BRANT COUNTY BOARD OF HEALTH

FINANCE & AUDIT COMMITTEE

Thursday, October 3, 2024, 9:00 a.m., Hybrid/Classroom 422

AGENDA

1. CALL TO ORDER *Chair J. O'Donnell*

2. CONFLICT OF INTEREST *Chair J. O'Donnell*

3. ADDITIONS TO AGENDA / APPROVAL OF AGENDA *All*
Motion: That the Finance & Audit Committee approve the agenda as presented.

4. APPROVAL OF MINUTES of September 5, 2024 * ♦ *All*
Motion: That the Finance & Audit Committee approve the September 5, 2024 minutes.

5. INCAMERA SESSION
5.1 March 7, 2024 Finance & Audit Committee Incamera Session Minutes

6. STANDING ITEMS *No reports.*

7. BUSINESS ARISING FROM PREVIOUS MINUTES *No reports.*

8. NEW BUSINESS
8.1 2025 Brant County Health Unit Municipal Funding Budget * ♦ *B. Stark, Director, Finance & IT*
Motion: That the Finance and Audit Committee recommend the 2025 Brant County Health Unit Municipal Funding Budget report to the October 16, 2024 Board of Health meeting, for approval.

9. FUTURE AGENDA ITEMS
9.1 Methods to Secure Additional Provincial Funding
9.2 Honorariums
9.3 Tangible Capital Asset Policy and Procedure

10. NEXT MEETING DATES
Nov. 7, 2024, 9:00 a.m. (tentative); Dec. 5, 2024, 9:00 am.

11. ADJOURNMENT *Chair J. O'Donnell*

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* *Attachments* ⌖ *Attachments yet to come*
■ *Information* ♦ *Information / Recommendation*

BRANT COUNTY BOARD OF HEALTH
FINANCE & AUDIT COMMITTEE
Thursday, September 5, 2024, 9:00 a.m., Virtual/Room 104
M I N U T E S

PRESENT:	Joy O'Donnell, Chair	Brent Richardson
	John Bell	Brad Stark
	Nancy Church	Katie Greene
		Lorraine Johnson (recorder)
		Monique Donaldson (recorder)
REGRETS:	Susan Brown	

1. CALL TO ORDER
Due to the gap (April/May) in the provincial appointment term for Joy O'Donnell, Brent Richardson called the meeting to order.

2. CONFLICT OF INTEREST
Members will declare a conflict of interest, if one so arises, at the time the item is discussed.

3. ELECTION OF CHAIR
Nominations were declared open for the position of Chair of the Brant County Board of Health Finance and Audit Committee.

Moved by: **Nancy Church**
Seconded by: **John Bell**

"THAT Joy O'Donnell be nominated for the position of Chair of the Brant County Board of Health Finance and Audit Committee."

With no other nominations put forward for Chair, nominations were closed.
Joy O'Donnell accepted the position and took the Chair.

4. ADDITIONS TO AGENDA / APPROVAL OF AGENDA

Moved: **Nancy Church**
Seconded: **John Bell**

"THAT the Board of Health Finance & Audit Committee approve the Agenda as presented." **Carried.**

5. APPROVAL OF MINUTES
Minutes of the Board of Health Finance & Audit Committee meeting of April 4, 2024.

Moved: **John Bell**
Seconded: **Nancy Church**

"THAT the Board of Health Finance & Audit Committee approve the minutes of the meeting of April 4, 2024, as presented." **Carried.**

6. INCAMERA SESSION None.

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7. STANDING ITEMS

7.1 Finance Reporting Compliance Report

Brad Stark presented the Finance Reporting Compliance Report as provided with the Agenda. It was noted that the report included more than just funding sources. Brad Stark will give the report format fulsome review for the annual cycle. Preparations are on track to meet the City's deadline for 2025 budget submission.

Moved: **Nancy Church**
Seconded: **John Bell**

"THAT the Board of Health Finance & Audit Committee receive the Finance Reporting Compliance Report for information." Carried.

8. BUSINESS ARISING FROM PREVIOUS MINUTES None.

9. NEW BUSINESS

9.1 Financial Report for the six months ended June 30, 2024

Brad Stark presented the Financial Report for the six months ended June 30, 2024, as distributed with the agenda. The report showed a surplus as of June 30 which includedreceipt of unexpected COVID funding. Explanations for deferred revenue, salaries under budget, and benefits overage were provided. Members discussed the Revenue/Expense Statement format vs variance; a separate merger-related table will be provided going forward. Members inquired about updating the budget to reflect actual revenue; this will occur for the October Finance & Audit meeting, with an amended 2024 budget for approval at the October Board meeting. Members asked that the Board pass an explicit motion to ensure the tracking of updates and changes. The new financial software platform will aid in more robust reporting.

Moved: **John Bell**
Seconded: **Nancy Church**

"THAT the Board of Health Finance & Audit Committee receive the Financial Report ended June 30, 2024, for information." Carried.

9.2 Tender Process for New Finance Enterprise Resource Planning (ERP) Report

Brad Stark presented the Tender Process for New Finance Enterprise Resource Planning (ERP) Report, as provided with the Agenda. The report included an overview of the process to replace the outdated finance solution. From a shortlist, five firms were interviewed using a scorecard to evaluate the product and vendor, using criteria that included integration with existing systems, accessibility, reporting functionality, and cost. Replacement is necessary; funding will be available through merger funds if the merger is approved. NetSuite ERP System was selected with a seven-year price guarantee. Cost is based on the number of post-merger users and would decrease if the merger did not proceed. Net new cost is $30,000. The system will be installed and operational by December 1, 2024. Prior to seeking RFPs, a poll of public health units was conducted; 18 responses revealed a wide variety of finance solutions used.

Moved: **John Bell**
Seconded: **Nancy Church**

"THAT the Board of Health Finance & Audit Committee receive the Report on Tender Process for the New Financial Enterprise Resource Planning (ERP) for information." Carried.

While the Province has not yet approved the mergers, there is Ministry assurance of financial coverage for this type of preparatory expenditure.

9.3 Mileage Reimbursement Rate Report

Katie Greene presented the Mileage Reimbursement Rate Report, as provided with the Agenda. The report outlined the background and process to determine the average of Canada Revenue Agency rates for a relevant

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mileage reimbursement rate with annual review. Municipalities have been using this format for years. Brant County Health Unit (BCHU) is below the market rate. Haldimand-Norfolk Health Unit's (HNHU) mileage policy and rate has not been shared; they have a from-home base in their contract. Conversation with HNHU must occur before this goes forward as it would impact the post-merger entity. Impact estimates on the budget were provided based on 2023 kilometres driven, totalling an approximate annual increase of $7,000. Members did not endorse a retro-active rate increase for 2024 and suggested the increase be effective as of the Board-approval date.

Moved: **Nancy Church**
Seconded: **John Bell**

"THAT the Board of Health Finance & Audit Committee recommend updating the current Brant County Health Unit mileage policy to include an automatic annual review of the mileage allowance using the average of Canada Revenue Agency's rates of the first 5,000 kilometers driven and kilometers driven in excess of 5,000;
AND THAT the rate change for 2024 be effective upon approval by the Board of Health;
AND THAT the rate change (if any) going forward be effective on January 1 of each year." Carried.

9.4 Additional Finance Items / Correspondence Report

Brad Stark presented the Additional Finance Items/Correspondence Report, as distributed with the Agenda. The report updated Members on usage of the procurement policy emergency exemption for a time-sensitive, information technology expense garnering significant savings for a three-year agreement.

A draft reporting structure for interim merger-related expenses was offered for input; once the merger is approved, there will be a more rigid layout. Reporting will commence in October. Members requested the report show funding years (Province vs PHU), variances, 'proposed' budget, and consultation (if any) with HNHU. Capital costs need to be kept separate. Each health unit will maintain their individual continuity budgets up to and during the merger, and BCHU will manage the joint merger budget.

Moved: **Nancy Church**
Seconded: **John Bell**

"THAT the Board of Health Finance & Audit Committee receive the Additional Finance Items/Correspondence Report for information;
AND THAT the Committee recommend a format for reporting to the Board of Health on merger-related expenses." Carried.

9.5 Renovations Update

Brent Richardson provided an oral update on boardroom renovations. Costs for audio-visual upgrades are significant and time-sensitive. One quote was submitted and another may be needed based on estimates. There are 2024 funds budgeted for facilities renovations; the A-V expense could take the cost over-budget which may trigger an emergency exemption. As the costs of all goods and services continue to escalate, Members suggested that the procurement policy signing limits be adjusted. The Committee supported a report coming to the September Board to increase the signing limits in the policy and procedure.

10. FUTURE AGENDA ITEMS

10.1 Methods to Secure Additional Provincial Funding
10.2 Honorariums
10.3 Tangible Capital Asset Policy and Procedure

11. NEXT MEETING DATES:

October 3, 2024, 9:00 a.m. (firm)
November 7, 2024, 9:00 a.m. (tentative)
December 5, 2024, 9:00 a.m. (firm)
Tentative meeting dates will be confirmed or cancelled by the 15th day of the prior month.

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10. ADJOURNMENT

Moved: **John Bell**
Seconded: **Nancy Church**

"THAT the Board of Health Finance & Audit Committee meeting be adjourned at 9:58 a.m." **Carried.**

_____ _____
Chair, Finance & Audit Committee Date

_____ _____
Secretary Date

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BRANT COUNTY BOARD OF HEALTH FINANCE & AUDIT COMMITTEE MEETING
of October 3, 2024
REPORT #: 8.1

FROM:	**Brad Stark, Director of Finance**
REPORT DATE:	**September 26, 2024**
RE:	**2025 Brant County Health Unit Municipal Funding Budget**

As per the Health Protection and Promotion Act, R.S.O. 1990 (HPPA), municipal governments are required to pay the expenses of the public health unit. Provincial funding, established through policy and an accountability agreement, is provided as grants for specified portions of mandatory program based and one-time budgeted expenditures. As the sharing of costs between the province and the municipalities is not embedded in the HPPA, municipalities are left to pay the net costs deemed necessary by the Board of Health to deliver public health programs.

The purpose of this report is to provide the Board of Health with the information needed to establish the 2025 Brant County Health Unit Municipal Funding Budget and the 2025 to 2027 Multi-Year Budget estimate for the City of Brantford.

Budget Pressures

In 2025, the Brant County Health Unit (BCHU) faces budget pressures related to collectively bargained total compensation and costs of employee benefits.

i. Collective Bargaining

Collective agreements have been ratified with the Ontario Nurses' Association with effective dates of May 1, 2024 to April 30, 2027. Negotiated increases for the duration of this agreement are:

May 1, 2024 – April 30, 2025 – 3.5%
May 1, 2025 – April 30, 2026 – 3.75%
May 1, 2026 – April 30, 2027 – 3.25%

Management compensation increases is aligned with these increase percentages but with effective dates of January 1, 2024, January 1, 2025 and January 1, 2026 respectively.

ii. Employee Benefits

Employee benefits consist of both statutory and non statutory benefits. Statutory benefits are all contingent on wages paid to employees and thus increase as the wages paid to employees increase. Benefits in this category are Canada Pension Plan (CPP), Employment Insurance (EI), Workplace Safety and Insurance Board (WSIB) premiums and Employer Health Tax (EHT). CPP, EI and WSIB expenses are capped when each individual employee reaches a threshold of earnings. EHT has no maximum earnings threshold.

Non statutory benefits include coverage for Life Insurance, Accidental Death & Dismemberment, Long-term Disability, Health and Dental coverage and pension plan contributions. All of these benefits, with the exception of health and dental are based on staff's individual annual income applied with rates for the coverage. Health and Dental are flat rate fees based on the level of coverage provided.

As a result of the collective bargained cost of living increases wages and an increase in rates and premiums that has been the norm in the industry, that will take effect in November 2024, benefit increases are substantial in the 2025 budget. In the previous year, increases to rates and premiums were proposed but

through negotiations, a 0% increase was achieved. This was not able to be achieved for the 2024/25 renewal.

Mitigation Opportunities

i. Provincial Cost Shared Base Funding

The Ministry of Health has guaranteed 1% funding increases from 2024-2027 which includes previous streams of funding that were not based budget but has since been included in the base budget.
For 2025, Ministry of Health funding has been confirmed as detailed below:

2024 Cost Share Base Funding	**$8,634,400**
January to March 2025 (1% Growth Increase 2024 Q1)	21,586
April to December 2025 (1% Growth Increase 2024/25)	64,920
2024 Cost Share Base Funding	**$8,720,906**

ii. Enhancements to funding

Funding for two 100% funded programs (Healthy Babies Healthy Children by the Ministry of Children, Community and Social Services & the IPAC Hub funded by the Ministry of Health 100%) have increased for 2024/25, although the funding for these programs is not permanent. Increases to funding in these programs eases the burden on cost shared programs as allocations of staff can be increased and other costs to run these programs can be directly attributed.

2025 Proposed Budget Request

The 2025 budget has net increased expenses over 2024 of $929,082 (6.01%). Adjustments to revenue result in $880,294 in a budget deficit that needs to be accounted for through additional revenues (Municipal or other sources) or a reduction in expenses.

Appendix A - Proposed 2025 Municipal Funding Budget

	2024	2025 Budget Change	2025
Revenue			
MOH - Mandatory Cost Share Programs	8,634,389	86,517	8,720,906
MOH - MOH/AMOH Compensation Initiative	45,000	(19,661)	25,339
MOH - Needle Exchange Program	18,000	(18,000)	-
MOH - Ontario Seniors Dental Program	628,100	-	628,100
MOH - IPAC	307,000	58,848	365,848
MCCSS - HBHC	1,030,735	98,084	1,128,819
Health Canada - CPNP	81,130	-	81,130
Municipal Funding	4,391,143	-	4,391,143
Transfer from Deferred Revenue	157,000	(157,000)	-
Other Revenue	162,775	-	162,775
	15,455,272	48,788	15,504,060
Expenses			
Salaries	9,953,084	512,013	10,465,097
Benefits	2,579,036	451,176	3,030,212
Mileage and Staff Development			
Employee Other Expenses	5,500	(4,000)	1,500
Mileage	60,850	(5,460)	55,390
Staff Development	124,116	(16,076)	108,040
Subscriptions and Publications	7,265	2,935	10,200
Healthier You	25,000	5,000	30,000
Other Staff Supplies	2,000	4,000	6,000
Program Supplies			
Program Supplies	431,997	18,878	450,875
Needle Exchange	53,500	(29,700)	23,800

Administrative Expenditures			
Office Supplies	23,000	11,900	34,900
Photocopying	11,000	(1,400)	9,600
Printing	4,000	200	4,200
Business Car Insurance	8,500	(6,700)	1,800
Professional and Corporate Membership	24,910	(3,370)	21,540
Cell Phones/Long Dist	23,562	(1,242)	22,320
Answering Service	6,000	720	6,720
Small Equipment	68,101	(29,101)	39,000
Insurance	47,250	2,370	49,620
Postage	8,000	7,000	15,000
Rental	6,000	1,800	7,800
Bank Charges	7,000	20	7,020
Information Technology			
Communications	116,000	1,840	117,840
Computer Maintenance	25,000	(25,000)	-
Computer Supplies	10,000	200	10,200
Software Subcriptions and Maintenance	260,462	137,878	398,340
IT Equipment Purchases	75,000	-	75,000
IT Consulting	190,000	(19,000)	171,000
Building Operations			
Building Maintenance & Repairs	331,248	(54,948)	276,300
Building Cleaning & Supplies	82,000	6,200	88,200
Utilities	100,363	3,437	103,800
Professional Fees			
Legal Fees	40,000	3,200	43,200
Labour Relations	20,000	(5,600)	14,400
Audit Fees	37,000	1,100	38,100
Board Member Fees	10,000	200	10,200
Consulting and Other Professional Fees	678,528	(41,388)	637,140
	15,455,272	929,082	16,384,354
Net	-	(880,294)	(880,294)

Appendix B - Proposed 2025 to 2027 Municipal Funding Budget

	2025	2026	2027
Expenses			
Salaries and Benefits	13,495,309	14,230,679	14,864,753
Other Expenses	2,889,045	2,481,362	2,181,529
Total Expenses	16,384,354	16,712,041	17,046,282
Revenue			
MOH - Mandatory Cost Share	8,720,906	8,808,115	8,896,196
MOH - Other	1,019,287	1,019,287	1,019,287
Other program related revenues	1,209,949	1,209,949	1,209,949
Reserve Transfers	-	-	-
Other Revenue	162,775	162,775	162,775
Total Revenue before Municipal Funding	11,112,917	11,200,126	11,288,207
Total expense over revenue before Municipal Funding	5,271,437	5,511,915	5,758,075
Prior year Municipal funding	(4,391,143)	(5,271,437)	(5,511,915)
Municipal Funding Gap	880,294	240,478	246,160
Municipal Funding Gap %	**20.05%**	**4.56%**	**4.47%**