

**Report To:** Finance + Facilities Committee, Board of Health  
**Submitted by:** Dr. Nicola Mercer, Medical Officer of Health & CEO  
**Subject:** 2018 BUDGET (FINAL DRAFT)

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**RECOMMENDATION(S):**

- (a) That the Finance + Facilities Committee makes recommendation to the Board of Health to approve the 2018 Draft Budget, as presented.

**BACKGROUND:**

The first draft of the budget was presented to the Finance Committee on September 20, 2017 in Closed Session Finance Committee Report BH.04.SEP2017.R16 – 2018 Draft Budget. The budget was presented in closed session due to ongoing negotiations with the Ontario Nurses Association (ONA) and the potential negative impact on these negotiations of making the underlying assumptions in the 2018 budget public.

Additionally, the budget was not referred by the Finance Committee to the Board of Health after the September meeting because (i) the 2017 provincial funding approval from the MOHLTC had not yet been received and (ii) unionized staff salaries and benefits costs were still under negotiation with the Ontario Nurses Association (ONA).

The MOHLTC approval was received on November 15, 2017. That funding approval included a \$200,000 annual increase in 100% MOHLTC base funding (\$150,000 for Harm Reduction Program Enhancement and \$50,000 in Healthy Smiles Ontario). The request for an increase of \$10,000 in MOHLTC 100% base funding for the Needle Exchange program was not approved. The revised 2017 budget is shown in two parts in the attached Appendices: Appendix “1” – Cost-Shared Programs and Appendix “2” – 100% MOHLTC Funded Programs.

An agreement was reached with ONA and ratified by ONA on January 8, 2017 and by the Executive Committee of the Board of Health on January 10, 2018. On January 3, 2018, the Board of Health approved increases for non-union and management staff equivalent to that of the salaries and benefits increases negotiated with ONA.

Management is seeking a recommendation by the Finance + Facilities Committee to the Board for approval of this draft budget, as presented.

## PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

Some of the budget assumptions have changed from the original draft budget presented to the Finance Committee on September 20, 2017. Below is an overview of all assumptions and their status as of the preparation of this report:

| Assumption in Previous Draft   | Assumption in Current Draft  |
|--|--|
| Provincial funding increase of 0%  | Unchanged, with the exception that the \$10,000 additional Needle Exchange Program funding that was denied in 2017 is being requested again in 2018. |
| Municipal funding increase of 2%   | Unchanged  |
| Salaries increase of 1.00% for all staff   | Salaries increase of 1.25% for all staff   |
| CPP: 1% increase to maximum pensionable earnings (no rate change)  | Unchanged  |
| EI: 1% increase to maximum insurable earnings, and rate reduction from 1.88% to 1.63%  | EI: 1% increase to maximum insurable earnings, and rate reduction from 1.88% to 1.66%  |
| WSIB: 0.5% increase in maximum insurable earnings ceiling, and rate reduction from 1.10 to 1.04  | WSIB: 0.5% increase in maximum insurable earnings ceiling, and rate reduction from 1.10 to 1.02  |
| EHT: No change   | Unchanged  |
| OMERS: 1% increase to maximum pensionable earnings for CPP (no rate change)  | Unchanged  |
| Extended Health: January to March 2018 based on 2017 renewal rates; 11% increase to 2017 renewal rates for April to December 2018;             | Unchanged  |
| Dental: January to March 2018 based on April 1, 2017 renewal rates; 6% increase to 2017 renewal rates for April to December 2018;              | Unchanged  |
| Life insurance: January to March 2018 based on April 1, 2017 renewal rates; 5% increase to 2017 renewal rates for April to December 2018;      | Unchanged  |
| AD&D: no change  | Unchanged  |
| Long-term disability: January to March 2018 based on April 1, 2017 renewal rates; 5% increase to 2017 renewal rates for April to December 2018 | Unchanged  |
| <i>Employment Standards Act</i> proposed changes budget: \$80,000  | Reduced from \$80,000 to \$54,000 for additional payments required for On-Call based on more detailed analysis                                       |

A complete listing of 2018 one-time grants, to be submitted to the Ministry for consideration, will be provided via the Board of Health at the February 7, 2018 meeting.

**APPENDICES:**

*Appendix “1”* – 2018 Draft Budget: Cost-Shared Mandatory + Related Programs; and  
*Appendix “2”* – 2018 Draft Budget: 100% MOHLTC Funded Programs.

**REFERENCES:**

N/A.

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Reviewed by:  
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*Original Signed Document on File*

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Approved by:  
Dr. Nicola Mercer,  
Medical Officer of Health &  
CEO

## Wellington-Dufferin-Guelph Public Health 2018 Draft Budget

Fund Category: Cost-Shared Mandatory and Related Programs

Fund: Cost Shared Mandatory, Vector-Borne Diseases, Small Drinking Water Systems

|  | 2017 BOH<br>Approved | 2018 Draft        | Increase<br>(Decrease) \$ | Increase<br>(Decrease) % | Change from 2017 to 2018  |
|--|----------------------|-------------------|---------------------------|--------------------------|---|
| <b>Revenues</b>  |                      |                   |                           |                          |   |
| <b>Funding</b>   |                      |                   |                           |                          |   |
| Grant - MOHLTC   | 12,177,400           | 12,177,400        | 0                         | 0.0%                     |   |
| Grant - City of Guelph                                 | 3,756,284            | 3,868,974         | 112,690                   | 3.0%                     |   |
| Grant - County of Wellington                           | 2,676,043            | 2,670,691         | (5,352)                   | -0.2%                    |   |
| Grant - County of Dufferin                             | 1,751,300            | 1,807,342         | 56,042                    | 3.2%                     |   |
| <i>Total Funding</i>                                   | <u>20,361,027</u>    | <u>20,524,407</u> | <u>163,380</u>            | <u>0.8%</u>              |   |
| <b>Interest Income</b>                                 |                      |                   |                           |                          |   |
| Interest Revenue                                       | 20,000               | 20,000            | 0                         | 0.0%                     |   |
| <i>Total Interest Income</i>                           | <u>20,000</u>        | <u>20,000</u>     | <u>0</u>                  | <u>0.0%</u>              |   |
| <i>Total Revenues</i>                                  | <u>20,381,027</u>    | <u>20,544,407</u> | <u>163,380</u>            | <u>0.8%</u>              |   |
| <b>Expenses</b>  |                      |                   |                           |                          |   |
| <b>Employee Costs</b>                                  |                      |                   |                           |                          |   |
| Cost and Expenses - Employee Salaries & Wages          | 11,707,780           | 11,751,443        | 43,663                    | 0.37%                    | Re-categorized \$207,000 in budgets for parental leave, short-term disability and MOH long-term disability from salaries to benefits. Offset by increase of 1.3 FTE through PBMA process and 1.25% increase to all staff salaries.                                |
| Cost and Expenses - Employee Benefits                  | 3,391,847            | 3,521,307         | 129,460                   | 3.82%                    | April 2017 benefits renewal rates were lower than projected resulting in a decrease in benefits costs. Offset by a change in grouping of budgets for parental leave and short-term disability benefits (grouped with salaries in 2017 and with benefits in 2018). |
| <i>Total Employee Costs</i>                            | <u>15,099,627</u>    | <u>15,272,750</u> | <u>173,123</u>            | <u>1.15%</u>             |   |
| <b>Operating Costs</b>                                 |                      |                   |                           |                          |   |
| Cost and Expenses - Office Equipment                   | 14,935               | 5,870             | (9,065)                   | -60.7%                   |   |
| Cost and Expenses - Information & IT Equipment         | 683,032              | 794,433           | 111,401                   | 16.31%                   | IT strategy implementation.   |
| Cost and Expenses - Communication Costs                | 156,700              | 163,834           | 7,134                     | 4.55%                    |   |
| Cost and Expenses - Transfers to Reserves - Facilities | 377,147              | 380,918           | 3,771                     | 1.0%                     |   |
| Cost and Expenses - Staff Training                     | 175,689              | 166,778           | (8,911)                   | -5.07%                   |   |
| Cost and Expenses - Board of Health                    | 47,450               | 38,500            | (8,950)                   | -18.86%                  |   |
| Cost and Expenses - Travel                             | 304,207              | 285,827           | (18,380)                  | -6.04%                   |   |
| Cost and Expenses - Building Occupancy                 | 2,560,814            | 2,513,812         | (47,002)                  | -1.84%                   |   |
| Cost and Expenses - Office Expenses, Printing, Postage | 188,253              | 170,130           | (18,123)                  | -9.63%                   |   |
| Cost and Expenses - Professional & Purchased Services  | 783,223              | 703,240           | (79,983)                  | -10.21%                  | Reduction in memberships, insurance, bank charges, IT fees for service.   |
| Cost and Expenses - Program Materials & Supplies       | 504,662              | 478,734           | (25,928)                  | -5.14%                   |   |
| Other Income and Expenses -Expenditure Recoveries      | (514,712)            | (430,419)         | 84,293                    | -16.38%                  | Eliminated contraceptive sales due to new coverage, reduced flu shot and non-publicly funded vaccine revenues based on review of prior year actuals.  |
| <i>Total Operating Costs</i>                           | <u>5,281,400</u>     | <u>5,271,657</u>  | <u>(9,743)</u>            | <u>-0.18%</u>            |   |
| <i>Total Expenses</i>                                  | <u>20,381,027</u>    | <u>20,544,407</u> | <u>163,380</u>            | <u>0.8%</u>              |   |
| <b>Net Surplus (Deficit)</b>                           | <u>0</u>             | <u>(0)</u>        | <u>(0)</u>                |                          |   |

## Wellington-Dufferin-Guelph Public Health 2018 Draft Budget

Fund Category: 100% Related

Fund: Electronic Cigarettes Act, Enhanced Safe Water, Enhanced Food Safety, Healthy Smiles Ontario, Needle Exchange, Smoke Free Ontario, Infection Prevention and Control Nurses Initiative, Chief Nursing Officer, Infection Control, MOH Compensation, Social Determinants of Health Nurses Initiative

|  | 2017 BOH<br>Approved | 2017 Revised,<br>based on<br>Provincial<br>Funding<br>Approval | 2018 Draft | Increase<br>(Decrease) \$ | Increase<br>(Decrease) % | Change from 2017 Revised to 2018  |
|--|----------------------|--|------------|---------------------------|--------------------------|---|
| <b>Revenues</b>  |                      |  |            |                           |                          |   |
| <b>Funding</b>   |                      |  |            |                           |                          |   |
| Grant - MOHLTC   | 2,127,405            | 2,317,405  | 2,327,210  | 9,805                     | 0.42%                    | 100% MOHLTC funded Needle Exchange Program increase request   |
| <i>Total Funding</i>                                   | 2,127,405            | 2,317,405  | 2,327,210  | 9,805                     | 0.42%                    |   |
| <i>Total Revenues</i>                                  | 2,127,405            | 2,317,405  | 2,327,210  | 9,805                     | 0.42%                    |   |
| <b>Expenses</b>  |                      |  |            |                           |                          |   |
| <b>Employee Costs</b>                                  |                      |  |            |                           |                          |   |
| Cost and Expenses - Employee Salaries & Wages          | 1,534,862            | 1,654,862  | 1,636,419  | (18,443)                  | -1.11%                   | Reduction in Dental Consultant in Healthy Smiles Ontario, offset by increase of 1.25% to all staff salaries |
| Cost and Expenses - Employee Benefits                  | 422,635              | 452,635  | 455,353    | 2,718                     | 0.6%                     | Increase in benefits allocated to 100% funded programs  |
| <i>Total Employee Costs</i>                            | 1,957,497            | 2,107,497  | 2,091,772  | (15,725)                  | -0.75%                   |   |
| <b>Operating Costs</b>                                 |                      |  |            |                           |                          |   |
| Cost and Expenses - Office Equipment                   | 3,000                | 3,000  | 2,073      | (927)                     | -30.9%                   |   |
| Cost and Expenses - Communications Costs               | 1,200                | 1,200  | 1,874      | 674                       | 56.17%                   |   |
| Cost and Expenses - Staff Training                     | 3,500                | 3,500  | 5,448      | 1,948                     | 55.66%                   |   |
| Cost and Expenses - Travel                             | 16,000               | 16,000   | 16,000     | 0                         | 0.0%                     |   |
| Cost and Expenses - Building Occupancy                 | 2,000                | 2,000  | 2,000      | 0                         | 0.0%                     |   |
| Cost and Expenses - Office Expenses, Printing, Postage | 7,377                | 7,377  | 6,115      | (1,262)                   | -17.11%                  |   |
| Cost and Expenses - Professional & Purchased Services  | 22,923               | 22,923   | 22,924     | 1                         | 0.0%                     |   |
| Cost and Expenses - Program Materials & Supplies       | 113,908              | 153,908  | 179,004    | 25,096                    | 16.31%                   |   |
| <i>Total Operating Costs</i>                           | 169,908              | 209,908  | 235,438    | 25,530                    | 12.16%                   |   |
| <i>Total Expenses</i>                                  | 2,127,405            | 2,317,405  | 2,327,210  | 9,805                     | 0.42%                    |   |
| <b>Net Surplus (Deficit)</b>                           | 0                    | 0  | 0          | (0)                       |                          |   |