

Report to: Finance + Facilities Committee
Submitted by: Dr. Nicola Mercer, Medical Officer of Health and CEO
Subject: 2019 DRAFT BUDGET

RECOMMENDATION(S)

- (a) That the Finance + Facilities Committee makes recommendation to the Board of Health to refer the 2019 Draft Budget to the Board of Health for approval.

BACKGROUND

Wellington-Dufferin-Guelph Public Health (WDGPH) receives ongoing funding from several sources: the Ministry of Health and Long-Term Care, the Ministry of Children and Youth Services, the City of Guelph, the County of Wellington, the County of Dufferin, and the Public Health Agency of Canada. Most of the Ministry of Health and Long-Term Care funded programs are cost shared with the three obligated municipalities, and some of them are 100% provincially funded programs.

This document presents a consolidated budget for all Ministry of Health and Long-Term Care funded programs, including both those cost-shared with the three municipal partners, and those funded 100% provincially. Appendices "A", "B" and "C" presented these budgets, grouped as follows:

- *Appendix "A"* - Cost-shared budgets: includes Cost-Shared Mandatory Programs and Cost-Shared Related Programs (Vector Borne Diseases and Small Drinking Water Systems);
- *Appendix "B"* - 100% MOHLTC funded budgets: includes all pots of funding for specific programs and initiatives that receive 100% provincial funding; and
- *Appendix "C"* - 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:

Sub-budget	Report Reference Number	Appendix
Cost-Shared Mandatory and Related Programs	(1)	Appendix "A"
Cost-Shared Related Programs: Vector Borne Diseases and Small Drinking Water	(2)	Appendix "A"

Systems		
100% MOHLTC Funded Budgets	(3)	Appendix “B”
Consolidated Budget	(4)	Appendix “C”

(1) Funding for Cost-Shared Mandatory Programs is received as a global budget, which is an amount of funding from the province that is intended to fund programs as organized by health units that meet the Ontario Public Health Standards. The allocation of funds to meet the various standards is at the discretion of the Board of Health based on management’s recommendations.

Cost-Shared Mandatory Programs (1) include:

- Chronic Disease Prevention
- Food Safety
- Health Hazard Prevention and Management
- Positive Parenting
- Growth and Development
- Healthy Parents and Caregivers
- Healthy Communities
- Non-Publicly Funded Immunizations
- Publicly Funded Immunizations
- Vaccine Distribution
- Rabies
- Infectious Diseases Prevention
- Tuberculosis Prevention and Management
- Sexual Health
- Infection Control
- On-Call
- Safe Water
- Oral Health
- Vision
- School Health Immunization
- School Health Promotion
- Substance Use
- Harm Reduction
- Injury Prevention

(2) Cost-Shared Related programs are cost-shared between the provincial and municipal funders, but provincial funding is provided on an individual basis for each of these programs to be used specifically for that program. New in 2018, and expected to continue for 2019, is the ability to request a transfer of funds from one individually funded program to another, or from one individually funded program to a cost-shared mandatory or 100% MOHLTC funded program. Budgeted revenue and expenditures for each of these programs are included in the Cost-shared budget at Appendix “A”.

Cost-Shared Related programs are:

- Vector Borne Diseases; and
- Small Drinking Water Systems.

(3) The MOHLTC provides several pots of 100% funding for specific positions, programs, and enhancements to programs. This funding is presented, in aggregate, in Appendix “B”. Appendix “B” includes the following:

- Position specific funding:
 - Infection Prevention and Control Nurses Initiative;
 - Chief Nursing Officer;
 - Infectious Diseases Control Initiative;
 - MOH/AMOH Compensation Initiative; and
 - Social Determinants of Health Nurses Initiative.

- Programs:
 - Healthy Smiles Ontario; and
 - Smoke Free Ontario.

- Program Enhancements:
 - Electronic Cigarettes Act;
 - Enhanced Food Safety;
 - Enhanced Safe Water;
 - Harm Reduction Program Enhancement; and
 - Needle Exchange Program Initiative;

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

- Healthy Babies Healthy Children (HBHC) – funding provided by the Ministry of Children, Community and Social Services (MCCSS), formerly the Ministry of Children and Youth Services (MCYS).
- Preschool Speech and Language (PSL) – March 31st year-end – funding provided by MCCSS.
- County of Special Needs Resourcing – funding provided by the County of Wellington.
- Canadian Prenatal Nutrition Program (CPNP) – March 31st year-end – funding provided by the Public Health Agency of Canada (PHAC).
- Other Community Grants – based on individual service contracts.

(4) The Consolidated budget shows the Cost-Shared Mandatory (1), Cost-Shared Related (2), and 100% MOHLTC Funded Related (3) programs together.

ANALYSIS/RATIONALE

Budget Objectives

The Senior Leadership Team’s objectives for the 2019 budget are:

- Alignment with organizational vision and strategic plan, updated Ontario Public Health Standards, and Accountability Framework;
- Balanced budget;
- Value for money.

Budget Process

The following process was undertaken for the preparation of the 2019 budget.

To date:

- Budget guidelines provided to management team;
- Budget training sessions delivered to the management team by Finance;
- Salaries and benefits costs for 2019 calculated by Finance;
- Preparation of program operating budgets and operational plans by Program Managers;
- Review of program operating budgets and operational plans by Directors;
- Finance compilation of Divisional Budgets;
- Finance meetings with each Director and their Managers to review budgets submitted;
- SLT review of draft budget and preliminary discussion of one-time grant requests;
- Preparation of report and presentation for Finance-Facilities Committee based on SLT approved draft.

To come:

- Finance + Facilities Committee review and recommendation to Board of Health for approval;
- Board of Health approval;
- Finalize list of one-time grants;
- Present final list of one-time grants to be submitted to Board of Health in February 2019;
- Preparation of Annual Service Plan and Budget Submission;
- Submit Annual Service Plan and Budget Submission (by February 28, 2019);
- Receive provincial funding approval from MOHLTC.

2019 Budget Information

Status Quo Forecast

- Provincial funding increase of 0%;
- Municipal funding increase of 2%;
- Salaries increase of 1.25% for all management, union and non-union staff except MOH/CEO;
- Benefits:
 - Statutory – approximately 2% increases based on trajectory from past 3 years.
 - Non-statutory – overall decrease of 5.5% due to switch to Sunlife in July 2018.

Key Changes in 2019 Budget

- Reduction in Building Occupancy budget from closing Mount Forest and Shelldale facilities;
- Reduction in travel mileage budgets across the agency to reflect actual forecasted costs for 2018;
- Investments in continued Lean Sigma training for management and staff;
- Investment in staff and operating costs for vision screening program required by new OPHS;

- Investment in strategic planning consultant support;
- Investment in telephone system upgrade;
- Reduction in telecommunications costs (internet, landline and cell phones);
- Reduction of user fee revenue:
 - Food handler course fees (lower than budgeted revenue in 2018 to date);
 - Prenatal course fees (service moved to EarlyOn Centre which has no fees for services provided);
 - Sales of non-publicly funded vaccines, TB skin tests, and per dose recoveries for flu vaccine are all expected to be lower than budgeted for 2018 and have been reduced to reflect actual expectations for 2019;

One-Time Grants

Similar to the process for the 2018 budget, one-time grants ideas are under development, and will be finalized in January 2019.

A final list of one-time grant requests to be submitted to the MOHLTC will be provided to the Board of Health at the February 6, 2019 Board of Health meeting. The deadline for submission is February 28th.

To date, there are two proposed one-time funding requests for 2019:

- Enterprise Resource Planning Software (see Finance + Facilities Committee Report BH.04.MAR2818.R08 – Enterprise Resource Planning (ERP) Software for details about this project); and
- Strategic Planning Support.

Risk Analysis

As of the writing of this report, the areas of risk and opportunity for the Board related to the 2019 budget are:

- Impact of the Making Ontario Open for Business legislation;
- Level of provincial funding for 2019

APPENDICES

Appendix “A” – Cost-Shared Mandatory and Related Programs Budget (1) and (2)

Appendix “B” – 100% MOHLTC Funded Programs Budget (3)

Appendix “C” – Consolidated Budget (4)

Appendix “D” – Budget Notes

Original Signed Document on File

Prepared by:
Shanna O’Dwyer
Manager, Finance

Reviewed by:
David Kingma, Director of
Administrative Services

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

Appendix "A"

Wellington-Dufferin-Guelph Public Health 2019 Draft Budget

COST SHARED BUDGET: Cost-Shared Mandatory (1) and Cost-Shared Related (2)

	2018 BOH Approved	2018 Revised based on Provincial Funding Approval	2019 Draft	Increase (Decrease) \$	Increase (Decrease) %	Notes
Revenues						
Funding						
Grant - MOHLTC	12,177,400	12,537,000	12,537,000	0	0.0%	
Grant - City of Guelph	3,868,973	3,868,973	3,946,353	77,379	2.0%	
Grant - County of Wellington	2,670,691	2,670,691	2,724,105	53,414	2.0%	
Grant - County of Dufferin	1,807,342	1,807,342	1,843,489	36,147	2.0%	
Transfers from reserve	0	0	22,333	22,333	100.0%	Note 1
Total Funding	20,524,406	20,884,006	21,073,280	189,273	0.91%	
Interest Income						
Interest revenue	20,000	20,000	27,000	7,000	35.0%	
Total Interest Income	20,000	20,000	27,000	7,000	35.0%	
Total Revenues	20,544,406	20,904,006	21,100,280	196,273	0.94%	
Expenses						
Employee Costs						
Employee salaries & wages	11,751,443	12,046,529	12,223,307	176,777	1.47%	Note 2
Employee benefits	3,521,305	3,568,820	3,608,879	40,059	1.12%	
Total Employee Costs	15,272,749	15,615,349	15,832,185	216,836	1.39%	
Operating Costs						
Travel	285,827	292,827	251,226	(41,601)	-14.21%	Note 3
Staff training	166,778	173,778	227,388	53,610	30.85%	Note 4
Program supplies	478,734	478,735	481,721	2,986	0.62%	
Professional & purchased services	703,240	706,240	937,814	231,574	32.79%	Note 5
Equipment and furniture	5,870	5,870	5,720	(150)	-2.56%	
Board of Health	38,500	38,500	38,500	0	0.0%	
Building occupancy	2,513,812	2,513,812	2,257,894	(255,918)	-10.18%	Note 6
Information & IT equipment	794,433	794,433	728,483	(65,950)	-8.3%	Note 7
Telecommunications	163,834	163,834	144,980	(18,854)	-11.51%	Note 8
Office expenses, printing, postage	170,130	170,130	173,353	3,223	1.89%	
Expenditure recoveries and offset revenue	(430,419)	(430,419)	(363,712)	66,707	-15.5%	Note 9
Transfers to reserves	380,918	380,918	384,727	3,809	1.0%	Note 10
Total Operating Costs	5,271,657	5,288,658	5,268,094	(20,564)	-0.39%	
Total Expenses	20,544,406	20,904,007	21,100,279	196,273	0.94%	
Net Surplus (Deficit)	0	(0)	0	0		

Appendix "B"

Wellington-Dufferin-Guelph Public Health 2019 Draft Budget

100% MOHLTC FUNDED BUDGET (3)

	2018 BOH Approved	2018 Revised based on Provincial Funding Approval	2019 Draft	Increase (Decrease) \$	Increase (Decrease) %
Revenues					
Funding					
Grant - MOHLTC	2,328,210	2,328,210	2,328,005	(205)	-0.01%
<i>Total Funding</i>	2,328,210	2,328,210	2,328,005	(205)	-0.01%
<i>Total Revenues</i>	2,328,210	2,328,210	2,328,005	(205)	-0.01%
Expenses					
Employee Costs					
Employee salaries & wages	1,636,419	1,636,419	1,649,879	13,460	1.0%
Employee benefits	455,353	455,353	438,737	(16,616)	-4.23%
<i>Total Employee Costs</i>	2,091,772	2,091,772	2,088,616	(3,156)	-0.15%
Operating Costs					
Travel	16,000	16,000	14,000	(2,000)	-12.5%
Staff training	5,448	5,448	5,027	(421)	-7.72%
Program supplies	180,005	180,005	184,145	4,140	2.3%
Professional & purchased services	22,924	22,924	22,210	(714)	-3.11%
Equipment and furniture	2,073	2,073	2,073	1	0.02%
Building occupancy	2,000	2,000	2,000	0	0.0%
Telecommunications	1,874	1,874	4,070	2,196	117.18%
Office expenses, printing, postage	6,115	6,115	5,864	(251)	-4.11%
<i>Total Operating Costs</i>	236,438	236,438	239,389	2,951	1.25%
<i>Total Expenses</i>	2,328,210	2,328,210	2,328,005	(205)	-0.01%
Net Surplus (Deficit)	(0)	(0)	0	0	

Appendix "C"

Wellington-Dufferin-Guelph Public Health 2019 Draft Budget

(4) CONSOLIDATED BUDGET: Cost-Shared Mandatory (1), Cost-Shared Related (2), and 100% MOHLTC Related (3) Funds

	2018 BOH Approved	2018 Revised based on Provincial Funding Approval	2019 Draft	Increase (Decrease) \$	Increase (Decrease) %	Notes
Revenues						
Funding						
Grant - MOHLTC	14,505,610	14,865,210	14,865,005	(205)	0.0%	
Grant - City of Guelph	3,868,973	3,868,973	3,946,353	77,379	2.0%	
Grant - County of Wellington	2,670,691	2,670,691	2,724,105	53,414	2.0%	
Grant - County of Dufferin	1,807,342	1,807,342	1,843,489	36,147	2.0%	
Transfers from reserve	0	0	22,332	22,332	100.0%	Note 1
Total Funding	22,852,616	23,212,216	23,401,285	189,067	0.81%	
Interest Income						
Interest revenue	20,000	20,000	27,000	7,000	35.0%	
Total Interest Income	20,000	20,000	27,000	7,000	35.0%	
Total Revenues	22,872,616	23,232,216	23,428,285	196,067	0.84%	
Expenses						
Employee Costs						
Employee salaries & wages	13,387,861	13,682,948	13,873,186	190,237	1.39%	Note 2
Employee benefits	3,976,660	4,024,173	4,047,615	23,442	0.58%	
Total Employee Costs	17,364,521	17,707,121	17,920,801	213,680	1.21%	
Operating Costs						
Travel	301,827	308,827	265,226	(43,601)	-14.12%	Note 3
Staff training	172,225	179,225	232,415	53,189	0.11%	Note 4
Program supplies	658,740	658,740	665,867	7,127	1.08%	
Professional & purchased services	726,164	729,164	960,024	230,860	13.4%	Note 5
Equipment and furniture	7,943	7,943	7,793	(150)	-1.88%	
Board of Health	38,500	38,500	38,500	0	0.0%	
Building occupancy	2,515,812	2,515,812	2,259,894	(255,918)	-10.17%	Note 6
Information & IT equipment	794,433	794,433	728,483	(65,950)	-8.3%	Note 7
Telecommunications	165,708	165,708	149,050	(16,658)	-10.05%	Note 8
Office expenses, printing, postage	176,245	176,245	179,217	2,972	1.69%	
Expenditure recoveries and offset revenue	(430,419)	(430,419)	(363,712)	66,707	-15.5%	Note 9
Transfers to reserves	380,918	380,918	384,727	3,809	1.0%	Note 10
Total Operating Costs	5,508,095	5,525,096	5,507,483	(17,613)	-0.32%	
Total Expenses	22,872,616	23,232,217	23,428,284	196,067	0.84%	
Net Surplus (Deficit)	0	(0)	0	(0)		

Appendix "D"

2019 Draft Budget Notes

- (1) From Fluoride Varnish Reserve
- (2) 1.25% increase to all staff salaries except MOH, AMOH and red circled staff; addition of a 1.0 FTE permanent program assistant
- (3) Reduced based on review of 2017 and 2018 usage to date
- (4) Continuation of Lean Sigma training for the organization
- (5) ERP project support, disaster recovery site and telephone system maintenance, Strategic Planning support and psychological Health & Safety Survey follow-up, and vision screening services
- (6) Mount Forest and Shelldale facilities budgets removed including reduction in custodial costs for these facilities. Reduction in building maintenance projects budgets as many updating projects have been completed over the past two years.
- (7) Telephone system equipment upgrades budget moved to Professional and Purchased Services line; includes some funds for ERP upgrade but most of the budget for this project will come from one-time grants (OTG), or, if OTG not approved, from the IT Reserve
- (8) Reduction in internet costs, cell phones, and phone services
- (9) Reduction in food handler course fees, prenatal fees, flu recoveries (per dose), sales of non-publicly funded vaccines and TB skin tests
- (10) Per Board of Health Reserve Fund Plan