

**Minutes of the Finance + Audit Committee Meeting
September 8, 2021 > 2:30 p.m. – 3:30 p.m.
Virtual (Zoom) Meeting**

Present: Chris White (Chair), Christine Billings, George Bridge, Rodrigo Goller and Ralph Manktelow

Regrets: None

Staff: Dr. Nicola Mercer, Dr. Matthew Tenenbaum, David Kingma, Chris Beveridge, Kyle Wilson, Rob Cunnington and Shelley Nuhn (Recorder)

Guests: None

1. Call to Order

C. White (Chair) called the meeting to order at 2:30 p.m.

2. Disclosure(s) of Pecuniary Interest

There were no declarations of conflicts identified.

3. Approval of Minutes

Finance + Audit Committee Minutes from Meeting of April 7, 2021.

**MOTION: “To approve the Finance + Audit Committee Minutes of
April 7, 2021, as presented.”**

Moved:	G. Bridge	
Seconded:	C. Billings	CARRIED

4. Finance + Audit Committee Reports

BH.04.SEP0821.R06 – 2021 Second Quarter Financials

- D. Kingma introduced, and R. Cunnington reviewed Report BH.04.SEP0821.R06:
- The report provides a breakdown of regular allocation and continued costs for COVID expenses.

- A vast majority of budget dollars continue to flow to COVID-19 costs, exceeding early budget projections by approximately \$2.5M. The over-budget increase is due to significant expenses for mass clinics, case management and contact tracing, and clinical support costs.
- All signs indicate that the Ministry will continue to cover costs in entirety, however, they are now requesting significantly more detailed information on expense reporting including costs for each clinic site.
- Appendix 1 provides a summary of revenue and expenditures for the Cost-Shared Mandatory Programs. Overall, there is a positive variance of approximately \$1.6M for the first six months of this year, primarily due to reduced program operations during the pandemic response. Interest income is lower due to reduced cash reserves.
- Appendix 2 represents a combination of COVID-19 Vaccination Program (mass clinics, travel) and General Program expenses (case and contact tracing).
- Appendix 3 represents funding received and expenditures made for all other programs operated for the first six months.
- Appendix 4 represents the 100% Ministry-funded One-Time Grant initiatives and COVID-19 costs.
- A BOH member noted that Building Occupancy expenses showed a significant negative variance. This increased expense is due to additional outsourced security presence at mass clinics and WDGPH office locations. This measure was put in place to ensure the safety and well-being of staff and clients in response to growing tension, unrest and potential threats received through the Call Centre and social media. The Chair and Committee expressed support for the added security and subsequent costs, acknowledging the Agency’s obligation to ensure the safety of staff.

MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Finance + Audit Committee Report BH.04.SEP0821.R06 – 2021 Second Quarter Financials, as presented, for information.”

Moved: C. Billings
Seconded: R. Manktelow **CARRIED**

BH.04.SEP0821.R07 – Financial Update

- D. Kingma introduced, and R. Cunningham reviewed Report BH.04.SEP0821.R07:
- The report focuses on significant factors that have impacted the budget and Finance team, specifically related to the pandemic.
 - The Finance team has participated in monthly meetings with the Ministry since early 2020 to receive updates on reporting requirements.
 - Early in 2021, the Ministry indicated they would assist with COVID costs and requested forecasted expenditure reports. The Agency requested a total of approximately \$9.5M in estimated COVID-19 costs. Approval letters were received from the Ministry in July indicating a one-time reimbursement of approximately \$4.6M. This funding was received in August.
 - Ongoing Ministry reporting of COVID expenditures will require specific details by clinic, in order for the Ministry to allocate costs and assess the efficiencies of each clinic model.

- Additional cashflow assistance was required due to the increase in COVID expenditures. Cash resources and options were reviewed by the Ministry including, advancing funding payments from the Ministry, requesting advance payments from municipal partners, and increasing the current banking Line of Credit. The Agency elected to request advance funding from the Ministry, however, this advance did not adequately cover the cashflow needs. Subsequently, a request was made to increase the Line of Credit. Costs incurred for the Line of Credit and interest are expected to be covered by the Ministry as COVID expenditures.
- Early in 2021, the City of Guelph announced they have initiated a multi-year budgeting approach. The Finance team is working with municipalities to confirm requirements and timelines to finalize a budget for 2022/23, for presentation to the Board of Health for approval in November. A multi-year budget will be challenging as there are many unknowns for the next year including structural changes and prioritization from the Ministry. Based on this, it is expected that the budget may be revisited mid-year.
- The implementation of an ERP system has been underway for over a year. Delays in the project were primarily due to the prospect of public health transformation and the COVID pandemic response. The ERP finance system went live successfully, on June 1st. The HR component is tentatively planned for implementation in 2022.

MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Finance + Audit Committee Report BH.04.SEP0821.R07 – Financial Update, as presented, for information.”

Moved: G. Bridge
Seconded: R. Manktelow **CARRIED**

BH.04.SEP0821.R08 – Increase to TD Bank Line of Credit

- D. Kingma introduced, and R. Cunningham reviewed Report BH.04.SEP0821.R08:
- As highlighted under report BH.04.SEP0821.R07, maintaining adequate cash flow has been challenging for all public health units. In order to ensure the Agency is able to maintain cashflow and payroll, a request was made to increase the TD Bank Line of Credit to \$3M with authorization from the MOH and BOH Chair.
 - A BOH member requested clarification on BOH policy regarding authorization of increases to a loan or Line of Credit. Under legislation, Dr. Mercer is charged with managing and paying staff. As such, and due to the extenuating circumstances of the pandemic, Senior Leadership made the decision to manage the additional expenditures as an Agency rather than financially impacting municipal partners. Development of a BOH policy will be reviewed.

MOTION: “That the Finance + Audit Committee makes recommendation to the Board of Health to receive Finance + Audit Committee Report BH.04.SEP0821.R08 – Increase to TD Bank Line of Credit, as presented, for information.”

Moved: C. Billings
Seconded: R. Goller **CARRIED**

(3:21) 5.

Closed Session

- Approval of Closed Session Finance + Audit Committee Minutes of April 7, 2021.

MOTION: “To move into Closed Session to approve Closed Session Minutes of April 7, 2021.”

Moved:

C. Billings

Seconded:

G. Bridge

CARRIED

Finance + Audit Committee Meeting
September 8, 2021 > 2:30 p.m. – 3:30 p.m.
Virtual (Zoom) Meeting

CLOSED SESSION

- Present:** Chris White (Chair), Christine Billings, George Bridge, Rodrigo Goller and Ralph Manktelow.
- Regrets:** None
- Staff:** Dr. Nicola Mercer, David Kingma, Dr. Matthew Tenenbaum, Chris Beveridge, Kyle Wilson, Rob Cunningham, Shelley Nuhn (Recorder)
- Guest(s):** None

CLOSED SESSION MINUTES TO BE PROVIDED UNDER SEPARATE COVER.

(3:25) **Returned to Open Session**

Motion(s) brought forward from Closed Session:

(a) MOTION: “To approve the Closed Session Finance + Audit Committee Minutes of April 7, 2021, as presented.”

Moved: G. Bridge
Seconded: R. Manktelow **CARRIED**

6. Next Meeting:

- November 3, 2021, from 2:30 – 3:30 p.m.

7. Adjournment

The meeting was adjourned at 3:26 p.m.

MOTION: “To adjourn the meeting”.

Moved: R. Goller
Seconded: R. Manktelow **CARRIED**