



BOARD OF HEALTH FINANCE COMMITTEE MEETING

Wednesday, **September 27**, 2023
1:30 p.m. – 3:00 p.m.

Virtual via ZOOM

To ensure a quorum we ask that you please
RSVP to
clovell@hpeph.ca or 613-966-5500, Ext 231

Hastings Prince Edward Public Health 2019 - 2023 Strategic Plan

Our Vision

Healthy Communities,
Healthy People.

Our Mission

Together with our communities,
we help people become as
healthy as they can be.

Our Values Show We CARE



Collaboration



Advocacy



Respect



Excellence

Our Strategic Priorities



Community
Engagement



Staff
Engagement
and Culture



Population Health
Assessment and
Surveillance



Program
Standards



Health
Promotion



FINANCE COMMITTEE MEETING
A G E N D A

Wednesday, September 27, 2023
Virtual via ZOOM

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. LAND ACKNOWLEDGMENT**
- 4. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
- 5. APPROVAL OF THE AGENDA**
- 6. APPROVAL OF MINUTES OF PREVIOUS MEETING**
 - 6.1 Meeting Minutes dated April 26, 2023 Schedule 6.1
- 7. BUSINESS ARISING FROM MINUTES**
- 8. NEW BUSINESS**
 - 8.1 2023 January to August Revenues & Expenses Schedule 8.1
 - 8.2 Status of GIC Investment Schedule 8.2
 - 8.3 2024 Budget / Funding Assumptions Schedule 8.3
- 9. DATE OF NEXT MEETING**

Wednesday, November 22, 2023 at 1:30 p.m.
- 10. ADJOURNMENT**



FINANCE COMMITTEE MEETING MINUTES

Wednesday, April 26, 2023 at 1:30 p.m.
Hastings Prince Edward Public Health
Virtual Via ZOOM

Present: Mr. Garnet Thompson, Councillor, City of Belleville, Finance Chair
Ms. Kimberly Carson, Mayor, Limerick Township, Hastings County
Dr. Craig Ervine, Provincial Representative
Mr. John Hirsch, Councillor, Prince Edward County
Mr. Michael Kotsovos, Councillor, City of Quinte West
Ms. Jan O'Neill, Mayor, Township of Marmora and Lake, Hastings County,
Board Chair

Also Present: Dr. Ethan Toumishey, Medical Officer of Health and CEO
Dr. Kathryn Cleverley, Medical Resident, PHPM Program
Mr. David Johnston, Director of Corporate Services
Ms. Amy Rankin, Finance Manager
Ms. Catherine Lovell, Executive Assistant
Ms. Katie Mahon, Partner, KPMG LLP

1. **CALL TO ORDER**

Meeting was called to order at 1:33 p.m. by Councillor Garnet Thompson.

2. **ROLL CALL**

3. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE
THEREOF – None**

4. **APPROVAL OF THE AGENDA**

THAT the agenda for the Finance Committee held on April 26, 2023 be approved as circulated.

MOTION:

Moved by: Jan
Seconded by: Kimberley
CARRIED

5. APPROVAL OF MINUTES OF PREVIOUS MEETING

THAT the minutes of meeting held on February 22, 2023 be approved as circulated.

MOTION:

Moved by: John

Seconded by: Jan

CARRIED

6. BUSINESS ARISING FROM MINUTES - None**7. NEW BUSINESS****7.1 2023 First Quarter Revenues and Expenses**

There was a question around the HBHC program and funding. It was noted that the funding for this program comes wholly from the Ministry of Children, Community, and Social Services and therefore, funding is determined by that Ministry.

At this point in the meeting Councillor Kotsovos excused himself from the meeting. (1:43 pm)

7.2 Summary of Annual Service Plan Submission

There was some discussion around one-time funding and the timing of receipt of that funding. It was noted that while we do not expect to receive confirmation of funding until Summer 2023, some plans have been implemented in anticipation (such as replacing a vaccine fridge, summer PHI students have been hired and COVID related work) while other funding will not be utilized until confirmed, however plans are made and ready to implement.

7.3 Draft Audit Findings Report

Ms. Katie Mahon reviewed the draft audit findings report with the Committee noting there is a new audit standard in place, the effects of which will not be seen outright in the financial statements but does affect the work the auditors do. She noted the status of the audit is complete, with no significant deficiencies, changes in accounting policies or adjustments by management.

THAT the Finance Committee receive the three reports as circulated and recommend taking to the Board in May.

MOTION:

Moved by: Kimberley

Seconded by: Jan

CARRIED

7.4 **Draft Audited Financial Statements**

Ms. Mahon then reviewed the draft financial statements noting there are no significant concerns. Ms. Mahon went on to thank Ms. Rankin for her help during the audit resulting in a smooth audit process.

THAT the Finance Committee receive the draft audited financial statements for the period ending December 31, 2022 as circulated and recommend taking to the Board for approval at the May meeting.

MOTION:

Moved by: Jan
Seconded by: Kimberley
CARRIED

Councillor Thompson thanked Ms. Mahon and KPMG for their diligent work as this is only the second year of audits with them and Chair O'Neill thanked Health Unit staff for a great job in keeping our books in good order.

David Johnston, Director of Corporate Services mentioned that he will be conducting a Finance Committee training session in the near future for those who would like to attend. More information will be sent out as soon as it is available.

8. **DATE OF NEXT MEETING**

Wednesday, September 27, 2023 at 1:30 p.m. - Virtual via ZOOM

9. **ADJOURNMENT**

That the Finance Committee meeting be adjourned at 2:22 p.m.

MOTION:

Moved by: Kimberley
Seconded by: Craig
CARRIED

Councillor Garnet Thompson,
Finance Committee Chair

Finance Committee Briefing Note

To:	HPE Board of Health Finance Committee
Prepared by:	David Johnston, Director of Corporate Services
Reviewed by:	Dr. Ethan Toumishey, Medical Officer of Health and CEO
Date:	Wednesday, September 27, 2023
Subject:	January to August Revenues & Expenses September to December Expectations
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input type="checkbox"/> Strategic Discussion <input type="checkbox"/> Board approval and motion required <input type="checkbox"/> Compliance with Accountability <input type="checkbox"/> Framework Compliance with Program Standards
Action Required:	Review of YTD revenues and expenses and recommend presenting to the Board of Health at October 4 meeting.
Notes regarding Revenues & Expenses	<p>The following notes are provided to assist in the review of the attached Summary of Revenues & Expenses for the period of January 1 – August 31, 2023.</p> <ul style="list-style-type: none"> • Within the Accountability Agreement reporting, we have separated costs to provide information related to ongoing Mandatory Programs and the Ontario Seniors Dental Program. • Overall, as of August 31 we are on target for revenues, largely due to Federal grants and Expenditure recoveries. • The variance in Ministry of Health Annual and one-time grants relates to the flow of funds, timing related to approvals from the Ministry. • Salaries and Benefits are impacted by outstanding union settlements. • Staff Training costs include events that are scheduled for fall 2023. • Travel Expenses are well under expectation. Our approach to service delivery for some programs is the rationale for this variance. • Office Expenses, Printing, Postage are within reasonable levels consistent with operations. • Professional and Purchased Services include 100% of insurance costs for the year, and further represents an increase in purchased dental services due to significant growth in Ontario Seniors Dental Program demand. • The variance in Information Technology reflects service agreement costs that were paid in full for the year, in addition to the cost of software purchased in the spring.

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| | <ul style="list-style-type: none">• Overall Mandatory Programs are under-budget as of September 30. However, this is anticipated to balance by the end of the fiscal year.• The Ontario Seniors Dental Program has a small balance left as of August 31. We expect to receive the dental vehicles this fall. The Ministry is committed to funding this important initiative and we anticipate additional funding opportunities for this program will be provided.• The column labelled Ministry of Health Annual and one-time grants account for the costs of the 8 School-Focused Nursing positions, the MOH Compensation Grant, extraordinary costs related to COVID-19, and the remaining cost of the mobile dental clinics.<ul style="list-style-type: none">• The School-Focused Nursing funding, expired June 30. All of these funds were spent.• Both mobile dental clinics are nearing completion. The full \$550,000 for the mobile clinics will be spent by the end of March 31, 2024 as per the contract.• The MOH compensation grant application has been submitted and we are awaiting approval.• Extraordinary funding to support COVID-19 work will be approved for public health units based on need, after submission of the Q3 and Q4 reports.• The Healthy Babies Healthy Children program has a surplus at August 31. However, this is expected to balance by March, which is the fiscal year end for this program.• The Federal Grants have provided 100% of their revenues. This results in a surplus balance of \$24,554 to be utilized by March 2024. This is the fiscal year end for the Children's Oral Health Initiative. |
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HASTINGS PRINCE EDWARD PUBLIC HEALTH
Summary of Revenues & Expenses for the period January 1 - August 31, 2023
For Finance Committee Review September 27, 2023

	Ministry of Health				Other Grants and Contracts			Totals and Budget Analysis			
	Accountability Agreement		TOTAL Ministry of Health Programs		Ministry of Health Annual and one time Grants	MCCSS HBHC (April-March)	Federal Grants (April-March)	YEAR TO DATE TOTAL	ANNUAL BUDGET	YTD Budget Variance	YTD Actuals as % of budget (8/12 = 67%)
REVENUES	Mandatory Programs inc. COVID	100% Seniors Dental Program	TOTAL Ministry of Health Programs	Ministry of Health Annual and one time Grants	MCCSS HBHC (April-March)	Federal Grants (April-March)	YEAR TO DATE TOTAL	ANNUAL BUDGET	YTD Budget Variance	YTD Actuals as % of budget (8/12 = 67%)	
	6,197,861	786,797	6,984,658				6,984,658	10,743,452	3,758,794	65%	
			0	490,908			490,908	790,000	299,092	62%	
	746,670		746,670				746,670	1,120,000	373,330	67%	
	2,724,108		2,724,108				2,724,108	3,630,108	906,000	75%	
			0		746,561		746,561	1,160,543	413,982	64%	
			0			50,516	50,516	39,000	(11,516)	130%	
	108,905	4,825	113,730				113,730	122,700	8,970	93%	
			0				0	0	0		
Total Revenues	9,777,544	791,622	10,569,166	490,908	746,561	50,516	11,857,151	17,605,803	5,748,652	67%	
EXPENSES											
	Salaries and Wages	160,026	5,834,417	345,485	500,124	20,621	6,700,648	10,628,983	3,928,335	63%	
	Staff Benefits	37,063	1,797,007	75,339	100,516	4,962	1,977,824	3,006,560	1,028,736	66%	
	Staff Training	324	82,975		1,059		84,035	200,400	116,365	42%	
	Travel Expenses	62	80,869	2,816	16,606		100,291	171,000	70,709	59%	
	Building Occupancy	17,900	743,303		11,250		754,553	1,052,000	297,447	72%	
	Office Expenses, Printing, Postage		38,800	7,148	570		46,517	65,000	18,483	72%	
	Materials, Supplies	45,609	232,694		7,906	378	240,978	420,860	179,882	57%	
	Professional & Purchased Services	452,274	694,144				694,144	1,092,000	397,856	64%	
	Communications Costs	2,350	79,543				82,293	129,000	46,707	64%	
	Information Technology	34,731	555,168		8,452		563,620	550,000	(13,620)	102%	
	Capital Expenditures		0				0	30,000	30,000	0%	
	Transfer to Capital/Operating Reserves		173,333				173,333	260,000	86,667	67%	
Total Expenses	9,561,913	750,340	10,312,253	430,788	649,233	25,962	11,418,236	17,605,803	6,187,567	65%	
VARIANCE	215,631	41,282	256,912	60,120	97,329	24,554	438,915	0	438,915		

Finance Committee Briefing Note

To:	HPE Board of Health Finance Committee
Prepared by:	Amy Rankin, Finance Manager
Reviewed by:	David Johnston, Director of Corporate Services
Date:	Wednesday, September 27, 2023
Subject:	Status of GIC Investment
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input type="checkbox"/> Strategic Discussion <input type="checkbox"/> Board approval and motion required <input type="checkbox"/> Compliance with Accountability Framework <input type="checkbox"/> Compliance with Program Standards
Action Required:	No action required.
Background:	<p>In July of 2023, Hastings Prince Edward Public Health (HPEPH) invested the Capital Reserve into a 1-year GIC at a return rate of 5.8%. In addition, the Operating Reserve invested in September 2022, was redeemed from a 1-year flexible GIC.</p> <p>The following is an excerpt from HPEPH Accounting Practices Policy:</p> <p><u>Operating Fund Reserve</u></p> <p>The Operating Fund Reserve shall account for retainable surplus funds generated through operations. The Operating Fund will be restricted for unforeseen operating expenses, catastrophic expenses and contingencies. Expenditures from the Operating Fund Reserve shall be approved by the Medical Officer of Health and/or Board Signatories in accordance with signing authority limits established in the <i>By-law to govern the banking, financial activities and duties of the Auditor of the Board of Health</i>.</p> <p>The Operating Fund Reserve should be maintained at all times at the greater of one month's regular operating expenses or \$1.5 million unless an exceptional situation is reviewed and approved by the Board of Health. Regular operating expenses refer to typical transfer payment amounts from municipal, provincial and federal sources and exclude one-time project funds or extraordinary funding as well as expenditure recoveries or any transfers from reserves.</p> <p><u>Capital Fund Reserve</u></p> <p>The Capital Fund Reserve shall be restricted to building renovations, major repairs, leasehold improvements and other capital investments or cost-shared one-time capital funding requests as approved by the Board of Health.</p> <p>The amount of the Capital Fund Reserve will be reviewed annually in relation to the Capital Funding Plan policy however a minimum of \$2.0 million shall be maintained in the Reserve at all times unless an exceptional situation is reviewed and approved by the Board of Health.</p>

Finance Committee Briefing Note

To:	HPE Board of Health Finance Committee
Prepared by:	David Johnston, Director of Corporate Services
Approved by:	Dr. Ethan Toumishey, Medical Officer of Health and CEO
Date:	Wednesday, September 27, 2023
Subject:	2024 Budget Update
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input checked="" type="checkbox"/> Strategic Discussion <input checked="" type="checkbox"/> Board approval and motion required <input type="checkbox"/> Compliance with Accountability Framework <input type="checkbox"/> Compliance with Program Standards
Action Required:	<p>Finance Committee to review and discuss request for operating reserve allocation to offset projected 2024 budget deficit.</p> <p>Finance Committee to recommend motion for approval at the Board of Health meeting on October 4, 2023.</p>
Background:	<p>The Ministry of Health has confirmed grant funding levels for 2024. Key items include a return to the previous cost-shared formula of 75/25, and 1% growth funding. Unfortunately, with increased costs across all areas, the 2024 draft budget shows a significant deficit balance.</p> <p>Hastings Prince Edward Public Health (HPEPH) will finalize plans over the coming weeks to balance the budget, and present to the Finance Committee for review in November.</p> <p>For planning purposes, the request is being made to allocate up to \$300,000 from the operating reserves of the Board of Health to the 2024 budget as committed revenues. Operating reserves on December 31, 2022 were \$2,262,853.</p> <p>The balance of the deficit will be made up through not filling staff positions, a staff vacancy factor (e.g. Leaves of Absence, attrition, etc.) as well as continued work on cost savings in discretionary budget items.</p>
Recommendation:	Finance Committee to recommend motion for approval by the Board of Health.