as increases in the rates to employer statutory obligation), steps on salary grids, negotiated settlements, utilities, insurance, etc., continue to increase. Canada's inflation rate year over year has been decreasing however, prices continue to be high. The Bank of Canada has taken an aggressive position by increasing interest rates over the past year significantly impacting holders of flexible interest rate mortgages however, not having much impact on reducing the cost of food, gas and other consumables. Higher prices continue to impact spending capacity.
4. It is the Ministry's expectation that COVID-19 costs will now be managed within the Board's mandatory cost-shared budget and that we should budget accordingly. This is a significant departure from the additional funds that were available over the last three years to boards of health to run the COVID-19 program. The Ministry has indicated that there may be opportunities to request COVID-19 one-time funding for Q1 2024, depending on health units' forecasted expenditures from 2023 Q3 reports and any remaining funding in the Ministry's last quarter (January to March 2024).
5. The recent government announcements regarding Ontario's public health system signal significant change to the status quo. The announcements land in a context of post-pandemic exhaustion of public health professionals with arguably little reserve and much catch-up to do as part of population health recovery efforts.
6. The legislative requirements of boards of health remain the same, as articulated in the *Health Protection and Promotion Act* and related regulations, and the Ontario Public Health Standards and related protocols and guidelines.

Ontario Public Health Standard: Organizational Requirements – Good Governance**Strategic Priority: Organizational Commitment**

¹ History of grants from Ministry of Health for cost-shared budget.

1. Equitable Opportunities
2. Meaningful Relationships
3. Practice Excellence
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MOH Cost Shared Funding History		
Year	Amount	% Change over previous year
2014	14,892,975	0.0%
2015	14,893,000	0.0%
2016	14,893,000	0.0%
2017*	14,687,000	-1.38%
2018	15,127,700	3.0%
2019**	15,298,700	0.0%
2020***	18,016,300 (includes cost shared and 100% funded programs in the amount of 16,836,800 and mitigation grant of 1,179,500) For accurate comparison, 2019 funding including 100% funded programs was 18,016,300.	0%
2021	16,836,800	0.0%
2022****	17,005,200	1.00%
2023^	18,538,348	1.00%

*Integration of Dental cost shared program to 100% funded Healthy Smiles Ontario program

**Cost-shared funding for Vector Borne Disease (VBD) and Small Drinking Water Systems (SDWS) was moved into base line. This does not change overall cost-shared funding levels.

***Funding formula change to 70:30 and integration of most 100% funded programs into cost-shared budget

****1% increase to base funding in 2022, pro-rated at \$16,963,100 for 2022 funding year

^Provincial funding restored to 2020 levels (moving the mitigation grant back into base funding) plus a 1% increase

2018–2022 Strategic Priorities:

1. Equitable Opportunities
2. Meaningful Relationships
3. Practice Excellence
4. Organizational Commitment

2024 SUMMARY OF BUDGET PRESSURES - REVISED

Item # 5.3b
Revised

	in year adjs	2023 MOH Approved	Adjustments	2024 Starting Position	Scenario 1	Scenario 2	Scenario 3
Revenue							
MOHLTC - General Programs	127,575	17,132,775	1,405,573	18,538,348	18,538,348	18,538,348	18,538,348
MOH One Time Mitigation Grant		1,179,500	(1,179,500)				
MOHLTC - Unorganized Territory		826,000	-	826,000	826,000	826,000	826,000
Municipal Levies		9,418,510	-	9,418,510	9,418,510	9,418,510	9,418,510
Interest Earned		120,000	-	120,000	120,000	120,000	120,000
Total Revenue	127,575	28,676,785	226,073	28,902,858	28,902,858	28,902,858	28,902,858
Expenditures							
Salaries & Benefits		24,558,160	1,726,237	26,284,397	26,284,397	26,284,397	26,284,397
Fixed and Operating Costs	127,575	4,118,625	47,643	4,166,268	4,166,268	4,166,268	4,166,268
Total Expenditures	127,575	28,676,785	1,773,880	30,450,665	30,450,665	30,450,665	30,450,665
Projected Budget Shortfall	-	-		(1,547,807)	(1,547,807)	(1,547,807)	(1,547,807)
Budget Adjustments							
Municipal Levy Increase Options							
Per Capita Rate							
Scenario 1	65.44				1,130,221		
Scenario 2	62.41					640,459	
Scenario 3	61.47						489,763
Cost Adjustments Options							
Budget reductions						(505,358)	(646,087)
Vacancy rate					(377,586)	(361,990)	(371,957)
Total reductions					(377,586)	(867,348)	(1,018,044)
Interest income increase					40,000	40,000	40,000
Revised budget shortfall				(1,547,807)	-	-	-

Public Health Sudbury & Districts
Expenditures By Category - Revised

2024 Estimated Budget
Scenario 2
Item # 5.3c

Description	2023 BOH Approved Budget	2024 Recommended Budget	Change (\$) Inc/(Dec)	Change (%) Inc/(Dec)
Salaries	18,649,575	18,808,631	159,056	0.85%
Benefits	5,908,586	6,608,419	699,833	11.84%
Total Salaries & Benefits	24,558,160	25,417,050	858,890	3.50%
Office Supplies	87,031	86,448	(583)	-0.67%
Media & Advertising	131,265	131,265	-	0.00%
Health Services / Purchased Services	132,433	154,433	22,000	16.61%
Professional Fees	74,770	77,070	2,300	3.08%
Travel	287,607	270,607	(17,000)	-5.91%
Program Expenses	915,378	844,080	(71,298)	-7.79%
Telephone Expenses	65,810	68,050	2,240	3.40%
Postage & Courier Services	74,100	90,100	16,000	21.59%
Vector Borne Disease - Education and Surveillance	44,825	44,825	-	0.00%
Books & Subscriptions	9,695	7,445	(2,250)	-23.21%
Furniture & Equipment	22,120	22,453	333	1.51%
Rent Revenue	(69,076)	(69,076)	-	0.00%
Insurance	191,590	208,850	17,260	9.01%
Information Technology	1,132,815	1,335,660	202,845	17.91%
Rent Surplus Transferred to Reserve	56,642	56,642	-	0.00%
Translation	48,890	49,090	200	0.41%
Memberships	31,689	40,189	8,500	26.82%
Expense Recoveries	(620,271)	(637,205)	(16,933)	2.73%
Rent	323,548	328,254	4,706	1.45%
Building Maintenance	687,838	690,966	3,128	0.45%
Utilities	236,920	236,920	-	0.00%
Staff Development	125,431	129,201	3,770	3.01%
Total Operational Expenses	3,991,050	4,166,268	175,218	4.39%
Total Expenditures	28,549,210	29,583,318	1,034,108	3.62%

IN CAMERA

MOTION:

THAT this Board of Health Finance Standing Committee goes in camera for personal matters involving one or more identifiable individuals, including employees or prospective employees. Time: _____

RISE AND REPORT
MOTION:

THAT this Board of Health Finance Standing Committee rises and reports. Time:

ADJOURNMENT

MOTION:

THAT we do now adjourn. Time: _____