

## Finance + Audit Committee Report BH.04.OCT0224.R09

October 2, 2024

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**Report to:** Finance + Audit Committee, Board of Health

**Subject** 2025 Draft Budget

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## Recommendations

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That the Finance + Audit Committee makes recommendation to the Board of Health to receive and approve the 2025 Draft Budget, as presented.

## Background

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Wellington-Dufferin-Guelph (WDG) Public Health receives funding for its operating budget from multiple sources. These include the Ministry of Health (“the Ministry”), the Ministry of Children, Community and Social Services (MCCSS), the City of Guelph, the County of Wellington, and the County of Dufferin.

The majority of WDG Public Health funding comes from the Ministry and is used to fund a range of public health programs that are cost-shared with the three municipalities that comprise WDG Public Health’s geographic territory (City of Guelph, County of Wellington, County of Dufferin). In addition, there are also a small number of 100% provincially funded programs.

This report presents a consolidated budget of the Agency’s program funding that is provided by the Ministry and includes a breakdown of:

- a) programs that are cost-shared with the three municipalities; and,
- b) programs that are funded 100% by the Ministry.

Appendices 1, 2, and 3 present these budgets, grouped as follows:

- Appendix “1” – Cost-Shared Budget
- Appendix “2” – Ministry of Health 100% funded budgets include all sources of funding for specific initiatives that receive 100% provincial funding
- Appendix “3” – Consolidated Budget

Each of the sub-budgets have been numbered, as follows, and these numbers will be used consistently throughout this report when referring to a sub-budget component:

Report Reference Number	Budget Type	Appendix
(1)	Cost-Shared Programs (Mandatory)	Appendix “1”
(2)	100% Ministry of Health Funded Budgets	Appendix “2”
(3)	Consolidated Budget	Appendix “3”

## Public Health and/or Financial Implications

The following assumptions have informed the 2025 budget:

### Year Over Year Revenue Highlights

- WDG Public Health received a 1% base budget increase from the Ministry of Health effective January 1, 2025. In 2024, the Ministry of Health also updated the effective date of the annual increase to the first of January, rather than providing the increase on the first of April each year. This results in an increase of \$190,005 for the 2025 budget.
- WDG Public Health is requesting that municipal funding be increased by 2.9% to support the overall cost-shared budget increases noted in this report.

### Year Over Year Expense Highlights

- Salaries and Wages – salary increase of 3% for all budgeted positions, partially offset by some staffing reductions.
- Employee Benefits:
  - Non-statutory – 2024 increases above anticipated (including Medical 15.8% (7.6%) prior year, Dental – 23.6% (3.4%) prior year, and Long-term Disability 15% (11.3%) prior year). 2025 budgeted increases budgeted at 5% for medical and dental, 15% for long-term disability, and a benefit contingency of \$100,000.
- Travel – inflation and increased mileage based on program needs.
- Staff Training – continued investment in staff training to meet program needs.

- Professional and Purchased Services – expected increase in insurance premiums and significant increases to mosquito larvaciding.
- Building Occupancy – mortgage payment and interest decrease as the final mortgage payment was made July 15, 2024. This is partially offset by inflationary increases for building maintenance contracts and utilities.
- Equipment and Furniture – some necessary furniture replacements in 2025.
- Information, information technology equipment and telecommunications (increase in computer hardware replacement), cell phone fees, and software costs.
- Expenditure Recoveries – increase to rental income from new rental unit in Orangeville, and additional vaccine sales.

### **(1) Cost-Shared Programs**

Funding for Cost-Shared Programs is received as a global budget, meaning the Agency receives a lump sum of funding from the province used to fund program deliverables required to ensure adherence to the Ontario Public Health Standards. The allocation of these funds is determined by the Board of Health (BOH) based on Senior Leadership recommendations.

## Cost-Shared Programs Included in this Funding Allocation

- Adverse Events Following Immunizations
- Childcare Inspections
- Chronic Diseases Prevention & Well Being
- Community Based Immunization Outreach
- COVID-19 Vaccination
- Effective Public Health Practice
- Emergency Management
- Food Safety
- Harm Reduction Program
- Health Hazard Prevention and Management
- Healthy Smiles Ontario and Dental Clinic
- Immunization for Children in Schools & Licensed Child Care
- Immunization Monitoring & Surveillance
- Infection Control
- Infectious Diseases Prevention
- Menu Labelling
- Needle Exchange
- Oral Health Assessment and Surveillance
- Personal Services Inspections
- Population Health Assessment
- Rabies
- Safe Water (Drinking Water and Recreational Water)
- Comprehensive School Health
- Sexual Health
- Smoke Free Ontario
- Substance Use & Injury Prevention (Alcohol, Cannabis, and Other Drugs)
- Tuberculosis Prevention and Management
- Vaccine Admin. - Clinical Services
- Vaccine Administration – Schools
- Vaccine Management
- Vector-Borne Diseases
- Vision Screening

### (2) Ministry of Health's 100% Funded Budgets

The Ministry also provides “dedicated funding”, at 100%, for specific positions, programs and enhancements to programs.

This funding is presented, in aggregate, in Appendix “2”, and includes the following for 2025:

- Medical Officer of Health/Associate Medical Officer of Health Compensation Initiative
- Ontario Seniors Dental Care Program (OSDCP)

Unlike the cost-shared budget, this funding is allocated exclusively towards its intended program purpose as per Ministry direction.

### **(3) Consolidated Budget**

The Consolidated Budget shows the Cost-Shared Program Budget and the Ministry's 100%-Funded programs combined. This can be viewed in Appendix "3".

WDGPH programs that are not included in this draft budget are:

- Healthy Babies Healthy Children March 31 year-end – funding provided by the MCCSS
- One-time Ministry grants approved annually
- Other Community Grants – based on individual service contracts

### **(4) MCCSS 100% Funded Healthy Babies Health Children Budget**

MCCSS provides "dedicated funding", at 100%, for the Healthy Babies Health Children Program. This budget is presented in Appendix "5" for information purposes. The funding received for this program is provided on an April 1 to March 31 fiscal year.

Unlike the cost-shared budget, this funding is allocated exclusively towards its intended program purpose.

## **Budget Objectives**

The Senior Leadership Team's objectives for the 2025 budget are:

- Ensuring the Agency is well-positioned financially
- Alignment with the Agency's 2024-2028 Strategic Plan
- Balanced budget
- Value for money

## **Budget Process**

The following process was undertaken for the preparation of the 2025 budget:

### **To date:**

- Budget guidelines provided to management team
- Salaries and benefits costs for 2025 calculated by Finance with support from the Agency's benefit provider
- Preparation of program operating budgets and operational plans by Program Managers and Directors

- Review of program operating budgets and operational plans by Vice Presidents
- Finance compilation of Divisional Budgets
- Finance meetings with Agency leadership to review budgets submitted
- Executive review of draft budget
- Preparation of report and presentation for Finance + Audit Committee based on MOH approved draft

**To come:**

- Finance + Audit Committee review and recommendation to BOH for approval
- BOH approval
- Preparation of Annual Service Plan and Budget Submission
- Submit Annual Service Plan and Budget Submission (March/April 2025)
- Receive provincial funding approval from Ministry later in 2025 (Summer)

## 2025 Budget Information

**One-Time Grants**

The Agency will continue to explore Ministry and community one-time grant opportunities. Approved grants will continue to be presented to the Finance + Audit Committee in the quarterly financial reports.

**Risk Analysis**

As of the writing of this report, the areas of financial risk for the BOH related to the 2025 budget are:

- Discontinuation of the Ministry's one-time COVID-19 funding
- Minimal changes to provincial funding over the long-term
- Unplanned impacts from the Province's Public Health Transformation
- Financial impact of any changes to the Ontario Public Health Standards
- Inflation impacts on total operating costs
- Significant unexpected expenses
- Opportunities for community partnerships grants

## Appendices

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**Appendix “1”** – Cost-Shared Programs Budget (1)

**Appendix “2”** – Ministry of Health – 100% Funded Programs Budget (2)

**Appendix “3”** – Consolidated Budget (3)

**Appendix “4”** – Budget Notes

**Appendix “5”** – MCCSS - 100% Funded Healthy Babies Health Children Budget

## References

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1. Wellington-Dufferin-Guelph Public Health. (2017). *Finance Committee Report – WDGPH Municipal Funding Split* (BH.04.SEP2017.R15)

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