

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

50 King Street, London
Middlesex-London Health Unit – Room 3A
Thursday, October 1, 2015 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – [September 3, 2015](#)

4. NEW BUSINESS

- 4.1. 2016 Board of Health Budget – Financial Parameters (No. 23-15FFC)
- 4.2. 2015 Budget Adjustments (No. 24-15FFC)

5. CONFIDENTIAL

6. OTHER BUSINESS

Next meeting Thursday, November 5, 2015 at 9:00 a.m.

7. ADJOURNMENT



PUBLIC MINUTES
Finance and Facilities Committee
50 King Street, Room 3A
MIDDLESEX-LONDON BOARD OF HEALTH
2015 September 3 9:00 a.m.

COMMITTEE

MEMBERS PRESENT: Ms. Trish Fulton (Committee Chair)
Mr. Jesse Helmer
Mr. Marcel Meyer
Mr. Ian Peer
Ms. Joanne Vanderheyden

OTHERS PRESENT: Dr. Christopher Mackie, Medical Officer of Health and CEO
Ms. Laura Di Cesare, Director, Human Resources and Corporate Strategy
Mr. John Millson, Director, Finance and Operations
Ms. Sherri Sanders, Executive Assistant to the Board of Health (Recorder)
Dr. Trevor Hunter, Board of Health Member
Mr. Bill Rayburn, Chief Administrative Officer, County of Middlesex

At 9:00 a.m., Ms. Trish Fulton, Committee Chair, welcomed everyone to the meeting.

1. DISCLOSURES OF CONFLICT(S) OF INTEREST

Ms. Fulton inquired if there were any disclosures of conflict of interest to be declared. None were declared.

2. APPROVAL OF AGENDA

It was moved by Ms. Vanderheyden, seconded by Mr. Meyer that the [AGENDA](#) of the September 3, 2015 Finance and Facilities meeting be approved with the following change: Move item 5.4 . 50 King Street Re-Zoning Process – Verbal Report to the top of the agenda.

Carried

5.4 50 King Street Re-Zoning Process – Verbal Report

Mr. Bill Rayburn, CAO, County of Middlesex, clarified the County's intentions with the 50 King Street property. His primary message was that the County is happy to have the Health Unit at 50 King Street as long as the Health Unit wishes to stay. The County believes that when the Health Unit no longer needs the 50 King Street property, the answer for the County is not a new lease with a new organization. The County would like to build a new building that combines office space and residential. The planning

process is a long process; therefore, the County is just asking for zoning changes to enable building a tower (beyond 4 floors), to be proactive and to fit with City of London planning cycles. Mr. Rayburn reviewed proposed drawings for the entire site.

In response to a question about timing and interim locations for the Health Unit, Mr. Rayburn explained that the County is not rushing this project, and the need for an interim location would be taken into account. Concern was expressed about the transition period.

Mr. Rayburn left the meeting at 9:30 a.m.

3. APPROVAL OF MINUTES

It was moved by Mr. Peer, seconded by Mr. Meyer *that the [MINUTES](#) from the July 2, 2015 Finance and Facilities Committee Meeting be approved.*

Carried

4. BUSINESS ARISING FROM MINUTES – none

5. NEW BUSINESS

5.1. Financial Update – June 2015 ([Report 020-15FFC](#))

Discussion ensued about the complications that the current funding situation creates in budgeting and deficit management. Dr. Mackie reported that the report will be revised before it is submitted to the Board of Health on September 17th.

It was moved by Mr. Peer, seconded by Mr. Helmer *that the Finance & Facilities Committee receive Report No. 20-15FFC re Financial Update – June 2015 for information.*

Carried

5.2. MLHU – March 31st Draft Financial Statements ([Report 021-15FFC](#))

Questions were asked about several ‘budget’ versus ‘actual’ lines in the draft financial statements. Mr. Millson will investigate the differences in rent (pg. 3) and report back to the Committee.

It was moved by Mr. Meyer, seconded by Mr. Helmer *that the Finance & Facilities Committee recommend that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31st, 2015 as appended to Report No. 21-15FFC.*

Carried

5.3. 2016 Board of Health Budget - Financial Parameters ([Report 022-15FFC](#))

Dr. Mackie recommended that this report be deferred to the September 17th Board of Health meeting so that the report can be revised to reflect the most current information.

Discussion ensued about the reality of 0% anchor budgeting with the municipalities and working toward the 75%/25% cost-shared arrangement with the Province.

It was moved by Ms. Vanderheyden, seconded by Mr. Peer *that the Report No. 022-15FFC be deferred to the September Board of Health meeting.*

Carried

5.5 2015-2016 Draft Finance and Facilities Committee Work Plan – Verbal Report

Ms. Fulton presented a draft annual work plan for the FFC. Dr. Mackie will ensure that the information in the work plan be put in calendar format for easy reference.

Discussion ensued about the Committee's role as an auditing committee. It was agreed that the Finance and Facilities Committee should request Health Unit Management to complete a factual certificate. This certificate process would ensure that the Committee has done its due diligence. It was agreed that members of the Senior Leadership Team review a draft certificate and then bring the certificate to a future Finance and Facilities Committee for Committee approval.

It was moved by Mr. Meyer, seconded by Mr. Peer *that the Draft Annual Work Plan for 2015-2016 be approved by the Finance and Facilities Committee.*

Carried

6. CONFIDENTIAL

At 11:45 a.m., it was moved by Mr. Helmer, seconded by Mr. Peer *that the Finance and Facilities Committee move in camera to discuss matters concerning a proposed or pending acquisition of land by the Middlesex-London Health Unit.*

Carried

At 11:48 a.m., it was moved by Ms. Vanderheyden, seconded by Mr. Helmer *that the Finance and Facilities Committee return to public form and report that matters were discussed concerning a proposed or pending acquisition of land by the Middlesex-London Health Unit.*

Carried

7. OTHER BUSINESS

The next scheduled meeting of the FFC is Thursday, October 1, 2015 at 9:00 a.m. in Room 3A.

8. ADJOURNMENT

At 11:50 a.m., it was moved by Ms. Vanderheyden, seconded by Mr. Helmer *that the meeting be adjourned.*

Carried

TRISH FULTON

CHRISTOPHER MACKIE

Committee Chair

Secretary-Treasurer



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 October 1

2016 BOARD OF HEALTH BUDGET – FINANCIAL PARAMETERS

Recommendation

It is recommended that the Finance & Facilities Committee make recommendation to the Board of Health for an assumption of a 2% provincial increase on cost-shared funding and a 0% change to the municipal request for the 2016 Board of Health budget.

Key Points

- On July 16th the Board of Health approved the 2016 PBMA process, criteria and weighting for PBMA proposals.
- On September 9, 2015 the Ministry of Health & Long-Term Care provided notification of 2015 grant approvals for the Mandatory & Related Programs as well as 2015 One-time funding.
- Also in September the ministry began implementation of the new public health funding model for Mandatory Programs which will provide additional resources to Middlesex-London Health Unit.
- Since 2004, the Health Unit has not increased the amount of funding requested of the municipal funders in recognition that their budgeted amount is more than 25% of cost-shared program.

Financial Parameters for 2016 Budget

Developing high level planning parameters is an integral part of any budget process. They help guide and inform planning and resource allocation decisions. Ideally the parameters should be linked to the organization's strategic direction.

Municipal Considerations

The City of London's 2016 budget is being developed using a multi-year budget. That is, the City is seeking approval of their 2016-2019 operating plans. On May 12, 2015, City Council approved an overall average annual tax levy increase between 2.2% and 2.9% over the 2016-2019 period. This amount could vary year to year, but on average would not exceed 2.9% when averaged over the four year period. In order to ensure the City's budget is submitted within the tax levy increase ranges approved by Council, Civic Administration have set service area targets. All Civic Departments and Boards & Commissions have been provided a direction of 1.5% increase in each of the four years except for the Middlesex-London Health Unit and the London Police Service which have been asked to submit a 0% and 1.0% respectively for each of the four years.

As in past years, the County of Middlesex has not provided the Health Unit with specific targets.

Provincial Considerations

A number of variables are expected to impact the amount of provincial funding available for the 2016 operating year. The first relates to implementation of the recommendations of the recently released report of the Funding Review Working Group, as described in [Report No. 49b-15](#). Attached as [Appendix A](#) is the “Public Health Funding Model Share Status – Mandatory Programs” for the Middlesex-London Health Unit (MLHU). The new funding model indicates that MLHU should receive 3.19% of the total provincial funding for Mandatory Programs (\$575,201,900) or \$18,349,228, while as of 2015 it only receives 2.83% or \$16,280,600. This represents a gap of \$2,068,628.

The province intends to deal with this inequity over time as the Mandatory Programs funding is increased. Those health units above their model share (28 health units) will not receive increases until the health units that are lower than the model share (8 health units) catch up and equity is restored across the province.

In 2015, MLHU received \$571,394 or 3.6% more for the delivery of the Mandatory Programs than in 2014. This provides an additional \$414,301 in base funding over what was budgeted for 2015. Given the implementation of the new funding model and the fact that MLHU is lower than its model share, it is anticipated that MLHU would receive additional funding in 2016. There remains, however, uncertainty in this assumption.

Another variable impacting the amount of provincial funding is the integration of all publicly-funded oral health programs for children and youth into one Health Smiles Ontario program ([Report No. 039-15](#)) which will be funded 100% by the province. Currently, two programs are cost-shared with local municipalities and these costs will be uploaded to the MOHLTC in 2016.

For the purpose of developing a draft 2016 Board of Health budget, the Senior Leadership Team is seeking guidance from the Finance & Facilities Committee in regards to planning for 2016 and future operating years given the province’s desire to achieve equity in Mandatory Programs funding across all public health units.

Recommendation and Options

Staff is recommending an assumption of a 2% increase from the Province and a 0% change to the municipal request. Alternatively, the Board of Health may either move towards the “Model Share” for Mandatory Programs sooner or move towards 75%/25% sooner.

No Change in Municipal Request: This would align with the City of London’s guidance and continue to move the provincial/municipal funding ratio for cost-shared programs toward the provincial policy goal of 75%/25%. This goal would be reached within 7 years assuming 2% provincial increases, and within 3 years assuming 3.6% provincial increases. After that point, increases would be requested from municipal funders to offset inflationary pressures.

Moving to the Equitable Mandatory Programs funding sooner: Under this scenario, the municipal contribution could be increased and the provincial funding could be retained. This would support public health programs and services to help achieve the equitable level of Mandatory Programs funding or the “Model Share” sooner. The model share of 3.19% would support \$24,465,637 in Mandatory Program funding at 75% [$\$18,349,228 / 0.75$]. In 2015, the Board of Health approved a Mandatory Programs budget of \$22,925,016. This is a difference of \$1,540,621 which shows that the Mandatory Programs in MLHU are under resourced compared to other public health units across the province. Keeping provincial resources in Mandatory Programs will reduce this inequity.

Moving to 75%/25% sooner – reduction to municipal funding: Under this scenario the Health Unit would use a portion of the increased provincial resources to reduce the municipal contribution to Mandatory Programs (cost-shared). It would achieve a 75% / 25% funding of Mandatory Programs sooner but would take longer to achieve the model share for Mandatory Programs.

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

A handwritten signature in black ink, appearing to read 'C. Mackie', is positioned above the printed name and title.

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

Public Health Funding Model Share Status – Mandatory Programs

Boards of Health	2014					2015				
	Approved Grant (at 75%)	Actual Share (%)	Model Share (%)	Share Difference (%)	Model Share Status (%)	Approved Grant (at 75%)	Actual Share (%)	Model Share (%)	Share Difference (%)	Model Share Status (%)
Middlesex-London	\$ 15,709,206	2.79%	3.19%	0.40%	87.45%	\$ 16,280,600	2.83%	3.19%	0.36%	88.85%
Total	\$ 563,930,645					\$ 575,210,900				

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 October 1

2015 BUDGET ADJUSTMENTS

Recommendation

It is recommended that the Finance & Facilities Committee review and make recommendation to the Board of Health to approve \$201,000 in additional 2015 expenditures as outlined in Appendix A to Report No. 24-15FFC.

Key Points

- The 2015 provincial grant included an increase of \$571,394 in Mandatory Programs funding. This represents an increase of \$414,301 from the Board approved budget.
- At its meeting on September 17, 2015 the Board of Health approved an additional \$176,000 in expenditures for 2015 ([Report No.49b-15](#)).
- Appendix A to Report No. 24-15FFC outlines \$201,000 in additional expenditures for consideration.

Background

For 2015, the Board of Health budget anticipated a \$157,093 or 1% increase in provincial grants for Mandatory Programs. On September 9, 2015 the Board received its grant approval from the MOHLTC. The Health Unit received \$571,394 or 3.6% more for the delivery of the Mandatory Programs. This represents an increase of \$414,301 from the Board approved budget.

At its meeting on September 17, 2015 the Board approved \$176,000 in additional expenditures for emerging issues for the remainder of the 2015 operating year and leaves \$238,301 remaining.

Additional Budget Adjustments

Attached as [Appendix A](#) is a list of recommended expenditures totaling \$201,000 for the Committee's review. The list includes maintenance to capital items, replacement of office chairs (life-cycle related), reprint of a popular health promotion materials, and the Middlesex-London Health Unit share of costs related to the newly announce Nurse Family Partnership project.

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



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

Appendix A

Middlesex-London Health Unit 2015 Board of Health Budget – Additional Investments

Description	Amount
1) One-time payment	\$ 70,000
2) Nurse Family-Partnership project – MLHU share	44,000
3) Generator Project ¹	50,000
4) Humidification – 50 King Street	25,000
5) Replacement of office chairs	12,000
Total 2015 Additional Investments	\$ 201,000

Notes:

(1) This is intended to only back-up key IT infrastructure and identified vaccine fridges.