

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

50 King Street, London
Middlesex-London Health Unit – Room 3A
Thursday, September 6, 2018 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – July 5, 2018

4. NEW BUSINESS

- 4.1 Q2 Financial Update and Factual Certificate (Report No. 033-18FFC)
- 4.3 Middlesex-London Health Unit – March 31 Draft Financial Statements (Report No. 034-18FFC)
- 4.3 Location Project – Status Update (Report No. 035-18FFC)
- 4.4 Location Project – Architectural Services (Report No. 036-18FFC)
- 4.5 Location Project – Project Management Services (Report 037-18FFC)

5. OTHER BUSINESS

- 5.1 Next meeting Thursday, October 4, 2018 at 9:00 a.m. Room 3A

6. ADJOURNMENT



PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE
50 King Street, London
Middlesex-London Health Unit
Thursday, July 5, 2018 8:30 a.m.

MEMBERS PRESENT: Ms. Trish Fulton (**Chair**)
Ms. Tino Kasi (via phone)
Mr. Marcel Meyer
Ms. Joanne Vanderheyden

REGRETS: Mr. Jesse Helmer

OTHERS PRESENT: Dr. Christopher Mackie, Secretary-Treasurer
Ms. Lynn Guy, Executive Assistant to the Medical Officer of Health (Recorder)
Ms. Lisa Clayton, Manager Human Resources
Mr. Brian Glasspoole, Manager Finance
Ms. Maureen Rowlands, Director
Mr. Stephen Turner, Director
Ms. Kendra Ramer, Manager
Ms. Cynthia Bos, Human Resources Partner

Chair Fulton called the meeting to order at 8:34 a.m.

DISCLOSURES OF CONFLICT(S) OF INTEREST

Chair Fulton inquired if there were any disclosures of conflicts of interest. None were declared.

APPROVAL OF AGENDA

It was moved by Mr. Vanderheyden, seconded by Mr. Meyer, *that the AGENDA for the July 5, 2018 Finance and Facilities Committee meeting be approved.*

Carried

APPROVAL OF MINUTES

It was moved by Mr. Meyer, seconded by Mr. Vanderheyden, *that the MINUTES of the June 7, 2017 Finance and Facilities Committee meeting be approved.*

Carried

NEW BUSINESS

4.1 Ministry of Children and Youth Services Program Funding (Report No. 029-18FFC)

Infant Hearing Programs (IHP) are currently piloting a protocol for assessing children's developmental outcomes related to speech and language communication development over time. Dr. Mackie noted that the results of the Outcome Tools Pilot for Children with Permanent Hearing Loss will be used by the government to inform any implementation decisions. Dr. Mackie advised that staff will ensure the results of the pilot are received by Boards of Health.

It was moved by Ms. Vanderheyden, seconded by Mr. Meyer *that the Finance & Facilities Committee recommend that the Board of Health:*

1. *Receive Report No. 029-18FFC re: "Ministry of Children and Youth Services Program Funding;" and*
2. *Direct staff to receive this funding.*

Carried

4.2 Proposed 2019 PBMA Process, Criteria & Weighting (Report No. 030-18FFC)

Ms. Fulton noted that the process, criteria and weighting have not changed since the last review. There was discussion in regard to the weighting. Dr. Mackie provided background information on how the weighting was originally determined by Board Members and Senior Leaders the first year the PBMA process was introduced at the Health Unit.

It was moved by Ms. Vanderheyden, seconded by Mr. Meyer *that the Finance & Facilities Committee receive and make recommendation to the Board of Health to approve the 2019 PBMA criteria and weighting proposed in Appendix A to Report No. 030-18FFC.*

Carried

4.3 2018 Budget Funding Increases – New Initiatives (Report No. 031-18FFC)

Dr. Mackie provided the Committee with a more detailed review of the report prior to discussion, noting that the Location and ECR budgets have not been reflected in this report.

Hiring of Permanent Public Health Nurses (PHN)

There was a lengthy discussion whereby Dr. Mackie and Ms. Clayton provided additional information in regard to the difficulty of filling temporary vacant PHN positions due to Leaves of Absence, retirements, resignations. They noted that there is no intention to increase the number of positions but rather to ensure that the most qualified candidates are attracted in order to best serve clients. They discussed the pressures of filling the vacancies with internal staff and the bumping/moving around of staff that has to occur each time, which often creates gaps in service. Dr. Mackie advised that when the permanent PHNs are hired, given the number of PHNs leaving, they would be guaranteed a job once the position that they were hired to cover is back to full complement, but it would be clear on hiring that they may be redeployed to another team. He also noted that this new practice would help alleviate lengthy wait lists in some programs.

Ms. Clayton noted that over the course of each year, the Health Unit will always be either at or below the permanent, full-time equivalent compliment. She described this proposed initiative as a natural response to forecasted gaps, and indicated that it is common practice in her experience in the private sector.

The Committee discussed making this initiative a pilot and reviewing at the end of the year. Ms. Clayton will provide the Board with the cost of filling PHN positions from January 2018 to June of 2018. Dr. Mackie advised that he will ensure the Board receives this additional information.

Mr. Meyer noted that he would appreciate additional information such as which other organizations use this practice, more explanations to prove it's necessary.

Supporting reconciliation and promoting a diverse and inclusive environment

Ms. Vanderheyden noted that she would like to see more information in regard to the diversity and inclusive environment. Dr. Mackie noted that the dollar amount is an estimate and he will bring a more fulsome plan to the Board of Health.

Architectural Consulting

Dr. Mackie noted that a provincial grant would reduce or eliminate this budget pressure, and that the Health Unit is still in early stages of the process regarding the architectural consulting for the location project. The funds will be used to design a space that ensures optimal clinic flow and exceptional service delivery to clients.

It was moved by Ms. Vanderheyden, seconded by Ms. Fulton, *that the Finance & Facilities Committee recommend that the Board of Health:*

1. *Receive Report No. 031-18FFC re: 2018 Budget Funding Increases – Recommended Expenditures;*
2. *Approve Appendix A; and*
3. *Recommend to the Board of Health to approve the judicious over-hiring of permanent staff in limited circumstances. Amendment to the text (at this time)*

Carried

4.4 New Policy Review – G205 - Borrowing

Kendra noted that this policy has been reviewed by the Governance Committee and was created by external legal council. There was a request by the Governance Committee that the policy be reviewed by the Finance and Facilities Committee.

Discussion ensued about the following:

- The need for municipal consent for the acquisition of property
- Municipal consultation versus consideration
- How input from municipalities would be handled

Dr. Mackie noted that the current round of borrowing for the move has gone to the Board and both obligated municipalities were contacted.

Committee members asked that in Section 2, b. revise the sentence to read “Obligated Municipalities shall be consulted and considered for access to their capital markets.”

It was moved by Mr. Meyer, seconded by Ms. Vanderheyden, *that the recommended revisions be made, and the amended policy be brought back to the Governance Committee for recommendation to the Board of Health.*

Carried

OTHER BUSINESS

The August 2nd meeting was cancelled due to anticipated absence of urgent items.

Next meeting: September 6, 2018

CONFIDENTIAL

In public session, it was moved by Mr. Meyer, seconded by Ms. Vanderheyden, *that the **CONFIDENTIAL MINUTES** of the June 5, 2018 Finance and Facilities Committee meeting be approved.*

Carried

ADJOURNMENT

At 9:32 a.m., it was moved by Ms. Vanderheyden, seconded by Mr. Meyer, *that the meeting be adjourned.*

Carried

At 9:32 a.m., Chair Fulton *adjourned the meeting.*

TRISH FULTON
Chair

CHRISTOPHER MACKIE
Secretary-Treasurer

DRAFT



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 6

Q2 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend that the Board of Health approve Report No. 033-18FFC re: “Q2 Financial Update and Factual Certificate.”

Key Points

- The 2018 approved budget assumes a zero-percent increase in Mandatory Programs funding from the Ministry of Health and Long-Term Care (MOHLTC).
- On May 7, 2018, the Board received provincial grant approvals for 2018, which included an increase to base funding totaling \$484,000 as outlined in Board of Health Report 027-18.
- Recommended expenditures amounting to \$433,450, which were approved by the Board of Health on July 19 as presented in Report 044-18, will be reflected in the Q3 Financial Update.
- Included in this Financial Update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.

Background

The Board of Health approved the 2018 operating budget on February 15, 2018 ([Report No. 005-18FFC](#)). The approved budget includes a \$250,000 contribution to the Technology and Infrastructure Reserve Fund and assumes no increase in Mandatory Programs funding from the MOHLTC.

Financial Highlights

The Budget Variance Summary, which provides budgeted and actual expenditures for the first six months and projections to the end of the operating year for programs and services governed by the Board of Health, is attached as [Appendix A](#). This analysis is based on the original budget for 2018, approved by the Board of Health as outlined in Report No. 006-18.

Given the increase of \$484,000 in provincial grant approvals for 2018, as outlined in Report No. 027-18, and that expenditures amounting to \$433,450 were approved by the Board of Health, subsequent to the end of Q2, at its July 19 meeting (Q3), per Report No. 044-18, these figures are not reflected in this schedule.

Current forecasting shows favourable variances across the organization as a result of position vacancies due to implementation of approved PBMA proposals, maternity leaves, retirements/resignations, and medical leaves of absence. The net favourable variance is currently forecast to be \$476,602, and will contribute to the overall expected annual gapping budget of \$932,963.

Factual Certificate

A signed factual certificate, attached as [Appendix B](#), is to be completed by senior Health Unit administrators responsible for ensuring that certain key financial and risk management functions are being performed to the best of their knowledge. The certificate is revised as appropriate on a quarterly basis and submitted with each financial update.

This report was prepared by the Finance Team, Healthy Organization Division.

A handwritten signature in black ink that reads "Alexander T. Summers". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alexander Summers, Associate Medical Officer of Health

A handwritten signature in blue ink that reads "Di Cesare". The signature is cursive and stylized.

Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**

As at June 30, 2018

Appendix A to Report No. 033-18FFC

	Q2 YTD ACTUAL (NET)	Q2 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	2018 ANNUAL NET BUDGET	DECEMBER SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
<i>Environmental Health & Infectious Disease Division</i>									
Office of the Director	\$ 139,649	\$ 139,138	\$ (511)	-0.7%	\$ 276,276	\$ 278,276	\$ 2,000	0.7%	Favourable spending on office supplies \$1,000 and meeting costs \$1,000
Emergency Management	78,470	115,659	37,189	64.3%	205,117	231,317	26,200	11.3%	Anticipated savings in salaries \$20,300 and benefits \$1,900 due to delay to hire department manager and lower anticipated program costs \$4,000
Food Safety & Healthy Environments	879,614	897,389	17,775	4.0%	1,784,777	1,794,777	10,000	0.6%	Anticipated savings in travel \$5,000 and higher than planned food handler revenues \$5,000
Infectious Disease Control	826,056	886,145	60,089	13.6%	1,758,289	1,772,289	14,000	0.8%	Anticipated savings in salaries \$10,000 and benefits \$4,000 due to gapping in hire of PHN
Safe Water, Rabies & Vector-Borne Disease	539,076	684,973	145,897	42.6%	1,369,946	1,369,946	-	0.0%	No anticipated variance by year-end
Sexual Health	1,198,632	1,326,308	127,677	19.3%	2,534,115	2,652,615	118,500	4.5%	Anticipated savings in salaries \$60,000 and benefits \$14,000 reflecting delays to hire HIV Program Lead and PHN. Revenues will be \$68,000 higher than planned, including surplus from physician billings for \$60,000 and contraceptive sales \$4,000. These are partly offset by higher professional service fees related to the opioid crisis (\$40,000).
Vaccine Preventable Disease	699,974	726,244	26,270	7.2%	1,479,488	1,452,488	(27,000)	-1.9%	Higher than planned wages to address and clear data entry backlog partly offset by previously approved (\$16,000) spend results in net overspend of (\$7,000). In addition, lower than planned revenue due to no longer offering paid TB skin tests (\$20,000).
<i>Total Environmental Health & Infectious Disease</i>	\$ 4,361,471	\$ 4,775,856	\$ 414,386	17.4%	\$ 9,408,008	\$ 9,551,708	\$ 143,700	1.5%	

	Q2 YTD ACTUAL (NET)	Q2 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	2018 ANNUAL NET BUDGET	DECEMBER SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Healthy Living Division									
Office of the Director	\$ 94,012	\$ 128,656	\$ 34,644	53.9%	\$ 213,835	\$ 257,311	\$ 43,476	16.9%	Anticipated savings in salaries \$29,347 and benefits \$8,628 due to delay to hire Admin Assistant position. Additional savings in travel \$2,000 and program supplies \$2,000
Child Health	689,367	814,584	125,217	30.7%	1,498,589	1,629,168	130,579	8.0%	Anticipated savings in salaries \$78,000 and benefits \$26,800 due to delay to hire full time PHN and other vacancies partly offset by \$20,000 required to sample schools within Middlesex-London to obtain key data for the Ontario Student Drug Use and Health Survey. Additional savings related to travel \$4,000 and program supplies \$12,054.
Chronic Disease and Tobacco Control	581,107	710,646	129,539	36.5%	1,404,001	1,421,291	17,290	1.2%	Anticipated savings in salaries \$15,381 and benefits \$3,028 due to vacancies for a PHN (UVR portfolio) and a dietitian
Healthy Communities and Injury Prevention	504,897	570,648	65,751	23.0%	1,105,421	1,141,295	35,874	3.1%	Anticipated savings in salaries \$24,274 and benefits \$10,000 reflect hiring gap for a Program Assistant and a PHN and lower staff development charges \$1,500
Oral Health	611,452	549,962	(61,490)	-22.4%	1,099,924	1,099,924	-	0.0%	No anticipated variance by year-end
Southwest Tobacco Control Area Network	154,194	218,250	64,056	58.7%	436,500	436,500	-	0.0%	No anticipated variance by year-end
Young Adult Health	536,038	575,907	39,869	13.8%	1,108,313	1,151,813	43,500	3.8%	Anticipated savings in salaries \$34,000 and benefits \$6,000 due to delay to replace dietitian on maternity leave and other expected hiring gaps.
Total Healthy Living Division	\$ 3,171,067	\$ 3,568,653	\$ 397,586	22.3%	\$ 6,866,583	\$ 7,137,302	\$ 270,719	3.8%	

	Q2 YTD ACTUAL (NET)	Q2 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	2018 ANNUAL NET BUDGET	DECEMBER SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Healthy Start Division									
Office of the Director	\$ 124,947	\$ 130,339	\$ 5,392	8.3%	\$ 258,078	\$ 260,678	\$ 2,600	1.0%	Anticipated savings in materials and supplies \$2,000 equipment \$500 and other program costs \$100
Best Beginnings	1,410,310	1,504,703	94,393	12.5%	2,937,774	3,009,406	71,632	2.4%	Anticipated savings in salaries \$45,339 and benefits \$29,761 reflect hiring gap for a number of staff positions including a need for one additional PHN for 2nd half of year. Travel is expected to be unfavourable (\$4,000)
Early Years Health	782,383	800,958	18,575	4.6%	1,546,716	1,601,916	55,200	3.4%	Anticipated savings in salaries \$23,800 and benefits \$9,400 reflect hiring gap for a number of staff positions including a need for one additional PHN for 2nd half of year. Program supplies are favourable \$20,000 due to delays to launch health promotion and social media initiatives and staff development is favourable \$2,000 due to fewer opportunities.
Reproductive Health	674,875	767,387	92,512	24.1%	1,468,010	1,534,774	66,764	4.4%	Anticipated savings in salary \$46,170 and benefits \$12,744 for unfilled PHN and manager position. Professional services are favourable \$6,300 across a number of initiatives.
Screening Assessment and Intervention	1,527,474	1,574,727	47,253	6.0%	3,149,453	3,149,453	-	0.0%	No anticipated variance by year-end
Total Healthy Start Division	\$ 4,519,989	\$ 4,778,114	\$ 258,125	10.8%	\$ 9,360,031	\$ 9,556,227	\$ 196,196	2.1%	
Office of the Chief Nursing Officer	\$ 195,857	\$ 214,011	\$ 18,154	18.0%	\$ 433,022	\$ 428,022	\$ (5,000)	-1.2%	Additional staff capacity building opportunities related to Indigenous Public Health Practice (\$5,000)
Office of the Medical Officer of Health									
Office of the Medical Officer of Health	\$ 268,498	\$ 275,182	\$ 6,684	4.9%	\$ 561,863	\$ 550,363	\$ (11,500)	-2.1%	Anticipated savings in salaries \$35,610 and benefits \$8,557 due to delay to hire Policy Analyst offset by contract costs for part time assistance
Communications	\$ 241,496	258,597	17,101	13.2%	517,194	517,194	\$ -	0.0%	No anticipated variance by year-end
Office of the Associate Medical Officer of Health	\$ 74,040	152,917	78,877	103.2%	230,000	305,833	\$ 75,833	24.8%	Anticipated savings in salaries \$77,646, benefits \$13,187, travel \$4,000 and staff development costs \$1,000 due to delay to hire AMOH, partly offset by reduction of OMA Top-Up (\$20,000).
Population Health Assessment & Surveillance	\$ 256,385	261,637	5,252	4.0%	573,273	523,273	\$ (50,000)	-9.6%	Variance reflects additional Epidemiologists support for six months (\$50,000).
Total Office of the Medical Officer of Health	\$ 840,420	\$ 948,333	\$ 107,913	22.8%	\$ 1,079,057	\$ 1,896,663	\$ 14,333	0.8%	

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Healthy Organization Division									
Office of the Director	\$ 125,667	\$ 159,158	\$ 33,491	42.1%	\$ 318,316	\$ 318,316	\$ -	0.0%	No anticipated variance by year-end
Finance	230,760	231,848	1,088	0.9%	463,697	463,697	\$ -	0.0%	No anticipated variance by year-end
Human Resources	311,783	334,739	22,956	13.7%	669,478	669,478	\$ -	0.0%	No anticipated variance by year-end
Information Technology	291,029	471,091	180,062	76.0%	1,060,511	947,981	\$ (112,530)	-11.9%	Anticipated savings in salaries \$13,571 and benefits \$3,899 due to delay to hire desktop application analyst offset by cost to develop Electronic Client Records (\$130,000)
Privacy Risk & Governance	74,112	77,050	2,938	7.6%	154,099	154,099	\$ -	0.0%	No anticipated variance by year-end
Procurement & Operations	128,006	130,422	2,416	3.7%	260,844	260,844	\$ -	0.0%	No anticipated variance by year-end
Program Planning & Evaluation	348,388	428,705	80,317	37.5%	814,895	857,409	\$ 42,514	5.0%	Anticipated savings in salaries \$28,880 and benefits \$11,913 due to delay to hire vacant librarian position and gap in program evaluator position
Strategic Projects	41,984	124,218	82,234	132.4%	172,436	248,436	\$ 76,000	30.6%	Anticipated savings in salaries \$62,660 and benefits \$13,340 related to hiring delays for manager and coordinator positions
Total Healthy Organization Division	\$ 1,551,730	\$ 1,957,231	\$ 405,501	41.4%	\$ 3,914,276	\$ 3,920,260	\$ 5,984	0.2%	
General Expenses & Revenues	\$ 924,998	\$ 841,960	\$ (83,038)	-18.2%	\$ 1,763,050	\$ 1,613,720	\$ (149,330)	-9.3%	Savings from cancellation of Sherwood Forest Mall lease \$4,500 partly offset by anticipated increase in GWL Benefit Rates increase (\$3,830). Incremental budget to support roll-out of Activity Based Workspace and related acquisition of permanent furniture (\$150,000) - spending to occur only as additional gapping arises.
Total Expenditures Before Expected Gapping	\$ 15,369,674	\$ 16,870,147	\$ 1,500,473	17.7%	\$ 32,824,027	\$ 34,103,902	\$ 476,602	1.4%	
Less: Expected Agency Gapping Budget		(466,482)	(466,482)		(456,361)	(932,963)	(476,602)		
TOTAL BOARD OF HEALTH EXPENDITURES	\$ 15,369,674	\$ 16,403,665	\$ 1,033,991	12.5%	\$ 32,367,666	\$ 33,170,939	\$ -		

Middlesex-London Health Unit
FACTUAL CERTIFICATE

To: Members of the Board of Health, Middlesex-London Health Unit

The undersigned hereby certify that, to the best of their knowledge, information and belief after due inquiry, as at June 30, 2018:

1. The Middlesex-London Health Unit is in compliance, as required by law, with all statutes and regulations relating to the withholding and/or payment of governmental remittances, including, without limiting the generality of the foregoing, the following:
 - All payroll deductions at source, including Employment Insurance, Canada Pension Plan and Income Tax;
 - Ontario Employer Health Tax;
 - Federal Harmonized Sales Tax (HST)And, they believe that all necessary policies and procedures are in place to ensure that all future payments of such amounts will be made in a timely manner.
2. The Middlesex-London Health Unit has remitted to the Ontario Municipal Employees Retirement System (OMERS) all funds deducted from employees along with all employer contributions for these purposes.
3. The Middlesex-London Health Unit is in compliance with all applicable Health and Safety legislation.
4. The Middlesex-London Health Unit is in compliance with applicable Pay Equity legislation.
5. The Middlesex-London Health Unit has not substantially changed any of its accounting policies or principles since December 8, 2016.
6. The Middlesex-London Health Unit reconciles its bank accounts regularly and no unexpected activity has been found.
7. The Middlesex-London Health Unit has filed all information requests within appropriate deadlines.
8. The Middlesex-London Health Unit is in compliance with the requirements of the Charities Act, and the return for 2017 has been filed. (due by June 30th each year).
9. The Middlesex-London Health Unit has been named in a complaint to the Human Rights Tribunal of Ontario by a former student. The hearing has been completed and a decision to dismiss has been rendered that found no violation of human rights, however the individual has filed an Application to Divisional Court for a Judicial Review.
10. The Western Fair has issued a Third Party claim including the Health Unit involving an alleged infection with Q-fever bacteria while at Western Fair in 2011. The claim is being defended by City Legal Services as they were the insurer at the time. City Legal Services has indicated that there is no exposure to a financial claim for the Health Unit.
11. The Middlesex-London Health Unit is fulfilling its obligations by providing services in accordance with our funding agreements, the Health Protection & Promotion Act, the Ontario Public Health

Standards, the Ontario Public Health Organizational Standards and as reported to the Board of Health through reports including but not limited to:

- Quarterly Financial Updates
- Annual Audited Financial Statements
- Annual Reporting on the Accountability Indicators
- Annual Planning and Budget Templates
- Information and Information Summary Reports

Dated at London, Ontario this 2nd day of July, 2018

Dr. Christopher Mackie
Medical Officer of Health & CEO

Brian Glasspoole
Manager, Finance

Laura Di Cesare
Director, Healthy Organization



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 6

MIDDLESEX-LONDON HEALTH UNIT – MARCH 31 DRAFT FINANCIAL STATEMENTS

Recommendation

It is recommended that the Finance & Facilities Committee recommend that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31, 2018 as appended to Report No. 034-18FFC.

Key Points

- The draft Consolidated Financial Statements of the Middlesex-London Health Unit relating to programs with an operating year of April 1, 2017, to March 31, 2018, are attached as Appendix A.
- The above programs represent approximately \$3.8 million (10.7%) of the Health Unit's total operating budget of \$35.4 million.
- Combined, these programs completed the operating year with a \$30,274 surplus, which is payable to the Ministry of Children and Youth Services (\$23,163) and Public Health Ontario (\$7,111).

Background

The Board of Health is required to provide audited financial reports to various funding agencies for programs funded from April 1 to March 31 each year. The purpose of this audited report is to provide these agencies with assurance that the funds were spent for the intended purpose. The agencies use this information for purposes of confirmation and as a part of their settlement processes.

The following 100%-funded programs are included in the audited Consolidated Financial Statements (attached as [Appendix A](#)):

Ministry of Children and Youth Services:

- Blind-Low Vision
- Preschool Speech and Language (tykeTALK)
- Infant Hearing Screening

Ministry of Health and Long-Term Care:

- Healthy Communities Partnership Fund (payable to MOHLTC only)
- Panorama Implementation Project

Public Health Ontario:

- Library Shared Services

Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada

The above programs represent approximately \$3.8 million (10.7%) of the Middlesex-London Health Unit's total operating budget of \$35.4 million.

Figures for these programs are also reported in the Health Unit's main audited financial statements, approved by the Board of Health in June 2018. However, the main audited statements include program revenues and expenditures for these programs for the period of January 1 to December 31, 2017—a period that does not coincide with the reporting requirements of the funding agencies. Therefore, a separate audited statement is required.

Financial Review

The consolidated balance sheet can be found on page 2 of [Appendix A](#). Its purpose is to provide the current value of assets (cash and prepaid expenses), which are balanced against current liabilities (deferred revenue brought forward into the next operating year and the accumulated amount that must be repaid to the funding agencies).

The consolidated statement of operations can be found on page 3 of [Appendix A](#). Its purpose is to provide information about how programs are funded and how these revenues are used in fulfilling program requirements. The following key points can be taken from this statement:

- 1) Revenue – the majority of the revenue (99.1%) is comprised of grants from the funding agencies (Government of Ontario, Government of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$3,453,215 (91.4%), relates to personnel costs. Program resources and public awareness account for \$141,066 (3.7%); equipment-related purchases account for \$44,846 (1.2%); and the remaining expenses (such as travel, office supplies, equipment, telephone, rent, etc.) account for \$139,729 (3.7%).

Combined, the programs completed the operating year with a surplus of \$30,274, which is payable to the Ministry of Children and Youth Services (\$23,163) and Public Health Ontario (\$7,111). A breakdown by program can be found on pages 8–9 of [Appendix A](#).

This report was prepared by the Finance Team, Healthy Organization Division.



Alexander Summers, Associate Medical Officer of Health



Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO

DRAFT Consolidated Financial Statements of

**MIDDLESEX-LONDON HEALTH UNIT
MARCH 31ST PROGRAMS**

Year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Chair and Members, Middlesex-London Board of Health

We have audited the accompanying consolidated financial statements of Middlesex-London Health Unit March 31st Programs, which comprise the consolidated balance sheet as at March 31, 2018, the consolidated statements of operations and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information and schedules.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Middlesex-London Health Unit March 31st Programs as at March 31, 2018, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Balance Sheet

DRAFT

March 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Prepaid expenses	\$ 13,022	\$ 22,392
Due from Middlesex-London Health Unit, non-program	115,610	79,189
	\$ 128,632	\$ 101,581

Liabilities

Current liabilities:		
Due to funding agencies (note 3)	\$ 72,158	\$ 42,182
Deferred revenue	56,474	59,399
	\$ 128,632	\$ 101,581

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Middlesex-London Health Unit:

Ms. Joanne Vanderheyden, Chair
Board of Health

Dr. Christopher Mackie, MD, MHSC, CCFP, FRCPC
Chief Executive Officer and Medical Officer of Health

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Operations

DRAFT

Year ended March 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenue (schedule):			
Programs revenue, funding agencies (note 4)	\$ 3,758,479	\$ 3,775,650	\$ 3,517,368
Other income	32,318	32,311	97,993
Interest income	-	1,169	449
	<u>3,790,797</u>	<u>3,809,130</u>	<u>3,615,810</u>
Expenditures (schedule):			
Personnel costs:			
Contract services	2,077,279	2,102,306	1,956,330
Salaries and wages	747,467	742,822	639,523
Allocated benefits	627,686	608,087	577,300
	<u>3,452,432</u>	<u>3,453,215</u>	<u>3,173,153</u>
Operating costs (schedule):			
Program resources	129,394	139,295	193,736
Rent	66,515	66,541	56,644
Equipment	38,545	43,160	107,281
Travel	41,837	29,139	32,623
Telephone	17,606	20,111	18,482
Office and supplies	21,600	12,930	13,945
Audit	5,922	6,818	6,452
Professional development	3,586	2,408	1,567
Office equipment, computers	840	1,782	2,381
Equipment maintenance	12,000	1,686	6,648
Public awareness	-	1,771	1,241
Board fees and expenses	520	-	-
	<u>338,365</u>	<u>325,641</u>	<u>441,000</u>
Net surplus (note 2)	-	30,274	1,657
Due to funding agencies, beginning of year (note 3)	-	42,182	53,248
Repayments during the year	-	(298)	(12,723)
Due to funding agencies, end of year (note 3)	\$ -	\$ 72,158	\$ 42,182

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Cash Flows

DRAFT

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Net surplus	\$ 30,274	\$ 1,657
Changes in non-cash operating working capital:		
Prepaid expenses	9,370	(10,537)
Deferred revenue	(2,925)	(8,569)
	36,719	(17,449)
Financing activities:		
Due from Middlesex-London Health Unit	(36,421)	30,172
Repayments to funding agencies	(298)	(12,723)
	(36,719)	17,449
Change in cash, being cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements

Year ended March 31, 2018

The Middlesex-London Health Unit March 31st Programs (the "Programs") are 100% funded by the Province of Ontario, the Government of Canada, and Public Health Ontario and are delivered by Public Health Units in partnership with local and social service agencies. These financial statements include the balances and activity of the programs only as outlined in the schedule - consolidated statement of operations for the period ending March 31, 2018 and do not reflect the balances and activity of the entirety of Middlesex-London Health Unit operations.

1. Significant accounting policies:

(a) Basis of accounting:

Revenue and expenditures are reported using the accrual basis of accounting with the exception of employees' sick leave and vacation benefits which are charged against operations in the year in which they are paid.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Government transfers not received at year end are recorded as grants receivable due from the related funding organization in the consolidated balance sheet.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost is amortized over the estimated useful life of the asset.

(c) Deferred revenue:

Funds received for expenses of future periods are deferred and recognized as income when the costs for which the revenue is received are incurred.

(d) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2018

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Surplus repayments:

The Programs funding agreements with funding agencies (the "Agencies") provide for repayment of any Programs surpluses to the Agencies. Programs deficits are the responsibility of the Programs and must be funded through efficiencies in future years. As such, surpluses net of any deficits from prior years are recorded on the consolidated balance sheet as accounts payable to the Agencies.

3. Due to funding agencies:

Due to funding agencies consists of the following:

	2018	2017
Ministry of Children and Youth Services:		
Blind-low vision	\$ 336	\$ 267
Preschool speech and language	7,994	763
Infant hearing	15,755	186
	24,085	1,216
Ministry of Health and Long-Term Care:		
Healthy communities	-	-
Public Health Ontario:		
Shared library services	46,523	39,416
Government of Canada:		
Smart start for babies	1,550	1,550
	\$ 72,158	\$ 42,182

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS
DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2018

4. Program revenue, funding agencies:

Program revenue, funding agencies consists of the following:

	2018	2017
Ministry of Children and Youth Services:		
Blind-low vision	\$ 166,778	\$ 166,102
Preschool speech and language	1,918,690	1,830,374
Infant hearing	1,025,250	977,807
	<u>3,110,718</u>	<u>2,974,283</u>
Ministry of Health and Long-Term Care:		
Panorama project	129,400	129,700
Public Health Ontario:		
Shared library services	110,737	111,527
Government of Canada:		
Smart start for babies	152,430	152,430
HIV/HEP C	117,961	-
FoodNet Canada program	154,404	149,428
	<u>424,795</u>	<u>301,858</u>
	<u>\$ 3,775,650</u>	<u>\$ 3,517,368</u>

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Balance Sheet

Year ended March 31, 2018

	Blind-low vision	Preschool speech and language	Infant hearing	Smart start for babies	Shared library services	Total
Balance Sheet:						
Assets:						
Prepaid expenses	\$ -	\$ 1,772	\$ -	\$ 11,250	\$ -	\$ 13,022
Receivable from Middlesex-London Health Unit	336	62,696	15,755	(9,700)	46,523	115,610
Total assets	\$ 336	\$ 64,468	\$ 15,755	\$ 1,550	\$ 46,523	\$ 128,632
Liabilities:						
Due to funding agencies	\$ 336	\$ 7,994	\$ 15,755	\$ 1,550	\$ 46,523	\$ 72,158
Deferred revenue	-	56,474	-	-	-	56,474
Total liabilities	\$ 336	\$ 64,468	\$ 15,755	\$ 1,550	\$ 46,523	\$ 128,632

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Statement of Operations

Year ended March 31, 2018

	Blind-low vision	Preschool speech and language	Infant hearing	Smart start for babies	HIV/HEP C	Panorama project	Shared library services	FoodNet Canada program	Total
Revenues:									
Grants:									
Ministry of Children and Youth Services	\$ 166,778	\$ 1,918,690	\$ 1,025,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,110,718
Ministry of Health and Long Term Care	-	-	-	-	-	129,400	-	154,404	283,804
Public Health Ontario	-	-	-	-	-	-	110,737	-	110,737
Government of Canada	-	-	-	152,430	117,961	-	-	-	270,391
	166,778	1,918,690	1,025,250	152,430	117,961	129,400	110,737	154,404	3,775,650
Other:									
Interest income	97	476	356	-	-	-	240	-	1,169
Other income	-	32,311	-	-	-	-	-	-	32,311
	97	32,787	356	-	-	-	240	-	33,480
Total revenue	166,875	1,951,477	1,025,606	152,430	117,961	129,400	110,977	154,404	3,809,130
Expenditures:									
Personnel costs:									
Contract services	110,747	1,341,007	631,367	12,892	2,224	-	1,069	3,000	2,102,306
Salaries and wages	13,525	144,707	145,879	65,133	85,029	113,411	66,731	108,407	742,822
Allocated benefits	32,689	367,062	118,352	12,677	17,005	15,989	15,070	29,241	608,087
Total salaries, wages and benefits	156,961	1,852,776	895,598	90,702	104,258	129,400	82,870	140,648	3,453,215
Services and supplies:									
Program resources and supplies	845	3,898	44,363	58,250	-	-	20,398	11,541	139,295
Equipment	-	-	38,605	-	4,555	-	-	-	43,160
Rent	-	49,971	9,708	-	6,862	-	-	-	66,541
Travel	7,270	7,200	9,580	1,387	1,411	-	511	1,780	29,139
Telephone	-	17,081	2,278	-	473	-	32	247	20,111
Office and supplies	-	8,739	3,839	297	-	-	55	-	12,930
Equipment maintenance	-	-	1,686	-	-	-	-	-	1,686
Audit	1,702	1,704	1,705	1,707	-	-	-	-	6,818
Office equipment, computers	-	-	1,782	-	-	-	-	-	1,782
Professional development	-	867	864	87	402	-	-	188	2,408
Public awareness and promotion	-	1,771	-	-	-	-	-	-	1,771
Total services and supplies	9,817	91,231	114,410	61,728	13,703	-	20,996	13,756	325,641
Total expenditures	166,778	1,944,007	1,010,008	152,430	117,961	129,400	103,866	154,404	3,778,856
Net surplus (note 2)	97	7,470	15,598	-	-	-	7,111	-	30,274
Due to funding agencies, beginning of year (note 3)	267	763	186	1,550	-	-	39,416	-	42,182
Repayments, during the year	(28)	(239)	(31)	-	-	-	-	-	(298)
Due to funding agencies, end of year (note 3)	\$ 336	\$ 7,994	\$ 15,753	\$ 1,550	\$ -	\$ -	\$ 46,527	\$ -	\$ 72,158



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 06

LOCATION PROJECT – STATUS UPDATE

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 035-18FFC, re: “Location Project – Status Update” for information.

Key Points

- The key deliverables for Q2/Q3 are related to the architectural selection process, the selection process for construction project management, and initiation of the Organizational Structure and Location (OSL) Committee 2.0.
- Current considerations for the project include negotiations on architectural services, project management consulting services, and the build schedule.
- Q4 deliverables will focus on a) finalizing contracts to begin consultations together with the architectural team; and b) key functions of OSL Committee 2.0 to maintain engagement with staff.

Background

MLHU has begun Phase II of the Location Project, which will consolidate two London offices located at 50 King Street and 201 Queens Avenue into one central location at Citi Plaza.

Q2/Q3 Deliverables

1) Architectural Selection

Negotiations are in process for providing architectural services. The Health Unit recommends sole-sourcing this service, as the identified organization will also be completing services on behalf of Avison Young (the landlord). Efficiencies in time and cost will be gained by working through the same firm and will help build a strong landlord-tenant partnership.

2) Construction Project Management Selection

Several sources were contacted to quote for Construction Project Manager services. This contract is required to oversee the work to be completed at Citi Plaza. Avison Young have recommended the use of their internal project management services to facilitate an expeditious timeline. The Health Unit has contacted other construction consulting firms in order to compare competitive quotes.

3) OSL Committee 2.0

The members of this committee represent frontline staff and management from across all divisions and teams. The committee's purpose is to create a forum for individuals to participate in constructive dialogue and propose ideas that will assist in moving Phase II of the project forward successfully. The OSL Committee 2.0 kick-off meeting was held on July 18, 2018. The committee was subdivided into four working groups, each focused on a different aspect of the move, in order to begin planning to carry out specific tasks.

4) Build Schedule

Following discussions with consultants, project managers, and architects, the regular build schedule for both floors is estimated at thirteen months. For an estimated additional cost of \$800,000, the Health Unit would be able to move the clinic space into Citi Plaza one month earlier. Based on this estimate, it does not seem reasonable to increase cost in order to expedite the build schedule.

Upcoming Deliverables

The Health Unit will forward a recommendation to the OSL Committee 2.0 with respect to architectural services and finalizing a contract. Once this is complete, the focus will shift to developing the scope of work for a Construction Project Management Consultant to finalize selection criteria. Additionally, monthly meetings of the OSL Committee 2.0 and its working groups will continue, and consultations will begin at the division/team level regarding space requirements and design. Committee members will also participate in change management workshops to increase awareness and facilitate engagement with staff throughout the process.

Next Steps

The Finance & Facilities Committee will receive continual updates on the status of key deliverables with respect to the Location Project. Key information will be communicated regularly to all MLHU board members and staff based on a formalized plan established by the OSL Committee 2.0.

This report was prepared by the Finance Team, Healthy Organization Division.



Alexander Summers, Associate Medical Officer of Health



Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 06

LOCATION PROJECT – ARCHITECTURAL SERVICES

It is recommended that the Finance & Facilities Committee recommend that the Board of Health:

- 1) *Receive Report No. 036-18FFC: “Location Project – Architectural Services” for information; and*
- 2) *Approve entering into a single source contract with Endri Poletti Architect Inc. for the purpose of providing Architectural Services at Citi Plaza.*

Key Points

- The landlord at Citi Plaza, Avison Young and the Middlesex-London Health Unit are recommending to single source the contract for Architectural Services at Citi Plaza to Endri Polletti Architect Inc.
- Single source is being recommended in this instance as doing so will provide efficiencies in cost and time as well as streamlined communications to both the landlord and the Health Unit.
- The value of the contract is estimated to be \$468,000.

Background

The Middlesex-London Health Unit (MLHU) has entered into a Lease Agreement with Avison Young to lease space at Citi Plaza that will consolidate the two London offices located at 50 King Street and 201 Queens Avenue to one central location. One of the first priorities is the selection of an Architect to finalize designs and begin the construction process.

The Scope of Work for the Architect will include the following:

- 1) Pre-Design – Analysis of MLHU’s project brief and update of the Space Needs Assessment.
- 2) Schematic Design – Preparation of the preliminary design concept and two design iterations.
- 3) Design Development – Preparation of the detailed design concept based on the preliminary design developed.
- 4) Construction Documents – Preparation of construction documents which include specifications based on the detailed design.
- 5) Bidding or Negotiations – Preparation and response to tender documents.
- 6) Construction Contract Administration – Coordination with the Project Management Consultant and attendance at Site Meetings.
- 7) One Year Warranty – Follow up on outstanding issues post construction.

The Landlord has targeted Endri Poletti Architect Inc. as their Architect of choice. They have received a fair price for their work and are recommending to move forward with single source for Architectural Services. The recommendation to single source the Architect from both the landlord and the Health Unit has numerous benefits.

A single source contract will provide efficiencies in cost and time as well as streamlined communications to both the landlord and the Health Unit. A singular architect will also possess an improved understanding of the total project and implement checks and balances to ensure both sides are satisfied with the overall design and final outcome. The landlord has verified that their pricing is in line with industry standards. Furthermore, there may be an opportunity to review cost savings during the project to achieve concessions.

The cost received from Endri Polletti Architect Inc. (EPA) is \$468,000 to provide professional Architectural, Electrical, Mechanical and Plumbing Engineering. Negotiations have progressed over the last 3 weeks to ensure MLHU received competitive pricing for the services rendered. These costs were also verified against comparative projects of this value with the Ontario Association of Architects and industry professionals ([Appendix A](#)). This fee represents 9% of the overall budget which is significantly less than the 15.4% industry average.

The landlord has a long history of using EPA to complete work at Citi Plaza, therefore they have an intimate knowledge of the building. If a different architect were to be selected, they would have a very steep learning curve at this site. The space that will be occupied by the Health Unit is inhabiting areas which include: the original building from the 1960's; renovations that were done to Galleria Mall in late 1980's; and subsequent renovations when Citi Bank Cards arrived in the early 2000's.

The partnership between Avison Young, MLHU and EPA will work hard and serve the collective best interests. This was evident in their past working relationship and will add value to the overall process. The direct result is prioritized service to the project and any issues as they arise. EPA is a seasoned professional organization with experience of small to very large jobs. They have worked with Elgin St Thomas Public Health, The City of London, the Springbank Medical Centre, and the Nixon Medical Centre. Furthermore, the Health Unit will also benefit from EPA's ability to come to the site quickly and easily at a moment's notice. Additional benefits include an intimate knowledge of the contractors and a positive relationship with the City of London building permits department.

Next Steps

The Finance and Facilities Committee will receive continual updates on the status of key deliverables with respect to the Location Project. Efforts are underway to finalize competitive quotations for a Construction Project Manager to compliment the Architectural Services which will be presented at a future FFC meeting.

This report was prepared by the Healthy Organization Division.



Alexander Summers, Associate Medical Officer of Health



Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO

CATEGORY		
5	5.1	Pedestrian Links and Bridges
	5.2	Freight Handling Terminal, Special Maintenance Garage, Aircraft Hangar
	5.3	Amusement Park Building
	5.4	Telephone Equipment Building, Secure Server Building, Emergency Operations Center
	5.5	Swimming Pool, Ice Arena, Recreation Building, Physical Education Building, Gymnasium
	5.6	Zoo, Animal Hospital, Botanical Gardens
	5.7	Licensed Day Care
	5.8	University or College non-technical Classroom Building, and Vocational High School
	5.9	Cemetery Chapel, Mausoleum, Crematorium
	5.10	Funeral Home
	5.11	City Hall, Town Hall
	5.12	Museum (exhibition hall as shell, non-complex program without environmental conditions)
	5.13	Restaurant, Licensed Beverage Establishment
	5.14	Church, Place of Worship, Monastery, Convent
	5.15	Long Term Care Facility, Special Care Facility such as a Group Home,
	5.16	Minimum Security Detention Facility
6	6.1	Facility for High-level Medical Care for active diagnostic and acute treatment, Chronic Care Facility, Mental Health Facility and Rehabilitation Facility
	6.2	Medical Research Facility
	6.3	Communications Building, Radio or TV Facility, Studio, Computer Centre
	6.4	Science Building
	6.5	Laboratory
	6.6	Dental Building, Walk-in Medical Clinic
	6.7	Observatory, Planetarium
	6.8	Museum, Art Gallery
	6.9	Courthouse, Archives Building, Library
	6.10	Aquarium
	6.11	Rapid Transit Station
	6.12	Maximum or Medium Security Detention Centre
	6.13	Airport Passenger Terminal, Bus Passenger Terminal, Rail Passenger Terminal, Seaport / Ferry Passenger Terminal
	6.14	Customs and Immigration Building
	6.15	Theatre, Opera House, Auditorium, Concert Hall
7	7.1	Custom Residence, Custom Residential Swimming Pool, Official Government Residence
	7.2	Decorative Work, Exhibition Display, Public Garden, Promenade, Fountain
	7.3	Commemorative Monument, Funeral Monument
	7.4	Air Traffic Control Tower, Control Centre, Flight Service Station
	7.5	Tenant Space Planning
	7.6	Legislative Building, Mint
	7.7	Chancellery and Embassy, Consulate, Foreign Mission

NOTE: Fees for Demolition Projects are based on the percentage fee of the building category for the type of building to be demolished.

NOTE: Due to increased design complexity as a result of changing user requirements, such as security, some building types have been moved to a higher category than indicated in some provincial associations' fee schedules.

Base Percentage Fee by Building Category (in millions) – *New Construction*
WITH Basic Engineering (structural, mechanical and electrical ONLY)

CONSTRUCTION COST:		< \$500,000	\$500,000 to < \$1M	\$1M to < \$2M	\$2M to < \$5M	\$5M to < \$10M	\$10M to < \$25M	\$25M to < \$50M	\$50M to < \$100M	\$100M to < \$250M	\$250M to < \$400M	\$400M to < \$500M
BUILDING CATEGORY	COMPLEXITY	To be negotiated with minimum base fee of										
1	simple	8.80	6.90	6.45	6.51	6.37	6.18	5.90	5.60	5.37	5.08	4.97
	average		7.80	7.50	7.40	7.20	7.00	6.80	6.60	6.40	6.10	6.00
	complex		8.70	8.55	8.29	8.03	7.82	7.70	7.60	7.43	7.12	7.03
2	simple	9.80	8.67	7.67	7.14	6.95	6.99	6.69	5.94	5.75	5.90	5.89
	average		8.80	8.50	8.40	8.20	8.00	7.80	7.60	7.40	7.10	7.00
	complex		10.28	9.33	9.66	9.45	9.01	8.91	7.84	9.05	8.30	8.11
3	simple	10.80	8.89	8.60	8.18	8.23	7.94	7.75	7.51	7.34	7.06	6.95
	average		9.80	9.50	9.40	9.20	9.00	8.80	8.60	8.40	8.10	8.00
	complex		10.71	10.40	10.62	10.17	10.06	9.85	9.69	9.46	9.14	9.05
4	simple	11.80	9.45	9.21	8.82	8.56	8.39	8.11	7.90	7.69	7.41	7.29
	average		10.80	10.50	10.40	10.20	10.00	9.80	9.60	9.40	9.10	9.00
	complex		12.15	11.79	11.98	11.84	11.61	11.49	11.30	11.11	10.79	10.71
5	simple	12.80	10.11	9.65	10.01	9.37	9.28	9.11	8.87	8.72	8.52	8.40
	average		11.80	11.50	11.40	11.20	11.00	10.80	10.60	10.40	10.10	10.00
	complex		13.49	13.35	12.79	13.03	12.72	12.49	12.33	12.08	11.68	11.60
6	simple	13.80	10.81	10.31	10.25	9.75	9.50	9.25	9.00	8.85	8.75	8.50
	average		12.80	12.50	12.40	12.20	12.00	11.80	11.60	11.40	11.10	11.00
	complex		14.79	14.69	14.29	13.65	13.58	13.43	13.33	13.26	12.90	12.80
7	simple	14.8	15.50	15.00	14.50	13.50	13.25	12.75	12.00	11.25	10.50	9.75
	average		16.80	16.50	16.20	15.40	14.75	14.25	13.50	13.00	12.25	12.00
	complex		19.50	18.75	18.25	17.50	17.00	16.75	16.15	15.65	15.20	15.00

NOTES: Average Fees for each category are in the range between the simple and complex percentages

Fee includes coordination of basic engineering services only

Fees must be adjusted based on fee adjustment factors listed on [page 13](#)

Simple means utilitarian character without complication of design, a minimum of finishes and very basic structural mechanical and electrical design

Average means conventional character requiring normal coordination, detailing, structural mechanical and electrical designs and systems

Complex means exceptional character and complexity of design requiring more advanced systems and coordination of structural, mechanical and electrical design.



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 06

LOCATION PROJECT – PROJECT MANAGEMENT SERVICES

It is recommended that the Finance & Facilities Committee:

- 1) *Receive Report No. 037-18FFC: “Location Project – Project Management Services” for information; and*
- 2) *Recommend that the Board of Health approve entering into a contract with BES Project Consulting for the purpose of providing Construction Project Management Services at Citi Plaza.*

Key Points

- Multiple quotes were solicited and the lowest quote that met the scope of work request was selected.
- The value of the contract is estimated to be \$143,643.

Background

The Middlesex-London Health Unit (MLHU) has entered into a Lease Agreement with Avison Young to lease space at Citi Plaza that will consolidate the two London offices located at 50 King Street and 201 Queens Avenue to one central location. It is imperative to hire the services of a Project Manager to finalize designs and manage the construction process.

Construction project managers control the time, cost and quality of construction projects, from residential, commercial and industrial buildings, to roads, bridges and schools. They plan and coordinate all aspects of the construction process, including hiring contractors and working with engineers, architects and vendors. Managers might begin their jobs by determining the scheduling of different phases of a project based on established deadlines. They participate in contracting with vendors, contractors and other workers. As the project continues, construction managers typically confer with supervisors or other managers to monitor construction progress, including worker productivity and compliance with building and safety codes. Because they must ensure that a project is completed according to schedule, managers must resolve problems that arise due to inclement weather, emergencies or other issues that may cause delays.

The Scope of Work for the Project Manager will include the following:

- 1) Pre-Construction
- 2) Construction Phase
- 3) Project Budget Management
- 4) Liaison between Client and Architect
- 5) Record Keeping
- 6) Project Cost Spreadsheets to Cover the Total Project
- 7) Post Construction Phase and Warranty Period

A detailed Scope of Work is provided in [Appendix A](#) for further information.

Quote Process

A variety of organizations were contacted to quote on providing Construction Project Management services. To begin, an independent contractor whose core business is Project Management was contacted to discuss the overall scope of work and qualifications. This scope of work was shared with additional organizations which included the general contractor and a commercial real-estate services firm. The intent behind this bidding process was to attract a variety of organizations which could provide different perspectives to this project.

Vendor Selection

BES Project Consulting is the recommended vendor for this service. Their quote for \$143,643 (plus applicable taxes) was the lowest acceptable bid received for the scope of work requested. They are a growing construction project management company which have been in business for 14 years and work throughout Southwestern Ontario, the Greater Toronto Area as well as Ottawa. BES has extensive experience in the public sector. Their portfolio includes the Elgin St Thomas Health Unit, Brescia University College (New Residence and Dining Pavilion), Lambton College (Nova Health, Research and Athletic Fitness Centre), Goodwill Industries (Social Enterprise Abilities Center) and a number of projects with the London Health Sciences Centre.

Risk Mitigation

The selection of BES Project Consulting considers the potential risk of sufficient resource allocation during the course of the project. This consultant has provided details on the team which will be supporting this project and the workload required for success. This team coupled with regularly scheduled meetings with the architect and project management team will mitigate the resource risk.

Next Steps

The Finance and Facilities Committee will receive continual updates on the status of key deliverables with respect to the Location Project.

This report was prepared by the Healthy Organization Division.



Alexander Summers, Associate Medical Officer of Health



Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO

Construction Project Management Scope of Services for Middlesex-London Health Unit (MLHU)

1) Preconstruction

- Start schematic design stage with consultants and landlord. This will include the concept design which will identify and define all critical parameters required by the landlord. Meet with Senior Management for approval to proceed into the design development stage which covers detailed room requirements, materials, the final interior design, include all building code requirements, ceiling treatments, mechanical and electrical building systems. This would also include any site plan applications with the city in the event the building footprint is changed. Present to the Senior Management for final approval from the MLHU
- Participate in all planning meetings with the MLHU, consultants, users and stakeholders to provide input on all planning and construction of the project and to ensure
- Contract document period. Monitor the efforts of all consultants providing professional, architectural, engineering, design and planning services, and ensure that they have consulted with one another as required, carried out all drawing coordination exercises and have approved the drawings and specifications for the Project. Schedule consultant meetings with the key MLHU project stakeholders to ensure all detailed programming information has been captured in these documents.
- Liaise with any authorities having jurisdiction at all times throughout the life of the project if required.
- Participate in the pre-qualification of contractors in conjunction with the Consultants.
- Represent the MLHU throughout the tender period as required to answer any questions submitted by prospective contractor in conjunction with the consultants.
- Contract and tender document review.
- Review the bid submissions from the general contractors in conjunction with the architect.
- Review the contractor's proposed construction schedule in conjunction with the consultant and advise the owner of any phasing, timeline or general concerns.
- Prepare and present monthly project status reports, including cost reports and schedule update to the Manager of Procurement and Operations.
- At all times throughout each phase of the project, Construction Consultant will represent the MLHU's best interests on all project related issues.
- Attend internal MLHU team meetings on a monthly basis as required throughout the life of the project.

2) Construction Phase

- Facilitate, with the architect and general contractor, the execution of construction activities in a manner that allows the business operations of the MLHU to function, with minimum interruption to the operation of the MLHU.

- Oversee the work products and performance of all consultants and the general contractor retained by the MLHU, as required, in support or relation to the project.
- Represent the MLHU on the construction site and at site meetings, provide regular onsite, (every other day) contact with the general contractor
- Act as the main liaison for all MLHU related project issues with the MLHU, contractor, all consultants and project related suppliers throughout the life of the project.
- Monitor the construction schedule and advise all team members of any timing issues presented by changes and/or revisions to the contract
- Create and Administer change orders on behalf of MLHU
- Monitor the contractor's responsibilities as the project "constructor" and report any issues to the consultants, contractor, landlord and MLHU.
- Ensure the facility safety policies and procedures are observed by the contractor and review the existing policy and procedures manual provided by the MLHU and landlord.
- Expedite the timely completion of the MLHU's contract-related responsibilities.

3) Staff Liaison

- Participate in internal meetings with Facility staff to ensure all stakeholders are kept up to date on project progress and how it relates to their respective existing areas if required.

4) Project Budget Management

- Review the cash flow projection provided by the contractor.
- Review all site directives, change notices, change directives, requests for information, change orders and field instructions and advise the MLHU on all issues affecting the cost and schedule of the project.
- Evaluate change notices and investigate alternative construction methods to determine the best possible value for the MLHU in conjunction with the consultants.
- Review progress completion on a bi-weekly basis with the consultants.
- Review and expedite all certificates for payment draws and compare with cash flow projections; provide general overall Project cost monitoring. (This includes all Project costs: direct contract related costs, as well as indirect and other Owner costs).
- Analyze and evaluate any contractor and consultant claims received through the architect and advise the owner on the validity of such claims.

5) Liaison Between Middlesex-London Health Unit and Architect

- Work with architect to incorporate design changes as required throughout the life of the project as requested by the MLHU.
- Facilitate cooperation rather than competition among all team members as we evaluate and solve construction problems.
- Report any construction related issues to the architect for timely rectification by the consultant team.

6) Record Keeping

- Coordinate all documentation related to the project and maintain all records and turn over to owner upon completion of the project management contract.
- Project Journal: record on a regular basis any significant occurrences relevant to the project such as weather conditions, construction activities, incidents of interest and possible future relevance, contractor manpower levels, notable material deliveries, schedule milestones, concerns raised by staff, and disposition thereof.

7) Project Cost Spreadsheets for Covering Total Project

- Maintain a project spreadsheet which projects final total costs of the project, including all non-contract costs and owner provided items, (i.e. communication systems, furnishings and moving expenses, other commissioning costs, etc.) and review it regularly with the manager of Procurement and Operations and submit monthly reports.

8) Post Construction Phase & Warranty Period Time Frame

- In collaboration with the Manager of Procurement and Operations, submit the final project closeout report including reconciliation of costs to the Building Committee.
- Assist in the MLHU occupancy processes, project close-out and warranty issues throughout the 1-year warranty period.
- Prior to the expiry of the one-year warranty period, represent the owner during the final inspection of the facility.