



Sudbury & District
Health Unit
Service de
santé publique

2010 BUDGET REPORT

To: R. Dupuis, Chair, Sudbury & District Board of Health
From: Dr. P. Sutcliffe, Medical Officer of Health, Chief Executive Officer
Re: Recommended 2010 Cost-Shared Operating Budget
Date: November 19, 2009

☐ For Information

☐ For Discussion

☒ For a Decision

ISSUE:

The management of the Sudbury & District Health Unit is seeking approval of the 2010 operating budget for cost-shared programs and services.

RECOMMENDED ACTION:

THAT the Sudbury & District Board of Health approves the 2010 operating budget for cost-shared programs and services in the amount of \$ 21,706,897. The total includes the Vector Borne Disease control contingency budget of \$500,000, the municipal portion of which will be levied only if the Medical Officer of Health requires such control measures in 2010.

1. BUDGET SUMMARY:

- 1.1** The recommended 2010 budget for cost-shared programs and services is **\$21,706,897** and compared with the 2009 board-approved budget, represents a **2.4% spending increase overall, which translates to a 2.2% municipal per capita increase and a 3.0% increase to the provincial grant.**
- 1.2** The recommended 2010 budget includes costs for the **expanded CINOT program**, introduced in January 2009 as a 100% provincially funded program. The transfer to the cost-shared program base is effective January 1, 2010. The financial impact on the municipal levy of this expanded program is being phased in at 65% in 2010 with the balance planned for 2011.
- 1.3** The recommended 2010 budget otherwise maintains the 2009 service levels.

The following sections provide details on the key 2010 budget highlights.

2. BUDGET BACKGROUND:

- 2.1** Health units received confirmation from the Ministry of Health and Long-Term Care (MOHLTC) in September 2009 that funding for the mandatory programs for 2009 was allocated based on previous communication: an up to 3% across-the-board increase for common cost drivers and up to an additional 2% to target new/emergent concerns, resulting in an overall growth allocation of no more than 5%. For 2010, however, fiscal cautions were shared with Medical Officers of Health by Allison Stuart, Acting Assistant Deputy Minister:

The province is continuing to experience tight fiscal constraints and it is unlikely that the increases that have been available in recent years will continue in future years. Therefore health units are advised to plan their budgets based on minimal increases. October 7, 2009

- 2.2** As of 2009, the cost-shared budget incorporated some of the SDHU organizational needs associated with the Principles and Foundational Standard of the new Ontario Public Health Standards (OPHS). Competencies linked with the Health Unit's Public Health Research, Education and Development (PHRED) Program were required to meet these standards and given the pending transfer of the provincial PHRED program to the Ontario Agency for Health Protection and Promotion, the Health Unit's PHRED positions were incorporated into the 2009 cost-shared budget.

The MOHLTC funding for these positions was not approved for 2009. However, the recommended 2010 cost-shared budget completes the transfer of PHRED competencies to address the Foundational Standard. The reprioritization of Foundational Standard organizational needs in the context of long standing recruitment issues enabled this transition to occur with no financial implications. This action is consistent with the Board of Health's strategic direction and vision for a robust local public health system firmly based on evidence, program evaluation and professional development.

It is expected that the PHRED provincial funding will continue until year-end 2010, permitting appropriate sun-setting activities to occur and transition of the provincial PHRED functions to the Ontario Agency for Health Protection and Promotion.

2.3 The overall recommended increase of 2.4% is comprised of budget increases:

- | | |
|---|-------------|
| • To maintain programs including common cost drivers such as negotiated settlements, staff movement on salary grids, benefits | 2.2% |
| • To maintain operating expenditures | 0.2% |
| Total | 2.4% |

3. RECOMMENDED 2010 BUDGET

Revenues:

3.1 The cost-shared programs/services are funded through the province, municipalities and other sources such as interest revenue and transfers from reserve, if required. The final year of funding "upload" in the provincial share for eligible public health costs was in 2007 (up to 75% effective January 1, 2007). In order to maintain pre-established service levels, the Board of Health agreed for the 2007 budget to support a 70:30 provincial:municipal funding ratio. The province also contributes funding for unorganized territories. An unorganized funding amount of \$704,744 is included in the recommended budget, which is equivalent to a 5% increase over the 2009 Ministry approved funding. As noted in section 2.2, it is expected that the PHRED Ministry funding will continue until year end 2010. Interest revenue is reduced in recognition of the 2009 experience and projections for 2010.

Expenditures -- Salary and Benefit Changes:

3.2 The **2.4% overall increase** over the 2009 cost-shared budget is mainly comprised of the salary costs associated with scheduled rate and step increases, which together comprise 1.5% of the 2.4% overall increase. Benefits comprise 0.7% of the 2.4% increase and operating costs comprise 0.2%.

3.3 As compared with 2009, the **salary and benefit budget lines** each reflect increases of 2.3% and 4.5%, respectively.

- **Salary:** The impact of the scheduled rate increases, staff movement on salary grids and the 0.8 FTE reduction associated with the reprioritization of organizational needs related to the Foundational Standard, result in a 2.3% increase over the 2009 salary budget.
- **Benefits:** Benefit costs and pension contributions are expected to increase slightly, mainly due to rising earnings threshold amounts, resulting in a 4.5% increase over the 2009 benefits budget.

Expenditures -- Non-Salary Changes:

3.4 As compared with 2009, the non-salary budget line reflects an increase of 1.0%. Non-salary budget lines account for 0.2% of the 2.4% overall budget increase. There were significant changes in the non-salary budget lines. All expenditures were reviewed and adjustments were made for efficiencies or reallocations between lines. Expenditure lines with significant changes are highlighted below:

- **Contracted Health Services:** The contracted services budget line has increased due to the previously 100% funded CINOT-Expansion program being reallocated to cost-shared in 2010. The entire CINOT funding is for consultant fees. The financial impact on the municipal levy of this expanded program is being phased in at 65%

in 2010 with the balance planned for 2011. Management anticipates that this funding will be adequate to match program uptake in 2010.

- *Travel:* The decrease in the travel line is due to the increased availability of video-conferencing and uptake of virtual meetings.
- *Staff Development:* The decrease in staff development is a strategic decision to reallocate financial resources in response to other competing operational needs. Re-establishment of this staff development line will be a priority for future budgeting.
- *Building Maintenance:* The increase to the building maintenance budget is the result of entering into a comprehensive maintenance agreement with our current provider in order to mitigate rising costs of servicing aging systems. These increased costs are mainly funded through reallocations between budget lines.
- *Vector Borne Disease (VBD) – education and surveillance:* The VBD line is increased due to Ministry program changes announced in 2009.
- *Miscellaneous Revenue:* Expenditure recoveries are included in the budget as miscellaneous revenue totalling approximately \$825,500 for 2010. This budget line increase reflects increased recoveries from 100% Ministry funded programs.

Schedules:

3.5 Appendix A provides the recommended 2010 cost-shared operating budget details for Health Unit divisions, expenditure categories, revenue sources and municipal levy.

4. CONCLUSION – RECOMMENDED 2010 COST-SHARED OPERATING BUDGET
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The recommended 2010 budget for cost-shared programs and services is **\$21,706,897** and compared with the 2009 board-approved budget, represents a **2.4% increase** overall and results in a **3% increase in the provincial grant** and a **2.2% increase in the per capita municipal levy**. The recommended 2010 budget includes the expansion of the 100% funded CINOT program, which will be cost-shared effective January 1, 2010. The financial impact of this expanded program is being phased in at 65% in 2010 with the balance of the phase-in planned to occur in 2011.

The 2010 budget is recommended as a budget that demonstrates tight fiscal constraint while striving to maintain established program and service levels.

SUDBURY & DISTRICT HEALTH UNIT
Cost Shared Programs & Services

Recommended 2010 Budget

	2009 BOH Budget	2010 Budget	Increase (Decrease)	% Change Inc/-Dec
Revenue				
Ministry of Health Grant - General	13,246,243	13,625,226	378,983	3.00% **
Ministry of Health Grant - OPHS - Foundational Standard	292,411	-	(292,411)	-100.00%
Ministry of Health Grant - PHRED	292,411	292,411	-	0.00%
MOHLTC - Unorganized Territories	671,185	704,744	33,559	5.00%
MOHLTC - Vector Borne Disease	56,138	64,939	8,801	15.68%
MOHLTC - VBD Contingency	375,000	375,000	-	0.00%
MOHLTC - CINOT Expansion	-	230,980	230,980	0.00%
Municipal Levies	6,040,138	6,149,905	109,767	1.82%
Municipal Levies - Vector Borne Disease	18,713	21,646	2,933	15.67%
Municipal Levies - VBD Contingency	125,000	125,000	-	0.00%
Municipal Levies - CINOT Expansion	-	50,046	50,046	0.00%
Interest Earned	90,000	67,000	(23,000)	-25.56%
Transfer from Reserve	-	-	-	0.00%
Total Revenue	21,207,239	21,706,897	499,658	2.4%
Expenditures				
Corporate Services				
Corporate Services	3,373,010	3,312,096	(60,914)	
Print Shop	301,425	308,554	7,129	
Espanola	114,158	117,209	3,050	
Manitoulin Island	113,821	116,818	2,997	
Chapleau	91,696	94,334	2,638	
Sudbury East	101,069	106,032	4,963	
Volunteer Resources	76,518	82,253	5,734	
Staff Development	175,454	179,645	4,191	
Total Corporate Services	4,347,151	4,316,940	(30,211)	-0.7%
Clinical Services				
General	546,138	641,128	94,991	
Clinic Services	1,064,909	1,087,848	22,939	
Branches	277,843	294,177	16,334	
Family	651,206	573,048	(78,158)	
Risk Reduction	133,949	134,516	567	
Intake	190,153	267,423	77,270	
Clinical - Outreach Services	166,671	173,264	6,592	
Sexual Health	888,205	908,662	20,457	
MOHLTC - Influenza	-	-	-	
MOHLTC - Meningitis	-	-	-	
MOHLTC - HPV	-	-	-	
Total Clinical Services	3,919,075	4,080,066	160,992	4.1%
Environmental Health				
General	724,697	737,532	12,835	
Environmental	2,401,924	2,484,571	82,647	
Branches	126,583	135,795	9,213	
West Nile Virus	-	-	-	
Vector Borne Disease	574,850	586,585	11,735	
Injury Prevention	464,709	473,474	8,764	
Tobacco	293,468	300,836	7,368	
Total Environmental Health	4,586,230	4,718,794	132,563	2.9%
Health Promotion				
General	1,022,354	1,053,949	31,595	
School	1,257,534	1,289,327	31,793	
Workplace Wellness	632,664	642,556	9,892	
Branches	388,433	382,252	(6,181)	
Nutrition & Physical Activity	1,377,333	1,286,991	(90,342)	
Reproduction & Child Health	624,761	639,180	14,418	
Community - now Dental	661,462	718,239	56,777	
CINOT Expansion	-	281,025	281,025	
Total Health Promotion	5,964,541	6,293,520	328,979	5.5%
Resources, Research, Evaluation, Development (RRED)				
PHRED	292,411	292,411	-	
RRED	1,513,006	2,005,166	492,159	
OPHS - Foundational Standard	584,822	-	(584,822)	
Total RRED	2,390,241	2,297,577	(92,664)	-3.9%
Total Expenditures	21,207,239	21,706,897	499,659	2.4%
Net Surplus (Deficit)				

NOTE: ** The percentage increase reflects a 3% increase based on the approved 2009 Ministry of Health Grant funding.

SUDBURY & DISTRICT HEALTH UNIT
Cost Shared Programs & Services
Expenditures by Category

Recommended 2010 Budget

Description	2009 Budget	2010 Budget	Change (\$) Inc/(Dec)	Change (%) Inc/-Dec
Salaries	14,018,238	14,333,920	315,684	2.3%
Benefits	3,198,897	3,342,029	143,132	4.5%
Total Salaries & Benefits	17,217,136	17,675,950	458,816	2.7%
Information technology	582,460	582,459	(1)	0.0%
Program resources	530,648	533,556	2,908	0.5%
Contracted health services	774,082	992,836	218,754	28.3%
Travel	290,651	268,436	(22,215)	-7.6%
Staff development	249,606	230,385	(19,220)	-7.7%
Building maintenance	269,668	312,671	43,003	15.9%
Media & advertising	212,602	204,598	(8,004)	-3.8%
Rent	219,966	215,754	(4,212)	-1.9%
Office supplies	180,942	179,357	(1,585)	-0.9%
Telephone, voice and data transmission	154,293	153,424	(869)	-0.6%
Utilities	156,952	160,232	3,280	2.1%
Postage and courier	106,791	108,899	2,108	2.0%
Insurance	95,000	95,000	-	0.0%
Photocopiers	78,181	79,689	1,508	1.9%
Translation	56,645	57,338	693	1.2%
Professional fees	52,014	52,982	968	1.9%
Furniture and equipment	26,580	24,580	(2,000)	-7.5%
Memberships	24,679	24,679	-	0.0%
Books & subscriptions	16,472	15,472	(1,000)	-6.1%
Vector Borne Disease - education and surveillance	65,015	74,500	9,485	14.6%
Vector Borne Disease - control measures contingency	500,000	500,000	-	0.0%
Rent revenue	(57,776)	(57,776)	-	0.0%
Rent surplus transferred to reserve	47,376	47,376	-	0.0%
Miscellaneous revenue	(642,740)	(825,500)	(182,760)	28.4%
	3,990,106	4,030,947	40,840	1.0%
Total	\$ 21,207,242	\$ 21,706,897	\$ 499,656	2.4%

SUDBURY & DISTRICT HEALTH UNIT
Cost Shared Programs & Services

Recommended 2010 Budget

Revenue by Funding Agency

	2009 Budget	2010 Budget	Increase (Decrease)	% Change Inc/(Dec)
Ministry of Health and Long-Term Care				
Official Local Health Agency	13,246,243	13,625,226	378,984	2.9%
OPHS - Foundational Standard	292,411	-	(292,411)	-100.0%
PHRED	292,411	292,411	-	0.0%
Unorganized Territories	671,185	704,744	33,559	5.0%
Vector Borne Disease- education & surveillance	56,138	64,939	8,801	15.7%
CINOT Expansion	-	230,980	230,980	0.0%
Subtotal	14,558,388	14,918,300	359,913	2.5%
Vector Borne Disease - control measures contingency	375,000	375,000	-	0.0%
Total MOHLTC	14,933,388	15,293,300	359,913	2.4%
Municipalities				
Official Local Health Agency	6,040,138	6,149,905	109,767	1.8%
Vector Borne Disease- education & surveillance	18,713	21,646	2,933	15.7%
CINOT Expansion	-	50,046	50,046	0.0%
Subtotal **	6,058,851	6,221,597	162,746	2.7%
Vector Borne Disease - control measures contingency	125,000	125,000	-	0.0%
Total Municipalities	6,183,851	6,346,597	162,746	2.6%
Other Revenue				
Transfer from Working Capital Reserve	-	-	-	-
Interest	90,000	67,000	(23,000)	-25.6%
Total Other	90,000	67,000	(23,000)	-25.6%
Grand Total	21,207,239	21,706,897	499,658	2.4%
Note: **				
Municipal per capita levy rate:	33.26	33.97	0.71	2.2%

SUDBURY & DISTRICT HEALTH UNIT
Municipal Levy (excluding VBD Contingency)

Recommended 2010 Budget

	2009	2010
Total Budget (excluding VBD contingency)	20,707,239	21,206,897
VBD Contingency (to be billed separately)	500,000	500,000
Total Budget	21,207,239	21,706,897
Municipal Levy	6,040,138	6,149,905
Municipal Levy - Vector Borne Disease	18,713	21,646
Municipal Levy - Infectious Disease Control <i>-delete?</i>	-	-
Municipal Levy PHRED <i>-delete?</i>	-	-
Municipal Levy CINOT Expansion	-	50,046
Total Levy**	6,058,851	6,221,597

	2009 Population*	% Population	2009 Levy	2010 Levy	Difference	Monthly Billing
Assignack (Township of)	814	0.445%	26,720	27,686	966	2,307
Baldwin (Township of)	556	0.304%	18,419	18,914	495	1,576
Barrie Island (Township of) ***	0	0.000%	1,636	0	-1,636	0
Billings (Township of)	488	0.266%	15,874	16,549	675	1,379
Burpee and Mills (Township of)	309	0.169%	10,906	10,514	-392	876
Central Manitoulin (Township of)	1,731	0.945%	58,165	58,794	629	4,900
St. Charles	1,220	0.666%	41,443	41,436	-7	3,453
Chapleau (Township of)	2,329	1.272%	80,764	79,139	-1,625	6,595
French River	2,382	1.301%	88,520	80,943	-7,577	6,745
Espanola Town	4,991	2.725%	168,073	169,539	1,466	14,128
Gordon Township	467	0.255%	13,996	15,865	1,869	1,322
Gore Bay Town	784	0.428%	25,629	26,628	999	2,219
Markstay-Warren	2,623	1.432%	87,975	89,093	1,118	7,424
Northeastern Manitoulin & the Islands (Town)	2,232	1.219%	76,342	75,841	-501	6,320
Nairn & Hyman (Township)	433	0.236%	13,996	14,683	687	1,224
Killarney	408	0.223%	13,451	13,874	423	1,156
Sables-Spanish River (Township of)	2,864	1.564%	96,760	97,306	546	8,109
City of Greater Sudbury	158,154	86.364%	5,208,791	5,373,220	164,429	447,768
Tehkummah (Township of)	340	0.186%	11,391	11,572	181	964
TOTAL	183,125	100%	6,058,851	6,221,597	162,746	518,466
Per Capita Rate			33.26	33.97	0.72	

Per Capita Increase/-Decrease over previous year **2.2%**

* Population data per 2009 Ontario Population Report/Municipal Property Assessment Corporation, Oct 2009

** The above levy excludes VBD Control Measures Contingency. It will be billed only if expenditures deemed necessary by the Medical Officer of Health.

*** Amalgamated with Gordon Township

Recommended 2010 Budget

SUDBURY & DISTRICT HEALTH UNIT

Municipal Levy

Vector Borne Disease Contingency Levy **

	2009	2010
Total Budget - VBD Control Measures	\$500,000	\$500,000
Municipal Share	\$125,000	\$125,000

	2006 Census Population*	% Population*	2009 Contingent Levy	2010 Contingent Levy
Assigmack (Township of)	814	0.445%	551	556
Baldwin (Township of)	556	0.304%	380	380
Barrie Island (Township of)	0	0.000%	34	0
Billings (Township of)	488	0.266%	328	333
Burpee and Mills (Township of)	309	0.169%	225	211
Central Manitoulin (Township of)	1,731	0.945%	1,200	1,181
St. Charles	1,220	0.666%	855	833
Chapleau (Township of)	2,329	1.272%	1,666	1,590
French River	2,382	1.301%	1,826	1,626
Espanola Town	4,991	2.725%	3,468	3,406
Gordon Township	467	0.255%	289	319
Gore Bay Town	784	0.428%	529	535
Markstay-Warren	2,623	1.432%	1,815	1,790
Northeastern Manitoulin & the Islands (Town)	2,232	1.219%	1,575	1,524
Naim & Hyman (Township)	433	0.236%	289	295
Killarney	408	0.223%	278	279
Sables-Spanish River (Township of)	2,864	1.564%	1,996	1,955
City of Greater Sudbury	158,154	86.364%	107,461	107,954
Tehkummah (Township of)	340	0.186%	235	233
TOTAL	183,125	100.000%	125,000	125,000
Per Capita Rate			0.68	0.68

Increase/ -Decrease over previous year	0.00%
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* Population data per 2009 Ontario Population Report, Municipal Property Assessment Corporation, Oct 2009

** Vector Borne Disease contingency to be levied only if control measures are required and implemented during the year.