



TO: Chair and Members of the Board of Health

FROM: Bryna Warshawsky, Acting Medical Officer of Health

DATE: 2012 November 15

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## 2013 COST-SHARED BUDGET

### **Recommendations**

*It is recommended that the Board of Health:*

- 1) Approve the 2013 Cost-Shared Programs budget at the net amount of \$23,213,670, noting that this is based on an estimated 2% provincial increase, and a 0% to both the City of London and the County of Middlesex, and further;*
- 2) Provide written notice to both the City of London and the County of Middlesex as set out for obligated municipalities in section 72(5) of the Health Protection and Promotion Act.*

### **Key Points**

- Based on a 2% provincial increase and 0% municipal increase, the Board of Health's cost-shared budget will be \$23,213,670, with contributions from the City of London of \$6,095,059 and from Middlesex County of \$1,160,961.
- The timelines and submission formats of the Health Unit's three main funders, the City of London, Middlesex County and the Province of Ontario are outlined in this report.
- The Board is required to provide written notice to obligated municipalities as set out in section 72(5) of the Health Protection and Promotion Act. It is recommended that the City of London and Middlesex County be informed of their obligations based on a \$23,213,670 cost-shared budget for 2013.

### **Background**

At the October 18, 2012 Board of Health meeting, the Board reviewed [Report No. 117-12](#) "2013 Budget-Protecting the Gains". In response to that report, the Board endorsed a budget option that:

*"assumes a 2% increase in the grant from the Ministry of Health and Long-Term Care and continuation of the Health Unit's 2005 Business Plan which asks the City of London and the County of Middlesex for a 0% increase over 2012."*

As outlined in Table 1 of [Appendix A](#), this would result in a cost-shared budget of \$23,213,670, with contributions from the City of London of \$6,095,059 and from Middlesex County of \$1,160,961. As noted, this is the same amount as the municipalities contributed last year and will result in a shortfall of \$477,682 in the Health Unit's budget due to estimated non-discretionary requirements, including negotiated wage increases and associated benefits (see Table 2 of Appendix A).

Report No. 117-12 outlines a plan for meeting the \$477,682 shortfall while minimizing the impacts on services. The report outlined the challenges involved in addressing this shortfall, including the need to closely monitor vacant positions throughout all programs and services, as the funds from these vacancies will be used to support the shortfall. The report also noted that indirect impact on program and services will result, as staff have less capacity to develop new initiatives, contract outside expertise or participate in educational opportunities. Health Unit staff will develop their operational plans for 2013 based on the approved budget, being cognizant of the constraints noted above and the need to be compliant with Health Protection and Promotion Act requirements as outlined the Ontario Public Health Standards and the Ontario Public Health Organizational Standards and other applicable legislation.

### **Budgeting process and timelines**

The Health Unit budgeting process is designed to meet the timelines and submission formats of its three main funders, the City of London, Middlesex County and the Province of Ontario. The budget processes and timelines of the three funders are outlined below:

#### ***City of London:***

The City of London's budget process begins in the spring, when it provides budget targets for its Civic Departments and Boards and Commissions. For the 2013 budget, the City outlined a process to achieve a 0% property tax increase which requested the Board of Health to consider reducing the City's funding to public health programs by \$731,000. Meeting this request would also require a reduction of \$139,238 to the County of Middlesex for a total reduction in municipal funding of \$870,238. This would be in addition to the \$477,682 required to meet the anticipated shortfall.

In order to respond to the City's targets, the Board of Health's planning process begins each fall before the year in question by estimating the amount of grant revenue the Board will receive from the province and considering local needs and budget targets from obligated municipalities. As noted at the October 18, 2012 Board of Health meeting, the option selected by the Board of Health for the 2013 budget does not result in any reduction (nor any increase) in municipal funds.

[Appendix B](#) provides the City's revised budget timetable for the remainder of the budget process. Attached as [Appendix C](#) is the Board of Health's budget submission in the format the City requests. It will be part of the overall budget tabled to City Council on December 4<sup>th</sup>, 2012.

#### ***Middlesex County:***

The Middlesex County also requests information from the Board of Health but does not require it in a particular format. Typically, information that is similar to Table 1, Appendix A is submitted in February of the budget year in question.

#### ***Province of Ontario:***

The Province requests Board of Health budget information for the 2013 grant by April 1, 2013. This process begins in late February each year. This process is very detailed. An example, which was presented to the Board at the February 16, 2012 Board of Health meeting, can be found in [Appendix F of Report No. 033-12](#). Each year the Health Unit requests 75% provincial funding for cost-shared programs but each year since 2006, this has been denied and the provincial average increase has been given.

## Next Steps

In accordance to section 72(5) of the Health Protection and Promotion Act, the Board must provide written notice to each obligated municipality which:

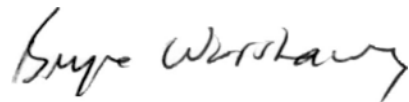
- 1) Includes the amount that the Board of Health estimates will be required to defray the expenses of the Board; and
- 2) Identifies the proportion of the expenses to be paid by each municipality, and the amount for which the obligated municipality is responsible; and
- 3) Specifies the times at which the Board of Health requires payment to be made by the obligated municipality and the amount of each payment required to be made.

It is recommended that this notice be provided to the City of London and Middlesex County informing them that the 2013 cost-shared budget for the Board of Health is \$23,213,670 of which the City of London is obligated to pay \$6,095,059 and Middlesex County is obligated to pay \$1,160,961.

## Conclusion

It is recommended that the Board of Health approve 2013 estimates for the cost-shared programs in the net amount of \$23,213,670 and provide appropriate notices to both the City of London and Middlesex County as set out in section 72(5) of the Health Protection and Promotion Act.

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



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Acting Medical Officer of Health

**This report addresses** Policy 4-10 (Budget Preparation and Approval) as outlined in the Middlesex-London Health Unit Administration Policy Manual.