



Minutes of the Board of Health Budget Meeting

Monday, January 26, 2009
Board Room, Brockville Office
458 Laurier Boulevard
9:00 a.m. – 11:34 a.m.

Present: J. Butt, Chair
S. Dodge
K. Graham
R. Haley
F. Kinsella
A. Van Schie
A. Warren
A. Carter, Medical Officer of Health
J. Pearce, Treasurer
H. Bruce, Recording Secretary

Absent : J. Earle
B. Fletcher

Regrets: D. Gordon

B. Dalgleish, Director of Health Promotion
J. Futch, Director of Clinical Services
S. Gates, Director of Quality Improvement
J. Hess, Director of Family Health
J. Lyster, Director of Health Protection

R. Zajac, Recorder and Times

The budget meeting was called to order at 9:00 a.m. J. Butt thanked everyone for coming and advised that D. Gordon sends his regrets as he is ill.

J. Butt advised that at the last meeting we indicated that the ministry was following up with another meeting. It will be held on February 6th after the ALPHA meeting.

J. Butt stated that at the last Regular Board of Health Meeting he forgot to mention the names of the people that we had interviewed and our comments. We will have to move incamera for further discussion.

J. Butt turned the meeting over to J. Pearce.

Dr. Carter referred to the handout she distributed at the last meeting regarding the funding for rural health units of eastern Ontario stating that she never spoke to it. She realized that maybe it was not that easy to understand. She recirculated the document and commented that the numbers that matter to us are per capita budget. Our health unit has less per capita budget than other rural health units in eastern Ontario.

All of these health units are comparable in many ways. We all have a wide area to cover with some bigger than others. Some of us have more population dispersion. Our health unit has significant population centres scattered throughout our area which makes it a little harder to serve.

When we took this to the province they advised that they never look at per capita funding. If you are comparing 6 similar health units with similar populations and rural spread they are comparable on a per capita basis. We have \$5.60/per capita lower budget than the next lowest budget. All of the others feel that they are fully delivering mandatory programs. If you look at the Ministry of Health funding, our base budget is not adequate from the ministry. They are funding us more than \$6.00 less than the next lowest health unit is funded. Even when you count the reserve we are still the lowest per capita funded from the municipal side as well. Since both the ministry and local funding is lower our percent funding from the budget falls in within the mid range. We are not out of control; we are actually managing on less money than anyone else in a similar circumstance.

F. Kinsella asked when you do per capita what are the baseline funding models that the ministry has established? Dr. Carter advised that they take the budget used last year and add a flat percent. J. Butt stated that he is asking what year did they switch to the 50/50? Dr. Carter stated that they downloaded 100% to municipalities and it has been on this path ever since. F. Kinsella asked what years did they do that? J. Pearce stated that in 1999 it went to 100% local funding.

F. Kinsella stated that the big spenders got rewarded and the frugal ones did not. If you were fiscally responsible you got penalized.

F. Kinsella asked 88% of our costs are labour, is that typical of all health units? Dr. Carter replied no. Our current occupancy costs are only 3.5% whereas in HKPR they are about 12% so they could not have 88% of costs in labour. Their rate is so high because they rent all of their facilities. We own our Brockville building and that is why our rate is 3.5%. HKPR had buildings built and they were rented back to them. All health units would be in a high range because we are all primarily staff driven organizations. J. Pearce stated that she would guess the average would be about 80%. Dr. Carter advised that we will have a better idea when the report from the ministry comes out in March.

F. Kinsella stated that the message needs to get out that the inefficiencies were rewarded and how do you get a midterm correction. We are being penalized for being efficient over the years. J. Butt stated that as Dr. Carter pointed out, it is a rounding error that we are looking for.

Dr. Carter advised that we are not the only health unit in the province that has a similar problem. If we were unique they could fund us. K. Graham stated that technically the Board has to shoulder some of the blame as well, when they changed the funding formula we chose to give it back to the municipalities. We could have said that we would keep the levy at the same level. Dr. Carter stated that HKPR has smoothed the downloading and at this point they have no increase in the municipal levy. J. Butt stated that we talked to the ministry about the Board's history and how we got in this position and they advised that we have to own it. F. Kinsella stated that they can use the 2% difference between 3% and 5% to do the correction. J. Butt advised that we have offered that scenario.

J. Pearce advised that we are here today to talk about the changes made since the last time we were at the table. The expected use of reserve is going to be closer to \$115,000 which means we will bring forward \$180,000. J. Pearce circulated a document to board members which is attached as Appendix #1.

J. Pearce referred to the changes made and stated that we are working on the land control budget and that program is not in as good a shape as it has been in years gone by. One reason for this is that the SDWS did not get initialized early on in the year. We had planned for about 200 hours to be devoted to SDWS but that did not materialize and the reinspection program did not take off as well as expected in 2008. We have adjusted allocated costs in 2008. That has given relief to land control in the amount of almost \$10,000. We can't be allocating costs that aren't justifiable but it adversely affects the budget.

At the last meeting we discussed the closure of the Almonte office and the savings in rent would be about \$30,000. The Almonte lease was discussed. Dr. Carter advised that the 180 day notice was figured into the budget. Dr. Carter stated that she met with Ray Timmons and they are looking for space for us for a clinic.

A. Van Schie asked regarding the land control program we have always had enough money in case we collapse the program, by going into a deficit least year are we into an unfunded liability? J. Pearce commented that we are hoping that the reinspection program takes off a bit better. J. Lyster spoke about the maintenance inspections and the \$173 fee that could help this program. J. Pearce advised that we are in the process of getting that budget together and hope to bring it to the February meeting with a proposal to look at it again early in the fall. We may have to look at increasing fees again. This program has given us great capacity when we have an outbreak or recall. A. Van Schie stated that it is at the municipal discretion as to whether or not we keep it.

R. Haley stated that the schools are running some of the same programs that we run here, so why doesn't the funding flow one way or the other? Dr. Carter advised that for a lot of those programs we have to make sure that they are available in the schools and we do a train the trainer program. Regarding sexual health education we are doing a needs assessment of the teachers and the schools to see if we can get the teachers to teach. Typically teachers don't want to teach that program.

R. Haley asked do we charge them for this service? Dr. Carter advised no, it is part of our mandate. It is more expensive for the health unit to do the actual teaching. F. Kinsella stated that the school boards and the health unit should get together. There are certain efficiencies of the health unit providing this service and they should be compensated for that. There is no duplication, but there are gaps Dr. Carter advised.

J. Pearce advised some other reductions resulting from the Almonte closure are no fax machine, courier, telephone and supplies which is an annual savings of \$8800. Our reception relief budget was previously at a .84 FTE and that could be reduced by .34 FTE for a \$10,000 savings. For 2 years we have hired a half time person in Smiths Falls to assist with reception coverage and workload during the vacation period (10-12 weeks). We will no longer need this extra coverage in Smiths Falls or Almonte.

We have had a silver membership with NQI which entitled us to 2 workshops on site per year and a number of discounts. If we reduce that to a standard membership in 2009 we could save \$9000. That comes up to the full budget just over \$9 million, which is reduced almost by \$50,000. The full budget would be \$9,016,257 which is \$460,543 over last year which includes the new positions. If we remove costs of additional positions needed to meet the OPHS the budget would be \$8,722,373 for a budget increase over last year of \$166,659.

J. Pearce reviewed the 2009 ministry funding increases. She reviewed the 3% and 5% increase figures. The municipal funding requirement under status quo is \$2,415,697 if the MOHLTC gives us 5%. The levy would need to increase by 195,000. The total municipal per capita cost would be \$16.23. If we only got 3% it would be a 15.4% increase. If the Board approved the full budget and the ministry gave us 5% the levy increase would be \$488,141. If the ministry only gave us 3% the increase in the levy would be \$607,553. J. Pearce reviewed the municipal levy options. J. Pearce reviewed the 4 scenarios with board members.

J. Butt asked if there were any questions for J Pearce. F. Kinsella stated that Leeds and The Thousand Islands picks up 20% of the United Counties cost for the levy. He has asked at the county level to break it out according to the municipalities. We are paying 60% of the bill. Some of us are affected more than others.

J. Butt asked J. Pearce what kind of direction is she looking for from the Board? J. Pearce advised that she gave everyone a full budget including current 2008 actual costs; would they like to review it and get back to her or review it page by page?

A. Van Schie asked would it not be better to soften the blow to only take \$100,000 out of reserve this year and have \$80,000 to take out of the levy next year to soften the blow again? K. Graham asked what are the implications of living with what the ministry has provided and what does that mean? What will that mean in terms of staff and the program standards? All of the board members should have this information as part of the decision making process – it is not just money.

J. Butt advised that the full budget is the representation of us meeting mandatory programs. The status quo budget means that we will be doing less and there are some things that we will not do, so I hear you saying can you give us a list of what those things are.

K. Graham stated that the status quo is last year's budget plus the 3%, but last year's budget was cushioned by reserves. If the Board decides that we are not going to touch reserves and go with the 3% what does that mean in terms of resources? Obviously you can't deliver all the programs and pay all of the wages. Dr. Carter advised that with a budget increase of 2%, while we have union contracts that commit us to 3% increases, we can't go below that without laying off.

K. Graham stated that in order to be cognizant of the impact we are going to make we need to know what the outcome will be. There is a significant increase for some municipalities in the levy and it will be a tough sell. He is here for public health, but there are hard times out there.

Dr. Carter stated that you are looking at percentages and the actual dollar increases are very small. If you bring it up to \$17.00 per capita with the ministry giving us 3% and staying the status quo, this keeps us below all other health units. We will still be the lowest or second lowest in eastern Ontario. All of eastern Ontario is suffering the same. The actual increase to the levy is around \$1.30 for status quo per capita. That is less than one Tim Horton's coffee in a year. These services actually save money, not just health care dollar money, they save municipal dollars. They save on dental programs, policing and social welfare costs. Would the people of this area not want to spend the cost of a Tim Horton's coffee a year more to have proper public health services? It is wrong to look at the percentages.

K. Graham stated that he agrees with Dr. Carter. When we are sitting around the table and looking at numbers we need to see the consequences if we go with the recommendations not recommended by staff. You have got 12% of the budget that will not impact staff resources.

J. Butt asked does the Board want to know the exact specifics? S. Dodge said that her initial vote would be to stay with status quo and 3%. If we get the extra 2% all the better. We have to deal with realities here in Leeds and Grenville.

A. Van Schie asked are we planning on setting a strategy of passing a budget that would include the 8.26 FTE's so that we can meet 100% of mandatory programs and then if we don't get that from the province then we take it down to 5% or 3%? If the ministry recognizes that we are passing a budget for the sake of passing a budget but are prepared to accept something less than 3% or 5% they will only give us that. We don't have any choice but to expect a 5% increased budget from the province. By being frugal we are only going to be punished.

Dr. Carter stated that if we don't ask the province for the full budget that is needed to meet mandatory programs, there is no way they can ever give us that money. We can do what we did last year and have the Board direct staff not to implement the full budget until we hear from the ministry and go with status quo.

J. Butt stated that next Friday he would like to be able to take one page of this and show the budget required to implement the mandatory programs and state that in terms of our planning the Board has directed him to give them this. J. Butt would also like to go with some direction to push to get the 5% and on the basis of the Board's discussion he would be able to send board members out an email advising what we learned and here are the considerations.

F. Kinsella stated that he agrees with Dr. Carter. He is facing the same problem in his municipality and he is trying to get his council to do business differently. Right now money is cheap to borrow. Can we start looking and thinking of different ways to do things instead of cutting this budget? Can we do things over time? The challenge is can we do business differently and save ourselves some money. This is a service delivery unit and 88% of your costs are people. He has a problem with the 8.26 positions because this year it is only \$250,000 but next year it is \$500,000. Is there a way to use resources and to borrow money where you can spread it over a period of years. J. Butt stated that this is an interesting concept. J. Butt stated that in the past universities and colleges have been loaned money when facing deficits.

F. Kinsella asked is that an approach that we could use with the ministry when you meet with them next week? Loan us the money to help us transition over the next 5 years. J. Butt stated that is a great concept. K. Graham advised that logistically it is like entering into a mortgage agreement. You would need the municipalities' approval. J. Butt advised that the ministry asked if we give you the \$600,000 would you get the remaining 25% from the municipalities and we said yes. Dr. Carter stated that closing the Almonte office is a way for us to do things differently. Also purchasing and building a structure in Smiths Falls is another way of doing things differently.

K. Graham stated that he has no problem supporting a budget that includes meeting the Ontario Public Health Standards. If we don't ask for it we will never get it. We also have to have a contingency if they say no again. The ministry has to do something about the disparity of the 75/25 funding. They have to live up to their end of the agreement. We will if we get to the point that we can meet the program standards.

F. Kinsella asked how can the ministry ask us to be efficient when they continually reward inefficiencies? It is not an equal playing field.

Board members reviewed some of the line descriptions in the budget. J. Butt referred to line 8 and the word enhancement. He knows that is the 8.26 extra people but could we come up with another title? Dr. Carter stated that we have tried to edit that out of everything this year in the budget. The ministry considers the word enhancement to be anything above and beyond mandatory.

K. Graham commented that under board education \$7,000 has been budgeted for this year. F. Kinsella stated that it should be about \$2,000 or \$3,000. Dr. Carter advised that the staff have actually gone through this line by line. The Board has the right to send members to alPha meetings. We want to encourage them to attend. It is valuable to the health unit. R. Haley stated that if you have identified these costs, under maintenance why is it the identical number from last year? J. Pearce advised that maintenance of office equipment is not always a predictable thing and she is reluctant to reduce the base in case there are breakdowns. That could be vaccine fridge breakdowns which are very costly. Last year we had none but this year we might and as fridges age the repair costs can expect to be greater.

Board members took a break at 10:20 a.m. for 10 minutes.

The meeting resumed at 10:34 a.m.

J. Butt stated that next Friday we will go to the ministry with the budget that is required to meet mandatory programs. Also in that discussion we will ask them for support in terms of some kind of loan or grant. Secondly, J. Pearce has asked about the municipal levy. She has people asking her what they should budget for? Also, does the Board need more specific information, such as what programs would you not deliver and what staff would not be retained if one looked at a 3% status quo, or a 5% budget? What is the specific impact?

Dr. Carter advised that the status quo impact is no change in service. She asked board members if they want J. Pearce to develop a levy lower than that and that would tell them how many people we will have to cut. K. Graham stated that he would not want to cut staff. People might want to understand that there are staffing implications to go lower. R. Haley stated that he doesn't want to see a decrease in staff either however he would like to see some new paperwork. Putting down last years figures just doesn't cut it. If you move some of those numbers around maybe that would help with the bottom line. He would like to see this rejigged. He thinks there could be some more savings here.

J. Butt asked J. Pearce to go through the 2009 budget and where you spent less last year could you give us a reason that tells us why. J. Pearce stated that there are often many unknowns and if we reduce the lines and things happen, where do you get the money to address the issues that arise? Dr. Carter stated that we have gone through this line by line and these are the figures. Staff are happy to answer questions.

Dr. Carter asked do you want to see another scenario with a reduced budget and layoffs? S. Dodge commented that she does not want to see layoffs. R. Haley stated that he is hearing that there is reluctance to look at the budget line and possible reductions. J. Butt stated you are looking for information to see why there are no changes from year to year. Dr. Carter advised that we did do this line by line and we are happy to explain on a line by line basis. Dr. Carter stated that if something has cost us a certain amount in the past we don't feel comfortable not going back to the original cost. There are all kinds of uncontrollable costs. J. Butt referred to board expenditures saying that we might have to say \$4000 in 2009. Dr. Carter stated that really is a loss to the Board.

J. Pearce stated that it would be helpful if there was consideration in setting the levy.

F. Kinsella stated that you know your labour costs are 88% of your budget. If we have a 3% increase in the budget how much of that \$256,000 is going to be our labour cost and how much is discretionary? This would tell us how much we have left to play with. The same holds true with a 5% increase. It gives everyone the ballpark we are looking at. If 88% of our costs are labour, and we have contractual obligations, we have to honour them. We need to know our total labour costs in 2009. Then it gives us the discretionary factor.

A. Van Schie stated that there are heating costs, lights etc. that are fixed costs as well. Of the 12% there is not a lot of wiggle room. F. Kinsella stated that if we don't want to reduce labour, we need to look at what is left to work with. At what percentage can we meet all of our obligations? Dr. Carter stated that it depends what you want to call fixed costs, an example of this would be licensing renewals for computer software. Staff can't function without their computers.

F. Kinsella advised that we may not be able to afford to decrease our staff because of severance costs. A. Warren commented that she thought we made a decision that we would not cut staff and we do not wish to.

Dr. Carter asked do you want staff to do up a budget with labour costs and fixed costs?

F. Kinsella stated that we can start asking about what we control and ask staff to look at what they control. Dr. Carter asked is the Board willing to give up its stipend? S. Dodge advised absolutely, we have to lead by example. F. Kinsella suggested taking out the 3% off the top and starting there. A. Van Schie advised that presently the Board pays the United Counties every time we have a meeting, do you want us to not pay that? Dr. Carter advised that we reimburse your municipality for each meeting. The mileage rate is 43 cents per kilometer. She advised that we have reduced the number of meetings and suggested cancelling the March meeting. We have had 2 extra meetings in January.

F. Kinsella referred to All Staff Day at a cost of \$5,000 stating that if he had a choice of keeping his job or going to an All Staff Day meeting he would prefer keeping his job. S. Gates advised that staff are making the same point. Dr. Carter stated that we cancelled it in 2008 and were planning on holding it in 2009. We will put more of an emphasis on professional development.

Dr. Carter asked do you want to put all the fixed costs and leave the Board looking at what is left and see what percentage that is of the budget? F. Kinsella stated that we just came to a 1.95% increase to the budget but we want 5%. How can you go the ministry with that?

The Board decided that there will be another budget meeting held on February 9th at 9:00 a.m.

J. Pearce stated that the levy is being maintained at last year's level and she is looking for direction from Board. The Board decided to wait until after the February 9th meeting to give staff further direction regarding the levy.

The incamera motion was read at 11:15 a.m.

It was moved by: A. Warren

Seconded by: R. Haley

That: This Board move into a closed session of the Board of Health as per the requirements of section 239 (2) of the Municipal Act due to the following:

- (a) the security of the property of the municipality or local board;
- x (b) personal matters about an identifiable individual, including municipal or local board employees;
- x (c) a proposed or pending acquisition or disposition of land by the municipality or local board;
- (d) labour relations or employee negotiations;
- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board;
- (f) advice that is subject to solicitor-client privilege, including

- (g) communications necessary for that purpose;
a matter in respect of which a council, board, committee or other body may hold a closed meeting under another act. 2001, c. 25, s. 239 (2).

Motion Carried.

Report from Incamera:

It was moved by: K. Graham

Seconded by: R. Haley

That: This closed session rise and report.

Motion Carried.

Staff were given direction.

February 2 at 1:00 p.m. is the non-union staff meeting and all board members are invited to come.

The meeting adjourned at 11:34 a.m.

J. Butt, Chair

Date

H. Bruce, Recording Secretary

Date