

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee

From: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Subject: 2021 Middlesex-London Health Unit Funding Request

Date: December 2, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions be taken:

- a) The funding request letter (Appendix "A") dated November 5, 2021, from the Middlesex-London Health Unit regarding 2021 required funding from the City of London **BE RECEIVED**.
- b) The funding request pertaining to the Health Unit's 2021 budget in the amount of \$640,233 **BE APPROVED**, it being noted that this pressure was incorporated in the City's projected 2021 property tax supported budget year-end position and that budget impacts for 2022 and 2023 are being separately addressed as part of the 2022 Annual Budget Update.

Executive Summary

The Middlesex-London Health Unit (MLHU) has submitted a funding request of \$640,233 related to their 2021 budget. MLHU's approved 2021 budget included inflationary increases, new premises cost increases and additional program costs bringing the City of London's (City) contribution of its total budget greater than what was approved as part of the City's 2021 Annual Budget Update. The funding request represents the City's incremental share of the total MLHU budget.

Linkage to the Corporate Strategic Plan

Council's 2019 to 2023 Strategic Plan for the City of London identifies 'Leading in Public Service' as a strategic area of focus. The City of London's Multi-Year Budget development and monitoring is a strategy to maintain London's finances in a transparent and well-planned manner to balance equity and affordability over the long term. As unanticipated external factors arise, Civic Administration ensures appropriate governance practices and approval processes are followed should the funding requirement not align with the budget or monitoring cycles of the City.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Strategic Priorities and Policy Committee, meeting on November 9, 2021, Agenda Item 3.1, Tabling of the 2022 Budget Update
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=86842>

Corporate Services Committee, meeting on September 20, 2021, Agenda Item 2.1, 2021 Mid-Year Operating Budget Monitoring Report
<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=85151>

Middlesex-London Health Unit Finance & Facilities Committee, meeting on February 11, 2021, Agenda Item 4.1, 2021 Proposed Budget
https://www.healthunit.com/uploads/04-21ffc_budget_2021_finalfinal.pdf

Middlesex-London Health Unit Finance & Facilities Committee, meeting on November 5, 2020, Agenda Item 4.1, 2021 Budget – PBMA Proposals
<https://www.healthunit.com/uploads/2020-11-05-report-27-20-ffc.pdf>

2.0 Discussion and Considerations

The Health Protection and Promotion Act, R.S.O 1990 outlines the obligations of municipalities to fund the expenses of public health units:

- 72** (1) The 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 this or any other Act; and
 - (b) the expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c. 30, Sched. D, s. 8.
- (2) In discharging their obligations under subsection (1), the obligated municipalities in a health unit shall ensure that the amount paid is sufficient to enable the board of health,
- (a) to provide or ensure the provision of health programs and services in accordance with sections 5, 6 and 7, the regulations and the public health standards; and
 - (b) to comply in all other respects with this Act and the regulations. 1997, c. 30, Sched. D, s. 8; 2017, c. 25, Sched. 3, s. 1 (2).

The MLHU's 2021 budget was approved at its Board of Health meeting on February 18, 2021. This approval of the MLHU budget for 2021 was subsequent to the City of London's 2021 Annual Budget Update, which was approved on January 12, 2021.

The 2021 MLHU budget identified a number of increases including inflationary pressures (approx. \$520,000), incremental premises costs (approximately \$191,000) and Program Budgeting and Marginal Analysis investments net of disinvestments (approximately \$51,000). The total increase to the MLHU 2021 budget was identified as \$762,182.

This report is regarding the submitted letter (Appendix "A") requesting the City's share of \$640,233 for the 2021 budget year. As part of the 2022 Annual Budget Update, the City of London's share of \$640,233 has been requested for the remaining years of the Multi-Year-Budget (2022 and 2023) through 2022 Budget Amendment #P-2.

3.0 Financial Impact/Considerations

The City of London's share of the MLHU budget was approved as \$6,095,059 for the 2021 budget year. With the identified increases, the City of London's share becomes \$6,735,292, with the difference of \$640,233 representing the 2021 additional funding request.

As the City of London's 2021 budget has been finalized and all tax billings have been completed, Civic Administration recommends that this request be funded through the 2021 projected operating budget surplus. This budgetary pressure was anticipated and reflected in the projected year-end position outlined in the 2021 Mid-Year Operating Budget Monitoring Report presented to the Corporate Services Committee on September 20, 2021.

4.0 Key Issues and Considerations

The City of London's monthly appropriation payments to the MLHU have continued to be based on the 2021 approved budget of \$6,095,059. To provide this additional payment pertaining to the 2021 budget, Civic Administration requires Council's approval for the additional payment.

Conclusion

Civic Administration requires Council approval to process payment of the MLHU funding request pertaining to the 2021 budget year. The increase is due to an increase in the City's share of the MLHU budget given the MLHU's later budget approval relative to the City's 2021 Budget Update.

Prepared by: Martin Galczynski, CPA, CA, Manager, Financial Planning and Policy

Submitted by: Kyle Murray, CPA, CA, Director, Financial Planning and Business Support

Recommended by: Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports

Attachments:
Appendix A – MLHU Letter

Cc:

Rick Lamon – Manager, Accounting & Reporting
Meng Liu – Senior Financial Business Administrator

Appendix A – MLHU Request Letter



November 5, 2021

Attention:
Strategic Priorities and Policy Committee
City of London
300 Dufferin Avenue
London, ON N6B 1Z2

To the Members of the Strategic Priorities and Policy Committee,

In follow up to the MLHU request for amendment to the 2021 funding from the City of London, I have provided you with the approved 2021 Budget and associated Board of Health motion. As per the budget document, the City of London funding for 2021 for MLHU was requested at \$6,735,292; however, the City of London has confirmed to date a plan to provide \$6,095,059 in 2021, a difference of \$640,233.

This letter represents a formal request to the City of London for the remaining funding, in the amount of \$640,233, as budgeted by MLHU in 2021.

I would be pleased to answer any questions.

Thank you,

Emily Williams

Emily Williams (she/her) BScN, RN, MBA
Chief Executive Officer (Interim)
Director, Healthy Organization
Middlesex-London Health Unit
355 Wellington Street, Suite 110
London, ON N6A 3N7
tel: 519-663-5317 ext. 2396

Copy to:
M. Cassidy Chair, MLHU Board of Health
M. Reid, Chair, MLHU Finance & Facilities Committee
D. Jansseune, Assistant Director, Finance MLHU

London Office
Suite 110, 355 Wellington St. London, ON N6A 3N7
tel: (519) 663-5317 • fax: (519) 663-9581

www.healthunit.com
health@mlhu.on.ca

Strathroy Office - Kenwick Mall
51 Front St. E., Strathroy ON N7G 1Y5
tel: (519) 245-3230 • fax: (519) 245-4772