

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance & Facilities Committee

355 Wellington Street, Suite 110 London, Ontario
Citi Plaza, MLHU Boardroom and Microsoft Teams
Thursday, September 10, 2020 9:30 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – July 2, 2020

4. BUSINESS

4.1 March 31st Financial Statements (Report No. 020-20FFC)

4.2 Q2 Financial and Factual Certificate Update (Report No. 021-20FFC)

4.3 Proposed 2021 PBMA Process, Criteria and Weighting (Report No. 022-20FFC)

4.4 Emergency Contract Award (Report No. 023-20FFC)

5. OTHER BUSINESS

Next meeting Thursday, October 1, 2020 at 9:00 a.m.

6. CONFIDENTIAL

The Finance and Facilities Committee will move in-camera to consider matters regarding a trade secret or financial information, supplied in confidence to the local board, which if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with contractual or other negotiations of a person, group of persons or organization, and a trade secret or financial information that belongs to the municipality or local board and has monetary value.

7. ADJOURNMENT



**PUBLIC MINUTES
MIDDLESEX-LONDON BOARD OF HEALTH
FINANCE & FACILITIES COMMITTEE**

Microsoft Teams
Thursday, July 2, 2020 9:00 a.m.

MEMBERS PRESENT: Ms. Maureen Cassidy
Ms. Aina DeViet
Ms. Kelly Elliott (**Chair**)
Mr. Ian Peer

Regrets: Ms. Tino Kasi

OTHERS PRESENT: Dr. Christopher Mackie, Secretary-Treasurer
Ms. Lynn Guy, Executive Assistant to the Medical Officer of Health (Recorder)
Ms. Laura Di Cesare, Director, Corporate Services
Mr. Brian Glasspoole, Manager Finance
Dr. Michael Clarke, Director Modernization
Mr. Joe Belancic, Manager Procurement and Operations
Ms. Katie denBok, Lead Audit Engagement Partner, KPMG
Ms. Dania Nabhani, Audit Manager, KPMG

At 9:06 a.m., Chair Elliott called the meeting to order.

DISCLOSURES OF CONFLICT(S) OF INTEREST

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

APPROVAL OF AGENDA

It was moved by Mr. Peer, seconded by Ms. Cassidy, *that the **AGENDA** for the July 2, 2020 Finance and Facilities Committee meeting be approved.*

Carried

APPROVAL OF MINUTES

It was moved by Mr. Peer, seconded by Ms. Cassidy, *that the **MINUTES** of the June 4, 2020 Finance and Facilities Committee meeting be approved.*

Carried

NEW BUSINESS

4.1 2019 Draft Financial Statements (Report No. 0015-20FFC)

Mr. Glasspoole briefly walked through the Committee through the financial statements, noting that they were audited by KPMG, an independent external auditor.

Ms. Katie denBok began the conversation in regard to the audited findings by starting with the Executive Summary. She advised that once conversations with FFC are completed, a management representation letter is signed, and the Board's sign off of the statements are received, the auditor's report will be dated. Ms. Dania Nabhani walked the Committee through the audit risks and results, advising that there were no significant issues to note.

Ms. denBok reviewed the appendices attached to the report:

Appendix 1: Other Required Communications – this is the management representation letter that has been provided to the Finance and Facilities Committee.

Appendix 2: Audit Quality and Risk Management – this highlights the audit quality framework that KPMG uses

Appendix 3: a copy of the management representation letter, to be signed by Dr. Mackie and Mr. Glasspoole

Appendix 4: Preparing for PSAB Standard Changes – Ms. denBok noted that in 2021 there will be new standards implemented for the public sector.

Appendix 5: Audit Response to COVID-19 Pandemic – Ms. denBok noted that the financial impact of this pandemic is noted as unknown at this time.

There was a brief discussion in regard to accrued wages and benefits under liabilities on page 4.

Ms. Elliott advised the Committee that following the Confidential portion of the meeting, FFC would participate in a confidential call with Ms. denBok in regard to the audit. As conference line was provided.

It was moved by Mr. Peer, seconded by Ms. Cassidy *that the Finance and Facilities Committee recommend that the Board of Health review and approve the audited Financial Statements for the Middlesex-London Health Unit, December 31, 2019, as appended to Report No. 015-20FFC.*

Carried

4.2 Single Source Contracts (Report No. 016-20FFC)

Mr. Belancic spoke to this report. He noted that the HVAC Maintenance contract to Honeywell Building Solutions, and the Elevator and Service maintenance contract to Skyline Elevator are both 1-year contracts. Both of these businesses are the current providers of service and maintenance at Citi Plaza. Once as built drawings of the elevator and HVAC system are completed, both of these services will go out for competitive bid.

The third contract is for an upgrade of security and card access card readers that was awarded to JPW Systems for the Strathroy office.

It was moved by Mr. Peer, seconded by Ms. DeViet *that the Finance and Facilities Committee recommends the Board of Health receive Report No. 016-20FFC, re: “Single Source Contract Awards” for information*

Carried

4.3 Ministry of Health Temporary Pandemic Pay Initiative (Report No. 017-20FFC)

Dr. Mackie noted that Ms. Di Cesare and Mr. Glasspoole would both assist with this report when required.

Mr. Glasspoole noted the extensive requirements that are in place to be eligible to administer the funds to employees. He noted that the interpretation of the guidelines will need to be worked through.

Ms. Di Cesare noted that while this is welcome pay, there is a lot of administrative work that will need to be done to determine how to administer the \$4.00 per hour to eligible employees.

It was noted that clarity from the Ministry in regard to additional funds spent to support pandemic work will be forthcoming.

It was moved by Ms. Cassidy, seconded by Ms. De Viet *that the Finance and Facilities Committee:*
1. Receive Report No. 017-20FFC re: “Ministry of Health Temporary Pandemic Pay Initiative”; and
2. Direct staff to receive this funding,

Carried

4.4 Cash Flow Analysis (Report No. 018-20FFC)

Dr. Mackie noted that this morning the Committee were given a revised version of the report, advising that he changed some wording back to what was originally drafted.

Mr. Glasspoole noted the different situation with cash flow this year. Because reserve funds were used for expenses related to the move, they are not available to act as a funding buffer. Therefore, the operating cash flow is being closely monitored.

Mr. Glasspoole noted that in June the line of credit was drawn on in the amount of \$400,000, to ensure an adequate cash flow to pay payroll overtime and an additional pay in the spring. The Finance Team will continue to assess the overtime salaries. They will be looking to the Ministry for additional funds.

It was moved by Ms. Cassidy, seconded by Mr. Peer, *that the Finance and Facilities Committee receive Report No. 018-20FFC "Cash Flow Analysis" for information.*

Carried

OTHER BUSINESS

Next meeting: September 10, 2020 – 9:00am

CONFIDENTIAL

At 9:59 a.m., it was moved by Ms. Cassidy, seconded by Mr. Peer, *that the Finance and Facilities Committee move in-camera to consider matters regarding a trade secret or financial information, supplied in confidence to the local board, which if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with contractual or other negotiations of a person, group of persons or organization, and a trade secret or financial information that belongs to the municipality or local board and has monetary value.*

Carried

At 10:21 a.m., it was moved by Mr. Peer, seconded by Ms. Cassidy, *that the Finance and Facilities Committee return to public session.*

Carried

At 10:21 a.m. the Finance and Facilities Committee returned to public session.

ADJOURNMENT

At 10:22 a.m., it was moved by Ms. DeViet, seconded by Mr. Peer, *that the meeting be adjourned.*

Carried

At 10:22 a.m., Chair Elliott *adjourned the meeting.*

KELLY ELLIOTT
Chair

CHRISTOPHER MACKIE
Secretary-Treasurer



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

MLHU DRAFT FINANCIAL STATEMENTS – MARCH 31, 2020

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, 2020 as appended to Report No. 020-20FFC.

Key Points

- The audited Consolidated Financial Statements for the Middlesex-London Health Unit for programs in the operating year April 1, 2019 to March 31, 2020 are attached as **Appendix A**.

Background

Each year, the Board of Health is required to provide audited financial reports to certain funding agencies for programs funded from April 1st to March 31st. The purpose of this audited report is to assure these agencies that funds were expended for their intended purpose. The agencies use this information both as confirmation and as a part of their settlement process.

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

Ministry of Children Community & Social Services:

- Blind-Low Vision
- Preschool Speech and Language (tykeTALK)
- Infant Hearing Screening
- Healthy Babies / Healthy Children

Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada
- HIV/HEP C Program

Public Health Ontario:

- Library Shared Services

The above programs represent approximately \$2.4 million of the Middlesex-London Health Unit's total operating budget of \$34.6 million.

These programs are also reported in the main audited financial statements of the Middlesex-London Health Unit which was approved by the Board of Health in July 2020. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1st to December 31st, 2019, which does not coincide with the reporting requirements of the funding agencies. Therefore, a separate audited statement is required.

Financial Review

Effective September 1, 2019, administration of the following services, funded by the Ministry of Children Community & Social Services, was transferred to the Thames Valley Children Centre.

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

Subsequently, pursuant to an amending agreement with the Ministry of Children, Community and Social Services dated August 1, 2019, the Healthy Babies / Healthy Children Program which was previously funded on a calendar basis and included in the main audited statements, was transferred to the March 31 programs.

The consolidated balance sheet can be found on page 5. Its purpose is to provide the current value of assets (prepaid expenses and inter-company receivable) which are balanced with current liabilities (deferred revenue which is 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 6. Its purpose is to provide information regarding how programs are funded and how these revenues are used in fulfilling the requirements of the programs. The following are key points that can be taken from this statement:

- 1) Revenue – the majority of the revenue (99.6%) is comprised of grants from the funding agencies (Province of Ontario, Government of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$2,222,122 (92.0%) relate to personnel costs. Program resources account for \$110,813 (4.6%), rent accounts for \$30,193 (1.2%), and the remaining expenses (such as travel, office supplies, telephone, equipment, etc.) account for \$52,393 (2.2%).

Combined the programs completed the operating year with a surplus of \$15,786. A breakdown by program can be found on pages 11 and 12 of [Appendix A](#).

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



Alexander Summers, MD, MPH, CCFP, FRCPC
Associate Medical Officer of Health

On behalf of Christopher Mackie, Medical Officer of Health



Dr. Michael Clarke, PhD
Interim CEO

DRAFT Consolidated Financial Statements of

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

Year ended March 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Ministry of Children, Community and Social Services, Public Health Ontario, Public Health Agency of Canada and Chair and Members, Middlesex-London Board of Health.

Opinion

We have audited the consolidated financial statements of Middlesex-London Health Unit March 31st Programs (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory schedules

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2020, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the financial reporting framework described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Health Unit in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use:

We draw attention to Note 1 to the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

The financial statements are prepared to meet the requirements of government reporting entities. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the entity, Ministry of Children, Community and Social Services, Public Health Ontario, Public Health Agency of Canada and Chair and Members, Middlesex-London Board of Health, and should not be distributed to or used by parties other than the Entity, the Ministry of Children, Community and Social Services, Public Health Ontario, Public Health Agency of Canada and Middlesex-London Board of Health.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Health Unit's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Health Unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Health Unit's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Health Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Health Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

"Draft"

Chartered Professional Accountants, Licensed Public Accountants

XXXX 2020

London, Canada

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Financial Position

DRAFT

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Prepaid expenses	\$ 1,800	\$ 13,022
Due from Middlesex-London Health Unit	75,371	121,053
	\$ 77,171	\$ 134,075

Liabilities

Current liabilities:		
Due to funding agencies (note 3)	\$ 77,171	\$ 79,276
Deferred revenue	-	54,799
	\$ 77,171	\$ 134,075

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

On behalf of the Middlesex-London Health Unit:

Ms. Maureen Cassidy, Chair
Board of Health

Dr. Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health / CEO

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Operations

DRAFT

Year ended March 31, 2020, with comparative information for 2019

	2020 Budget	2020 Actual	2019 Actual
Revenue:			
Programs revenue, funding agencies (note 4)	\$ 2,476,851	\$ 2,422,718	\$ 3,693,966
Interest income	-	2,249	3,555
Other income	-	6,341	27,540
	<u>2,476,851</u>	<u>2,431,308</u>	<u>3,725,061</u>
Expenditures:			
Personnel costs:			
Salaries and wages	939,058	862,066	539,031
Contract services	909,311	952,482	2,223,628
Allocated benefits	410,594	407,574	600,518
	<u>2,258,963</u>	<u>2,222,122</u>	<u>3,363,177</u>
Operating costs:			
Office and supplies	9,371	6,659	14,061
Office equipment, computers	350	300	6,418
Professional development	4,666	1,278	2,348
Travel	34,346	19,940	25,310
Public awareness	-	-	-
Program resources	102,744	110,813	159,219
Audit	4,481	6,766	6,818
Rent	32,017	30,193	68,316
Board fees and expenses	51	-	-
Telephone	8,662	9,344	20,701
Equipment	16,200	8,106	24,588
Equipment maintenance	5,000	-	3,819
	<u>217,888</u>	<u>193,399</u>	<u>331,598</u>
Net surplus (note 2)	-	15,786	30,286
Due to funding agencies, beginning of year (note 3)	-	79,276	72,158
Repayments during the year	-	(17,891)	(23,168)
Due to funding agencies, end of year (note 3)	\$ -	\$ 77,171	\$ 79,276

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, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Net surplus	\$ 15,786	\$ 30,286
Changes in non-cash operating working capital:		
Prepaid expenses	11,222	-
Deferred revenue	(54,799)	(1675)
	<u>(27,791)</u>	<u>28,611</u>
Financing activities:		
Due from Middlesex-London Health Unit (note 3)	45,682	(5,443)
Repayments to funding agencies	(17,891)	(23,168)
	<u>27,791</u>	<u>(28,611)</u>
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

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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 is delivered by Public Health Units in partnership with local and social service agencies.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, including the 4200 standards for government not-for-profit organizations with the exception of the presentation and principals for tangible capital assets. Tangible capital assets are expensed in the consolidated financial statements at their cost in the year the related expenditure is incurred.

(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 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) 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.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

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:

	2020	2019
Ministry of Children, Community and Social Services:		
Blind-low vision	\$ 14,596	\$ 422
Preschool speech and language	1,647	3,318
Infant hearing	17,272	15,068
Healthy Babies/Healthy Children	176	-
	<u>33,691</u>	<u>18,808</u>
Public Health Ontario:		
Shared library services	41,032	58,914
Public Health Agency of Canada:		
Smart start for babies	2,448	1,554
	<u>\$ 77,171</u>	<u>\$ 79,276</u>

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

4. Program revenue, funding agencies:

Program revenue, funding agencies consists of the following:

	2020	2019
Ministry of Children, Community and Social Services:		
Blind-low vision	\$ 72,865	\$ 174,855
Preschool speech and language	788,914	1,893,374
Infant hearing	450,510	1,100,824
Health Babies/Healthy Children	620,826	-
	<u>1,933,115</u>	<u>3,169,053</u>
Public Health Ontario:		
Shared Library services	100,020	107,164
Public Health Agency of Canada:		
Smart start for babies	134,106	152,430
FoodNet Canada program	137,996	149,918
HIV/HEP C program	117,481	115,401
	<u>389,583</u>	<u>417,749</u>
	<u>\$ 2,422,718</u>	<u>\$ 3,693,966</u>

5. Changes in Services:

Effective September 1, 2019, administration of the following services, funded by the Ministry of Children Community & Social Services, were transferred to the Thames Valley Children Centre.

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

Pursuant to an amending agreement with the Ministry of Children, Community and Social Services dated August 1, 2019, the Healthy Babies / Healthy Children Program which was previously funded on a calendar basis and included in the main audited statements, was transferred to the March 31 programs.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Balance Sheet

Year ended March 31, 2020

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart Start for babies	Library shared services	Healthy Babies/ Healthy Children	Total
Balance Sheet:							
Assets:							
Receivable from Middlesex-London Health Unit	\$ 14,596	\$ 1,647	\$ 17,272	\$ 648	\$ 41,032	\$ 176	\$ 75,371
Prepaid expenses			-	1,800	-		1,800
Total assets	\$ 14,596	\$ 1,647	\$ 17,272	\$ 2,448	\$ 41,032	\$ 176	\$ 77,171
Liabilities:							
Due to funding agencies	\$ 14,596	\$ 1,647	\$ 17,272	\$ 2,448	\$ 41,032	\$ 176	\$ 77,171
Deferred Revenue		-		-	-	-	
Total liabilities	\$ 14,596	\$ 1,647	\$ 17,272	\$ 2,448	\$ 41,032	\$ 176	\$ 77,171

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Statement of Operations

Year ended March 31, 2020

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart start for babies	HIV / HEP C	Library shared services	FoodNet Canada program	Healthy Babies/ Healthy Children	Total
Revenues:									
Program revenue, Funding agencies	\$72,865	\$788,914	\$450,510	\$134,106	\$ 117,481	\$100,020	\$137,996	\$620,826	\$2,422,718
Interest income	298	651	536	-	-	588	-	176	2,250
Other income	-	5,446	-	895	-	-	-	-	6,341
	73,163	795,011	451,046	135,001	117,481	100,608	137,996	621,002	2,431,308
Expenditures:									
Personnel costs:									
Salaries and wages	1,207	43,657	41,912	50,063	89,303	65,801	102,168	467,954	862,066
Contract services	42,661	559,976	321,652	15,109	-	-	3,000	10,084	952,482
Allocated benefits	12,184	156,264	45,782	10,793	17,860	14,982	24,510	125,200	407,574
Total salaries, wages and benefits	56,053	759,897	409,346	75,965	107,162	80,783	129,678	603,239	2,222,122
Services and supplies:									
Office and supplies	-	2,384	3,937	51	-	4	-	283	6,659
Office Equipment, computers	-	-	300	-	-	-	-	-	300
Professional development	-	-	861	66	-	-	314	37	1,278
Travel	1,602	2,450	4,175	316	2,367	38	2,377	7,155	19,940
Public awareness and promotion	-	-	-	-	-	-	-	-	-
Program resources and supplies	-	1,914	7,934	56,017	616	37,643	5,393	1,296	110,813
Audit	1,693	1,690	1,690	1,692	-	-	-	-	6,765
Rent	-	18,860	4,172	-	7,161	-	-	-	30,193
Telephone	-	6,692	906	-	175	23	233	1,316	9,344
Equipment	-	-	606	-	-	-	-	7,500	8,106
Total services and supplies	2,754	33,991	24,581	58,141	10,319	37,709	8,318	17,587	193,399
Total expenditures	58,807	793,888	433,927	134,106	117,481	118,490	137,996	620,826	2,415,521
Net surplus (deficit) (note 2)	14,356	1,123	17,118	895	-	(17,882)	-	176	15,787
Due to funding agencies, beginning of year (note 3)	422	3,318	15,068	1,554	-	58,914	-	-	79,276
Repayments, during the year	182	2,795	14,915	-	-	-	-	-	17,891
Due to funding agencies, end of year (note 3)	\$ 14,596	\$ 1,647	\$ 17,272	\$ 2,448	\$ -	\$ 41,032	\$ -	\$ 176	\$ 77,171



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

Q2 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

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

- 1) Receive Report No. 021-20FFC re: “Q2 Financial Update and Factual Certificate” for information;*
- 2) Approve the allocation of up to \$40,000 of variance funds to support the development of a strategy to address anti-black racism; and*
- 3) Approve the allocation of variance funds, above those required to offset the agency gapping budget, to relocation-related expenses to a maximum of \$250,000 in 2020.*

Key Points

- The 2020 approved budget assumes a zero percent increase in Mandatory Programs funding from the Ministry of Health (MOH).
- A full year spending deficit of \$130,269 is currently forecast as favourable variances across the organization have not fully offset the planned agency gapping budget of \$1,140,858. Included in the financial update is a signed factual certificate, which provides assurance that financial and risk management functions are being performed.
- In June 2020, the Board of Health identified racism as a public health crisis. Resources are required to develop a strategy for addressing this crisis.

Background

The Board of Health approved the 2020 operating budget on February 27, 2020 ([Report No. 002-20FFC](#)). The approved budget assumes no increase in Mandatory Programs funding from the MOH but does reflect a change of funding mix between the province and municipalities for previously 100% provincially funded programs.

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 the programs and services governed by the Board of Health, is attached as [Appendix A](#). This analysis is based on the original budget for 2020 as approved by the Board of Health and outlined to the Board of Health in Report 002-20FFC.

A full year spending deficit of \$130,269 is currently forecast as favourable variances across the organization have not fully offset the planned agency gapping budget of \$1,140,858.

The Health Unit recommends that variance funds of up to \$250,000 in 2020 be applied towards relocation costs and to defray the anticipated borrowing costs related with the fit-up of the Citi Plaza location.

COVID-19 and Extraordinary Funding

In response to the COVID-19 pandemic, the Health Unit reassigned a majority of its staff to roles related to addressing the pandemic and supporting the community. The Budget Variance Summary has been modified to show the costs related to supporting a community response to COVID-19. It demonstrates what costs were covered by approved budgets for salaries and benefits of staff redeployed and which costs were extraordinary; the extraordinary funds are to be funded through a one-time funding mechanism established by the MOH.

Racism

In June 2020, the Middlesex-London Health Unit [reported](#) that 27% of cases of COVID-19 in Middlesex and London were among people who are from visible minorities. This group represents only 17% of the population served by the Health Unit, meaning that on a relative basis, the group is 81% more likely to experience COVID-19 than those who are not from visible minorities. At that meeting, the Board of Health identified racism as a public health crisis.

In addition, London City Council has asked the Health Unit to be involved in addressing the concerns of local Black Lives Matter protesters. The Health Unit has begun conversations with the Black community to identify how the Health Unit can best support the work to address anti-black racism. It is clear that this work will require dedicated new resources, and that the Health Unit would be best represented in this work by a Black person. Funding to support this will ensure that it receives appropriate attention within the work of the Health Unit and among partners.

Factual Certificate

A factual certificate, attached as [Appendix B](#), is to be signed by senior Health Unit administrators responsible for ensuring 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. Due to shifting responsibilities in response to the COVID-19 pandemic, a financial update and factual certificate were not issued for the first quarter of 2020.

This report was prepared by the Finance Team, Healthy Organization Division and the Office of the Medical Officer of Health.



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



Dr. Michael Clarke, PhD
Interim CEO

MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY
As at June 30, 2020

	2019 YTD ACTUAL (NET)	2020 Q2	COVID Reclass	Q2 Restated	2020 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2020 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Environmental Health & Infectious Disease													
Office of the Director	\$ 299,210	\$ 123,568	\$ -	\$ 123,568	\$ 151,887	\$ 28,319	18.6%	\$ 239,874		\$ 303,774	\$ 63,900	21.0%	Lower spending in salaries \$37,200 and benefits \$7,900 due to staffing gap for executive assistant and travel clinic. Lower than planned program supplies \$8,500, travel 6,500, and meeting expenses \$2,500.
Emergency Management	143,640	(712)	38,873	38,161	66,909	28,748	43.0%	\$ 129,638		133,818	\$ 4,180	3.1%	Lower than planned spending for travel \$2,125 and program supplies \$2,055 due to shift of focus to COVID 19.
Food Safety & Healthy Environments	1,668,921	565,374	156,668	722,042	719,801	(2,241)	-0.3%	1,402,156		1,439,602	\$ 37,446	2.6%	Lower spending in salaries \$16,800 and benefits \$13,645 due to staffing gap. Lower than planned program supplies \$5,000, travel 5,000, staff development \$5,000 and other program costs \$2,000, partly offset by lower revenues (\$10,000) due to food handler courses on hold.
Infectious Disease Control	1,683,267	337,669	346,685	684,354	880,191	195,836	22.2%	1,716,838		1,760,381	\$ 43,543		Lower spending in salaries \$31,597 and benefits \$7,945 due to a staffing gap. Additional favourable variances from program supplies \$1,000, staff development \$2,000 and professional services \$1,000.
Safe Water, Rabies & Vector-Borne Disease	1,294,542	522,381	123,243	645,624	850,708	205,084	24.1%	1,614,621		1,701,416	\$ 86,795	5.1%	Lower spending in salaries \$12,077 and benefits \$2,152 due to staffing gap. Lower than planned program supplies \$10,000, travel 11,000, staff development \$7,500 and lower than planned professional service fees \$44,067 for mosquito ID and abatement programs.
Sexual Health	2,718,615	992,550	131,388	1,123,937	1,190,773	66,836	5.6%	2,322,876		2,381,546	\$ 58,670	2.5%	Lower spending for salaries \$31,000 and benefits \$7,440 due to decreased clinics and less need for casual employees, lower travel \$10,000 staff development \$4,000 and other program costs \$14,900. Lower than planned clinic revenues (\$19,519) are partly offset by lower program supplies \$43,313 and professional services \$67,436.
Vaccine Preventable Disease	1,532,758	591,446	232,249	823,696	738,624	(85,072)	-11.5%	1,547,998		1,477,248	\$ (70,750)	-4.8%	Higher salaries (\$25,000) and benefits (\$5,750) due to higher PHN casual hours for cold chain inspections and school clinics. TBD whether some of these out of plan costs will be covered by extraordinary COVID-related grants. Lower revenues (\$42,000) due to clinic closures and unplanned purchase of a folding machine \$1,500, partly offset by lower travel costs \$2,500 and staff development \$1,000.
COVID-19	-	4,511,692	(3,442,236)	1,069,456	1,069,456	-		2,673,640	2,673,640		\$ -	0.0%	Incremental costs to support COVID-19 beyond transfer of operating budgets for staff redeployed. Assume that all out-of-budget incremental costs for COVID 19 will be funded by one-time Ministry funding.
Total Environmental Health & Infectious Disease	\$ 9,340,953	\$ 7,643,968	\$ (2,413,130)	\$ 5,230,838	\$ 5,668,349	\$ 437,510	7.7%	\$ 11,647,641	\$ 2,673,640	\$ 9,197,785	\$ 223,784	2.4%	
Healthy Living													
Office of the Director	\$ 268,152	\$ 100,829	\$ 9,734	\$ 110,563	\$ 132,283	\$ 21,719	16.4%	\$ 194,586		\$ 264,565	\$ 69,979	26.5%	Retirement of executive assistant at April 30 - no planned replacement before December 31 contributes \$59,828 in reduced salaries and benefits. In addition, lower than planned travel \$3,000 and program supplies \$5,000.
Child Health	1,578,916	314,433	424,051	738,484	\$ 827,161	88,676	10.7%	1,628,592		1,654,321	\$ 25,729		Lower spending for travel \$15,000 and program supplies \$15,000 partly offset by other program costs (\$4,271).
Chronic Disease and Tobacco Control	1,362,515	526,261	88,628	614,889	\$ 793,688	178,799	22.5%	1,508,935		1,587,376	\$ 78,441	4.9%	Lower spending in salaries \$39,509 and benefits \$8,400 due to staffing gaps. Lower than planned program supplies \$20,000, travel 7,950, and staff development \$2,000.
Healthy Communities and Injury Prevention	1,036,239	205,184	243,375	448,559	\$ 571,480	122,921	21.5%	1,059,361		1,142,960	\$ 83,599	7.3%	Lower spending in salaries \$43,526 and benefits \$12,546 due to staffing gap. Additional savings in travel \$6,500 program supplies \$13,177 and professional services \$2,750 as program delivery was delayed due to COVID.
Oral Health	1,394,496	130,411	177,452	307,864	\$ 493,399	185,535	37.6%	562,049		986,797	\$ 424,748		Lower spending in salaries \$307,923 and benefits \$87,445 as a majority of staff resources were shifted to support the set-up of the Senior Dental Program. In addition, lower than planned travel \$10,000 and program supplies \$20,000.
Senior Dental Program	126,504	32,569		32,569	\$ 32,569	-	0.0%	2,455,451		2,455,451	\$ -		Senior Dental Program is 100% funded by MOH. Any unspent funds during the year must be deferred to 2021 or returned. Favourable variance is \$700,000 for mobile bus and \$243,250 underspend in operating costs comprised of lower spending for salaries \$90,000 and benefits \$18,750 due to nine-month delay to hire a dentist, lower than planned travel \$7,000, lower professional fees for dentures and translation services \$102,500 and other program costs \$25,000 due to delay in promotional campaign.
Southwest Tobacco Control Area Network	436,500	62,397	28,933	91,330	\$ 167,711	76,381	45.5%	297,027		335,422	\$ 38,395	11.4%	Lower spending in salaries \$108,813 and benefits \$24,505 due to staffing gap. Additional savings in travel \$4,500 program supplies \$6,500 as program delivery was delayed due to COVID partly offset by decision not to request provincial funding shortfall from other SWTCAN public health units (\$105,923).
Young Adult Health	1,087,351	245,937	262,414	508,351	\$ 554,117	45,766	8.3%	994,557		1,108,234	\$ 113,677	10.3%	Lower spending in salaries \$71,173 and benefits \$11,504 due to staffing gap. Additional savings in travel \$8,000 program supplies \$20,000 as professional services \$3,000.
Total Healthy Living	\$ 7,290,672	\$ 1,618,019	\$ 1,234,588	\$ 2,852,607	\$ 3,572,406	\$ 719,799	20.1%	\$ 8,700,558	\$ -	\$ 9,535,126	\$ 834,568	8.8%	After adjusting for unspent funds for Senior Dental Program in the first quarter, adjusted favourable variance to budget is \$564,670
Healthy Start													
Office of the Director	\$ 198,317	\$ 97,015	\$ -	\$ 97,015	\$ 106,237	\$ 9,222	8.7%	\$ 197,335		\$ 212,473	\$ 15,138	7.1%	Lower than planned travel \$3,700, program supplies \$7,750, staff development \$3,488 and program costs \$1,500.

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**
As at June 30, 2020

	2019 YTD ACTUAL (NET)	2020 Q2	COVID Reclass	Q2 Restated	2020 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2020 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Best Beginnings	2,856,341	1,521,960	153,038	1,674,998	1,629,329	(45,670)	-2.8%	3,258,657		3,258,657	\$ -		HBHC and SSFB Programs are included with MLHU2 - assumes that funding will be fully spent.
Early Years Health	1,587,936	654,895	115,785	770,681	793,166	22,485	2.8%	1,505,001		1,586,332	\$ 81,331	5.1%	Lower spending in salaries \$38,602 and benefits \$7,904 due to staffing gap. Lower than planned program supplies \$25,000, travel \$5,000, and staff development \$4,500.
Reproductive Health	1,383,257	294,716	273,445	568,161	641,690	73,529	11.5%	1,231,543		1,283,379	\$ 51,836	4.0%	Lower spending in salaries \$6,564 and benefits \$1,800 due to staffing gap. Lower than planned program supplies \$22,000, travel \$5,500, staff development \$4,000, professional services \$7,000 and program costs \$525. In addition, unplanned revenue was received \$4,447.
Screening Assessment and Intervention	2,103,417												
Total Healthy Start	\$ 8,129,267	\$ 2,568,586	\$ 542,268	\$ 3,110,854	\$ 3,170,421	\$ 59,566	1.9%	\$ 6,192,536		\$ 6,340,841	\$ 148,305	2.3%	
Office of the Chief Nursing Officer	\$ 501,352	\$ 170,857	\$ 92,931	\$ 263,788	\$ 394,659	\$ 130,870	33.2%	\$ 743,606		\$ 789,317	\$ 45,711	5.8%	Lower spending in salaries \$19,651 and benefits \$8,447 due to staffing gap. Lower than planned program supplies \$5,213, other program costs \$5,700, travel \$5,200 and staff development \$1,500.
Office of the Medical Officer of Health													
Office of the Medical Officer of Health	\$ 446,995	\$ 227,990	\$ -	\$ 227,990	\$ 217,133	\$ (10,857)	-5.0%	\$ 423,265		\$ 434,265	\$ 11,000	2.5%	Anticipated savings in travel \$5,500 program supplies \$2,000 Staff development \$2,000 and other program costs \$1,500.
Communications	517,598	249,895	4,670	254,565	292,869	38,304	13.1%	575,437		585,737	\$ 10,300	1.8%	Anticipated savings in other program costs \$10,000 and staff development \$300.
Associate Medical Officer of Health	\$ 281,836	\$ 165,504	\$ -	\$ 165,504	\$ 145,074	\$ (20,430)	-14.1%	290,148		290,148	\$ -	0.0%	No variances anticipated at year-end
Population Health Assessment & Surveillance	576,519	327,955	96,026	423,981	433,534	9,553	2.2%	811,037		867,067	\$ 56,030	6.5%	Lower spending in salaries \$41,924 and benefits \$10,481 due to staffing gap. Lower than planned program supplies \$625, travel \$1,500, and staff development \$1,500.
Community Outreach & Clinical Support Services	-	122,533	18,517	141,051	274,690	133,639	48.7%	567,780		549,380	\$ (18,400)	-3.3%	Higher than planned travel costs (\$4,000) and program supplies (\$18,000), partly offset by lower staff development costs \$3,600.
Total Office of the Medical Officer of Health	\$ 1,822,948	\$ 1,093,877	\$ 119,213	\$ 1,213,089	\$ 1,363,299	\$ 150,209	11.0%	\$ 2,667,667		\$ 2,726,597	\$ 58,930	2.2%	
Healthy Organization													
Office of the Director	\$ 345,488	\$ 242,940	\$ -	\$ 242,940	\$ 183,120	\$ (59,820)	-32.7%	\$ 545,799		\$ 366,239	\$ (179,560)		Unplanned salaries (\$188,433) and benefits (\$6,627) for VP Modernization / CEO partly offset by gapping to replace Director position and savings in travel \$15,500.
Finance	419,398	170,496	15,691	186,187	188,270	2,082	1.1%	376,539		376,539	\$ -		No variances anticipated at year-end
Human Resources	\$ 608,276	\$ 186,253	\$ 166,464	\$ 352,717	\$ 359,493	\$ 6,776	1.9%	718,985		718,985	\$ -		No variances anticipated at year-end
Information Technology	1,246,931	556,820	61,044	617,864	604,466	(13,398)	-2.2%	1,234,082		1,208,932	\$ (25,150)		Unplanned variance for equipment purchases supporting new communications system \$25,150.
Privacy Risk & Governance	\$ 146,855	\$ 48,820	\$ 29,229	\$ 78,050	\$ 79,636	\$ 1,586	2.0%	103,554		159,272	\$ 55,718		Lower spending in salaries \$46,432 and benefits \$9,286 due to staffing gap.
Procurement & Operations	283,271	92,703	176	92,879	93,911	1,032	1.1%	188,879		187,821	\$ (1,058)	-0.6%	Additional casual labour cost to support move to Citi Plaza
Program Planning & Evaluation	\$ 704,183	\$ 250,238	\$ 151,368	\$ 401,606	\$ 442,364	\$ 40,758	9.2%	817,787		884,728	\$ 66,941	7.6%	Lower spending in salaries \$51,901 and benefits \$13,808 due to staffing gap for program evaluator. Lower than planned program supplies \$952.
Strategic Projects	266,139	137,460	158	137,618	138,396	778	0.6%	276,792		276,792	\$ -		No variances anticipated at year-end
Total Healthy Organization	\$ 4,020,541	\$ 1,685,730	\$ 424,130	\$ 2,109,860	\$ 2,089,654	\$ (20,206)	-1.0%	\$ 4,262,417		\$ 4,179,308	\$ (83,109)	-2.0%	
General Expenses & Revenues	2,958,872	1,033,632	-	1,033,632	1,223,556	189,923	15.5%	\$ 2,664,711		\$ 2,447,111	\$ (217,600)	-8.9%	General expenses have been adjusted to remove \$1,955,912 of leasehold fit-up costs and \$552,847 of furniture & equipment costs that will be capitalized. Higher operating costs are partly offset by lower spending in program supplies \$29,000 and other program costs \$3,400.
Total Expenditures Before Expected Gapping	\$ 34,064,605	\$ 15,814,669	\$ 0	\$ 15,814,669	\$ 17,482,342	\$ 1,667,673	9.5%	\$ 36,879,136	\$ 2,673,640	\$ 35,216,085	\$ 1,010,589	2.9%	
Less: Expected Agency Gapping Budget					(570,429)	(570,429)		(1,140,858)		(1,140,858)	\$ (1,140,858)		
TOTAL BOARD OF HEALTH EXPENDITURES	\$ 34,064,605	\$ 15,814,669	\$ 0	\$ 15,814,669	\$ 16,911,913	\$ 1,097,244	6.5%	\$ 35,738,278	\$ 2,673,640	\$ 34,075,227	\$ (130,269)	-0.4%	

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, 2020:

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; and
 - Federal Harmonized Sales Tax (HST).Further, staff 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 2019 has been filed.
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. The individual filed an Application to Divisional Court for a Judicial Review which was dismissed, the individual is now seeking motion for leave to appeal. MLHU has also been named in a second complaint to the Human Rights Tribunal of Ontario by the same individual. This application is in respect to the recruitment of three management positions for which he was not selected for an interview.

10. 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, 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 Service Plans; and
- Information and Information Summary Reports.

Dated at London, Ontario this 2nd day of July, 2020

Dr. Christopher Mackie
Medical Officer of Health and CEO

Brian Glasspoole
Manager, Finance



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

PROPOSED 2021 PBMA PROCESS, CRITERIA & WEIGHTING

Recommendation

It is recommended that the Finance & Facilities Committee receive and make recommendation to the Board of Health to approve the 2021 PBMA criteria and weighting that is proposed in [Appendix A](#) to Report No. 022-20FFC.

Key Points

- MLHU is preparing for its eighth year of the PBMA criteria-based budgeting process.
- No changes are currently proposed to the criteria and weightings for 2021.
- The health unit does not anticipate an overall increase in funding for cost-shared programs from the Ministry and funding from the municipalities is also expected to be flat with 2020 and 2019 levels.

Background

Program Budgeting Marginal Analysis (PBMA) is a criteria-based budgeting process that facilitates reallocation of resources based on maximizing service. This is done through the transparent application of pre-defined criteria and decision-making processes to prioritize where proposed funding investments and disinvestments are made.

The forecasting process is focused on impact of provincial budget constraints and incremental costs related to salaries and benefits as well as costs associated with the relocation to Citi Plaza and costs to service bank debt going forward. Due to a significant risk of a net funding shortfall, proposed disinvestments will be considered but it is unlikely that there will be surplus funds available to be invested in new program opportunities.

2021 Budget Guidelines

The 2021 PBMA process consist of:

- a) Validation of the assessment criteria and weighting for disinvestments by the Senior Leadership Team;
- b) Approval of criteria and weighting by the Finance and Facilities Committee;
- c) Proposal development that identifies disinvestments that will have the least negative impact and investments with the highest positive impact;
- d) Review of proposals by internal advisory committees;
- e) Proposal review and recommendations by the Senior Leadership Team;
- f) Review by the Finance and Facilities Committee and approval by the Board of Health.

Baseline Assumptions

For 2021, MLHU is assuming that the change in funding mix for cost shared programs will remain unchanged from 2020 as the Ministry has indicated that it will provide one-time funding in 2021 to ensure that a 70:30 cost share split between the Ministry and the municipalities is maintained as well as ensuring that municipal contributions remain flat with 2019 and 2020 funding levels.

Next Steps

The criteria and weights approved by the Finance and Facilities Committee will be applied to each proposal for disinvestment and investment. The recommended proposals will be brought to the Finance & Facilities Committee and the Board of Health for approval as part of the 2021 budget process. Further, staff will work towards the development of the 2021 Budget based on the direction of the Board with respect to the budget horizon.

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



Alexander Summers, MD, MPH, CCFP, FRCPC
Associate Medical Officer of Health

On behalf of Christopher Mackie, Medical Officer of Health



Dr. Michael Clarke, PhD
Interim CEO

PBMA Criteria 2021

Criteria	Weight
Legislative Requirement	14
Other Requirement – Alignment	6
Health Need – Burden of Illness	7
Health Need – SDOH	8
Impact – Burden of Illness	14
Impact – SDOH	14
Impact – Customer Service	11
Community Capacity	4
Collaboration / Partnership	7
Organizational Risks / Benefits – reputation/litigation	7
Organizational Risks / Benefits – implementation	3
Organizational Risks / Benefits – culture	5
TOTAL	100

Legislative Requirement

Criteria	Weight	Ratings
Assess the impact of the proposed change on the ability of the program to meet the legislative requirements for this program / activity (if any)	14	DISINVESTMENT - Major negative impact on ability to meet the legislative requirements (-3.00) DISINVESTMENT - Moderate negative impact on ability to meet the legislative requirements (-2.00) DISINVESTMENT - Minor negative impact on ability to meet the legislative requirements (-1.00) BOTH - No impact on ability to meet the legislative requirements (0.00) INVESTMENT - Minor positive impact on ability to meet the legislative requirements (1.00) INVESTMENT - Moderate positive impact on ability to meet the legislative requirements (2.00) INVESTMENT - Major positive impact on ability to meet the legislative requirements (3.00)
<ul style="list-style-type: none"> In the rationale section, indicate whether this program / activity is specifically mandated under: (a) the Health Protection and Promotion Act via the OPHS, (b) other legislation, or (c) not mandated under legislation. Provide a hyper-link(s) (website address) where possible. If mandated under the OPHS, indicate which standard/protocol mandates the requirement/activity and quote the specific requirement for this program / activity. Indicate if there is an accountability agreement indicator associated with this program and if so, what the indicator is. If mandated by other legislation, provide a hyper-link to the requirements under the legislation. 		

Other Requirement

Criteria	Weight	Ratings
Assess the alignment of the proposed change with MLHU's Strategic Plan or other guidance documents	6	DISINVESTMENT - Considerable dis-alignment with MLHU's Strategic Plan or other documents (-3.00) DISINVESTMENT - Some dis-alignment with MLHU's Strategic Plan or other documents (-2.00) DISINVESTMENT - Little dis-alignment with MLHU's Strategic Plan or other documents (-1.00) BOTH - No alignment with MLHU's Strategic Plan or other documents (0.00) INVESTMENT - Little alignment with MLHU's Strategic Plan or other documents (1.00) INVESTMENT - Some alignment with MLHU's Strategic Plan or other documents (2.00) INVESTMENT - Considerable alignment with MLHU's Strategic Plan or other documents (3.00)
<ul style="list-style-type: none"> Consider how this proposed change aligns with the Health Unit's strategic plan and other strategic documents such as the Ontario Public Health Sector Strategic Plan, Chief Medical Officer of Health reports, etc. 		

Health Need

Criteria	Weight	Ratings
Assess the need for this program / activity in terms of the burden of illness it is intended to prevent and/or the risk factor it is intended to reduce	7	DISINVESTMENT - Major health need (high prevalence & high severity) (-3.00) DISINVESTMENT - Moderate health need (either high prevalence or high severity) (-2.00) DISINVESTMENT - Minor health need (low prevalence & low severity) (-1.00) BOTH - No health need (0.00) INVESTMENT - Minor health need (low prevalence & low severity) (1.00) INVESTMENT - Moderate health need (either high prevalence or high severity) (2.00) INVESTMENT - Major health need (high prevalence & high severity) (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider one or more of the following related to the burden of illness or risk factor being addressed by the program / activity: (a) potential years of life lost, (b) mortality rate, (c) hospitalization rate, (d) rate of illness or rate of risk factor in our community compared to other communities or the province as a whole 		

Health Need

Criteria	Weight	Ratings
Assess the need for this program/activity in terms of the social determinant of health (SDOH) it is intended to address and/or health inequities	8	DISINVESTMENT - Major SDOH or health inequity addressed by this program/activity (-3.00) DISINVESTMENT - Moderate SDOH or health inequity addressed by this program/activity (-2.00) DISINVESTMENT - Minor SDOH or health inequity addressed by this program/activity (-1.00) BOTH - No SDOH or health inequity addressed by this program/activity (0.00) INVESTMENT - Minor SDOH or health inequity addressed by this program/activity (1.00) INVESTMENT - Moderate SDOH or health inequity addressed by this program/activity (2.00) INVESTMENT - Major SDOH or health inequity addressed by this program/activity (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider how the issue being address by this program / activity affects the social determinants of health (SDOH) and/or health inequities 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program/activity on the burden of illness it is intended to prevent and/or the risk factor it is intended to reduce	14	DISINVESTMENT - Major increase in illness/risk factors (-3.00) DISINVESTMENT - Moderate increase in illness/risk factors (-2.00) DISINVESTMENT - Minor increase in illness/risk factors (-1.00) BOTH - No reduction/prevention of illness/risk factors (0.00) INVESTMENT - Minor reduction/prevention of illness/risk factors (1.00) INVESTMENT - Moderate reduction/prevention of illness/risk factors (2.00) INVESTMENT - Major reduction/prevention of illness/risk factors (3.00)
<ul style="list-style-type: none"> Consider how the proposed change is expected to impact on the health needs (outlined above) or other indicators, such as quality adjusted life years, when compared to current service. If these are unavailable, impact on shorter term outcomes of the program / activity can be considered (e.g., impact on knowledge, skills, attitudes etc.) Sources of the information above can be published literature, evaluation reports, health status reports, surveillance data etc. 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program / activity on the SDOH and/or health inequities	14	DISINVESTMENT - Major increase in health inequities / negative effect on a SDOH (-3.00) DISINVESTMENT - Moderate increase in health inequities / negative effect on a SDOH (-2.00) DISINVESTMENT - Minor increase in health inequities / negative effect on a SDOH (-1.00) BOTH - No impact on health inequities / effect on a SDOH (0.00) INVESTMENT - Minor reduction of health inequities / positive effect on a SDOH (1.00) INVESTMENT - Moderate reduction of health inequities / positive effect on a SDOH (2.00) INVESTMENT - Major reduction of health inequities / positive effect on a SDOH (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider how the issue being address by this program / activity affects the social determinants of health and/or health inequities 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program / activity on client experience	11	DISINVESTMENT - Major decline in client experience (-3.00) DISINVESTMENT - Moderate decline in client experience (-2.00) DISINVESTMENT - Minor decline in client experience (-1.00) BOTH - No impact on on client experience (0.00) INVESTMENT - Minor improvement to client experience (1.00) INVESTMENT - Moderate improvement to client experience (2.00) INVESTMENT - Major improvement to client experience (3.00)
<ul style="list-style-type: none"> Consider how the change will impact the client experience which includes: (a) the extent to which the service respects client and family needs and values, (b) client safety, (c) cultural appropriateness, and (d) how the client will perceive the experience with regard to communication, staff professionalism, and being client focused. 		

Community Capacity

Criteria	Weight	Ratings
Assess if others in the community are doing some or all of this program / activity or if it is unique to the Health Unit.	4	DISINVESTMENT - No capacity in the community (-3.00) DISINVESTMENT - Limited capacity in the community (-2.00) DISINVESTMENT - Some capacity in the community (-1.00) BOTH - Considerable capacity in the community (0.00) INVESTMENT - Some capacity in the community (1.00) INVESTMENT - Limited capacity in the community (2.00) INVESTMENT - No capacity in the community (3.00)
<ul style="list-style-type: none"> Consider if there are others in the community who are doing all or part of this program / activity. Specifically, are others likely to fill in the gap in cases of disinvestment. If proposing possible discontinuation of the program / activity, if appropriate, use the rationale section to indicate those in the community who could take on this role. 		

Collaboration / Partnership

Criteria	Weight	Ratings
How does the proposed change affect collaboration/partnerships that contribute to meeting the Health Unit's goals?	7	DISINVESTMENT - Major negative impact on collaboration/partnerships (-3.00) DISINVESTMENT - Moderate negative impact on collaboration/partnerships (-2.00) DISINVESTMENT - Minor negative impact on collaboration/partnerships (-1.00) BOTH - No impact on collaboration/partnerships (0.00) INVESTMENT - Minor improvement to collaboration/partnerships (1.00) INVESTMENT - Moderate improvement to collaboration/partnerships (2.00) INVESTMENT - Major improvement to collaboration/partnerships (3.00)
<ul style="list-style-type: none"> Consider the community partners involved in this program / activity and how being involved in this collaboration / partnership supports the Health Unit in achieving its goal, as well as how the proposed change will affect this collaboration/partnership. 		

Organizational Risks / Benefits

Criteria	Weight	Ratings
Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider organizational reputation and risk of litigation	7	DISINVESTMENT - Major risk to reputation / of litigation (-3.00) DISINVESTMENT - Moderate risk to reputation / of litigation (-2.00) DISINVESTMENT - Minor risk to reputation / of litigation (-1.00) BOTH - No risk/benefit to reputation / of litigation (0.00) INVESTMENT - Minor benefit to reputation / decreased risk of litigation (1.00) INVESTMENT - Moderate benefit to reputation / decreased risk of litigation (2.00) INVESTMENT - Major benefit to reputation / decreased risk of litigation (3.00)
<ul style="list-style-type: none"> Consider how this change will impact the reputation of the Health Unit and/or if this change puts the Health Unit at risk for litigation. 		

Organizational Risks / Benefits

Criteria	Weight	Ratings
ORGANIZATIONAL RISKS / BENEFITS: Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider implementation challenges (incl. ease of sustainment and impact on other frontline/support services)	3	DISINVESTMENT - Major implementation challenges (-3.00) DISINVESTMENT - Moderate implementation challenges (-2.00) DISINVESTMENT - Minimal implementation challenges (-1.00) DISINVESTMENT - No implementation challenges / INVESTMENT - Major implementation challenges (0.00) INVESTMENT - Minimal implementation challenges (1.00) INVESTMENT - Moderate implementation challenges (2.00) INVESTMENT - No implementation challenges (3.00)
<ul style="list-style-type: none"> Consider the following as possible implementation challenges in addressing this criteria: (a) how easy or difficult it will be to implement this change? (b) how easy or difficult will the change be to sustain? (c) how much impact will the change have on front line staff and/or support services? 		

Organizational Risks / Benefits

Criteria	Weight	Ratings
ORGANIZATIONAL RISKS / BENEFITS: Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider the impact on workplace culture (e.g., morale, the ability to be innovative, internal collaboration)	5	DISINVESTMENT - Major risk to workplace culture (-3.00) DISINVESTMENT - Moderate risk to workplace culture (-2.00) DISINVESTMENT - Minor risk to workplace culture (-1.00) BOTH - No risk/benefit to workplace culture (0.00) INVESTMENT - Minor benefit to workplace culture (1.00) INVESTMENT - Moderate benefit to workplace culture (2.00) INVESTMENT - Major benefit to workplace culture (3.00)
<ul style="list-style-type: none"> Consider the impact of the change on factors such on workplace morale, personal and professional growth opportunities, teamwork, the Health Unit's ability to be innovative, etc. 		



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

EMERGENCY CONTRACT AWARD

It is recommended that the Finance & Facilities Committee recommends the Board of Health receive Report No. 023-20FFC, re: “Emergency Contract Award” for information.

Key Points

- Emergency Procurement Protocols are required to support the development of the COVID-19 program.
- Three (3) informal bids were solicited from an existing supplier pool for computer equipment.
- The award of laptop purchases was issued to Stronghold Services which provided the lowest acceptable bid of \$102,830

Background

The primary goals of a non-competitive purchase are to allow for procurement in an efficient and timely manner. Under joint authority of the appropriate Director and the CEO, the requirement for competitive bid solicitation for goods, services and construction may be replaced with negotiations by the Director, Healthy Organization, or designate where in the event of an “Emergency” as defined by Procurement Protocols G-230. [Appendix A](#) defines the Procurement in Emergencies in further detail.

Under the authority of the CEO, an urgent purchase of laptops was required to support the COVID-19 program. This purchase outside of Procurement Protocols was necessary to avoid a delay that would create an unexpected interruption of an essential public service. These services would include activities such as case and contact management, public health inspections, clinical services, school teams and family home visits.

Laptop Purchases

While the purchases were required immediately, informal quotations were solicited from three existing suppliers. These suppliers were requested to supply and deliver the following materials:

- 1) 50x – Lenovo L13 Yoga - 20R5001RUS
- 2) 50x - 3 Year Accidental Damage Protection – 5PS0A23193
- 3) 50x - 3 Year Keep Your Drive - 5PS0A23278
- 4) 50x – Lenovo ThinkVision Monitor P24H - 61AEGAR3US
- 5) 50x – Lenovo USB to Ethernet Adapter - 4X90S91830
- 6) 50x - SmartFit Easy Riser Go Notebook Stand – 50421

Three bids were received by August 11th and the lowest acceptable quote was provided by Stronghold Services Inc. at a value of \$102,830 inclusive of taxes. These laptops were placed on order and are expected to arrive in the next six weeks which is in line with the hire of new staff members. Loaner laptops are also available to new staff members in the short term.

Next Steps

With the exception of the items identified in this report, single source contract awards will be evaluated on a case by case basis and will be brought to the attention of the Finance and Facilities Committee for update or approval.

This report was prepared by the Procurement and Operations Team, Healthy Organization Division.



Alexander Summers, MD, MPH, CCFP, FRCPC
Associate Medical Officer of Health

On behalf of Christopher Mackie, Medical Officer of Health



Dr. Michael Clarke, PhD
Interim CEO

Procurement Protocols G-230

3.3 Procurement in Emergencies

- (1) In subsection 3.2(1)(vi) "Emergency" includes
 - (i) an imminent or actual danger to the life, health or safety of a member of the Board of Health, volunteer or an employee while acting on the Health Unit's behalf;
 - (ii) an imminent or actual danger of injury to or destruction of real or personal property belonging to the Board of Health;
 - (iii) an unexpected interruption of an essential public service;
 - (iv) an emergency as defined by the Emergency Plans Act, R.S.O. 1990, Chapter E.9 and the emergency plan formulated thereunder by the Health Unit;
 - (v) a spill of a pollutant as contemplated by Part X of the Environmental Protection Act, R.S.O. 1990, Chapter E.19; and
 - (vi) mandate of a non-compliance order.

- (2) Where, in the opinion of the MOH / CEO or in their absence the Associate Medical Officer of Health, an emergency has occurred,
 - (i) the Director, Healthy Organization, or designate on receipt of a requisition authorized by a Director and the MOH / CEO or designate may initiate a purchase order in excess of the pre-authorized expenditure limit; and
 - (ii) any purchase order issued under such conditions together with a source of financing shall be justified and reported to the next meeting of the Board of Health following the date of the requisition.