

Report To: Finance Committee, Board of Health
Submitted by: Elizabeth Bowden, Interim Director of Administrative Services
Subject: HISTORICAL PROVINCIAL/MUNICIPAL SPLIT

RECOMMENDATION(S):

- (a) That the Finance Committee makes recommendation to the Board of Health to receive this report, for information.

BACKGROUND:

At the March 20, 2017 Finance Committee meeting, a discussion about the provincial/municipal funding split for Cost-Shared Mandatory programs arose from Finance Committee Report BH.04.MAR2017.R03 - Financial Cycle for the Board of Health. The Finance Committee directed staff to prepare an analysis to answer the question: “*What portion of WDGPH’s current funding ratio is attributable to the Board’s decision to build the two owned facilities in Guelph and Orangeville?*”.

PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

Between 2011 and 2013, a capital levy was added to the municipal levy which increased the annual municipal funding by \$600,000 (2011), an additional \$900,000 (2012) and an additional \$500,000 (2013), so that in 2013 the total annual ongoing funding from the municipality had increased by \$2,000,000. These capital levies were in addition to regular annual funding increases in 2011 through 2013. The purpose of these increases was to provide a source of funding for Wellington-Dufferin-Guelph Public Health (WDGPH) contribution to the pre-construction and construction costs of the two owned facilities in Guelph and Orangeville (in 2011, 2012 and 2013) and to provide a means for WDGPH to repay the loans, fund a lifecycle reserve and pay the additional costs associated with maintaining and operating the two owned buildings after construction was completed.

The table, below, shows the actual provincial/municipal funding split from 2010 through 2017.

Year	Provincial Funding (\$)	Municipal Funding (\$)	Total	Provincial Funding (%)	Municipal Funding (%)	Total
2017*	11,986,100	8,112,541	20,098,641	59.6%	40.4%	100.0%
2016	11,986,100	7,953,470	19,939,570	60.1%	39.9%	100.0%
2015	12,249,800	7,744,950	19,994,750	61.3%	38.7%	100.0%
2014	12,249,726	7,590,298	19,840,024	61.7%	38.3%	100.0%
2013	12,009,536	7,385,072	19,394,608	61.9%	38.1%	100.0%
2012	11,774,054	6,695,749	18,469,803	63.7%	36.3%	100.0%

2011	11,543,190	5,520,038	17,063,228	67.6%	32.4%	100.0%
2010	11,206,981	4,788,145	15,995,126	70.1%	29.9%	100.0%

**budgeted funding not yet approved*

To answer the question “What portion of WDGPH’s current funding ratio is attributable to the Board’s decision to build the two owned facilities in Guelph and Orangeville?”, a calculation was undertaken to remove the \$2,000,000 annual increase, plus the compounding effect that resulted from the regular increase being applied to the capital levy amount beginning the year after it was added to the budget. The compounded value is \$2,151,027 as of the 2017 fiscal year. The estimated 2017 municipal funding, without the additional \$2,151,027 for the owned facilities, is \$5,961,514.

Actual Municipal Funding (with increase for owned facilities) (\$)	Additional Funding for Owned Facilities (\$)	Estimated Municipal Funding (without increase for owned facilities) (\$)	Actual Municipal Funding Ratio (with increase for owned facilities) (%)	Estimated Municipal Funding Ratio (without increase for owned facilities) (%)	Difference (%)
\$8,112,541	\$2,151,027	\$5,961,514	40.4%	33.2%	7.2%

Therefore, the answer to the question, what portion of WDGPH’s current funding ratio is attributable to the additional funds added to the budget for the two owned facilities is \$2,151,027, or 7.2%.

Important note about these estimates

It is probable that had the two facilities not been built, lease and other building occupancy related costs would have increased beyond the annual funding increases provided by the three municipalities and additional municipal funding may have been required to accommodate increasing occupancy costs for leased facilities in Guelph and Orangeville. Because variable lease payments were replaced with fixed loan repayments, a large portion of the budget is stable that otherwise would not have been.

APPENDICES:

NONE.

REFERENCES:

NONE.

Original Signed Document on File

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