

Report to: Finance Committee, Board of Health
Submitted by: Dr. Nicola Mercer, Medical Officer of Health & CEO
Subject: 2015 FOURTH QUARTER FINANCIALS

RECOMMENDATION(S)

- (a) That the Finance Committee makes recommendation to the Board of Health to receive the 2015 Fourth Quarter Financials, as presented, for information.

BACKGROUND

Wellington-Dufferin-Guelph Public Health’s (WDGPH) annual budget consists of several sub-budgets based on different funders and funding structures. These are:

Program/Budget Name	Funder(s)	Year-end
Cost-shared Mandatory Programs and Cost-shared Related Programs	Ministry of Health and Long-Term Care (MOHLTC); City of Guelph; County of Wellington; County of Dufferin	December 31 st
100% MOHLTC Funded Programs	Ministry of Health and Long-Term Care	December 31 st
Healthy Babies Healthy Children (HBHC)	Ministry of Children and Youth Services	December 31 st
Preschool Speech and Language (PSL)	Ministry of Children and Youth Services	March 31 st
Wee-Talk	County of Wellington	December 31 st
Canadian Prenatal Nutrition Program (CPNP)	Public Health Agency of Canada	March 31 st

Other Community Grants

Poverty Elimination Task Force (PETF)	City of Guelph, County of Wellington, United Way Wellington-Dufferin-Guelph	December 31 st
Report Card	County of Wellington	December 31 st
Nurturing Neighbourhoods	Family and Children’s Services	December 31 st
Data Coordinator	County of Dufferin	December 31 st

The 2015 Cost-shared Mandatory and Related Programs budget was approved by the Board of Health on February 4, 2015 and submitted to the MOHLTC via the Program Based Grants (PBG) submission on February 27, 2015. The total revenue and expenses budgeted for 2015 for

the Cost-shared Mandatory and Related Programs Budgets was \$20,668,370. In addition to this, there was an application for several one-time grants (totalling \$1,044,667).

Notification of Provincial funding approval was received on September 4, 2015. As a result of the Provincial funding approval, the following revisions were made to the Cost-Shared Mandatory and Related Programs budgets:

Name of Budget	BOH Approved	Revised
Cost-Shared Mandatory	\$20,299,664	\$20,054,744
Vector-Borne Diseases	204,343	205,132
CINOT Expansion	109,870	109,900
Small Drinking Water Systems	54,493	54,493

Additionally, the following revisions were made to the 100% MOHLTC funded budgets:

Name of Budget	Funding Requested	Funding Approved
Needle Exchange	\$30,750	\$30,800
Enhanced Food Safety	40,273	40,300
Infection Control	340,016	333,400
Smoke Free Ontario	403,100	409,500
Enhanced Safe Water	21,559	21,600
Chief Nursing Officer	123,841	121,500
Infection Control Nurses Initiative	91,868	90,100
Social Determinants of Health Nurses	184,058	180,500
Healthy Smiles Ontario	740,298	740,300
Electronic Cigarettes Act	0	14,400

The following one-time grants were approved:

Name of Grant	Provincial Funding Approved
Finance Budget Software	\$63,400
Excelicare Modifications	37,700
Performance Management Program	22,500
Information Management Infrastructure	18,200
Self-Serve Attendance System	15,000
Mental Health & Wellness Initiative	11,300
Physical Demands Analysis	11,300
ISPA Regulatory Amendments Implementation	145,500
New Purpose Built Vaccine Refrigerators	21,300
Hepatitis A Response	53,000
Public Health Inspector Practicum	10,000
Tuberculosis Control: Clinic Equipment	8,700
E-Cigarettes Act Protection and Enforcement	19,200
Capital: Facilities Renewal	76,600

PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

Cost-shared Mandatory Programs (*Appendix One*)

Current Net Position:

Appendix "1" represents the statement of revenue and expenditures for the year ended December 31, 2015, for the Cost-shared Mandatory programs. As reported on the attached statement, there was a net surplus of \$138,951 for the year, after the transfers to reserve, as recommended in Closed Session Finance Committee Report BH.04.MAR1016.R06 – 2015 Year-end Transfers to Reserve Funds. Budget to actual variances of greater than \$25,000 are explained below:

Salary and benefits expenses had a positive variance of \$478,944 for the year. This was due to a number of factors:

- Purposeful gapping of vacant positions throughout the year in order to make up the provincial funding shortfall;
- Eleven staff on maternity/paternity leave throughout the year;
- Short-term disability benefits lower than budgeted for the year;
- Health and Safety Officer position vacant for a large part of the year due to difficulty finding a person with the appropriate mix of skills and experience for the position (\$61,147);
- Two staff in permanent positions on long-term disability;
- Elimination of several positions in the third quarter as a result of the new provincial funding model resulted in additional gapping in 2015 in order to have a balanced budget in 2016; and
- Three staff took an unpaid leave of absence during the year.

Staff training expenses had a positive variance totalling \$34,919 for the year. An analysis of the variances in this area has been undertaken, and Senior Management are working on a plan to make the most effective use of these training dollars in 2016 and future years, to ensure that the workforce remains current in all areas.

Board/volunteer training and recognition had a negative variance of \$35,070 for the year. The two largest contributors to this variance were: legal fees and professional services fees. Legal fees totalled \$32,200 (\$26,200 over the \$6,000 budget); Professional services totalled \$11,200 (no budget for this line item), paid for the development of the performance assessment process for the Medical Officer of Health, and the Board self-evaluation process. These negative variances were offset by savings on the Board of Health conferences line (\$1,868 spent out of the budget of \$5,000), and other minor variances.

Travel expenses had a positive variance of \$58,506 for the year as a result of senior management implementing strategies to decrease travel requirements across the agency. The centralization of staff with the opening of the two new facilities has further decreased travel requirements. In addition, a number of staff positions were gapped throughout the year in order to make up the provincial funding shortfall, resulting in lower than expected mileage claims.

Building Occupancy expenses had a positive variance of \$368,649 as a result of lower than budgeted utilities and maintenance costs. The 2015 fiscal year was the first full year of operations in the Chancellors Way (Guelph) and Broadway (Orangeville) facilities. An estimate of \$9/square foot had been used for maintenance and utilities costs at each facility; the actual costs for the first full year of operations was significantly less than that. Contracted savings in the areas of shredding, elevator maintenance, waste removal, water softener salt and ice melt were realized as a result of procurement taking advantage of joining available contracts negotiated by our partners in the Guelph Co-operative Purchasing Group. This trend will be monitored in 2016, with any adjustments required being reflected in the 2017 budget; however, any reductions in this budget line will be approached with caution due to the expectation of increasing hydro costs, and natural gas prices being at five year lows in 2015 (particularly in the last half of the year).

Professional and Purchased Services expenses had a positive variance of \$113,132 for the first nine months of the year. The main contributors to this variance are lower than budgeted dentist payments under the CINOT program and lower than budgeted consulting costs, with savings in that area being the result of Senior Management's risk management plan to hire an IT Consultant in 2016 as outlined in Closed Session Finance Committee Report BH.04.MAR1016.R06 – 2015 Year-end Transfers to Reserve Funds.

Information and IT Equipment has a negative variance of \$360,973 for the year as the purchase of a new server was completed during the year. A provincial one-time grant was requested to cover this cost, but was not approved; however, the purchase was able to move forward regardless using the savings from the Building Occupancy line.

Communication Costs were \$47,154 lower than budgeted for the year due to: savings on telephone services, as WDGPH's procurement program re-negotiated fees for long distance charges; re-negotiated internet charges with the service provider with significant savings, and tailgated on the Ministry of Government Services plan for cell phone fees with significant savings.

Transfers to Reserves totalling \$670,887 include:

Funds approved by Board of Health in September 2015 for transfer to reserve:

- Website upgrade (\$163,000).

Funds requiring Board of Health authorization for transfer to reserves (per Closed Session Finance Committee Report BH.04.MAR1016.R06):

- Self-funded Agency Benefits Reserve transfer (\$49,083);
- Municipal portion of 2015 one-time grants (\$79,804);
- Risk Management Review of Information Technology Systems (\$100,000);
- Website (\$15,000);
- Legislatively required training (\$45,000); and
- Litigation or potential litigation and personnel matters regarding identifiable individuals which meet the criteria for a Closed Session meeting in accordance with Section 239(2) of the Municipal Act (\$219,000) and have been detailed in Closed Session Finance Committee Report BH.04.MAR1016.R06.
- Remaining surplus from 2015 into IT Reserve.

Appendix 2

Appendix Two presents the Funding and Expenditures for the year for the Cost-shared Related (Small Drinking Water Systems and Vector-Borne Diseases) and 100% funded programs.

Ministry of Health and Long-Term Care Cost-shared Related Programs

Vector Borne Diseases – funding provided for this program must be used for the ongoing surveillance, public education, prevention and control of all reportable and communicable vector-borne diseases and outbreaks of vector-borne disease, which include, but are not limited to, West Nile Virus and Lyme Disease.¹ The positive variance of \$47,845 resulted from lower than budgeted mosquito larviciding costs in 2015.

CINOT Expansion – The Children In Need Of Treatment (CINOT) Expansion Program provides coverage for basic dental care for children 14 through 17 years of age in addition to general anaesthetic coverage for children 5 through 13 years of age.¹ This program will be rolled into the HSO II program, scheduled to begin January 1, 2016 (originally scheduled to begin August 1, 2015). This program had a positive variance totalling \$22,336 for the year; the reduction in the need for oral health treatment speaks directly to the success and effectiveness of WDGPH’s oral health prevention programs (Healthy Smiles Ontario and fluoride varnish program).

Small Drinking Water Systems – this funding is provided to support the ongoing assessments and monitoring of small drinking water systems. Under this program, public health inspectors are required to conduct new and ongoing site-specific risk assessments of all small drinking water systems within the oversight of the Board of Health; ensure system compliance with the regulation governing the small drinking water systems; and, ensure the provision of education and outreach to the owners/operators of small drinking water systems.¹

Ministry of Health and Long-Term Care 100% Funded Programs

Needle Exchange – this funding is provided for the purchase of needles and syringes, and their associated disposal costs, for the Board of Health’s Needle Exchange Program.¹ In the prior year, expenditures for this program significantly exceeded the funding provided. In 2015, the funding request was increased by \$10,000. In 2015, there was \$9,994 more spent than was provided in provincial funding. Municipal funding was used to cover the shortfall. The 2016 provincial funding request will reflect the 2015 actual program expenditures.

Enhanced Food Safety – this initiative was established to augment the Board of Health’s capacity to deliver the Food Safety Program.¹ This funding pays for 0.35 FTE of a Public Health Inspector, and some program supplies costs and training.

Healthy Smiles Ontario – this program provides prevention and basic treatment services for children and youth, from low-income families, who are 17 years of age or under, and who do not have access to any form of dental coverage.¹ This program will be merged

with the CINOT and CINOT Expansion programs in January 2016, with the merged program currently being referred to as HSO II by the Ministry. There is currently a deficit of \$36,675 in this program as of December 31st. Invoices from dentists for 2015 HSO work continue to be received, as the MOHLTC has given dentists a cut-off date of February 29, 2016 to submit for all claims relating to 2015. In 2016, with the implementation of the new integrated Healthy Smiles Ontario, health units will no longer be responsible for paying dentists for their work under this program. The MOHLTC solicited 2015 in-year one-time funding requests in November, with HSO costs in excess of budget specifically highlighted as a potential area to receive funding. WDGPH has not yet received notification regarding the outcome of the application submitted for funding.

Infectious Diseases Control Initiative – this funding pays for 2.0 FTE Public Health Nurses and 1.0 FTE Epidemiologist, as well as some travel and equipment costs. The funding is provided for the sole purpose of monitoring and controlling infectious diseases and enhancing the Board of Health’s ability to handle and coordinate increased activities related to outbreak management.¹

Smoke Free Ontario – this funding is provided in support of the government’s Healthy Change Strategy and Action Plan. The Smoke-Free Ontario Strategy is a multi-level comprehensive tobacco control strategy aiming to eliminate tobacco-related illness and death by preventing experimentation and escalation of tobacco use among children, youth and young adults; increasing and supporting cessation by motivating and assisting people to quit tobacco use; and protecting the health of Ontarians by eliminating involuntary exposure to second-hand smoke.¹

Electronic Cigarettes Act – this funding was provided to prepare for the implementation and enforcement of the *Electronic Cigarettes Act (ECA)*, which was effective January 1, 2016. It is base funding which was prorated for the 2015 year due to late in the year funding approval (September); however, it is expected to be provided annually to support the ongoing enforcement of the *ECA*. It was not fully spent in 2015 as the planned activities, including to direct mail out to businesses, delivery of signs, and media buys were not completed due to Ministry instructions to delay these activities until 2016.

Enhanced Safe Water – the purpose of this initiative is to increase the Board of Health’s capacity to meet the requirements of the Safe Water Program Standard under the OPHS.¹ This funding pays for 0.15 FTE of a Public Health Inspector, as well as some program supplies and training.

Chief Nursing Officer – funding provided for the Chief Nursing Officer position at the Health Unit. The purpose of the Chief Nursing Officer in the Board of Health is to enhance the health outcomes of the community at individual, group, and population levels, through contributions to organizational strategic planning and decision making; by facilitating recruitment and retention of qualified, competent public health nursing staff, and by enabling quality public health nursing practice.¹

Infection Prevention and Control Nurse – this funding pays for 1.0 FTE Public Health Nurse. The majority of the Infection Prevention and Control Nurse’s time must be spent on infection prevention and control activities.¹

Social Determinants of Health Nurses Initiative – this funding pays for 2.0 FTE Public Health Nurses. With this funding, public health nurses with specific knowledge and expertise on social determinants of health and health inequities issues will provide enhanced supports internally and externally to the Board of Health to address the needs of priority populations impacted most negatively by the social determinants of health in the Board of Health area.¹

Healthy Communities Partnership – this funding is considered one-time funding, and the funding year runs from April to March. This funding was fully spent. The goal of this program is to improve health outcomes through the development of local healthy eating and physical activity policies.¹

Panorama – this funding is considered one-time funding, and the funding year runs from April to March. This funding was fully spent. Panorama is a comprehensive database developed on behalf of the provincial government which will track vaccination records province wide. The funding provided is for Phase 3 of the implementation process.

MOH Compensation Initiative – funding provided by the Province to provide additional salary/benefits/stipends for the Medical Officer of Health to ensure compensation falls within the salary ranges outlined in the 2012 Physician Services Agreement.¹

Ministry of Children and Youth Services Funded Programs

Healthy Babies Healthy Children – under this program 8.2 FTE Public Health Nurses, 5.8 FTE Family Home Visitors, 1.0 Data Entry Clerk, and 1.0 Program Assistant are funded to help children get a healthy start in life. The program does this by helping infants and children up to age six and their families through: screening and assessments, supports for new parents, and help in finding community programs and resources.²

Preschool Speech and Language – this funding pays for 2.0 FTE Speech Language Pathologists and 0.6 of a FTE Wee Talk Administrator employed by WDGPH, and approximately 4 Speech Language Pathologists employed by Groves Memorial Hospital, Fergus, St. Joseph's Healthcare, Guelph, and Headwaters Hospital, Orangeville. Together with the three hospitals, WDGPH coordinates the provision of speech pathology services in the Counties of Wellington and Dufferin, and the City of Guelph. This funding has a fiscal year of April to March.

County of Wellington Wee Talk this funding is provided by the County of Wellington to integrate with the speech pathology services available in Wellington County funded by the Ministry of Children and Youth Services under the Preschool Speech and Language program.

Canadian Prenatal Nutrition Program - this funding is provided by the Public Health Agency of Canada on an April to March fiscal year, to deliver a comprehensive program to promote and support optimal nutrition and health in pregnant and early postpartum women who live in difficult life situations.³ This funding has a fiscal year of April to March.

Other Community Grants - various other community grants are provided by the three municipalities served by WDGPH, and other community partners (Family and Children's Services and United Way). The work undertaken with this funding falls within the mandate of WDGPH under the HPPA, OPHS, and Organizational Standards. This funding provides additional resources to WDPGH to augment the work of the Agency.

Appendix 3: One-Time Grants

A summary of the status of expenditures from one-time grants as at December 31, 2015 has been provided at *Appendix 3*.

The Hepatitis A Response, Public Health Inspector Practicum Program, and ISPA Regulatory Amendments Implementation grants were fully spent. The remainder of the one-time grants have a March 31, 2016 spending deadline, and are expected to be fully spent at that time.

APPENDICES:

Appendix "1" - Statement of Revenue & Expenditures for the year ended December 31, 2015 – Cost Shared Mandatory Programs

Appendix "2" – Q4 Financial Report 2015: All Other Programs

Appendix "3" – Q4 Financial Report 2015: One-Time Grants

REFERENCES:

1. Ontario. Ministry of Health and Long-Term Care. Financial Planning, Accountability and User Guide for Program-Based Grants for Mandatory and Related Public Health Programs and Services; 2015.
2. Ministry of Children and Youth Services [homepage on the Internet]. Available from: <http://www.children.gov.on.ca/htdocs/English/topics/earlychildhood/health/index.aspx>.
3. Canada. Public Health Agency of Canada. Canada Prenatal Nutrition Program Contribution Agreement; October 2013.

Prepared by:
Shanna O'Dwyer
Manager, Finance

Reviewed by:
Dr. Nicola Mercer, Medical
Officer of Health & CEO

Approved by:
Dr. Nicola Mercer,
Medical Officer of Health
& CEO

Wellington-Dufferin-Guelph Public Health

APPENDIX "1"

Statement of Revenue and Expenditures
Total Cost Shared Mandatory Programs
For the Year Ended December 31, 2015

	Budget	Actual	Variance	Variance % of Total YTD
	2015	2015	Variance	Budget
	\$	\$	\$	%
Municipal and provincial funding				
Province of Ontario - Ministry of Health and Long Term Care	12,249,800	12,249,800	0	0.0%
City of Guelph	3,559,518	3,554,931	(4,587)	0.0%
County of Wellington	2,535,864	2,532,596	(3,268)	0.0%
County of Dufferin	1,659,562	1,657,423	(2,139)	0.0%
One Time Grants - Ministry of Health and Long Term Care	36,871	36,870	(1)	0.0%
	20,041,615	20,031,620	(9,995)	0.0%
Other revenue				
Interest	50,000	27,311	(22,689)	-0.1%
Total revenue	20,091,615	20,058,931	(32,684)	-0.2%
Expenses				
Employee salaries, wages and benefits	14,591,819	14,112,875	478,944	2.4%
Staff training	152,495	117,576	34,919	0.2%
Board/volunteer training and recognition	35,300	70,370	(35,070)	-0.2%
Travel	296,925	238,419	58,506	0.3%
Building occupancy	3,002,154	2,633,505	368,649	1.8%
Office expenses, printing, postage	203,577	187,850	15,727	0.1%
Professional and purchased services	1,045,255	932,123	113,132	0.6%
Program materials and supplies	500,084	486,122	13,962	0.1%
Office equipment	41,588	61,917	(20,329)	-0.1%
Information and IT equipment	435,202	796,175	(360,973)	-1.8%
Communication costs	180,000	132,846	47,154	0.2%
Transfers to Reserve	79,806	670,887	(591,081)	-2.9%
One-time	49,160	49,160	0	0.0%
Total net operating costs	20,613,365	20,489,825	123,540	0.6%
Expenditure recoveries	(521,750)	(569,845)	48,095	0.2%
Total net expenditures after expenditure recoveries	20,091,615	19,919,980	171,635	0.9%
Excess of expenditures over revenue	0	138,951	138,951	

Program	Provincial/ Municipal Split	Fiscal Year-end	Provincial Funding Requested	Provincial Funding Approved	Municipal Funding Approved	"Other" Funding Approved	Total Funding	YTD Funding Received	YTD Expenditures	Excess (Deficiency) of YTD Funding over Expenditures
Vector-Borne Diseases	Cost-Shared	December 31st		150,700	54,432		205,132	205,132	180,933	24,199
CINOT Expansion	Cost-Shared	December 31st		67,300	42,599		109,899	109,899	88,002	21,897
Small Drinking Water Systems	Cost-Shared	December 31st		40,600	13,894		54,494	54,494	54,494	0
Needle Exchange	100% Provincial	December 31st		30,800			30,800	30,800	40,794	(9,994)
Enhanced Food Safety	100% Provincial	December 31st		40,300			40,300	40,300	40,300	0
Healthy Smiles Ontario	100% Provincial	December 31st		740,300			740,300	740,300	778,208	(37,908)
Infection Control	100% Provincial	December 31st		333,400			333,400	333,400	333,400	0
Smoke Free Ontario	100% Provincial	December 31st		409,500			409,500	409,500	409,500	0
Electronic Cigarettes Act	100% Provincial	December 31st		14,400	0		14,400	14,400	5,810	8,590
Enhanced Safe Water	100% Provincial	December 31st		21,600			21,600	21,600	21,600	0
Chief Nursing Officer	100% Provincial	December 31st		121,500			121,500	121,500	121,500	0
Infection Control Nurses Initiative	100% Provincial	December 31st		90,100			90,100	90,100	90,100	0
Social Determinants of Health Nurses	100% Provincial	December 31st		180,500			180,500	180,500	180,500	0
MOH Compensation	100% Provincial	December 31st	93,957				93,957	87,476	87,476	0
Healthy Babies Healthy Children	100% Provincial	December 31st		1,567,992			1,567,992	1,567,992	1,567,990	2
Preschool Speech and Language	100% Provincial	March 31st		763,573			763,573	572,680	518,038	54,642
County of Wellington Weetalk	100% Municipal	December 31st				367,921	367,921	367,921	367,921	0
Canadian Prenatal Nutrition Program	PHAC	March 31st				63,410	63,410	63,410	43,477	19,933
Community Grants*	Various funders**	December 31st			337,654	123,838	461,492	455,392	456,281	(889)

*Community Grants include:

Poverty Elimination Task Force
 Report Card Coordinator
 County of Dufferin DUCK
 Nurturing Neighbourhoods
 System of Care Coordinator and Kidsline PA

**Various Funders are:

City of Guelph
 County of Wellington
 County of Dufferin
 United Way Wellington-Dufferin-Guelph
 Family and Children's Services

Name of Grant	Funder	Provincial/ Municipal Split	Fiscal Period for Eligible Expenditures	Provincial Funding Approved	Municipal Funding	Total Funding	YTD Expenditures	Balance Remaining	Projected Surplus (Deficit) End of Fiscal Period for Eligible Expenditures
Finance Budget Software	MOHLTC	75/25	April 1, 2015 to March 31, 2016	63,400	21,133	84,533	-	84,533	-
Excelicare Modifications	MOHLTC	75/25	April 1, 2015 to March 31, 2016	37,700	12,567	50,267	-	50,267	-
Performance Management Program	MOHLTC	75/25	April 1, 2015 to March 31, 2016	22,500	7,500	30,000	-	30,000	-
Information Management Infrastructure	MOHLTC	75/25	April 1, 2015 to March 31, 2016	18,200	6,067	24,267	-	24,267	-
Self-Serve Attendance System	MOHLTC	75/25	April 1, 2015 to March 31, 2016	15,000	5,000	20,000	-	20,000	-
Mental Health & Wellness Initiative	MOHLTC	75/25	April 1, 2015 to March 31, 2016	11,300	3,767	15,067	-	15,067	-
Physical Demands Analysis	MOHLTC	75/25	April 1, 2015 to March 31, 2016	11,300	3,767	15,067	9,158	5,908	-
ISPA Regulatory Amendments Implementation	MOHLTC	100/0	January 1 - December 31, 2015	145,500	-	145,500	145,500	-	-
New Purpose Built Vaccine Refrigerators	MOHLTC	100/0	April 1, 2015 to March 31, 2016	21,300	-	21,300	-	21,300	-
Hepatitis A Response	MOHLTC	100/0	January 1 - December 31, 2015	53,000	-	53,000	53,000	-	-
Public Health Inspector Practicum Program	MOHLTC	100/0	April 1, 2015 to March 31, 2016	10,000	-	10,000	10,000	-	-
Tuberculosis Control: Clinic Equipment	MOHLTC	75/25	April 1, 2015 to March 31, 2016	8,700	2,900	11,600	-	11,600	-
E-Cigarettes Act Protection and Enforcement	MOHLTC	100/0	April 1, 2015 to March 31, 2016	19,200	-	19,200	-	19,200	-
Capital: Facilities Renewal	MOHLTC	75/25	April 1, 2015 to March 31, 2016	76,600	25,533	102,133	24,559	77,574	-
PSL Assessment and Treatment Services	MCYS	100/0	April 1, 2015 to March 31, 2016	45,000	-	45,000	-	45,000	-
Panorama	MOHLTC	100/0	April 1, 2015 to March 31, 2016	117,700	-	117,700	-	117,700	-