

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance & Facilities Committee

Microsoft Teams
Tuesday, December 7, 2021 at 9:00 a.m.

- 1. DISCLOSURE OF CONFLICTS OF INTEREST**
- 2. APPROVAL OF AGENDA** – December 7, 2021
- 3. APPROVAL OF MINUTES** – November 11, 2021
- 4. NEW BUSINESS**
 - 4.1. Q3 Financial Update and Factual Certificate (Report No. 25-21FFC)
 - 4.2. Financial Borrowing Update (Report No. 26-21FFC)
- 5. OTHER BUSINESS**
 - 5.1. Next meeting: TDB in 2022.
- 6. ADJOURNMENT**



**PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE**
Microsoft Teams
Thursday, November 11, 2021 at 8:00 a.m.

MEMBERS PRESENT: Mr. Matt Reid (Chair)
Ms. Aina DeViet
Ms. Maureen Cassidy
Mr. Aaron O'Donnell (arrived at 9 a.m.)

REGRETS: Ms. Tino Kasi

OTHERS PRESENT: Dr. Alexander Summers, Associate Medical Officer of Health
Ms. Emily Williams, Director, Healthy Organization / Interim Chief Executive Officer
Mr. David Jansseune, Assistant Director, Finance
Ms. Heather Lokko, Director, Healthy Start/Chief Nursing Officer
Ms. Maureen MacCormick, Director, Healthy Living
Ms. Mary Lou Albanese, Acting Director, Environmental Health and Infectious Diseases
Ms. Stephanie Egelton, Senior Executive Assistant to the Medical Officer of Health/Associate Medical Officer of Health (Recorder)
Mr. Pat Harford, Manager, Information Technology
Mr. Brian Glasspoole, Manager, Finance

Chair Matt Reid called the meeting to order at **8:03 a.m.**

DISCLOSURES OF CONFLICT OF INTEREST

Chair Reid inquired if there were any disclosures of conflict of interest. None were declared.

APPROVAL OF AGENDA

It was moved by **Ms. Aina DeViet, seconded by Ms. Maureen Cassidy**, that the **AGENDA** for the November 11, 2021 Finance and Facilities Committee meeting be approved.

Carried

APPROVAL OF MINUTES

It was moved by **Ms. Cassidy, seconded by Ms. DeViet**, that the **MINUTES** of the September 2, 2021 Finance and Facilities Committee meeting be approved.

Carried

CONFIDENTIAL

At **8:04 a.m.**, it was moved by **Ms. DeViet, seconded by Ms. Cassidy**, that the Finance and Facilities Committee will move in camera to consider matters regarding labour relations or employee negotiations and personal matters about an identifiable individual, including municipal or local board employees.

Carried

At **9:19 a.m.**, it was moved by **Ms. Cassidy, seconded by Ms. DeViet**, that the Finance and Facilities Committee rise and return to public session from closed session.

Carried

NEW BUSINESS

2022 Budget – PBMA Proposals (Report No. 22-21FFC)

This report was introduced by Ms. Emily Williams, Director, Healthy Organization / Interim CEO. Ms. Williams outlined the funding and expenses situation, along with a reminder of the budget process:

- Funding from the Province of Ontario will remain at 2019 levels.
- Will include mitigation funding, COVID-19 extraordinary funding and recovery funding.
- Inflationary costs for staffing are approximately \$500,000 (salary increases as negotiated in Collective Agreements).
- COVID-19 Case and Contact Management, vaccine and other program supports will continue.
- The approved PBMA proposals would go to the November 18, 2021 Board of Health meeting.

It was noted that investments were divided into COVID-related investments and base budget-related investments.

Ms. Williams presented Healthy Organization's division proposals:

- Disinvestment of ASO Contribution - \$150,000.
- Investment of 7 FTE COVID-19 Human Resources personnel - \$496,611.
- Investment of 4 FTE COVID-19 Procurement and Operations personnel - \$190,387.
- Investment of 4 FTE COVID-19 Informational Technology personnel - \$214,186.
- Investment of 1 FTE COVID-19 Enhancement of Occupational Health and Safety - \$107,532.
- Investment of 1 FTE COVID-19 Payroll and Benefits Administrator - \$95,569.
- Investment of 1 FTE COVID-19 Communications Supervisor - \$107,532.
- Investment of 0.5 FTE COVID-19 Program Assistant (Communications) - \$34,191.

Ms. Mary Lou Albanese, Acting Director, Environmental Health and Infectious Diseases presented the proposals for the Environmental Health and Infectious Diseases division:

- Investment of 16 FTE for COVID-19 Vaccine Preventable Disease Enhancement (4 Public Health Nurses and 1 Associate Manager) - \$1,778,163.
- Investment of 1 FTE COVID-19 Public Health Inspector - \$85,296.

It was noted that 2022 would require significant COVID-19 investments for vaccine and case/contact management support. It was also noted that following the SARS and H1N1 epidemics, additional resources were provided to health units across the province in recognition for the additional work required.

Dr. Alex Summers, Associate Medical Officer of Health presented the Office of the Medical Officer of Health's division proposals:

- Investment of 4 FTE COVID-19 Informatics Support - \$289,824.
- Investment of 1.6 FTE COVID-19 Active Screeners - \$39,000 *to June 2022.
- Investment of 34.5 FTE COVID-19 Infectious Disease Control Enhancement (8 PHN, 4 PHI, 2 Associate Managers) - \$12,327,601.
- Investment of 1 FTE COVID-19 Population Health Assessment and Surveillance Manager - \$142,595.
- Investment of 3 FTE COVID-19 Client Service Representatives (CSR) - \$157,308.

There was a question regarding a discrepancy for the CSR proposal (\$163,600 vs. \$157,308). Ms. Williams noted she would come back with a response.

- Investment of 1 FTE COVID-19 Program Evaluator - \$71,419.
- Investment of 0.5 FTE Client Service Representative - \$26,218.

- Investment of 1 FTE Epidemiologist - \$120,514.
- Investment of 1 FTE Outreach Worker - \$64,446.

Due to quorum being lost before all of the proposals could be reviewed, the Committee asked for a recess to continue the meeting later.

At **10:08 a.m.**, it was moved by **Ms. DeViet, seconded by Ms. Cassidy**, *that the Finance and Facilities Committee recess the November 11, 2021 meeting until 4:15 p.m.*

Carried

At **4:20 p.m.**, it was moved by **Ms. DeViet, seconded by Ms. Cassidy**, *that the Finance and Facilities Committee reconvene the November 11, 2021 meeting.*

Carried

Dr. Summers continued with presenting proposals from the Office of the Medical Officer of Health:

- Investment of 0.5 FTE Program Evaluator - \$42,585

Ms. Heather Lokko, Director, Healthy Start/Chief Nursing Officer presented proposals for the Office of the Chief Nursing Officer:

- Investment of 3.5 FTE for Anti-Black Racism, Diversity and Inclusion, and Indigenous Reconciliation Work (0.5 Program Assistant, 1 Manager, 2 PHN) - \$366,287

It was noted that the Health Equity and Indigenous Reconciliation Manager would be two manager roles to engage with community partners at appropriate levels.

Ms. Williams presented the last base budget proposal for Healthy Organization:

- Investment of 1 FTE Human Resources Specialist, Diversity and Inclusion - \$93,598

Ms. Williams noted that the proposed COVID-19 investments total \$16,163,432.38, funded by the Province and does not include mass vaccination costs. The base budget investments are \$1,221,072. City of London funding would be increased by \$610,000 and County of Middlesex funding would increase by \$128,000. It was noted that, prior to the 2021 budget year, MLHU has not asked for increases from City partners in 12 years. Ms. Williams added that even with funding, there would be a shortfall of \$592,000.

It was noted by the Committee that with a ratio of 70/30 % funding split, there would be a shortfall of \$180,000, which was still a concern. There was a discussion on what program areas could see disinvestments or investments that could be delayed to allow for priority investments.

It was suggested by the committee to come back to the Board of Health on November 18, 2021 with a reduction of the proposals to reduce cost, and with alternatives.

It was moved by **Ms. DeViet, seconded by Ms. Cassidy**, *that the Finance and Facilities Committee make a recommendation to the Board of Health to:*

- 1) *Receive Report No. 20-21FFC re: "2022 Budget – PBMA Proposals";*
- 2) *Approve Appendix A, PBMA One-Time Disinvestment totaling \$150,000 savings;*
- 3) *Direct staff to explore further options for proposals within Appendix B;*
- 4) *Refer Appendix B to the Board of Health;*
- 5) *Approve Appendix C, PBMA COVID-19 Investments totaling \$16,166,970 cost.*

Carried

IT Hardware: Preferred Recycling Process (Report No. 23-21FFC)

This report was introduced by Ms. Williams who introduced Mr. Pat Harford, Manager, Information Technology. Mr. Harford noted that the work had been started (safely recycling 30 end of life desktop computers from 50 King Street) and selected Greentec through the procurement process.

It was moved by **Ms. DeViet, seconded by Ms. Cassidy**, *that the Finance and Facilities Committee make a recommendation to the Board of Health receive Report No. 23-21FFC re: "IT Hardware: Preferred Recycling Process" for information.*

Carried

OTHER BUSINESS

The next meeting of the Board of Health Finance and Facilities Committee will be held Thursday, December 2, 2021 at 9:00 a.m.

ADJOURNMENT

At **5:05 p.m.**, it was moved by **Ms. DeViet, seconded by Ms. Cassidy**, *that the meeting be adjourned.*

Carried

MATTHEW REID
Chair

ALEXANDER SUMMERS
For Christopher Mackie,
Secretary-Treasurer



TO: Chair and Members of the Finance and Facilities Committee

FROM: Dr. Alex Summers, Acting Medical Officer of Health
Ms. Emily Williams, Interim CEO

DATE: 2021 December 7

Q3 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 25-21FFC re: “Q3 Financial Update and Factual Certificate” for information.

Key Points

- The 2021 approved budget consists of a zero percent increase in Mandatory Program funding from the Ministry of Health (MoH).
- Funding to be received from the MoH for COVID-19-related activities amounts to \$24.9 million; after adjusting COVID-19-related spending for seconded staff costs from Mandatory Programs, approximately \$19.8 million has been spent year-to-date to September 30.
- The Health Unit is forecasting that increases in COVID-19 spending in the 4th quarter in excess of the funding committed to date can be financed from operating surplus from Mandatory Programs.
- The Health Unit is also advising municipal funders that additional funds requested in 2021 totaling \$762,182 will not be required for the current operating period.
- The Health Unit is currently forecasting a funding surplus of \$23,690 across the organization due to delays in restarting regular programs that were paused or modified due to the pandemic.
- Included in the Financial Update is a signed Factual Certificate, which provides assurance that financial and risk management functions are being performed.

Background

The Board of Health approved the 2021 operating budget on February 18, 2021 ([Report No. 04-21FFC](#)). The approved budget consists of no increase in Mandatory Program funding from the Ministry of Health (MoH) but does reflect a change of funding mix between the province and municipalities for previously 100% provincially funded programs.

Financial Highlights

The Budget Variance Summary, which provides budgeted and actual expenditures for the nine months ended September 30 for the programs and services governed by the Board of Health, is attached as [Appendix A](#). This analysis is based on the original budget for 2021 as approved by the Board of Health, but does reflect the latest amendments to extraordinary funding for COVID-19, as advised by the MoH.

Themes within the Q3 variance analysis contributing to positive variances within some program areas are related to staffing gaps and reduced travel, staff development, professional services and program supply costs.

Due to the Health Unit's continued focus on administration of COVID-19-related programs, including case and contact management (CCM) and operation of the vaccine program, there have been further delays to restarting Mandatory Programs in the community. These delays are expected to continue into the 4th quarter. Accordingly, anticipated 4th quarter cost increases for COVID-19 programs in excess of funding committed by the MoH can be met from unspent Mandatory Program funding. This additional funding to be supplied from operating surplus to offset extraordinary funding requirements amounts to \$1,526,692. In addition, the Health Unit is forecasting that incremental funding requested from City of London (\$640,233) and County of Middlesex (\$121,949) will not be required in the current year and can be returned. After adjusting the full year forecast for these transfers, the Health Unit is projecting a modest surplus of \$23,690 for the full year.

COVID-19 and Extraordinary Funding

In July 2021 the MoH originally committed to funding COVID-19-related activities including CCM and the vaccine program at approximately 50% of budgeted levels submitted, amounting to \$13,860,000 for the year. After the Health Unit submitted reports outlining spending for the six months to June 30, the MOH revised committed funding to \$24,884,000 for the year. Based on spending to date for the nine months ended September 30, 2021, the Health Unit is forecasting a full year spend of \$26,410,692 or \$1,526,692 greater than the amount of funding committed by the MoH. The Health Unit is currently projecting that this additional cost can be met through redeployment of operating surplus from Mandatory Programs that have been delayed or modified due to the pandemic.

Factual Certificate

A Factual Certificate, attached as [Appendix B](#) is to be signed by senior Health Unit administrators responsible for ensuring certain key financial and risk management functions are being performed to the best of their knowledge. The certificate is revised as appropriate on a quarterly basis and submitted with each financial update.

This report was prepared by the Finance Team, Healthy Organization Division.



Alexander Summers, MD, MPH, CCFP, FRCPC
Acting Medical Officer of Health



Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**
As at September 30, 2021

	2021 YTD ACTUAL (NET)	COVID RECLASS	2021 YTD RESTATED (NET)	2021 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2021 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Environmental Health & Infectious Disease												
Office of the Director	\$ 212,237	\$ 342	\$ 212,579	\$ 199,049	\$ (13,530)	-6.8%	\$ 283,438		\$ 270,673	\$ (12,765)	-4.7%	Higher spending in salaries (\$24,543) and benefits (\$1,107) reflect unplanned overtime for interim director. These increases were partly offset by lower than planned program supplies \$3,045, travel \$1,694, staff development \$1,301, professional services \$4,500 and other program costs \$1,923.
Emergency Management	7,479	76,295	83,774	99,683	15,909	16.0%	\$ 111,699		135,530	\$ 23,831	17.6%	Favourable variances in wages and benefits \$8,022 relate to hiring gap for manager position. Additional favourable variances in other program costs \$4,943 travel \$2,250 and staff development costs \$494.
Food Safety & Healthy Environments	957,229	130,197	1,087,426	1,322,815	235,389	17.8%	\$ 1,449,901		1,800,026	\$ 350,125	19.5%	Reduced spending in salaries & wages \$179,062, benefits \$32,938, travel \$8,765, program supplies \$5,969, staff development \$5,773 and other program costs \$1,687.
Infectious Disease Control	1,089,907	149,907	1,239,814	1,315,143	75,329	5.7%	\$ 1,653,085		1,787,202	\$ 134,117	7.5%	Favourable variances from reduced spending in salaries \$42,554 and benefits \$17,827, travel \$4,816, staff development \$2,659, program supplies \$5,600, and other program costs \$1,452.
Safe Water, Rabies & Vector-Borne Disease	680,236	158,635	838,871	1,017,947	179,076	17.6%	\$ 1,118,494		1,380,120	\$ 261,626	19.0%	Salaries costs include higher than planned standby charges (\$4,739). These were more than offset by lower spending in program supplies \$17,905, travel \$12,227, staff development \$6,333, other program costs \$22,712 and professional service fees \$118,357 which primarily include mosquito ID and abatement programs.
Sexual Health	1,262,864	131,448	1,394,312	1,827,624	433,312	23.7%	\$ 1,859,082		2,470,443	\$ 611,361	24.7%	Lower spending for salaries \$237,555 and benefits \$72,266 due to decreased clinics and less need for casual employees, and lower spending for travel \$7,720, staff development \$3,812 and other program costs \$7,022. Lower than planned clinic revenues (\$121,181) are partly offset by lower program supplies \$162,859 and professional services \$65,796.
Vaccine Preventable Disease	893,766	161,042	1,054,808	1,128,588	73,780	6.5%	\$ 1,406,410		1,536,128	\$ 129,718	8.4%	Lower salaries \$62,939 and benefits \$34,881. Lower revenues (\$72,945) due to reduction in paid vaccine in the MLHU Immunization clinics and reimbursable vaccines due to school closures, partly offset favourable variances in program supplies \$53,128, staff development \$1,424, partly offset by higher than planned equipment costs (\$7,145) which included a refrigerator.
COVID-19	11,140,950	(2,955,343)	8,185,607	8,185,607	-		10,914,143	(1,779,557)	12,693,700	\$ -	0.0%	Incremental costs to support COVID-19 beyond transfer of operating budgets for staff redeployed and additional programming funds underutilized during the year due to program interruptions and program delivery delays. Assume that all out-of-budget incremental costs for COVID 19 will be funded by Ministry of Health. Budget to be adjusted in response to actual costs incurred.
COVID-19 Vaccine	12,057,555	(435,143)	11,622,412	11,622,412	-		15,496,549	3,306,249	12,190,300	\$ -	0.0%	Incremental costs to support COVID-19 beyond transfer of operating budgets for staff redeployed and additional programming funds underutilized during the year due to program interruptions and program delivery delays. Assume that all out-of-budget incremental costs to support COVID-19 Vaccine Clinics to be fully funded by the Ministry of Health. Budget to be adjusted in response to actual costs incurred.
Total Environmental Health & Infectious Disease	\$ 28,302,223	\$ (2,582,621)	\$ 25,719,602	\$ 26,718,869	\$ 999,267	3.7%	\$ 34,292,802	\$ 1,526,692	\$ 34,264,122	\$ 1,498,012	4.4%	
Healthy Living												
Office of the Director	\$ 174,783	\$ 407	\$ 175,189	\$ 196,244	\$ 21,055	10.7%	\$ 233,586		\$ 266,814	\$ 33,228	12.5%	Lower spending in salaries \$44,415 and benefits \$8,359 due to gapping were largely offset by unplanned overtime costs (\$52,923). In addition, lower spending occurred in travel \$3,000, program supplies \$4,087, staff development \$2,780, other program costs \$1,125 and professional services \$3,750.
Child Health	706,932	647,467	1,354,399	1,222,906	(131,493)	-10.8%	\$ 1,805,865		1,663,541	\$ (142,324)		Unfavourable variances included higher spending for salaries (\$140,105) and benefits (\$35,026) primarily for additional casual public health nurses and higher overtime hours and planned revenues that did not materialize (\$9,420). These were partly offset by lower spending in travel \$13,465, program supplies \$34,369 and staff development \$3,620.

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**

As at September 30, 2021

	2021 YTD ACTUAL (NET)	COVID RECLASS	2021 YTD RESTATED (NET)	2021 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2021 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Chronic Disease and Tobacco Control	573,251	132,964	706,215	1,187,415	481,200	40.5%	\$ 941,620		1,611,944	\$ 670,324	41.6%	Lower spending in salaries \$291,245 and benefits \$72,812 due to staffing gaps. Lower than planned program supplies \$85,164, travel \$9,792, staff development \$1,140, professional services \$7,888 and unplanned revenue \$11,420.
Healthy Communities and Injury Prevention	(49,938)	178,559	128,622	915,017	786,395	85.9%	\$ 171,495		1,244,496	\$ 1,073,001	86.2%	Lower spending in salaries \$551,593 and benefits \$141,475 due to staffing gap and reassignment of roles. Additional savings in travel \$6,082, program supplies \$20,904, staff development \$3,975, professional services \$4,125 and other program costs \$3,150 as program delivery was delayed due to COVID. In addition, unplanned revenue of \$54,642 was reported.
Oral Health	285,173	104,649	389,822	743,432	353,610	47.6%	\$ 519,763		1,010,243	\$ 490,480		Favourable variances for salaries \$233,616, benefits \$64,661 and lower spending for travel \$11,932, program supplies \$21,270, staff development \$3,480, equipment costs \$12,476 and other program costs \$4,712.
Senior Dental Program	1,007,294	1,476	1,008,770	\$ 1,008,770	(0)	0.0%	1,671,528		1,671,528	\$ -		Senior Dental Program is 100% funded by Ministry of Health. Any unspent funds during the year must be returned. Funding received in 2021 includes \$700,000 for a second dental clinic to be built in Strathroy which can be utilized until Mar 2022.
Southwest Tobacco Control Area Network	57,633	43,589	101,222	328,020	226,798	69.1%	\$ 134,963		442,301	\$ 307,338	69.5%	Favourable variances in salaries \$61,424 and benefits \$15,066, program supplies \$116,885, other program costs \$28,110 and travel \$3,750 contributed to positive variances as program delivery was delayed due to COVID.
Young Adult Health	529,871	449,947	979,818	825,707	(154,111)	-18.7%	\$ 1,306,424		1,123,044	\$ (183,380)	-16.3%	A portion of the Young Adult Team were seconded to Covid. Higher spending in wages (\$107,398) overtime (\$55,257) and benefits (\$27,018) partly offset by favourable spending in travel \$8,566, program supplies \$20,770, staff development \$2,738 and professional services \$3,000.
Total Healthy Living	\$ 3,284,999	\$ 1,559,057	\$ 4,844,056	\$ 6,427,511	\$ 1,583,455	24.6%	\$ 6,785,243	\$ -	\$ 9,033,911	\$ 2,248,668	24.9%	
Healthy Start												
Office of the Director	\$ 142,565	\$ 2,903	\$ 145,469	\$ 158,399	\$ 12,930	8.2%	\$ 193,958		\$ 215,306	\$ 21,348	9.9%	Lower than planned salaries \$2,384 and benefits \$596, travel \$1,108, program supplies \$4,530, staff development \$2,235 and other program costs \$1,275.
Best Beginnings	2,180,055	252,711	2,432,766	2,528,299	95,533	3.8%	\$ 3,243,688		3,385,167	\$ 141,478		Healthy Babies Healthy Children and Smart Start for Babies Programs are included with March 31 year-end programs (MLHU2) - assume that funding will be fully spent by March 31, 2022. Lower than planned spending in shared-funding programs for salaries \$46,922 and benefits \$11,731 from gapping, travel \$2,779, program supplies \$9,878, staff development \$1,462 and professional services \$22,389.
Early Years Health	1,058,987	64,906	1,123,893	1,128,381	4,488	0.4%	\$ 1,498,524		1,535,123	\$ 36,599	2.4%	Lower spending for travel \$11,621 and program supplies \$4,353. These were partly offset by unplanned overtime (\$5,902), salary mix due to hiring of casual PHNs (\$2,697) and higher staff development (\$1,227) and professional fees (\$1,954).
Reproductive Health	125,540	257,046	382,586	930,225	547,639	58.9%	\$ 510,115		1,264,712	\$ 754,597	59.7%	Lower spending in salaries \$399,792 and benefits \$102,393 due to staffing gap. Lower than planned program supplies \$24,457, travel \$5,977, staff development \$2,773, professional services \$9,198 and other program costs \$2,560.
Total Healthy Start	\$ 3,507,147	\$ 577,567	\$ 4,084,714	\$ 4,745,304	\$ 660,591	13.9%	\$ 5,446,285	\$ -	\$ 6,400,308	\$ 954,023	14.9%	
Office of the Chief Nursing Officer	\$ 323,200	\$ 70,614	\$ 393,813	\$ 540,792	\$ 146,979	27.2%	\$ 525,084	\$ -	\$ 734,963	\$ 209,879	28.6%	Lower spending in salaries \$85,579 and benefits \$21,144 due to staffing gap. Lower than planned spending occurred for travel \$4,500, program supplies \$7,885, staff development \$4,937, professional services \$9,100 and other program costs \$14,833.
Office of the Medical Officer of Health												
Office of the Medical Officer of Health	\$ 422,859	\$ (171)	\$ 422,688	\$ 346,903	\$ (75,785)	-21.8%	\$ 563,584		\$ 472,965	\$ (90,619)	-19.2%	Higher than planned wages for overtime (\$86,501) was partly offset by lower spending for travel \$2,865, program supplies \$1,912, staff development \$3,144, professional services \$1,275 and other program costs \$1,350.
Communications	514,599	2,333	516,933	436,028	(80,905)	-18.6%	\$ 689,243		593,067	\$ (96,176)	-16.2%	Higher than planned spending for salaries (\$39,923), benefits (\$11,690) and unplanned overtime (\$40,261) partly offset by lower spending for travel \$2,265, staff development \$1,699 and other program costs \$11,473.

**MIDDLESEX-LONDON HEALTH UNIT
NET BUDGET VARIANCE SUMMARY**
As at September 30, 2021

	2021 YTD ACTUAL (NET)	COVID RECLASS	2021 YTD RESTATED (NET)	2021 YTD BUDGET (NET)	VARIANCE (OVER) / UNDER	% VARIANCE	DECEMBER FORECAST	FUNDING ADJUSTMENTS	2021 ANNUAL NET BUDGET	ANNUAL SURPLUS / (DEFICIT)	% VARIANCE	Comment / Explanation
Associate Medical Officer of Health	304,410	250	304,660	225,650	(79,010)	-35.0%	\$ 406,214		308,413	\$ (97,801)	-31.7%	Higher spending for salaries (\$19,749), benefits (\$3,383) and overtime (\$102,795) was partly offset by unplanned revenue \$46,067 and staff development \$1,100.
Population Health Assessment & Surveillance	385,409	126,825	512,234	443,119	(69,115)	-15.6%	\$ 682,978		603,071	\$ (79,907)	-13.3%	Higher than planned costs for salaries (\$13,539), benefits (\$3,385) and overtime (\$58,002) partly offset by lower than planned spending for travel \$2,250 program supplies \$1,162 and staff development \$2,250.
Community Outreach & Clinical Support Servic	729,560	4,550	734,110	640,350	(93,760)	-14.6%	\$ 978,814		870,954	\$ (107,860)	-12.4%	Higher spending in salaries (\$73,413), overtime (\$6,574), benefits (\$8,481) and program supplies (\$20,211) were partly offset by lower spending in travel \$7,310, staff development \$1,870, equipment costs \$3,408 and other program costs \$2,340.
Total Office of the Medical Officer of Health	\$ 2,356,837	\$ 133,787	\$ 2,490,625	\$ 2,092,050	\$ (398,575)	-19.1%	\$ 3,320,833	\$ -	\$ 2,848,470	\$ (472,363)	-16.6%	
Healthy Organization												
Office of the Director	\$ 288,485	\$ 17	\$ 288,502	\$ 269,262	\$ (19,240)	-7.1%	\$ 384,670		\$ 363,368	\$ (21,302)		Higher salaries (\$72,862) and benefits (\$5,857) and unplanned overtime (\$10,141) were partially offset by reduced spending for travel \$11,705, staff development \$33,846 and professional services \$23,591.
Finance	384,682	731	385,413	278,044	(107,369)	-38.6%	\$ 513,884		378,369	\$ (135,515)		Higher costs included salaries (\$62,892) and benefits (\$1,682) due to increased staffing requirements coupled with unplanned overtime (\$25,408) and severance costs (\$16,808).
Human Resources	\$ 539,932	\$ 30,028	\$ 569,960	\$ 553,734	(16,226)	-2.9%	\$ 759,947		753,499	\$ (6,448)		Lower than planned salaries \$5,059, benefits \$16,169 and professional services \$5,719 were more than offset with unplanned overtime (\$43,858).
Information Technology	920,461	6,855	927,316	982,304	54,988	5.6%	\$ 1,381,422		1,314,725	\$ (66,697)		Higher than planned salaries (\$43,397), overtime costs (\$6,203) and cell phone costs (\$11,485) are more than offset by lower spending for IT consulting \$77,323, telecom charges \$6,859, computer equipment \$27,009 and supplies \$3,519.
Privacy Risk & Governance	\$ 23,256	\$ 804	\$ 24,060	\$ 115,384	91,324	79.1%	\$ 32,080		157,039	\$ 124,959		Reduced salaries \$72,221 and benefits \$17,834 due to manager vacancy.
Procurement & Operations	188,333	264	188,597	142,512	(46,085)	-32.3%	\$ 251,463		193,968	\$ (57,495)	-29.6%	Higher salaries & benefits (\$27,657) due to changes in staff mix. Unplanned overtime (\$18,143) to support Covid vaccine centers.
Program Planning & Evaluation	\$ 277,331	\$ 122,986	\$ 400,317	\$ 652,421	252,105	38.6%	\$ 533,756		885,610	\$ 351,854	39.7%	Lower spending in salaries \$198,236 and benefits \$52,944 due to staffing gap for program evaluator and manager and lower spending for program supplies \$8,128 partly offset by higher professional fees (\$7,617).
Strategic Projects	87,428	79,911	167,339	208,509	41,170	19.7%	\$ 223,118		283,660	\$ 60,542		Favourable variance in salaries \$33,182, benefits \$8,296, program supplies \$868 and other program costs \$960 partly offset by higher than planned professional fees (\$2,136).
Total Healthy Organization	\$ 2,709,908	\$ 241,596	\$ 2,951,504	\$ 3,202,170	\$ 250,666	7.8%	\$ 4,080,339	\$ -	\$ 4,330,238	\$ 249,899	5.8%	
General Expenses & Revenues	2,495,641	-	2,495,641	2,099,581	(396,060)	-18.9%	\$ 3,917,521	\$ (2,288,874)	\$ 2,799,441	\$ (3,406,954)	-121.7%	Higher operating costs include higher than anticipated benefits administration costs (\$120,361), higher occupancy costs (\$119,635) in part due to timing of recognition of insurance costs and higher security costs, other program costs (\$9,349), higher than planned professional services fees (\$146,839) and lower than planned misc. revenues (\$12,641). Funding adjustment reflects decision to return additional funding from municipalities in excess of amounts covered by mitigation funding from Ministry of Health.
Total Expenditures Before Expected Gapping	\$ 42,979,954	\$ 0	\$ 42,979,954	\$ 45,826,277	\$ 2,846,323	6.2%	\$ 58,368,107	\$ (762,182)	\$ 60,411,452	\$ 1,281,163	2.1%	
Less: Expected Agency Gapping Budget				(918,923)	(918,923)				(1,257,473)	(1,257,473)		
TOTAL BOARD OF HEALTH EXPENDITURES	\$ 42,979,954	\$ 0	\$ 42,979,954	\$ 44,907,354	\$ 1,927,400	4.3%	\$ 58,368,107	\$ (762,182)	\$ 59,153,979	\$ 23,690	0.0%	

Middlesex-London Health Unit
FACTUAL CERTIFICATE

To: Members of the Board of Health, Middlesex-London Health Unit

The undersigned hereby certify that, to the best of their knowledge, information and belief after due inquiry, as at September 30, 2021:

1. The Middlesex-London Health Unit is compliant, as required by law, with all statutes and regulations relating to the withholding and/or payment of governmental remittances, including, without limiting the generality of the foregoing, the following:
 - All payroll deductions at source, including Employment Insurance, Canada Pension Plan and Income Tax;
 - Ontario Employer Health Tax; and
 - Federal Harmonized Sales Tax (HST).Further, staff believe that all necessary policies and procedures are in place to ensure that all future payments of such amounts will be made in a timely manner.
2. The Middlesex-London Health Unit has remitted to the Ontario Municipal Employees Retirement System (OMERS) all funds deducted from employees along with all employer contributions for these purposes.
3. The Middlesex-London Health Unit is compliant with all applicable Health and Safety legislation.
4. The Middlesex-London Health Unit is compliant with applicable Pay Equity legislation.
5. The Middlesex-London Health Unit has not substantially changed any of its accounting policies or principles since December 8, 2016.
6. The Middlesex-London Health Unit reconciles its bank accounts regularly and no unexpected activity has been found.
7. The Middlesex-London Health Unit has filed all information requests within appropriate deadlines.
8. The Middlesex-London Health Unit is compliant with the requirements of the Charities Act, and the return for 2020 has been filed.
9. The Middlesex-London Health Unit has been named in a complaint to the Human Rights Tribunal of Ontario by a former student. The hearing has been completed and a decision to dismiss has been rendered that found no violation of human rights. The individual filed an Application to Divisional Court for a Judicial Review which was dismissed, the individual is now seeking motion for leave to appeal. MLHU has also been named in a second complaint to the Human Rights Tribunal of Ontario by the same individual. This application is in respect to the recruitment of three management positions for which he was not selected for an interview.
10. The Middlesex-London Health Unit has been named in a legal action with respect to ‘Cali Nails’ or ‘the numbered company that operated Cali Nails’ for damages arising from the Order to close for Infection Prevention and Control (IPAC) infractions, and the publication of the associated Closure Order. The claim alleges that, as the Order to close and the associated public notice that the IPAC

infractions could lead to blood borne infections, this directly led to the drop in its business and the closure of the salon. Ultimately damages are being sought as a result.

11. The Middlesex-London Health Unit is fulfilling its obligations by providing services in accordance with our funding agreements, the Health Protection & Promotion Act, the Ontario Public Health Standards, and as reported to the Board of Health through reports including but not limited to:

- Quarterly Financial Updates;
- Annual Audited Financial Statements;
- Annual Reporting on the Accountability Indicators;
- Annual Service Plans; and
- Information and Information Summary Reports.

Dated at London, Ontario this 30th day of November, 2021



Dr. Alexander Summers
Acting Medical Officer of Health



Emily Williams
Chief Executive Officer (Interim)



TO: Chair and Members of the Board of Health

FROM: Dr. Alex Summers, Acting Medical Officer of Health
Ms. Emily Williams, Interim CEO

DATE: 2021 December 7

FINANCIAL BORROWING UPDATE

Recommendation

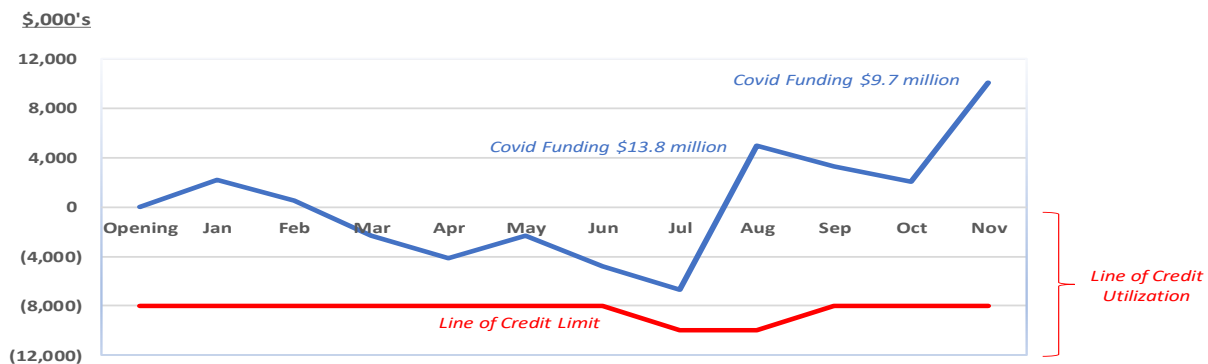
It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No. 26-21FFC re: “Financial Borrowing Update” for information.

Key Points

- MLHU bank balance is positive at \$10.1 million as at November 26th. The Ministry provided COVID-19 extraordinary funding in the amount of \$9.7 million on November 22nd.
- MLHU operating line of credit has an \$8 million limit and is not being utilized at present.
- The Health Unit continues to service a \$4.2 million demand instalment loan with annual repayments of \$260,000 for principal and interest.

Background – Bank Balance (and COVID-19 Impact)

The following graph represents MLHU monthly bank balances during 2021.



The initial estimate for COVID-19 extraordinary expenses was \$28.7 million (\$7,275k for case and contact management (CCM) and \$21,423k for the vaccine program).

From February to July, the line of credit supported operations as COVID-19-related expenses had depleted available cash. The Ministry funded \$13,782k in mid July, approximately half of the original estimate.

At Q2 reporting, the COVID-19 estimate was decreased from \$28.7 to \$24.9 million (\$12,694k for CCM and \$12,190k for the vaccine program). The Ministry approved the \$24.9 million in a letter received during November and funded an additional \$9,715k. They also acknowledged that the remaining amount would be paid throughout the rest of the calendar year.

To date, MLHU has received \$23,497k for COVID-19 extraordinary expenses (July \$13,782k, November \$9,715k) with an outstanding balance yet to be received of \$1,387k. Total approved funding to date is \$24,884k.

During late November, MLHU received direction from the Ministry that surplus funds generated from mandatory programs were to be used to offset COVID-19 expenses. This direction halted MLHU plans to pay down variable debt with CIBC as surplus funds were shifted to support ongoing COVID-19 efforts.

Background – Operating Line of Credit

The operating line of credit has an \$8 million limit and is currently not being utilized due to the Health Unit's positive cash position at the bank.

As at Q3 – September 30, MLHU has realized \$136,610 favourability on interest expense (actual \$58,390 vs budget \$195,000).

Background – Demand Instalment Loan *(no changes from Q2 reporting)*

During December 2020, the Health Unit entered into a loan agreement with CIBC to finance the fit-up and relocation costs related to consolidating offices to Citi Plaza. The loan was for \$4.2 million, 20-year amortization and had two components:

Variable: \$1,150,000. Interest is charged at prime less 0.75% per annum.

Fixed: \$3,050,000. Interest is charged at 1.915% per annum over a 5-year term, renewal December 2025.

All amounts are repayable immediately on demand by the bank. Annual payments are approximately \$260,000. The variable portion can be repaid at any time without penalties.

The repayment structure for 2022 remains unchanged from 2021 and is approximately:

Variable: \$ 75,625 (principal \$ 57,500 and interest is \$18,125).

Fixed: \$183,684 (principal \$128,823 and interest is \$54,861).

Next Steps

The latest COVID-19 projections are estimated at \$26.4 million (as presented in Q3 reporting). The Ministry has committed funding totaling \$24.9 million. The balance of \$1.5 million will be funded from surplus generated from mandatory programs, as directed by the Ministry in November.

This report was prepared by the Healthy Organization Division.



Alexander Summers, MD, MPH, CCFP, FRCPC
Acting Medical Officer of Health



Emily Williams, BScN, RN, MBA
Chief Executive Officer (Interim)