

Finance + Audit Committee Report BH.04.OCT10.23.R07

October 10, 2023

Report to: Finance + Audit Committee, Board of Health

Subject 2024 Draft Budget

Recommendations

That the Finance + Audit Committee makes recommendation to the Board of Health to receive and approve the 2024 Draft Budget, as presented.

Background

Wellington-Dufferin-Guelph Public Health (WDGPH) receives funding for its operating budget from multiple sources. These include: the Ministry of Health (“the Ministry”), the Ministry of Children, Community and Social Services (MCCSS), the City of Guelph, the County of Wellington, and the County of Dufferin.

The majority of WDGPH funding comes from the Ministry and is used to fund a range of public health programs that are cost-shared with the three municipalities that comprise WDGPH’s geographic territory (City of Guelph, County of Wellington, County of Dufferin). In addition, there are also a small number of 100% provincially funded programs.

Pandemic-related expenses for vaccination and case and outbreak management continue to be incurred in 2023.

In 2023, the Ministry continued their COVID-19 reimbursement program for extraordinary pandemic costs that exceed the budget capabilities of Ontario Public Health Units (PHU) – including WDGPH. As a result, COVID-19 expenses incurred above and beyond the Agency’s budget resources, have been treated separately and will continue to reside outside of the operating budget for the remainder of 2023. Though not yet confirmed formally, the Ministry has signalled that the reimbursement program will not continue into 2024.

This report presents a consolidated budget of the Agency’s program funding that is provided by the Ministry and includes a breakdown of: (a) programs that are cost-shared with the three municipalities, and (b) programs that are funded 100% by the Ministry. Appendices 1, 2 and 3 present these budgets, grouped as follows:

- *Appendix “1”* – Cost-shared Budget;
- *Appendix “2”* – Ministry of Health 100% funded budgets: includes all sources of funding for specific initiatives that receive 100% provincial funding; and
- *Appendix “3”* – Consolidated Budget.

Each of the sub-budgets have been numbered, as follows, and these numbers will be used consistently throughout this Report when referring to a sub-budget component:

Report Reference Number	Budget Type	Appendix
(1)	Cost-Shared Programs (Mandatory)	Appendix “1”
(2)	100% Ministry of Health Funded Budgets	Appendix “2”
(3)	Consolidated Budget	Appendix “3”

Public Health and/or Financial Implications

The following assumptions have informed the 2024 budget:

Year Over Year Revenue Highlights:

- WDGPH received a 1% base budget increase from the Ministry of Health effective April 1, 2023. This results in an increase of \$111,975 for 2023. An additional 1% increase is expected April 1, 2024.
- WDGPH is requesting that municipal funding be increased by 2.6% to support the overall cost-shared budget increases noted in this report.
- A transfer of \$300,000 from the Contingency Reserve is planned to balance the budget for 2024. This will be replenished in 2025.

Year Over Year Expense Highlights:

- Salaries & Wages – salary increase of 3.75% for all budgeted positions.
- Employee Benefits:
 - Statutory – increases to CPP 10.1% (7.7%) prior year, EI 10.7% (8%) prior year and OMERS maximum 4.5% (3%) prior year.
 - Non-statutory – increases (including Medical 7.6% (2.1%) prior year, Dental – 3.4% (-4%) prior year, and Long-term Disability 11.3% (2.4%) prior year, based on most current projections from benefit consultants (Mosey & Mosey).
- Staff Training – increase in staff training post pandemic.
- Professional and Purchased Services – expected increase in insurance premiums is offset by reductions in other fees for service areas.
- Building Occupancy – Mortgage Payments and Interest – decrease as final mortgage payment will be made July 15, 2024, resulting in reduced expenses in the fourth quarter of 2024.
- Information, IT Equipment and Telecommunications:
 - Computer Software Subscriptions – increase costs of subscription renewals, primarily O365 and new Chatbot.
 - Computer Hardware – increase costs to refresh laptops.
 - Phone Services – increase.

(1) Cost-Shared Programs

Funding for Cost-Shared Programs is received as a global budget, meaning the Agency receives a lump sum of funding from the province used to fund program deliverables required to ensure adherence to the Ontario Public Health Standards. The allocation of these funds is determined by the BOH based on Senior Management recommendations.

Cost-Shared Programs Included in this Funding Allocation:

- Adverse Events Following Immunizations
- Childcare Inspections
- Chronic Diseases Prevention & Well Being
- Community Based Immunization Outreach
- COVID-19 Vaccination
- COVID-19 General
- Effective Public Health Practice
- Emergency Management
- Food Safety
- Harm Reduction Program
- Health Equity
- Health Hazard Prevention and Management
- Healthy Smiles Ontario and Dental Clinic
- Immunization for Children in Schools & Licensed Child Care
- Immunization Monitoring & Surveillance
- Infection Control
- Infectious Diseases Prevention
- Menu Labelling
- Needle Exchange
- Oral Health Assessment and Surveillance
- Personal Services Inspections
- Population Health Assessment
- Rabies
- Safe Water (Drinking Water and Recreational Water)
- Comprehensive School Health
- Sexual Health
- Smoke Free Ontario
- Substance Use & Injury Prevention (Alcohol, Cannabis, and Other Drugs)
- Tuberculosis Prevention and Management
- Vaccine Admin. - Clinical Services
- Vaccine Administration – Schools
- Vaccine Management
- Vector-Borne Diseases
- Vision Screening

(2) Ministry of Health's 100% Funded Budgets

The Ministry also provides “dedicated funding”, at 100%, for specific positions, programs and enhancements to programs.

This funding is presented, in aggregate, in Appendix “2”, and includes the following for 2024:

- MOH/AMOH Compensation Initiative.
- Ontario Seniors Dental Care Program (OSDCP)

Unlike the cost-shared budget, this funding is allocated exclusively towards its intended program purpose as per Ministry direction.

(3) Consolidated Budget

The Consolidated budget shows the Cost-Shared Program Budget and the Ministry's 100%-Funded programs combined. This can be viewed in Appendix "3".

WDGPH programs that are not included in this draft budget are:

- Healthy Babies Healthy Children (HBHC) March 31st year-end – funding provided by the MCCSS;
- Other Community Grants – based on individual service contracts.

Budget Objectives

The Senior Leadership Team's (SLT) objectives for the 2024 budget are:

- Ensuring the Agency is well-positioned to respond to unplanned events;
- Alignment with organizational vision and strategy, updated Ontario Public Health Standards, and Accountability Framework;
- Balanced budget; and
- Value for money.

Budget Process

The following process was undertaken for the preparation of the 2024 budget:

To date:

- Budget guidelines provided to management team;
- Salaries and benefits costs for 2024 calculated by Finance with support from the Agency's benefit provider;
- Preparation of program operating budgets and operational plans by Program Managers;
- Review of program operating budgets and operational plans by Directors;
- Finance compilation of Divisional Budgets;
- Finance meetings with Agency leadership to review budgets submitted;
- Senior Leadership Team (SLT) review of draft budget and preliminary discussion of one-time grant requests; and
- Preparation of report and presentation for Finance + Audit Committee based on SLT approved draft.

To come:

- Finance + Audit Committee review and recommendation to BOH for approval;
- BOH approval;
- Finalize list of one-time grants;
- Present final list of one-time grants to be submitted to BOH in February 2024
- Preparation of Annual Service Plan and Budget Submission.
- Submit Annual Service Plan and Budget Submission (February - March 2024);
and
- Receive provincial funding approval from Ministry later in 2024 (Summer).

2024 Budget Information

One-Time Grants

One-time grants requests are currently being considered by the Agency's leadership and will be presented to the BOH at a later time.

Risk Analysis

As of the writing of this report, the areas of risk and opportunity for the BOH related to the 2024 budget are:

- Discontinuation of the Ministry's COVID-19 reimbursement program should an emerging pandemic wave occur and require extraordinary Agency activities;
- Unplanned impacts from the Province's Public Health Transformation
- Ongoing inflationary operating costs.
- Minimal changes to provincial funding over the long-term.

Appendices

Appendix "1" – Cost-Shared Programs Budget (1)

Appendix "2" – Ministry of Health – 100% Funded Programs Budget (2)

Appendix "3" – Consolidated Budget (3)

Appendix "4" – Budget Notes

References

1. Wellington-Dufferin-Guelph Public Health. (2017). *Finance Committee Report – WDGPH Municipal Funding Split* (BH.04.SEP2017.R15)

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