



Algoma Public Health
2020 Public Health Operating & Capital Budget

2020 Operating & Capital Budget

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EXECUTIVE SUMMARY:

Issue:

The *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability* (OPHS) requires boards of health to ensure administration develops a budget forecast for the fiscal year that does not project a deficit. To support municipal budget planning, Algoma Public Health (APH) attempts to advise contributing municipalities of their respective levies as early as possible.

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2020 Public Health Operating and Capital budget as presented”.

Budget Summary:

The 2020 APH Operating & Capital Budget (the Budget) is designed to position the Board of Health for the District of Algoma Health Unit in fulfilling its mandate as per the requirements set out in the *Health Protection and Promotion Act (HPPA)*, the OPHS, the *Public Health Accountability Agreement*, and APH’s strategic plan.

The proposed 2020 Budget for mandatory programs and services is \$15,384,190 and as compared to the 2019 Board of Health approved budget, represents a 4.4% overall increase. This increase is a result of a new mandatory program, the Ontario Senior Dental Care Program, for which APH is receiving \$697,900 in 100% provincially funded dollars.

Municipalities within Ontario will be contributing more for Public Health services starting in 2020. This is a result of the Ontario Government’s plan to:

- Change the cost-sharing formula
- Incorporate the majority of previous 100% provincially funded programs into the cost-sharing formula

The 2020 Budget reflects the province’s plan to change the cost-sharing funding model by increasing the municipalities’ contribution to 30% (from the traditional 25%) and by reducing the province’s share to 70% (from the traditional 75%).

For 2020, the Government has indicated that all municipalities will be protected from any cost increases resulting from this cost-sharing change by capping the increase at no more than 10% of existing costs (based on 2018 Q3 actual expenditures and Q4 forecasted expenditures). One-

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time mitigation funding is being provided by the province to municipalities through health units.

In order for public health units' to receive the full amount of mitigation funding available, the levy increase must be equal to or greater than 10% of the municipal portion of 2018 operating costs. Specifically for Algoma, this cap would equate to a \$268,807 increase in the municipal levy. As a result, APH is projected to receive \$808,535 in provincial one-time mitigation funding for 2020.

Management, in consultation with the Finance and Audit Committee of the Board of Health, is recommending aligning the 2020 municipal levy increase with the cap the Government has implemented for 2020. This equates to a \$268,807 or a 7.6% increase in the municipal levy.

By aligning the municipal levy increase with the Government levy cap for 2020, the Board of Health will minimize the financial risk municipalities may face in future years as this change in the funding model transitions to the provincial government's desired ratios.

2020 Financial Assumptions:

- Costs associated with changes in service offerings are projected
- 4.4% increase on APH's overall operating budget compared to 2019
- 7.6% or \$268,807 overall increase in the 2020 municipal levy (operational and capital portion)
- \$808,535 provincial one-time transitional funding as per Management calculations based on review with MOHTC
- 0% increase in provincial growth funding
- Salary increases range from 1.75% to 2.0% for all employee groups as of April 1st 2020
- Non-salary budgeted costs are based on historical data and where possible, efficiencies introduced; adjustments for inflation have been incorporated where appropriate
- Total Public Health Full Time Equivalent (FTE) compliment is unchanged from 2019 budget levels
- The 2020 Budget includes 4.5 FTE positions aligned to the new Ontario Seniors Dental Program
- Debt repayment plans will be managed within approved (existing) resources

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PUBLIC HEALTH BUDGET BACKGROUND:

Provincial Government Context

In April 2019 the Provincial Government announced fundamental changes in the way Public Health will be funded, structured and delivered within Ontario. Specifically, as of January 1, 2020 the provincial funding share would be reduced from 75% to 70% while municipalities will contribute 30% from 25%. Additionally, the majority of programs that were previously 100% provincially funded would now be cost-shared at the new ratios noted above. The chart below summarizes the impact of the funding formula changes as it relates to mandatory cost-shared programs and previously 100% provincially funded programs for the municipalities within the District of Algoma:

Cost Shared Municipal and Provincial Funded Programs	2019 Provincial Share	2020 Provincial Share	2020 Increased Municipal Share
Mandatory Cost-Shared Programs	\$ 7,523,200	\$ 7,147,888	\$ 375,312
Previous 100% Provincially Funded Programs	2019 Provincial Share	New Provincial Share	Increased Municipal Share
Diabetes Prevention Programming	\$ 150,000	\$ 105,000	\$ 45,000
Enhanced Food Safety - Haines Initiative	24,600	\$ 17,220	\$ 7,380
Enhanced Safe Water Initiative	15,500	\$ 10,850	\$ 4,650
Harm Reduction Program Enhancement	150,000	\$ 105,000	\$ 45,000
Healthy Smiles Ontario Program	769,900	\$ 538,930	\$ 230,970
Infectious Diseases Control Initiative	222,300	\$ 155,610	\$ 66,690
Needle Exchange Program Initiative	64,700	\$ 45,290	\$ 19,410
Northern Ontario Fruit and Vegetable Program	117,400	\$ 82,180	\$ 35,220
Nursing Initiatives	392,100	\$ 274,470	\$ 117,630
Smoke Free Ontario	433,600	\$ 303,520	\$ 130,080
TOTAL	\$ 9,863,300	\$ 8,785,958	\$ 1,077,342

To help provide additional stability as municipalities begin to adapt to shifting funding models, the Government had indicated that they will provide one-time mitigation funding in 2020 to assist all public health units and municipalities to manage this increase. Municipalities will be protected from any cost increases resulting from this new cost-sharing formula by capping the increase at no more than 10% of existing municipal costs (based on 2018 expenditures). As a result, APH will be receiving approximately \$808,535 in provincial one-time mitigation funding.

As per MOHLTC calculations, for the Board of Health for the District of Algoma to achieve the Provincial Government's desire of a 70% provincially funded share and 30% municipally funded

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share, \$1.1 million dollars or an additional 40% of the 2018 operational levy must be downloaded to Algoma municipalities to cover the reduction in funding from the province.¹ Over the past number of years, as part of the Board of Health’s risk management plan, Algoma municipalities have been contributing more than 25% of the costs for cost-shared programs for Algoma Public Health. As a result, Algoma municipalities will eventually have to absorb approximately \$700,000, instead of the \$1.1 million calculated by the MOHLTC (Appendix 1).

Algoma Public Health Context

APH Strategic Planning Process

The 2020 Budget includes dollars allocated for the development of a new Strategic Plan. The Public Health Accountability Framework section of the OPHS specify that “the board of health shall have a strategic plan that establishes strategic priorities over 3 to 5 years, includes input from staff, clients and community partners, and is reviewed at least every other year”.

APH’s current strategic plan is set to expire in 2020. In 2019, the Board of Health initiated the development of a new strategic plan scheduled to be finalized in early 2020.

APH 2019 Grant Approval:

In August of 2019, APH was notified by the MOHLTC that it would receive up to \$697,900 in base funding related to the Ontario Seniors Dental Care Program. Administration of this program is budgeted for 2020.

In past years, Management provided the Board of Health with a summary of historical growth in provincial MOHLTC funding for *mandatory cost-shared programs*. Since the province is changing the cost-shared funding model, in addition to reducing the number of 100% provincially funded programs, this comparator will not be meaningful for 2020. For budgeting purposes, management is assuming 0% growth in provincial funding.

A summary of the 100% provincially funded programs for 2020 is provided below for context:

▪ Ontario Seniors Dental Program	\$697,900
▪ Unorganized Territories	\$530,400
▪ MOH/AMOH Compensation Initiative	\$152,100
▪ One-time mitigation funding (shifting funding model)	\$808,535

¹ Provincial/Municipal funding ratios are based on 2018 Q3 Expenditures and Q4 Forecast. As per MOHLTC figures, the province funds 78.6% of Public Health expenditures while Algoma municipalities contribute 21.4%. This includes cost-shared programs and 100% provincially funded programs that will be transitioning to cost-shared.

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The Northern Fruit and Vegetable Program (\$117,400) may be funded at 100% provincial however this has not been confirmed.

2020 PUBLIC HEALTH BUDGET ANALYSIS:

As a result of the province's plans to transition the cost-sharing funding model to 70% provincially funded and 30% municipal funded, in addition to transitioning the majority of programs that were previously 100% provincially funded to cost-shared, APH's budget is built on a recommended 7.6% increase in the municipal levy.

Revenue Generating & Cost Savings Initiatives:

Identification of revenue generating and cost savings opportunities is necessary in order to attain a balanced budget for 2020 and in anticipation of ongoing funding pressures. Management and the Finance and Audit Committee have worked towards identifying opportunities to generate revenue and control costs. Noted below is a summary of key initiatives built into the 2020 Budget that will result in cost savings or incremental revenue generation for APH.

#	Cost Savings/Revenue Generating Initiative	Amount
1	Print Services (Xerox Contract)	\$ 30,000
2	Phone Hardware Warranty (CISCO)	\$ 35,000
3	Increase in Ontario Building Code Fees (Approved in 2017)	\$ 6,450
TOTAL		\$ 71,450

Action Plan to Funding Changes

- Development of the 2020 Budget to ensure it is aligned with community health needs, APH's strategic directions and MOHLTC Accountability Agreement and the OPHS.
- Continue to submit one-time funding requests to the MOHLTC through the Annual Service Plan process.
- Identification of process improvements and improved efficiency opportunities.
- Utilization of additional funding opportunities (e.g. through the Northern Ontario Heritage Fund and Health Canada Federal Climate Change funding).
- Continued exploration of cost-sharing opportunities with Northeast health units (Northeastern Public Health Collaboration Project).

Revenues

APH's revenues are funded by the province, and 21 municipalities along with other sources of revenue, such as interest revenue, and user fees (Appendix 2). Additionally, the province

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contributes funding for services to Unorganized Territories (a geographic region that is not part of a municipality or First Nation reserve).

Provincial

Pursuant to section 76 of the Health Protection & Promotion Act, the Minister may make grants for the purposes of this Act on such conditions as he or she considers appropriate.

Municipal

Pursuant to section 72 of the Health Protection & Promotion Act, obligated municipalities in a health unit shall pay,

- (a) the expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under the HPPA or any other act; and*
- (b) the expenses incurred by or on behalf of the MOH of the board of health in the performance of his or her functions and duties under the HPPA or any other Act.*

Over the past number of years, the municipalities within the District of Algoma have contributed more than the required minimum 25% with respect to cost-shared programs.

APH's funding ratio for 2019 was 70% provincial funding and 30% municipal funding. These municipal dollars, through the form of the levy, have allowed the Board of Health to make contribution decisions with respect to the Board's Reserve Fund. This is within the context of the Board's risk management strategy. As a result of municipalities contributing more than 25% over the years, the impact to municipalities as a result of the funding formula changes will be less than if municipalities had contributed the minimum 25%.

Beginning in 2020, many programs that were historically 100% provincially funded will now be cost-shared at the new funding ratio.

2016 census data is used in the 2020 Budget to apportion a per capita levy amongst the 21 Municipalities within the District of Algoma.

Management is recommending a 7.6% overall increase in the levy (operating and capital portion) from obligated municipalities. The proposed 7.6% increase is a direct result of cost-shared funding changes the Government is implementing. This equates to a \$268,807 increase in revenues apportioned among the 21 Municipalities within the Algoma District (Appendix 3). For perspective, a 1.0% overall increase in the levy would result in an additional \$35,022 of revenue compared to 2019.

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Over the past number of years, the Board of Health has approved municipal levy increases below cost-of-living increases. For context, the Board of Health for the District of Algoma Health Unit has experienced the following historical growth with respect to the municipal levy.

Year	District of Algoma Municipal Levy (\$)	Levy Increase (%)	Levy Increase (\$)	Per Capita Rate (\$)
2020	3,788,497	7.60%	\$ 268,807	36.38
2019	3,519,690	0.50%	17,511	33.80
2018	3,502,179	0.50%	\$ 17,393	33.63
2017	3,484,786	2.50%	\$ -	32.81

While APH does not have access to the total municipal levy figures for each of the 21 municipalities within Algoma, APH is able to compare its public health levy to the total revenue of most of the municipalities within Algoma. APH's levy is no more than 1.8% of the total revenues of any municipality within the District of Algoma.²

² This comparison is made for illustrative purposes. A more representative comparator would be comparing APH's public health levy applied to each municipality to that municipality's total municipal levy.

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Municipality	Source	Revenue	Levy Corresponding Year	% of Revenue
City of SSM	2018 Financial Statement	220,478,150	2,467,639	1.1%
Elliot Lake	2017 Financial Statement	25,632,746	352,383	1.4%
Blind River	2017 Financial Statement	13,341,813	113,907	0.9%
Wawa	2017 Financial Statement	13,859,912	95,305	0.7%
Dubreuilville	2018 Financial Statement	2,144,895	20,617	1.0%
Thessalon	2018 Financial Statement	3,651,521	43,253	1.2%
Huron Shores	2018 Financial Statement	5,159,738	55,967	1.1%
Hilton Beach	2018 Financial Statement	1,241,653	5,751	0.5%
Johnson	2016 Financial Statement	2,554,980	24,005	0.9%
Laird	2018 Financial Statement	1,943,020	35,215	1.8%
The North Shore	2018 Financial Statement	2,227,792	16,716	0.8%
Plummer Add'l	2017 Financial Statement	2,340,052	21,653	0.9%
Prince	2015 Financial Statement	3,617,846	31,578	0.9%
St. Joseph	2017 Financial Statement	3,519,011	40,681	1.2%
Spanish	2018 Financial Statement	7,374,511	23,947	0.3%
Tarbutt & Tarbutt Add'l	2017 Financial Statement	1,451,222	17,519	1.2%
Bruce Mines	N/A			
Hilton	N/A			
Jocelyn	N/A			
MacDonald, Meredith and Aberdeen Add'l	N/A			
White River	N/A			

User Fees

APH is very mindful that a strong public health system ensures access to public health programs and services for those groups of people within our population that most need them. As such, when assessing the cost and benefits of increasing user fees, APH has taken a strategic view.

Under Part VIII of the Ontario Building Code, APH is responsible for issuing permits for the construction and use of sewage treatment systems within the District of Algoma. Additionally, APH is required to inspect and approve all sewage system applications within the District of Algoma that have a calculated daily sewage flows under 10,000/day. In June of 2017, the Board of Health approved a nominal price increase related to the Ontario Building Code Fees. This increase applies to the year 2020 and has been built into the 2020 Budget. It should be noted that the Land Control program is funded only through the fees generated. As such APH must ensure that it is at least covering the cost incurred to administer the program.

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Expenses

Expenses are primarily driven through staff salary and benefits, (approximately 76% of all expenses), goods and service contracts, debt financing, and inflation (Appendix 4).

Inflationary pressures will continue to place upward pressures on APH's operating costs. The Consumer Price Index percentage change from August 2018 to August 2019 increased as follows:

- Canada: 1.9%
- Ontario: 1.9%

When building an operating budget, the rate of inflation is a factor to consider.

Salary and Wages

Salary and Wages expenses are projected to increase by 4.5% or \$402,789 compared to 2019.

Both CUPE and ONA collective agreements were ratified in 2018 and both agreements expire in 2021. Collectively bargained salary increases are reflected within the 2020 Budget. Salary increases for Non-Union and Management staff are approximately equivalent to that of negotiated increases with union employees.

For context, a summary of FTE Public Health staffing is noted below:

Year	FTE	
2020	123	<i>budgeted</i>
2019	123	
2018	121	
2017	120	
2016	122	

Compared to budgeted 2019 FTE, the Public Health FTE count has remained the same in the 2020 Budget.

4.5 FTE positions are built into the 2020 budget as a result of the new 100% Ontario Seniors Dental Program funding. These resources will help to meet requirements set out with this new program.

Some FTE positions have been absorbed in other public health program and administrative areas as a result of strategically not filling positions while working within existing budget

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resources. Collectively, the Seniors Dental positions that have been built into the 2020 budget have a salary cost that is greater than those positions that have been absorbed, thus adding to the increase in Salary and Wages expenses compared to 2019.

Benefits

Benefit expenses are projected to increase by 3.1% or \$67,241 compared to 2019.

This is a result of increased salary and wages expense as noted above as well as increasing costs associated with non-statutory benefits (e.g. health and life insurance benefits) that the health unit is committed to.

Travel

Travel expenses are projected to remain unchanged from 2019.

In 2019 Management revised the travel budget to more accurately reflect actual travel expenses incurred the previous year. This budgeted amount is indicative of actual travel.

Program

Program expenses are projected to increase by 6.1% or \$38,404 compared to 2019.

This is a result of revising the Immunization budgeted expenses to more accurately reflect actual expenses incurred in 2019. Offsetting the reduction in spending is the inclusion of purchased services for updating the agency's strategic plan.

Equipment

Equipment expenses are projected to increase by 163% or \$40,746 compared to 2019.

Dual-factor authentication devices or similar technology is budgeted to enhance APH's IT control environment. Additionally, computers for staff are normally refreshed on a three year cycle with \$25,000 budgeted annually.

Office Expenses

Office expenses are projected to decrease by 34.6% or \$35,844 compared to 2019.

APH's Xerox lease commitments expired in 2018. Co-operative Purchasing program pricing, such as the Public Sector Vendor of Record (VOR) program and the Ontario Education Collaborative Marketplace (OECM), were explored in late 2018 and early 2019. Management had planned to finalize lease commitments early in 2019 but with announced Public Health

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system changes and managing a cyber-attack, lease commitments were not finalized until late 2019. Anticipated cost savings have now been budgeted for 2020. APH's centralized procurement processes continues to generate savings and improve operating efficiencies by allowing APH to capitalize on volume discounts and developing staff procurement expertise.

Computer Services

Computer Services expenses are projected to remain relatively unchanged compared to 2019.

APH's Service Level Agreement with MicroAge expires March 31, 2020. For budgeting purposes, APH Management is assuming costs to remain similar to 2019 levels adjusting for inflation. Included in the 2020 budget are APH's new time and attendance system and staff training software related to identification of phishing emails.

Telecommunications

Telecommunications expenses are projected to increase by 4.5% or \$11,927 compared to 2019.

In 2019 APH upgraded internet connectivity at its district offices. In addition to improved speed, this upgrade also helps with APH's disaster recovery plan.

Program Promotion

Program promotion expenses are projected to increase by 43.9% or \$70,041 compared to 2019.

Increased public health interventions are planned with respect to smoking prevention and cessation. Additionally, professional development expenses are budgeted to increase slightly as APH attempts to align investment in staff with public health core competencies.

Facility Leases

Facility Leases expense is projected remain relatively unchanged compared to 2019. The Wawa lease does expiry December 31/20.

No increases with current leased facilities in Blind River, Elliot Lake, and Wawa offices are scheduled for 2020.

Building Maintenance

Building Maintenance expenses are projected to remain relatively unchanged compared to 2019.

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Some minor maintenance work is required to ensure APH's dental suite at its 294 Willow Avenue location in Sault Ste. Marie is in a state to accommodate the new Seniors Dental Program.

Fees & Insurance

Fees & Insurance expenses are projected to increase by 4.9% or \$11,800 compared to 2019.

In 2018, the Board of Health made a commitment to purchase cyber insurance and in 2019 the Board of Health committed to increasing coverage limits. These expenses are factored into the 2019 Operating Budget.

Expense Recoveries

Expense Recoveries are projected to decrease by 21.4% or \$22,387 compared to 2019.

2020 Expense Recoveries are budgeted to decrease compared to 2019 projections as a result of the Board of Health's decision to transition the Genetics program to Health Sciences North. Expense Recoveries are administrative allocations from Community Health programs to Public Health programs. An example would be Public Health charging a Community Health program for administrative services related to clerical or financial reporting support. In order to more accurately reflect the work Public Health is supporting with respect to Community Health programs, Management is ensuring adequate administrative charges for Community Health programs. This is in line with the Boards strategy to ensure it is accountable for the dollars it receives and spends by not subsidizing Community Health programs.

Debt Management

Debt Management expenses are projected to remain unchanged compared to 2020.

The interest portion of the loan is financed through operating dollars. The loan related to 294 Willow Avenue property and leasehold improvements for office space in Elliot Lakes matures September 1st, 2021 with monthly payments applied according to schedule.

The principal portion of the loan payments is financed through the capital portion of the municipal levy.

Capital Expenses

In accordance with APH's 2018 - 2030 Capital Asset Funding Plan (Appendix 5), the 2020 budget includes the following expenditures:

- Computer upgrades (\$25,000)

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- Vaccine refrigerators (\$7,000)
- Painting of Wawa office (\$5,000)
- Dual-factor authentication devices or similar technology (\$40,000)

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2020 Public Health Operating and Capital budget as presented”.

APPENDIX 1

Funding Source	2018 (Q3 Expenditures & Q4 Forecast)				2020				Municipal Impact (\$)	Municipal Impact (%)	Cap Increase at 10% (\$)	Cap Increase at 10% (%)	One Time Mitigation		
	Prov (\$)	Mun (\$)	Total	Prov (%)	Mun (%)	Prov (\$)	Mun (\$)	Total						Prov (%)	Mun (%)
Public Health Programs	\$9.9M	\$2.7M	\$12.6M	78.6%	21.4%	\$8.8M	\$3.8M	\$12.6M	70%	30%	\$1.1M	40%	\$0.27M	10%	\$0.81M

The province intends to eventually transfer/download an additional \$1.1M to Algoma municipalities based on 2018 Q3 Reporting (Q3 Actual expenditures and Q4 forecast). In 2019 APH received \$3.1M in municipal operational levies as this was part of the Board of Health's risk mitigation plan to increase APH's reserves. The province has capped the increase to municipalities at 10% for 2020 and will provide one time mitigation funds to APH for approx. \$808k in 2020

2018 Municipal Levy Reconciliation

2018 Board of Health approved levy	\$ 3,502,179
Municipal Q3 Expenditures and Q4 Forecast	2,688,068
Difference between 2018 Board approved levy and 2018 Municipal Q3 Expenditures and Q4 Forecast	814,111
Capital Portion of 2018 Board approved Municipal Levy	355,000
Forecasted Municipal Contribution over 25%	<u>\$ 459,111</u>

Note: Municipalities in Algoma were contributing more than 25% the past number of years. As a result, the \$1.1M transfer/download impact noted above is actually approximately \$0.7M. Assuming a 10% increase to the current levy, the impact is an increase of \$268k which is 38% of the remaining \$700k to get to the provinces plan of a 70/30 cost shared split

APPENDIX 2

<i>2019 Funding Projections</i>	2019	2020	
<i>Grants, Levies and Recoveries</i>	Annual	Annual	Ch as %
	Budget	Budget	
Public Health Mandatory Programs	\$ 7,523,200	\$ 7,147,888	-5.0%
Healthy Smiles Ontario Program	769,900	538,930	-30.0%
Smoke-Free Ontario Strategy	433,600	303,520	-30.0%
Nursing Initiatives	392,100	274,470	-30.0%
Infectious Diseases Control Initiative	222,300	155,610	-30.0%
Diabetes Prevention Programming	150,000	105,000	-30.0%
Harm Reduction Program Enhancement	150,000	105,000	-30.0%
Northern Fruit and Vegetable Program	117,400	82,180	-30.0%
Needle Exchange Program Initiative	64,700	45,290	-30.0%
Enhanced Food Safety - Haines Initiative	24,600	17,220	-30.0%
Enhanced Safe Water Initiative	15,500	10,850	-30.0%
Senior Dental (100%)		697,900	
Unorganized Territories (100%)	530,400	530,400	0.0%
MOH / AMOH Compensation Initiative (100%)	126,451	152,086	20.3%
Mitigation Funding		808,535	
Levies Sault Ste. Marie	2,479,977	2,669,377	7.6%
Levies District	1,039,713	1,119,120	7.6%
Recoveries	238,214	195,814	-17.8%
Land Control Fees	160,000	160,000	0.0%
Program Fees	65,000	50,000	-23.1%
Program Fees Immunization	160,000	130,000	-18.8%
Program Fees Influenza, HPV & Menactra	40,000	30,000	-25.0%
Interest & Other	32,000	55,000	71.9%
Total	14,735,055	15,384,190	4.4%
Summary			
Grants	10,520,151	10,974,879	4.3%
Levies	3,519,690	3,788,497	7.6%
Recoveries	695,214	620,814	-10.7%
Total	\$ 14,735,055	\$ 15,384,190	4.4%
One Time Funding per Accountability Agreement	\$ 148,500		

APPENDIX 3

2019 Municipal Levy	POP 2016 Census	Proposed 2020 Rate	Proposed 2020 Levy	2019 Rate	2019 Levy	Change in Net Amount	% Change in Net Amount	Apportionment of Costs
<u>CITIES</u>								
Sault Ste. Marie	73,368	36.38	2,669,377	33.80	2,479,977	189,400	7.6%	70.5%
Elliot Lake	10,741	36.38	390,795	33.80	363,066	27,729	7.6%	10.3%
<u>TOWNS</u>								
Blind River	3,472	36.38	126,324	33.80	117,360	8,963	7.6%	3.3%
Bruce Mines	582	36.38	21,175	33.80	19,673	1,502	7.6%	0.6%
Thessalon	1,286	36.38	46,789	33.80	43,469	3,320	7.6%	1.2%
<u>VILLAGES/MUNICIPALITY</u>								
Hilton Beach	171	36.38	6,222	33.80	5,780	441	7.6%	0.2%
Huron Shores	1,664	36.38	60,542	33.80	56,246	4,296	7.6%	1.6%
<u>TOWNSHIPS</u>								
Dubreuilville	613	36.38	22,303	33.80	20,721	1,583	7.6%	0.6%
Jocelyn	313	36.38	11,388	33.80	10,580	808	7.6%	0.3%
Johnson	751	36.38	27,324	33.80	25,385	1,939	7.6%	0.7%
Hilton	307	36.38	11,170	33.80	10,377	793	7.6%	0.3%
Laird	1,047	36.38	38,094	33.80	35,391	2,703	7.6%	1.0%
MacDonald, Meredith and Aberdeen Add'l	1,609	36.38	58,541	33.80	54,387	4,154	7.6%	1.5%
Wawa (formerly Michipicoten)	2,905	36.38	105,694	33.80	98,195	7,500	7.6%	2.8%
The North Shore	497	36.38	18,083	33.80	16,800	1,283	7.6%	0.5%
Plummer Add'l	660	36.38	24,013	33.80	22,309	1,704	7.6%	0.6%
Prince	1,010	36.38	36,747	33.80	34,140	2,607	7.6%	1.0%
St. Joseph	1,240	36.38	45,116	33.80	41,914	3,201	7.6%	1.2%
Spanish	712	36.38	25,905	33.80	24,067	1,838	7.6%	0.7%
Tarbutt & Tarbutt Add'l	534	36.38	19,429	33.80	18,050	1,379	7.6%	0.5%
White River	645	36.38	23,467	33.80	21,802	1,665	7.6%	0.6%
Total	104,127		3,788,497		3,519,690	268,807	7.6%	100.0%

Note:
Population from 2016 CENSUS per Stats Canada

APPENDIX 4

2020 Annual Operating Budget

	2019 Annual Budget	2020 Annual Budget	
	(Final Approved)		Inc as %
Revenues Summary			
Province Portion of Jointly Funded Programs	\$ 7,523,200	\$ 8,785,958	16.8%
100% Provincially Funded Programs	2,996,951	1,380,386	-53.9%
Province Mitigation Fund		808,535	
Municipal Levies	3,519,690	3,788,497	7.6%
Other Recoveries and Fees	695,214	620,814	-10.7%
Total	14,735,055	15,384,190	4.4%
Expenses:			
Salaries and Wages	9,031,428	9,434,217	4.5%
Benefits	2,185,087	2,252,328	3.1%
Travel	191,069	191,000	0.0%
Program	631,433	669,837	6.1%
Equipment	25,000	65,746	163.0%
Office	103,544	67,700	-34.6%
Computer Services	781,927	787,400	0.7%
Telecommunications	267,685	279,612	4.5%
Program Promotion	159,632	229,673	43.9%
Facilities Leases	160,000	164,240	2.7%
Building Maintenance	600,000	610,000	1.7%
Fees & Insurance	242,080	253,880	4.9%
Expense Recoveries	(104,730)	(82,343)	-21.4%
Debt Management (I & P)	460,900	460,900	0.0%
Total	14,735,055	15,384,190	4.4%
<hr/>			
Surplus/(Deficit)	\$ -	\$ -	



APPENDIX 5

Algoma Public Health
2018 - 2030 Capital Asset Funding Plan

2018 - 2030 Capital Asset Funding Plan

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2018 - 2030 Capital Asset Funding Plan

Purpose:

The Board of Health for the District of Algoma (the Board) has undertaken the development of a Capital Asset Funding Plan (the Plan). The purpose of the Plan is to provide visibility to the Board with respect to capital asset needs. The Capital Asset Plan, in conjunction with APH's Reserve Fund Policy, will allow the Board of Health to set long-term financial goals.

As part of the Ontario Public Health Standards, "the board of health shall maintain a capital funding plan, which includes policies and procedures to ensure that funding for capital projects is appropriately managed and reported". As APH owns and operates a facility in Sault Ste. Marie, there is a need to plan for and appropriately fund the cost of major ongoing repairs and maintenance associated with the facility. In addition, APH leases several facilities which may require leasehold improvements. By maintaining adequate Reserves, APH will be able to offset the need to obtain alternate sources of financing.

Operating Budget versus Capital Asset Plan:

The Operating Budget captures the projected incoming revenues and outgoing expenses that will be incurred on a daily basis for the operating year.

The Capital Asset Plan is a blueprint to identify potential capital expenditures and to develop a method in which to finance the associated expenditure. Capital expenditures are cost incurred for physical goods that will be used for more than one year.

The development of the Capital Asset Funding Plan serves as a risk management tool as it minimizes having large unforeseen budget increases in the future as a result of capital needs.

In addition, the Capital Asset Funding Plan will help the Board with contribution and withdrawal decisions to the Reserve Fund. Reserves can only be generated through unrestricted operating surpluses. As any unspent provincial dollars must be returned to the Ministry, the only mechanism to generate surplus dollars is through the Municipal levy. Maintaining adequate Reserves reduces the need for the Board of Health to further levy obligated municipalities within the district to cover unexpected expenses incurred by the board of health.

The Capital Asset Funding Plan was developed around the Building Conditions Assessment (the Assessment) that was completed on behalf of the Ministry of

2018 - 2030 Capital Asset Funding Plan

Community and Social Services (the Ministry). The Assessment was conducted on November 20, 2015 with a final report received on February 20th, 2018. This Assessment report, specifically the Capital Reserve Expenditure schedule serves as the foundation of APH's Capital Asset Funding Plan over a 20 year period. In addition, the Assessment will help with Reserve Fund contribution decisions.

The Capital Asset Plan is a fluid document. The timing of planned expenditures may be moved up or pushed back depending on the situation.

Types of Capital Assets:

In addition to the specific capital building needs, APH management included items related to Computer Equipment; Furniture and Equipment; Vehicles; and Leasehold Improvements (as APH leases office space within the District). These categories mirror those referenced in APH's Financial Statements which are amortized over a period of time.

Computer Equipment/Furniture/Vehicles

Investing in Computer Equipment, Furniture, and Vehicles is required to allow APH employees to provide services within the District of Algoma. Keeping staff well-equipped improves efficiencies while improving program outcomes.

Facilities – Maintenance, Repair and Replacement

APH owns and leases space. As a result, it is necessary to make improvements to the property (capital or leasehold improvements). As the owner of the facility located at 294 Willow Avenue in Sault Ste. Marie, APH is responsible for repairs and maintenance of the facility. Anticipating what repairs or improvements may be necessary, researching and estimating the related costs, determining the target amount needed and the approximate timing of the expenditure are all part of the capital budgeting process, along with developing funding strategies.

Types of Financing Options Available to the Board of Health:

Depending on the nature and the associated cost of the expenditure, there are different financing options available to the Board of Health. Three examples include:

2018 - 2030 Capital Asset Funding Plan

Operating Dollar Financing – can be used if APH is operating in a surplus position in any given year and the associated cost of the expenditure will still allow the Board to remain on target with respect to their annual operating budget. The nature of the expenditure would have to be admissible under the terms of the Ministry Accountability Agreement. Use of operating dollars for capital expenditures helps to minimize the amount of dollars that may have to be returned to the Ministry within any given year.

Reserve Financing – can be used if APH determines that the use of operating dollars is not feasible (i.e. cost of the expenditure would negatively impact the annual Operating Budget or the type of expenditure is inadmissible under the terms of the Ministry Accountability Agreement). The advantages of Reserve Financing are it minimizes the amount of debt the Board would otherwise incur and/or reduces the Levy that municipalities would have to contribute.

Debt Financing – can be used when the expenditure is large in scale such that operating dollars and Reserves would not support it.

Regardless of whether the expenditure is capital or operating in nature, APH's Procurement Policy 02-04-030 and Reserve Fund Policy 02-05-065 must be adhered to. As such, management may make capital expenditures with operating or reserve dollars provided the expenditure is within the Board approved spending limits as noted within each of the respective policies. Any debt financing would typically require Board approval.

**ALGOMA PUBLIC HEALTH
CAPITAL ASSET PLAN**

Item	Actual Expenditure		Forecasted Expenditure											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Sanitary waster														-
Rainwater drainage														-
Water Fountain														-
Electric														-
Primary Feed and Main Switchgear														-
Main Transformers														-
Step-down Transformers														-
Emergency Power Source or Generator														-
Distribution Systems and Panels														-
Interior Lighting														-
Exterior Lighting (Building-Mounted)														-
Automated Lighting Control System														-
Other Electrical														-
Fire Protection and Life Safety Systems														-
Water Reservoir, if any														-
Sprinkler and/or Standpipe System, if any														-
Fire Extinguishers														-
Fire Pumps, if any														-
Fire Alarm System and Voice Communication Systems, if any														-
Smoke and Heat Detectors and Carbon Monoxide Detectors, as applicable														-
Emergency Lighting and Exit Signage														-
Security System														-
Fire/Emergency Plans														-
Fire Separations (visual inspection and inclusion of info that is readily available)														-
Automatic door closers														-
Other Fire Protection and Life Safety Systems														-
Hazardous Materials														-
Asbestos														-
PCB's														-
Other Hazardous Materials														-
Subtotal	225,000	142,500	77,000	158,000	457,000	75,000	198,100	53,000	175,000	25,000	62,000	225,000	130,000	1,635,100
Contingency (10%)	22,500	14,250	7,700	15,800	45,700	7,500	19,810	5,300	17,500	2,500	6,200	22,500	13,000	163,510
Subtotal Including Contingency	247,500	156,750	84,700	173,800	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	1,798,610
Escalation Allowance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Escalation Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimate Financial Projections	247,500	156,750	84,700	173,800	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	1,798,610

Total Net Sq. Ft. of Owned Facility	74,000
Year Built	2011
Age (yrs.)	9
Reserve Term (yrs.)	20

NOTES:
1) Contingency of 10% has been carried to cover unforeseen items & cost increases.
2) Cost in 2017 dollars with no provision for escalation.
3) HST is excluded.