



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 May 7

Q1 VARIANCE

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 013-15FFC re: "Q1 Financial Update Report" for information.

Key Points

- The 2015 approved budget assumed a 1% (\$157,093) increase in Mandatory Programs funding and an additional \$129,073 for the Needle Exchange program from the Ministry of Health and Long-Term Care.
- Ministry staff have provided direction to Ontario Public Health Units not to expect an increase in Mandatory Programs funding for 2015.
- Adjusting for a 0% increase, the Health Unit would be projecting a deficit position in the range of \$157,000.
- Ministry grant approvals are expected late summer (Q2) or early fall (Q3).

Background

The 2015 operating budget was approved by the Board of Health on February 19, 2015 ([Report No. 005-15FFC](#)). The budget assumed a 1%, or \$157,093 increase in Mandatory Programs funding and an additional \$129,073 for the Needle Exchange Program from the Ministry of Health and Long-Term Care.

Financial Highlights

Attached as [Appendix A](#) is the Budget Variance Summary which provides actual and budgeted expenditures for the first three months and projections to the end of the operating year for the programs and services governed by the Board of Health.

Current forecasting shows favourable variances across the organization as a result of position vacancies related to turnover in staff positions due to medical leaves of absence, maternity leaves, retirements/resignations, and implementation of approved PBMA proposals. In addition, favourable variances are expected in Children In Need Of Treatment (CINOT) claims as a result of a provincial initiative to consolidate claims management, and other agency costs such as insurance, software and communications. These savings are being partially offset by unfavourable variances in group benefits costs as explained in Report No. 012-15FFC of this agenda and costs associated with complex Tuberculosis (TB) case management.

Given Ministry staff direction to plan for no increase in funding to cost-shared programs, information at this point indicates a projected year-end deficit position of roughly \$157,000, as shown in Appendix A. There is

substantial uncertainty about this projection at this stage in the year. Ministry grant approvals are not expected until late summer or early fall.

This report was prepared by Mr. John Millson, Director of Finance & Operations.

A handwritten signature in black ink, appearing to read 'Chris Mackie', written in a cursive style.

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health