



FINANCE COMMITTEE MEETING

Wednesday, August 31, 2022

1:30 p.m. – 3:00 p.m.

**Hastings Prince Edward Public Health
Virtual via Zoom**

If you are **unable to attend**, and have not already done so,
please arrange for your alternate to attend and advise
Catherine Lovell at clovell@hpeph.ca.

Thank you!

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, August 31, 2022
Virtual via ZOOM

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
4. **APPROVAL OF THE AGENDA**
5. **APPROVAL OF MINUTES OF PREVIOUS MEETING**
5.1 Meeting Minutes dated April 20, 2022 [Schedule 5.1](#)
6. **BUSINESS ARISING FROM MINUTES**
7. **NEW BUSINESS**
7.1 Second Quarter Revenues & Expenses [Schedule 7.1](#)
7.2 2023 Budget Update [Schedule 7.2](#)
7.3 HBHC Reconciliation Report [Schedule 7.3](#)
8. **DATE OF NEXT MEETING**
Wednesday, October 26, 2022 at 1:30 p.m. (Tentative)
9. **ADJOURNMENT**



FINANCE COMMITTEE MEETING MINUTES

Wednesday, April 20, 2022 at 1:30 p.m.
Hastings Prince Edward Public Health
Virtual Via ZOOM

Present: Ms. Jo-Anne Albert, Mayor, Municipality of Tweed, County of Hastings, Board Chair
Mr. Stewart Bailey, Councillor, County of Prince Edward
Mr. Bill Sandison, Councillor, City of Belleville, Finance Chair
Dr. Craig Ervine, Provincial Appointee
Mr. Michael Kotsovos, Councillor, City of Quinte West

Also Present: Dr. Ethan Toumishey, Acting Medical Officer of Health and CEO
Ms. Valerie Dunham, Director of Corporate Services/Associate CEO
Ms. Amy Rankin, Manager, Finance
Ms. Debbie Skalba, Administrative Assistant
Ms. Veronica Montgomery, Manager, Foundational Standards & Communications
Ms. Katie Mahon, Audit Senior Manager, KPMG

Regrets: Mr. Terry Cassidy, Councillor, City of Quinte West

1. **CALL TO ORDER**

Meeting was called to order at 1:33 p.m. by Committee Chair Bill Sandison.

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 20, 2022 be approved as circulated.

MOTION:

Moved by: Jo-Anne

Seconded by: Stewart

CARRIED

5. **APPROVAL OF MINUTES OF PREVIOUS MEETING – February 23, 2022**

THAT the minutes of meeting held on February 23, 2022 be approved as circulated.

MOTION:

Moved by: Stewart

Seconded by: Joanne

CARRIED

6. **BUSINESS ARISING FROM MINUTES - None**7. **NEW BUSINESS**7.1 ***First Quarter Year-to-Date Results***

Val Dunham shared the Summary of Revenues and Expenses for the period January 1, 2022 - March 31, 2022. She stressed that dental services will be affected this fall if we do not receive additional funds.

7.2a ***Audit Findings Report***

Katie Mahon from KPMG presented highlights from the Audit Findings Report. She stressed that this was the first year for KPMG as the audit team which required significant upfront work for both the audit team and HPEPH staff as part of the transition. No significant concerns were noted in the report.

7.2b ***Draft Audited Financial Statements***

THAT the Finance Committee review the Audited Financial Statements as presented and recommend submitting to the Board of Health for approval at its next meeting.

MOTION:

Moved by: Stewart

Seconded by: Joanne

CARRIED

Katie Mahon from KPMG presented HPEPH's Audited Financial Statements. Katie thanked Val and team for all their work on this audit.

7.3 ***Updated Board Financial Policy Package***

THAT the Finance Committee review three financial policies and recommend submitting to the Board of Health for approval.

MOTION:

Moved by: Joanne

Seconded by: Stewart

CARRIED

As per the briefing note in the Finance Package, three policies were reviewed including the Accounting Practices, Investments and a new Capital Funding policy. Discussions took place regarding the policies, capital reserves, exceptional circumstances and building assessment reports.

7.4 ***2023 Municipal Levy-Impact without Mitigation Funding***

Val submitted a briefing note that outlines implications to municipal levy contributions in 2023 given cancellation of mitigation funding. Val also shared a Comparison of 2022 and Potential 2023 Municipal Levy Calculations (shared recently with Municipal Treasures).

Discussions started around drafting an advocacy letter to the Ministry from our municipalities and CAO's and neighbouring health units collectively. All agreed to draft two letters, one to be sent now and addressed to Brent Feeney at the Ministry, and a second letter addressed to the new Minister of Health after the provincial election.

Ethan and Val to draft an advocacy letter (and start with "further to the letter sent to Brent Feeney").

It was agreed that the Committee would support continuing the building fund of \$260,000 per year and allocating to the building fund reserve.

7.5 ***Draft Letter to Ministry***

Val brought forward a Draft letter to The Honorable Christine Elliott. After discussion, it was decided to change the nature of this letter to an internal letter addressed to Brent Feeney. Val will complete as per direction from the committee.

8. **DATE OF NEXT MEETING**

Wednesday, September 21, 2022 at 1:30 p.m.

9. **ADJOURNMENT**

That the Finance Committee meeting be adjourned at 2:49 p.m.

MOTION:

Moved by: Joanne

Seconded by: Stewart

CARRIED

Bill Sandison, Finance Committee Chair

Finance Committee Briefing Note

To:	Hastings Prince Edward Board of Health
Prepared by:	Valerie Dunham, Director of Corporate Services/Associate CEO
Reviewed by:	n/a
Date:	Wednesday, August 31, 2022
Subject:	Second Quarter Revenues & Expenses
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:	Review of second quarter revenues and expenses and presentation to the Board of Health during September 7 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 – June 30, 2022.</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 June 30 we are within budget for revenues. The variance in Federal Grants is a timing issue; this is an April – March fiscal year and revenues include the carry forward of funds from December as well as 2022 funding. • Staff departures, vacancies and challenges in recruitment have resulted in a 5% variance in salaries as of June 30 plus associated savings in staff benefits. • Staff training costs include contracted services for leadership training scheduled this fall. • Office expenses continue to be low and reflect different expense levels resulting from changes in program work (e.g. fewer mailings, promotional materials and handouts, etc.) • Purchased services include 100% of insurance costs for the year. • The variance in Information Technology reflects service agreement costs that were paid in full for the year as well as the cost of equipment purchased in the spring. • Overall Mandatory Programs are over budget as of June 30 however this cost centre is anticipated to be balanced by the end of the fiscal year. • The Ontario Seniors Dental Program has a small balance left at June 30 however, dental bills subsequently received in August for the period ending June 30 utilize the balance. Although increases were received for the dental program, demand for the

	<p>service is extremely high and the budget will need to be monitored closely.</p> <ul style="list-style-type: none">• The column labeled Ministry of Health Annual and one-time Grants accounts 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 initiative contract currently ends as of December 31 and we expect the full amount of \$597,400 will be spent by that time.○ We are pleased to share that one mobile clinic is currently under construction and the second one is now scheduled for production within the next month or so. The full \$550,000 for the clinics will be spent by the end of March 31, 2023 as per the contract.○ The MOH compensation grant is contingent on the formal appointment of the MOH and remains outstanding at this time.○ In May 2022, extraordinary funding was advanced to public health units to offset costs for COVID-19 general and vaccine costs. HPEPH received \$860,000 which is approximately half of our original funding request.○ More funding will be available for extraordinary costs based on future reporting of expenditures and utilization of 100% of the base budget for mandatory programs. At this point, we anticipate to fully utilize all of the annual and one-time grants and indicated to the Ministry in our June 30 reports that we will need more funding for COVID-19 in addition to the \$860,000 received.• HBHC has a small balance of \$31,509 as of June 30 which is related to position vacancies.• The Federal Grants have provided 100% of their revenues which results in the surplus balance of \$108,857.
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HASTINGS PRINCE EDWARD PUBLIC HEALTH

Summary of Revenues & Expenses for the period January 1 - June 30, 2022

For Finance Committee Review August 31, 2022

	Ministry of Health Accountability Agreement				Other Grants and Contracts			Totals and Budget Analysis			
	Mandatory Programs	100% Seniors Dental Program	TOTAL Ministry of Health Programs	Ministry of Health Annual and one time Grants	HBHC (April-March)	Federal Grants (April-March)	YEAR TO DATE TOTAL	ANNUAL BUDGET	YTD Budget Variance	YTD Actuals as % of budget (6/12 = 50%)	
REVENUES											
Ministry of Health Mandatory and 100% Programs	4,628,085	527,875	5,155,960				5,155,960	10,136,000	4,980,040	51%	
Ministry of Health Annual and one time grants		0	0	1,591,753			1,591,753	2,143,400	551,647	74%	
Ministry of Health Mitigation Funding	532,000		532,000				532,000	1,120,000	588,000	48%	
Municipal Levies	1,745,385		1,745,385				1,745,385	3,491,385	1,746,000	50%	
Ministry of Children, Community & Social Services			0	555,869		185,676	555,869	1,160,543	604,674	48%	
Federal Grants			0				185,676	128,988	(56,688)	144%	
Expenditure Recoveries	51,071	34	51,105				51,105	138,700	87,595	37%	
Transfer from Reserves			0				0	300,000	300,000	0%	
Total Revenues	6,956,541	527,909	7,484,450	1,591,753	555,869	185,676	9,817,748	18,619,016	8,801,268	53%	
EXPENSES											
Salaries and Wages	4,257,982	115,273	4,373,254	476,841	395,354	62,903	5,308,352	11,895,016	6,586,664	45%	
Staff Benefits	1,260,896	35,343	1,296,240	99,172	78,249	8,683	1,482,344	3,210,000	1,727,657	46%	
Staff Training	84,576	121	84,697		182		84,879	159,000	74,121	53%	
Travel Expenses	48,314		48,314	2,369	5,035	563	56,282	178,000	121,718	32%	
Building Occupancy	540,865	15,198	556,063		33,750		589,813	1,041,000	451,187	57%	
Office Expenses, Printing, Postage	15,962		15,962	10,000			25,962	75,000	49,038	35%	
Materials, Supplies	187,639	27,966	215,605		41	4,669	220,315	442,000	221,685	50%	
Professional & Purchased Services	180,219	299,384	479,603		1,100		480,703	771,000	290,297	62%	
Communications Costs	68,130	1,750	69,880		2,500		72,380	139,000	66,620	52%	
Information Technology	357,642	17,604	375,245		8,150		383,395	374,000	(9,395)	103%	
Capital Expenditures	270,348		270,348				270,348	335,000	64,652	0%	
Total Expenses	7,272,573	512,638	7,785,212	588,382	524,360	76,819	8,974,773	18,619,016	9,644,243	48%	
VARIANCE	(316,033)	15,271	(300,762)	1,003,371	31,509	108,857	842,975	0	842,975		

Finance Committee Briefing Note

To:	Board of Health Finance Committee
Prepared by:	Valerie Dunham, Director of Corporate Services/Associate CEO
Approved by:	Dr. Ethan Toumishey, Acting Medical Officer of Health and CEO
Date:	Wednesday, August 31, 2022
Subject:	2023 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 2023 budget deficit.</p> <p>Finance Committee to recommend motion for approval at the Board of Health meeting on September 7, 2022.</p>
Background:	<p>In June 2022, the Board was advised that the draft budget for 2023 has a significant deficit balance resulting from increased costs and the potential cancellation of mitigation funding from the Province. On August 17, the province announced that mitigation funding will continue which was very welcome news for everyone.</p> <p>Hastings Prince Edward Public Health (HPEPH) will still have an operating deficit and will finalize plans over the coming weeks to balance the budget and present to the Finance Committee for review in October.</p> <p>For planning purposes, the request is being made to allocate up to \$283,500 from the operating reserves of the Board of Health to the 2023 budget as committed revenues. Operating reserves at December 31, 2021 were \$1,783,536. Given the policy of maintaining an operating fund reserve of \$1.5 Million, \$283,500 is the maximum that can be transferred from reserves.</p> <p>The balance of the deficit will be made up through not filling staff positions, a staff vacancy and turnover factor as well as continued work on cost savings in discretionary budget items.</p>
Recommendation:	Finance Committee to recommend motion for approval by Board of Health.

Finance Committee Briefing Note

To:	Board of Health Finance Committee
Prepared by:	Amy Rankin, Finance Manager
Approved by:	N/A
Date:	Wednesday, August 31, 2022
Subject:	HBHC Reconciliation Report
Nature of Board Engagement	<input checked="" type="checkbox"/> For Information <input 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:	Finance Committee to review and recommend receipt and approval to the Board of Health of the 2021-22 Ministry of Children, Community and Social Services (MCCSS) Transfer Payment Annual Reconciliation.
Background:	<p>As the MCCSS programs run on a fiscal April-March year, the reconciliation requires adjustments to balance to the approved funding of \$1,160,543.</p> <p>Actual revenues received and expensed for the calendar year 2021 were \$1,211,459 which reflects funds carried over from 2020 and adjusted into 2022.</p>
Recommendation:	Finance Committee to recommend motion for approval by the Board of Health.
Reviewed By:	Dr. Ethan Toumishey, Acting Medical Officer of Health and CEO

Audited Financial Statement Reconciliation

Organization Name: Hastings & Prince Edward Counties Health Unit

LINE									
400	TOTAL GROSS REVENUES PER AUDITED FINANCIAL STATEMENTS							\$	1,211,459
401	LESS: Other Revenue (excluding MCCSS) (i.e. funding from other sources not related to ministry services)							\$	-
402	Adjustments for Revenues from Ministry(ies) Funding calculation							\$	-
403	Less: Non Retainable Revenues							\$	-
404	January to March 2021							\$	50,916
405	Specify (e.g. Offsetting Revenues) - CEWS Revenue							\$	-
406	Specify (e.g. Specific Operating Donations)							\$	-
407	Specify (e.g. Inter-Agency Chargebacks)							\$	-
408	Less: Amortization of Deferred Revenue							\$	-
409	Less: Other (specify) <u>MCCSS Grant Base Funding received (not part of Generic Contract)</u>							\$	-
410	Less: Other (specify) _____							\$	-
	Subtotal							\$	50,916
411	Add: One-Time Capital Expenditures Approved & not included in Revenue							\$	-
412	Add: Other (specify) _____							\$	-
413	Add: Other (specify) _____							\$	-
414	Subtotal							\$	-
415	Total Revenue Reported (Line 400 - Line 401 - Line 404 to Line 410 + Line 414)							\$	1,160,543
420	Total Approved Ministry Funding							\$	1,160,543
430	(Lines 415 and 420 should equal)							\$	-
440	TOTAL GROSS EXPENDITURES PER AUDITED FINANCIAL STATEMENTS							\$	1,211,459
441	LESS: Other Expenditures (excluding MCCSS) (i.e. expenditures from other services not related to ministry services)							\$	-
442	Adjustments for Inadmissible Expenditures related to Ministry Funded Programs							\$	-
443	Less: Accruals (Payables greater than 30 day i.e. Vacation/Sick Accrual)							\$	-
444	Less: Appropriations							\$	-
445	Less: Amortization on Capital Assets							\$	-
446	Less: Donations to Individuals or Organizations							\$	-
447	Less: Fundraising Costs							\$	-
448	Less: Loans to Clients or Staff							\$	-
449	Less: Retainer Fees							\$	-
450	Less: Provisions for Bad Debt							\$	-
451	Less: In Kind							\$	-
452	Less: Other (specify) <u>Expenditures for MCCSS Grant Base Funding (not part of Generic Contract)</u>							\$	-
453	Less: Other (specify) _____							\$	-
	Subtotal							\$	-
	LESS: Other Adjustments							\$	-

455	Less: Expenditure Recoveries/ Offsetting Revenues	\$	-
456	Less: January to March 2021	\$	50,916
457	Less: Other (specify) _____	\$	-
	Subtotal	\$	50,916

460 ADD: Adjustments for Admissible Expenditures, attach prior approval documentation

461	Add: One-Time Capital Expenditures Approved & Capitalized	\$	-
462	Add: Other (specify) _____	\$	-
463	Add: Other (specify) _____	\$	-
	Subtotal	\$	-

470 Total Surplus/(Deficit) reported in Audited Financial Statements
475 Total Ministry (MCCSS) Eligible Expenditures reported in the Audited Financial Statements

\$	-
\$	1,160,543

480 Total Eligible Expenditure

\$	1,160,543
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490 Variance

\$	-
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Agency explanation:

491	Retained Earning	\$	-
492	Total Assets	\$	-
493	Total Debt	\$	-
494	Operating Cash Flow	\$	-
495	Current Assets	\$	-
496	Current Liabilities	\$	-
497	Total Revenue	\$	-
498	Total Expenditures (Before Extraordinary)	\$	-
499	Total Extraordinary	\$	-