



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2014 May 1

2014 Q1 BUDGET VARIANCE

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 020-14FFC re: “2014 Q1 Budget Report” for information.

Key Points

- The 2014 approved budget includes an anticipated 2% (\$308,024) increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care.
- Managed position gapping expected to reduce or eliminate the current projected operating deficit of \$346,534
- Impact of factors such as union negotiation and levels of provincial funding remain uncertain.

The 2014 operating budget was approved by the Board of Health on February 26th, 2014 ([Report No. 015-14](#)). The budget includes contributions in the amount of \$450,000 to two new reserve funds. Report No. 023-14FFC included in this agenda speaks to these two new reserve funds. In addition the budget assumes a 2% (\$308,024) increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care.

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. Although current projections are predicting a deficit of \$346,534 we anticipate, as has been the case in previous years, additional vacancies or gapping will reduce this deficit. While we remain optimistic that managed gapping will eliminate this deficit, the impact of several factors remain uncertain such as union negotiations and provincial funding increases. If additional surpluses do not materialize, the planned contributions of \$450,000 to the reserve funds will need to be revisited.

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

A handwritten signature in black ink, appearing to read 'C. Mackie'.

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