AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

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

1. **DISCLOSURE OF CONFLICTS OF INTEREST**

2. **APPROVAL OF AGENDA**

3. **APPROVAL OF MINUTES**

4. **NEW BUSINESS**

   2016 Budget – PBMA Proposals (Report No. 31-15FFC)

5. **CONFIDENTIAL**

6. **OTHER BUSINESS**

   Next meeting Thursday, January 14, 2016 at 9:00 a.m.

7. **ADJOURNMENT**

PUBLIC MINUTES
Finance and Facilities Committee
50 King Street, Room 3A
MIDDLESEX-LONDON BOARD OF HEALTH
2015 November 5 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)

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 Mr. Helmer, seconded by Ms. Vanderheyden *that the **AGENDA** of the November 5, 2015 Finance and Facilities Committee meeting be approved.*

Carried

3. APPROVAL OF MINUTES

It was moved by Ms. Vanderheyden, seconded by Mr. Peer *that the **MINUTES** from the October 1, 2015 Finance and Facilities Committee meeting be approved.*

Carried

4. NEW BUSINESS

4.1. Draft Factual Certificate (No. 25-15FFC)

It was moved by Mr. Meyer, seconded by Mr. Peer *that the Finance & Facilities Committee:*

1) *Recommend that the Board of Health approve the draft Factual Certificate template as appended to Report No. 25-15FFC ; and*
2) *Recommend to the Board of Health approval of the process outlined in Report No. 25-15FFC.*

Carried

The committee agreed that the certificate would be reviewed on a quarterly basis along with the quarterly financial updates.

4.2. Third Quarter Financial Update (No. 26-15FFC)

Mr. Millson assisted Committee members with their understanding of this report. He reported a projected operating surplus of $68,000.

Discussion ensued about the CINOT operating deficit and whether or not the funds should be covered by the Dental Clinic Reserve or through the regular operating budget surplus.

It was moved by Mr. Helmer, seconded by Mr. Meyer *that the Finance & Facilities Committee receive Report No. 26-15FFC re Third Quarter Financial Update for information.*

Carried

4.3. Proposed Resource Reallocation for the 2016 Budget (No. 27-15FFC)

Dr. Mackie reported that Committee discussion re the Resource Reallocation for the 2016 Budget will start at the December 3rd FFC meeting.

Discussion ensued about determining the percentage of Health Unit budget that goes toward covering the gaps in funding resulting from the 100% funded programs.

In response to a question about the Living Wage Employer Certification, Dr. Mackie explained that the living wage for the community is currently being developed. Dr. Mackie explained that the Health Unit could use this certification to leverage other agencies towards providing a living wage. The FFC members requested more information for the December 3rd FFC meeting about the Living Wage (i.e., how did it get a score of 222 in the PBMA process?).

Other items discussed included:

- The Health Unit's current participation in the City of London's cell phone contract to obtain a better price.
- One-time Investments, particularly the merits of the Leadership and Management Development program.

- Disinvestments around the area of reduction of staffing hours. Dr. Mackie responded that he does not anticipate lay-offs.

It was moved by Ms. Vanderheyden, seconded by Mr. Meyer that *Report No. 27-15FFC re Proposed Resource Reallocation for the 2016 Budget be received for information.*

Carried

Ms. Fulton commended the Senior Leadership Team on the work they have done to date for PBMA.

4.4. Funding for Panorama Implementation (No. 28-15FFC)

It was moved by Mr. Meyer, seconded by Mr. Helmer *that the Finance & Facilities Committee make recommendation to the Board of Health to accept the terms and conditions to receive $203,900 in one-time Panorama funding as detailed in the funding letter appended to Report No. 028-15FFC.*

Carried

5. CONFIDENTIAL

At 10:00 a.m., it was moved by Mr. Peer, seconded by Mr. Meyer *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 Board of Health and an identifiable individual.*

Carried

At 10:20 a.m., it was moved by Ms. Vanderheyden, seconded by Mr. Peer *that the Finance and Facilities Committee return to public forum and report that matters were discussed concerning a proposed or pending acquisition of land by the Middlesex-London Health Board of Health and an identifiable individual.*

Carried

6. OTHER BUSINESS

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

Discussion ensued about Appointments to the FFC Committee for 2016 and the proposed meeting dates. It was agreed that the number of FFC meetings should be reduced, if possible and that all current FFC members are willing to continue on the committee. The Executive Assistant to the Board of Health will review the Terms of Reference and report at the next meeting.

7. ADJOURNMENT

At 10:30 a.m., it was moved by Mr. Helmer, seconded by Mr. Meyer *that the meeting be adjourned.*

Carried

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TRISH FULTON
Committee Chair

CHRISTOPHER MACKIE
Secretary-Treasurer

MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 31-15FFC

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 December 3

2016 BUDGET – PBMA PROPOSALS

Recommendation

It is recommended that the Finance & Facilities Committee:

1) ***Approve in principle PBMA investments totaling $527,289 as identified in Appendix A to Report No. 31-15FFC, and further***
2) ***Approve in principle PBMA one-time investments totaling $206,953 as identified in Appendix B to Report No. 31-15FFC, and***
3) ***Approve in principle PBMA disinvestments totaling $281,597 as identified in Appendix C to Report No. 31 – 15FFC.***

Key Points

- There are total of 32 Program Budget Marginal Analysis (PBMA) proposals being recommended to be included in the 2016 budget.
- The schedule for the review and approval of the 2016 budget can be found in Appendix D.
- Appendix E highlights the current draft of expected changes to revenue and expenditures for the 2016 operating budget.

Background

At the November 5th Committee meeting the members received Report No. 27-15FFC, re: "Proposed Resource Reallocation for the 2016 Budget" for information. The report outlined the processes used to identify various Program Budget Marginal Analysis (PBMA) proposals for consideration in the 2016 Health Unit budget. The report was a preliminary report as there were still consultations occurring and further refinements to some proposals.

Proposed PBMA Investments and Disinvestment Opportunities

There are a total of 32 proposals being recommended by the Senior Leadership Team (SLT) for inclusion into the 2016 Health Unit budget, 14 on-going investments (totaling $527,289), 5 one-time investments (totaling $206,953), and 13 disinvestments (totaling $281,597). Description of the proposals have been included for investments (Appendix A), one-time investments (Appendix B), and disinvestments (Appendix C).

At the November meeting of the Finance and Facilities Committee (FFC), Members inquired about the PBMA proposal to make the Health Unit a living wage employer. Attached as Appendix F is Living Wage Canada's business case for employers to pay a living wage.

2016 Budget Timetable

It is proposed (Appendix D) that the 2016 budget be reviewed by FFC during the first 3 meetings of 2016 and approved by the Board of Health on February 18, 2016.

2016 Budget Highlights

At the October 15th Board of Health meeting, the Board reviewed Report No. 23-15FFC and approved financial parameters for developing the operating budget. The budget will be developed assuming a 2% provincial increase on cost-shared funding and a 0% change to the municipal request. This provides an additional $325,612 in provincial funding. It should be noted that the ministry continues to advise all public health units to plan for no growth for mandatory programs in 2016. Therefore, there is a level of uncertainty surrounding the estimated 2% provincial increase in cost-shared funding.

Appendix E provides a high level draft of expected revenue and expenditure changes for 2016, the details of which will be presented in the service area operating plans for consideration in January 2016. Included in the list is a $25,225 reduction to the expected gapping budget. The expected gapping budget consists of estimated natural savings due to staff turnover, unexpected leaves of absences and other operational program changes. Currently the expecting gapping budget is approximately 2.4% of the overall Health Unit budget. In 2015 the Health Unit's budget was under significant pressure due to the expected shortfall in provincial revenue given ministry guidance to expect no change in funding. In 2014 we also ended the operating year with contributing $23,932 less to the Technology & Infrastructure Reserve Fund than was planned. These experiences suggest that the budget for expected gapping of $815,163 is too high. The PBMA process has also had a profound impact on the way we budget and plan program expenditures. As this process matures and there are less staffing changes year to year, less gapping can be expected. Reducing this budget would help relieve the uncertainty in provincial funding and assist the organization to ensure financial sustainability.

Conclusion

As part of the approved 2016 budget process, 32 PBMA proposals are being recommended to be included in the operating budget which will be presented to FFC early next year and approved by the Board on February 18, 2016.

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

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

2016 Proposed PBMA Investments **Appendix A**

Dept.	No.	Proposal	Value	FTE	Score
Cross-MLHU	1-0005	MLHU Wellbeing	$ 55,000.00	0.00	223
Cross-MLHU	1-0006	Data Analyst Enhancement	$ 30,548.00	0.40	228
Cross-MLHU	1-0008	Data-enabled Cell Phones for MLHU Staff	$ 25,000.00	0.00	232
Cross-MLHU	1-0048	Living Wage Employer Certification	$ 31,835.00	0.00	222
EHCDP	1-0003	In Motion Physical Activity Community Challenge	$ 10,000.00	0.00	211
EHCDP	1-0022	Nicotine Replacement Therapy Supply and Distribution for Priority Populations	$ 54,000.00	0.00	225
EHCDP	1-0050	Smoke-Free Ontario Inflationary Pressures Enhancement	$ 5,400.00	0.00	211
FHS	1-0010	Program Planning and Evaluation Support	$ 89,822.00	1.00	271
FHS	1-0019	Healthy Babies Healthy Children and Infant Hearing Screen at London Health Sciences Centre	$ 39,693.00	1.30	277
FHS	1-0051	Healthy Babies Healthy Children Inflationary Pressures Enhancement	$ 37,500.00	0.00	258
OHCDSH	1-0007	Program Assistant Support for Sexual Health Team	$ 6,249.00	0.10	171
OHCDSH	1-0025	Program Assistant Support for Oral Health Team	$ 31,242.00	0.50	206
OHCDSH	1-0040	Funding Support for Counterpoint Needle Program at Regional HIV/AIDS Connection	$ 75,000.00	0.00	194
OMOH	1-0047	Associate Medical Officer of Health Enhancement	$ 36,000.00	0.20	255
		Total	$ 527,289.00	3.50	3184

Investment Descriptions

1-0005 – MLHU Wellbeing
This proposal expands the work that was started in 2015 with committed funding towards MLHU Employee Wellbeing on a permanent basis. In order to accomplish the HU mission of promoting and protecting the health of our community we need to be promoting and protecting the health of our employees who are responsible for helping the organization to achieve this mission. In addition to aligning with our organizational values, this proposal also aligns with our Strategic Plan, in particular, the Employee Engagement and Learning Quadrant with the objective of strengthening positive organizational culture.

1-0006 – Data Analyst Enhancement
Health status and surveillance data as well as findings from applied public health research are key sources of evidence to inform planning and evaluation. This proposal would add Data Analyst support to increase the internal organizational capability to create and process data. The expansion of this role will also help the intended outcome of supporting analysis for organization-wide strategic projects and engaging in public health applied research.

1-0008 – Data Enabled Cell Phones for MLHU Staff
Health Unit staff have the need and the capacity to utilize data-enabled cell phones to increase efficiency and productivity in their day-to-day work. The MLHU contract for cell phones is up for renewal in June 2016, allowing for the negotiation of data-enabled cell phones for staff. Initial support may be requested from the MLHU Information Technology (IT) department for set up and training on the use of new devices. Criteria will be developed to determine which staff will be prioritized for data-enabled devices.

1-0048 - Living Wage Employer Certification
This proposal would allow the organization to become designated as a Living Wage Employer, increasing the health equity impact of Health Unit programs, establishing the Health Unit as a leader in this area, and enhancing the Health Unit's ability to influence others to take on Living Wage policies.

1-0003 – In Motion Physical Activity Community Challenge
This proposal requests ongoing funding to support and promote the In Motion Physical Activity Challenge. We partner with Middlesex County and the City of London in discussions with media, confirmation and purchasing of media sites, purchasing of promotional materials, updating of the in Motion website, updating and printing of all print materials, discussion with stakeholders and Champions and recruitment of new partners to further expand the reach of the Challenge to build community capacity.

1-0022 – Nicotine Replacement Therapy Supply and Distribution for Priority Populations
This proposal intends to increase the capacity of the Health Unit to be able to purchase the required nicotine replacement therapies to meet the need of priority populations within the Middlesex-London area. We project that for 2016 we require an additional ongoing $54,000 investment to support the agency-wide purchase and distribution of NRT to cover the shortfall due to the lack of Ministry grant funding. Other costs of cessation service delivery, and pharmacy administration across the Health Unit has been integrated into program budget operating expenses.

1-0050 – Smoke-Free Ontario Inflationary Pressures Enhancement
Inflationary pressures and increased costs due to negotiated wages and benefits require a budget enhancement of $5,400 to meet program budgetary needs and to maintain current service levels.

1-0010 – Program Planning and Evaluation Support
The proposed change is the addition of 1.0 FTE permanent program evaluator to the Family Health Service Epidemiology / Program Evaluation team. The impact will be additional support for program planning and evaluation by providing support to logic model development for programs, conducting needs assessments, evaluations and enhancing evidence-informed decision making. These resources also contribute to building capacity and a culture of program planning and evaluation in FHS.

1-0019 – Healthy Babies Healthy Children and Infant Hearing Screen at London Health Sciences Centre
This proposal is requesting an investment to fund Public Health Nurses (PHNs) to complete both the Healthy Babies Healthy Children (HBHC) and the Infant Hearing Screening together with postpartum families at the London Health Sciences Centre (LHSC) on weekdays, weekends and Statutory Holidays.

1-0051 – Healthy Babies Healthy Children Inflationary Pressures Enhancement
Inflationary pressures and increased costs due to negotiated wages and benefits require a budget enhancement of $37,500 to meet program budgetary needs and to maintain current service levels.

1-0007 – Program Assistant Support for Sexual Health Team
This proposes that a Program Assistant would be available to support Sexual Health Programming at MLHU for an additional 0.1 FTE, to bring the PA support for the team to a total of 0.5 FTE. This proposed enhancement would benefit MLHU's Sexual Health Programming in a number of ways, and will result in greater effectiveness and efficiencies for the Sexual Health Promotion Team and the Sexual Health Team manager.

1-0025 – Program Assistant Support for the Oral Health Team
The Oral Health Team is requesting an investment of 0.5 FTE Program Assistant support. It is expected that this proposal will enable the team to continue to effectively and efficiently provide programs and services to our community. This position will support the Oral Health team to follow up on clients of the school-based dental screening program by completing clients' records, corresponding with parents/guardians, and preparing documentation for Children's Aid Society (CAS) referrals. The PA will support the dental clinic team to schedule appointments, oversee inventory and equipment maintenance, and maintain records (logs).

1-0040 – Funding Support for the Counterpoint Needle Exchange Program at Regional HIV/AIDS Connection
This proposal would allow the Health Unit to maintain service provision at current levels. Services specific to Counterpoint Needle Exchange Program would continue to be provided by RHAC, but would be funded by MLHU rather than by RHAC's other funding sources on an in-kind basis. Resources in this proposal would also result in an increase in service, specifically the provision of weekend needle exchange outreach services.

1-0047 –Associate Medical Officer of Health Enhancement
The Associate Medical Officer of Health (AMOH) position includes leadership roles in implementing evidence-based practices and ensuring delivery of quality programs. Currently, there is a high demand for these roles, including needs that sometimes go unmet due to limited AMOH time (0.8 FTE). This demand will be increasing with the implementation of the new strategic plan. There is also a need to have full-time backup for the MOH. This proposal would increase the AMOH role from 0.8 FTE to 1.0 FTE.

2016 Proposed PBMA One-time Investments **Appendix B**

Dept.	No.	Proposal	Value	FTE	Score
Cross-MLHU	1-0032	Nurse Family Partnership	$ 35,000.00	0.00	286
Cross-MLHU	1-0001	Mental Health and Wellbeing Promotion Strategy	$ 36,953.00	0.50	285
Cross-MLHU	1-0012	Leadership and Management Development Program	$ 40,000.00	0.00	201
EHCDP	1-0021	Increasing Food Systems Capacity	$ 45,000.00	0.50	224
OHCDSH	1-0024	Public Health Nurse for Tuberculosis	$ 50,000.00	0.50	265
		Total	$ 206,953.00	1.50	1261

One-time Investment Descriptions

1-0032 – Nurse Family Partnership
This PBMA investment would provide the funds necessary to allow nurses and nurse supervisors to receive the NFP training and cover associated travel costs and start up licensing fees. $350,000 from the Local Poverty Reduction Fund has also been received to help cover the costs associated with developing a Canadian training model and researching the training and determining the impact of NFP in Ontario.

1-0001 – Mental Health and Wellbeing Promotion Strategy
This proposal requests a temporary 0.5 FTE Program Evaluator for 2016 to conduct a literature review on evidence-based strategies to promote connectedness throughout the lifespan. This will enable the Health Unit to develop a comprehensive mental health well-being strategy with specific outcomes and indicators.

1-0012 – Leadership and Management Development Program
The Leadership & Management Development Program seeks to develop the skills and expertise of the Health Unit management team and provide ongoing workforce development. This initiative is aimed at directly addressing one of the top five least favourable categories as identified by employees in the 2014 engagement survey around managing performance and continues to be ongoing area of concern.

1-0021 – Increasing Food Systems Capacity
This proposal would continue a previous PBMA investment that increased the capacity of the Health Unit by 0.5 FTE Registered Dietitian/Public Health Dietitian so that MLHU is better positioned to take an ecological approach - addressing the environmental, economic, social and nutritional factors - to impact food-related issues in our communities, including food insecurity, consumption of nutrient-poor foods, rates of overweight/obesity and related chronic diseases.

1-0024 – Public Health Nurse for Tuberculosis

Despite the Infectious Disease Control Team's workload redistribution process, further Public Health Nurse (PHN) time dedicated to tuberculosis (TB) clinics is needed. Unfortunately, the current complement within the team does not allow for further nursing time to be committed to TB without this enhancement

2016 Proposed PBMA Disinvestments **Appendix C**

Dept.	No.	Proposal	Value	FTE	Score
EHCDP	1-0027	Adjusting Vector Borne Disease Budget to Reflect Current Status	-$ 40,801.00	0.00	0
EHCDP	1-0029	Proper Allocation for Program Assistant for E-Cigarette Act	-$ 24,824.00	0.00	0
FHS	1-0034	Health Connection and Early Years Team Program Assistant Reduction	-$ 30,000.00	-0.50	-41
FHS	1-0035	Decrease Operations Budget from Family Health Services Administration	-$ 10,000.00	0.00	-21
FHS	1-0036	Decrease Casual Public Health Nurse Budget	-$ 15,000.00	-0.15	-86
FHS	1-0037	Reproductive Health Team Program Assistant Reduction	-$ 30,659.00	-0.50	0
FHS	1-0038	Breast Pump Loan Program	-$ 5,000.00	0.00	0
FHS	1-0039	Let's Grow Reduction	-$ 23,000.00	-0.40	-76
FHS	1-0041	Community Mobilization of Developmental Assets	-$ 50,986.00	-0.50	-75
HRLR	1-0043	Reduction of Casual Reception Administration Budget	-$ 10,000.00	0.00	-16
OHCDSH	1-0042	Eliminate Involvement in Dental Claims Administration	-$ 24,900.00	-0.15	-34
OHCDSH	1-0028	Reduce Casual Public Health Nursing in the Sexual Health Clinic	-$ 16,427.00	-0.20	-87
OMOH	1-0046	Modify Executive Assistant to the Board of Health and Program Assistant to Communications	-$ 0	0	0
		Total	-$ 281,597.00	-2.60	-436

Disinvestment Descriptions

1-0027 - Adjusting Vector Borne Disease Budget to Reflect Current Status
The Vector Borne Disease (VBD) program delivery has evolved and changed significantly over the last several years with no corresponding re-evaluation of the allocation of budget funds. Some aspects of the VBD program are currently being funded from other cost-shared budget lines and the budgets should be adjusted to more accurately reflect our actual program delivery and spending practices.

1-0029 – Proper Allocation for Program Assistant for E-Cigarette Act
Tobacco program requirements continue to increase in particular with the introduction of the new e-cigarette Act and the monitoring and enforcement requirements. Additional Program Assistant (PA) time will be required to manage the workload. The current number of PA staff is sufficient to manage the workload along with the addition of further tobacco monitoring, enforcement, paperwork and programming allowing 0.5 FTE cost shared salary dollars for a PA in EHCDP Service Area to be replaced by 0.5 FTE Smoke-Free Ontario 100% dollars.

1-0034 – Health Connection and Early Years Team Program Assistant Reduction
This proposal reduces Program Assistant support for Health Connection and the Early Years Team by 0.50 FTE. This would be done by redirecting calls that do not require public health nursing to free up 0.25 FTE from Health Connection and reducing general support capacity on the Early Years Team by 0.25FTE.

1-0035 – Decrease Operations Budget from Family Health Services Administration
The administrative (or central budget for FHS) will decrease the purchase of material and supplies and program resources but will have no impact on service delivery. Each team has their own budget line.

1-0036 – Decrease Casual Public Health Nursing Budget
This proposal decreases the casual budget by $15,000 for prenatal teachers. There has been an efficiency gain in how prenatal classes are being delivered. An online e-learning component has been added that reduces facilitated in-class nursing time. This results in less casual and/or contract nurse time required to facilitate prenatal classes.

1-0037 – Reproductive Health Team Program Assistant Reduction
The Reproductive Health Team is proposing to reduce the program assistant FTE allocation from 2.5 to 2.0 FTE due to a shift in graphic design work being completed by external graphic professionals, rather than by internal program assistants, communication campaigns are relying more heavily on electronic venues and presentations offered by PHN's on the team are now developed by the PHN's themselves.

1-0038 – Breast Pump Loan Program
Based on the evidence demonstrated in the literature review, and a chart audit which demonstrated that loaning electric breast pumps was only effective in maintaining breast feeding for 14% of mothers who used Healthy Babies Healthy Children, we intend to tighten the criteria for the breast pump loan program and decrease costs by $5,000. This will enable PHNs to provide breastfeeding support to the mothers who will benefit most from the loan of an electric breast pump, while still supporting breastfeeding mothers overall.

1-0039 – Let’s Grow Reduction
This proposal eliminates 0.4 FTE of a Program Assistant which will no longer allow for registrants of the Let's Grow program to receive e-alerts. The program information will be sustained and there will be a need to find other strategies that will direct parents to the MLHU Let's Grow website newsletters to access the issues appropriate to their child's stage of development. Administrative duties over and beyond entry of registration into the database and sending emails will need to be integrated into the Early Years Team.

1-0041 – Community Mobilization of Developmental Assets
This proposal reduces 0.5 FTE of a Public Health Nurse (PHN) assigned to the Community Mobilization component of the Search Institute's Developmental Asset Framework. Due to incompatibility between the trademarked Developmental Asset framework and MLHU's mandate, the program will not be implemented by MLHU in Middlesex-London. Evidence-informed strategies to achieve the intended outcomes will continue in its place.

1-0043 – Reduction of Casual Reception Administration Budget
This budget line was initially introduced in order to fund casual staffing including but not limited to the backfilling of reception staff in the Strathroy office. Although there still exists a need to backfill reception in London on occasion (vacation, sick, in-service meetings, etc.) this budget amount can be reduced due to the elimination of the Strathroy reception.

1-0042 – Eliminate Involvement in Dental Claims Administration
There are a number of ministry changes that will impact the Oral Health team – specifically the move to 3rd party dental claims administration. With the move to HSO 2.0, health units will no longer be responsible for dental claims submission and this proposal would allow for a 0.2FTE reduction in Dental Consultation support.

1-0028 – Reduce Casual Public Health Nursing in the Sexual Health Clinic
A program review of Sexual Health Clinic Services was completed in 2015 with recommendations identified. One of the recommendations is to change the scope of the clinic to align more completely with our public health mandate. It is anticipated that this change will reduce the number of clients accessing service in our family planning clinics and as a result, there is less need for casual PHN support in the clinic.

1-0046 – Modify the Executive Assistant to the Board of Health and Program Assistant for Communications Roles
Administrative support work for the Communications program handles sensitive and confidential information, and has in the past provided ad hoc coverage to the Executive Assistant (EA) to the Medical Officer of Health (MOH). This position needs to be able to work at a high level and partner with the EA to the MOH in a more formal and deliberate way. This proposal would create a new administrative position that supports both the Board of Health and the Communications program, and eliminate the Executive Assistant to the Board of Health and Program Assistant to Communications positions. Combining these two positions would address these issues. Additional support time would be reallocated to part-time Program Assistant staff.

Appendix D

2016 Budget Timetable

	Date
FFC review of PBT's - Finance & Operations - Human Resources & Corporate Strategy - Office of the Medical Officer of Health - Oral Health & Communicable Disease & Sexual Health	January 11, 2016
FFC review of PBT's - Family Health Services - Environmental Health & Chronic Disease Prevention - General Expense & Revenues	January 28, 2016
FFC final review and recommendations	February 11, 2016
BOH review and approval	February 18, 2016

Appendix E

DRAFT Expected 2016 Revenue and Expenditure Changes
As of Nov 30th, 2015

Expected revenue changes:	
2015 PBMA One-time projects	$ 257,530
2016 MOHLTC increase (2% cost-shared programs)	325,612
2015 additional MOHLTC funding	414,301
Total expected revenue changes.	**$ 997,443**

Expected expenditure changes:	
Negotiated wage increases	367,487
Employer paid benefits, 2015 requirements	60,000
Employer paid benefits, 2016 estimated requirements	70,300
CINOT claims administration uploaded to MOHLTC	(101,365)
Organizational structure position changes	88,151
Organizational structure office space reconfigurations	35,000
Reduction to expected gapping budget	25,225
2016 PBMA investments	527,289
2016 PBMA investments - one-time	206,953
2016 PBMA disinvestments	(281,597)
Total expected expenditure changes.	**$ 997,443**

The Business Case for Paying a Living Wage

"Living wage" refers to an hourly wage that allows employees and their families to meet their basic needs. Living Wage policies have been in place since the mid 1990s and are now working in some 140 municipalities and counties in the United States, including Boston, Detroit, Chicago, Los Angeles and New York City, as well as in many cities in the UK. In 2010, the City of New Westminster, B.C., became the first Canadian municipality to enact a comprehensive Living Wage policy, while many private employers are signing up to become Living Wage Employers throughout Canada.

There is now a large body of research which documents the positive economic and social effects of paying a Living Wage. There are many obvious benefits to workers who receive a living wage, especially when it boosts working poor people and their families out of poverty. But what does living wage mean for employers?

1. **Decreased employee turnover; cost savings for staff hiring and training**
    - A study of employers in Los Angeles found lower rates of labour turnover, absenteeism and overtime rates and higher rates of training amongst 75 living wage contractors when compared to 210 similar non-living wage firms. Staff turnover rates at firms covered by living wage polices averaged 17% lower than at firms that were not (Fairris and Reich 2005).

    - A leading study of the San Francisco airport by researchers at the University of California found that after the airport boosted wages, turnover among contracted security screeners plummeted from 95% to 19% as their hourly wage rose from $6.45 to $10.00 an hour. The airport saved thousands of dollars per worker in new employee recruitment and training costs (Reich, Hall and Jacobs 2005).

    - In 2004, Barclays Bank in London specified that its cleaning contractees in Canary Wharf provide a better pay and benefits package that included pension contributions, sick pay, bonuses, an increased holiday entitlement and training to an industry recognized standard. Barclays deemed the increased costs to be completely commercially viable by attracting higher quality employees and improving cleaning standards. Indeed, the new policy resulted in a dramatic drop in absenteeism and turnover, from 30% to 4%, along with rising performance and customer satisfaction levels. In 2007, Barclays expanded the living wage rate for cleaners to all its City offices (cited in SERTUC, n.d.: 6).

    - KPMG London halved its turnover rate after it introduced a living wage policy for all its in-house and contract staff. Other benefits were seen as well: "No one abused the new sick pay scheme and absenteeism is very low. We get the benefit of reduced training costs and increased staff continuity. It is a much more motivated workforce¨ Head of Corporate Services, Guy Stallard (cited in SERTUC, n.d.: 6).

    - A Harvard Business Review article found that wholesale retailer Costco's higher wage rate than other retailers resulted in less turnover. Turnover is unusually low, at 17% overall, compared to 44% a year at Wal-Mart which is close to the industry average. The study also found greater productivity and lower levels of employee theft at Costco (Cascio 2006).

2. Improved job quality, productivity and service delivery; lower absenteeism

- More than 80% of employers involved in the London Living Wage Program (LLW) believed that the LLW had enhanced the quality of the work of their staff. Employees (almost 75%) also reported increases in work quality as a result of receiving the LLW. (London Economics, 2009)

- In the aforementioned San Francisco Airport Study, after the airport implemented a Living Wage Policy, quality improved dramatically, as did morale: 35% of employers reported improvements in work performance, 47% reported better employee morale, 44% reported fewer disciplinary issues, and 45% reported that customer service had improved (Reich, Hall and Jacobs 2005).

- An investigation of the decision by Queen Mary University of London to bring its cleaning service in-house and become a living wage employer found that it stimulated improvements in job quality, productivity and service delivery, with very little increase in costs (Wills, Kakpo and Begum 2009).

- The state of Maryland found that encouraging living wages boosted competition for state contracts by expanding the pool of "good" firms that could compete on a level playing field (cited in Los Angeles Times editorial, July 6, 2010).

3. Benefits the broader economy by stimulating consumer spending

- A 2009 Goldman Sachs report confirms that increasing the income of people with lower wages has a proportionately larger stimulating effect on the economy than increasing the income of those on high incomes. Low earners tend to spend more of their increased income than those on much higher incomes, because those on low-incomes have more essential spending needs to be met by any income increases. Higher income populations deliver only 3-5 cents increased spending per additional dollar of wealth (Goldman Sachs 2009).

- A 2008 study by economists at the Federal Reserve Bank of Chicago, which examined 23 years of household spending data, found that an increase in the minimum wage leads households with a minimum wage worker to significantly increase their spending over the next year: for every dollar increase in the minimum wage, families with minimum-wage workers tend to increase spending by more than $800 per quarter (Aaronson et al. 2008).

- Vancity emphasized the positive role that living wages play in the local economy when they agreed to become a Living Wage Employer in 2011- *"We want to be part of a community that invests in the long-term prosperity of individuals and the economy. Paying a living wage to our employees and service providers will help make families stronger and communities healthier."* Tamara Vrooman, President and Chief Executive Officer, Vancity

4. Greater corporate social responsibility and firm reputation

- Private firms are becoming increasingly aware that commitment to corporate responsibility is essential to their public image. Private companies and public institutions are conscious of their "brand¨ image, but lofty mission statements mean little if the public becomes aware that they hide the exploitation of low paid staff.

- 70% of employers involved in the London Living Wage Program (LLW) felt that being publicly recognized as paying a Living Wage had increased consumer awareness of their organization's commitment to be an ethical Employer

- A statement from KPMG London on why they became a Living Wage Employer states: "Research suggests that most people want to work for a company whose values are consistent with their own and that a majority of young people believe in the power of responsible business practice to improve profitability. Thus corporate responsibility is increasingly a key factor in attracting and retaining a talented and diverse workforce. Our last annual People Survey showed that almost all of our people believe KPMG is socially responsible and makes a positive contribution to the communities in which we operate."

- Being a service contractor who pays a living wage helps gain recognition from large firms and public bodies who have developed ethical purchasing policies as part of their contracting process.

- Eclipse Awards, a Living Wage Employer based in Strathcona, Vancouver has been nominated as a Top 10 Finalist for Best Employer in BC in 2011 partly because of their pioneering commitment to being a Living Wage Employer.

- Being able to advertise that you pay a living wage satisfies the growing consumer demand for ethical consumption (Turcotte 2010)

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