



City of  
**Peterborough**

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**To:** **Members of the Finance Committee**

**From:** **Richard Freymond, Commissioner of Corporate and Legislative Services**

**Meeting Date:** **January 10, 2023**

**Subject:** **2023 Budget for Peterborough Public Health  
Report CLSFS23-010**

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## **Purpose**

A report to inform Council that the 2023 Budget submission of Peterborough Public Health will be received on Tuesday, January 10, 2023.

## **Recommendation**

That Council approve the recommendation outlined in Report CLSFS23-010, dated January 10, 2023, of the Commissioner of Corporate and Legislative Services as follows:

That the presentation and budget details presented to the January 10, 2023 Finance Committee by the Peterborough Public Health for the 2023 Budget, be received for information.

## **Budget and Financial Implications**

There are no additional budget and financial implications of the recommendation.

The Draft 2023 Budget as presented to Council does not include any specific recommendation for the additional funding request of \$287,780 from PPH. Changes to the City's 2023 budget provision for the PPH would either need to be netted against the City's 2023 General Contingency provision, offset through additional revenues or cost reductions; or increase the City's 2023 net tax levy requirement.

## Background

The Finance Committee is scheduled to review the 2023 Draft Budget during the week of January 16, 2023. Tuesday, January 10, 2023 has been set aside to receive budget requests from outside Boards and Agencies. Representatives from Peterborough Public Health (PPH) will be in attendance to make a short presentation and answer questions about the 2023 amounts that are included in the Draft 2023 Budget.

Included on page 205 of the 2023 Draft Budget Highlights Book is a high-level summary of information included for the PPH. The Draft 2023 City Budget was prepared with a 1.0% increase for the City's share of the PPH funding. PPH's budget was not approved at the time the City's Draft Budget was prepared. Since then, the PPH Board submitted an approved 2023 budget which includes \$1,644,880 or a 22.41% increase to the City's share of the PPH funding. During its budget deliberations Council will need to determine how to fund this additional request of \$287,780 for PPH as it has not been included in the City's draft budget.

The chart below summarizes the difference from the amount included in the City's 2023 Draft Budget and PPH's 2023 budget.

| Chart 1<br>2023 Operating Budget Submissions for Outside Agencies and Boards compared to Draft Budget Request |                |                           |              |               |
|---|----------------|---------------------------|--------------|---------------|
| Service   | 2023 Requested | 2023 Presentation Request | % Difference | \$ Difference |
| Peterborough Public Health  | 1,357,100      | 1,644,880                 | 21.2%        | \$ 287,780    |
| - Drug Strategy Funding   | 33,647         | 33,647                    | 0.0%         | \$ -          |
|   | 1,390,747      | 1,678,527                 | 20.7%        | \$ 287,780    |

The following commentary respecting the legislative framework for boards of health and public health funding provides additional information for Council's consideration.

The primary statute relating to boards of health and public health funding is the **Health Protection and Promotion Act (HPPA)** which:

- provides the legal authority to establish boards of health;
- requires that there shall be a board of health for each public health unit;
- sets out a number of requirements for boards of health; and,
- enables the Ministry of Health and Long-Term Care (the Ministry) to provide funding for public health services.

Under the HPPA, boards of health are required to provide public health programs and services, as authorized by the Ministry, to their local communities.

- The Ontario Public Health Standards (OPHS) and Protocols establish the minimum requirements for fundamental public health programs and services (mandatory programs).

- The Ontario Public Health Organizational Standards (Organizational Standards) outline the expectations for the effective governance of boards of health and effective management of public health units.

Under section 72 of the HPPA, the legal obligation for board of health funding resides with the obligated (single and upper tier) municipalities (City and County of Peterborough and 2 First Nations - Curve Lake and Hiawatha) within the area of the public health unit. PPH has historically based the local share allocation on a per capita basis as per data provided by Stats Canada. Section 72 states:

- (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 Act further provides that the Minister may make grants for the purposes of the HPPA on the terms and conditions that the Minister considers appropriate (section 76).

In addition to the financial impacts in 2023, there is some uncertainty respecting 2024 and future years, as PPH is waiting on the province to disclose information about regionalization, modernization and funding formula changes. Prior to the pandemic, the province had indicated a desire to shift the local funding share of the obligated municipalities from the historic 75/25 (75% Province / 25% Local Share) model to a 70/30 model. During the pandemic, the province provided mitigation funding whereby the local funding share on a % basis was brought below 25%. On a % basis, the additional ask in 2023 brings the request to the obligated municipalities slightly above 25% and recognizes that most of the 100% provincially funded programs (exception is Senior's Dental) have already moved to a 70/30 funding model.

Should the Province cease to provide mitigation funding and effectively transition fully to a 70/30 model, substantial increases for the obligated municipalities would result simply to maintain the mandatory public health programs and services.

In short, the City is legislatively required to fund the Peterborough Public Health unit.

## Summary

Further information will be provided by PPH representatives on January 10, 2023.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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Attachment:  
Appendix A - Peterborough Public Health 2023 Budget

## Appendix A

### PETERBOROUGH PUBLIC HEALTH

#### DRAFT 2023 - Combined Ministry of Health Programs

|  | 2023<br>Combined<br>Total | 2022<br>Combined<br>Total | Change          | %<br>Change   | Comments   |
|--|---------------------------|---------------------------|-----------------|---------------|--|
| <b>EXPENDITURES</b>                              |                           |                           |                 |               |  |
| 1 Salaries and wages                             | 7,485,541                 | 7,381,035                 | 104,506         | 1.42%         | Increase for contract settlements and staff complement net of staffing mix changes   |
| 2 Employee benefits                              | 2,173,584                 | 2,094,727                 | 78,857          | 3.76%         | Increase relates to changes in health benefit rates & staffing mix   |
| % benefits of salary and wages                   | <b>29.04%</b>             | <b>28.65%</b>             |                 |               |  |
| 3 Staff Training                                 | 45,539                    | 45,539                    | -               | 0.00%         |  |
| 4 Board Expenses                                 | 48,598                    | 48,598                    | -               | 0.00%         |  |
| 5 Travel   | 70,877                    | 65,627                    | 5,250           | 8.00%         | Mileage allowance based on anticipated rates given higher gas prices in 2022 and increased travel with                                   |
| 6 Building Occupancy                             | 718,671                   | 718,671                   | -               | 0.00%         |  |
| 7 Office Expenses, Printing, Postage             | 36,534                    | 36,534                    | -               | 0.00%         |  |
| 8 Materials and Supplies                         | 429,714                   | 429,714                   | -               | 0.00%         |  |
| 9 Office Equipment                               | 12,840                    | 12,840                    | -               | 0.00%         |  |
| 10 Professional and Purchased Services           | 544,050                   | 544,050                   | -               | 0.00%         |  |
| 11 Communication costs                           | 82,111                    | 82,111                    | -               | 0.00%         |  |
| 12 Information and Information Technology Equip  | 61,189                    | 61,189                    | -               | 0.00%         |  |
| <b>EXPENDITURES</b>                              | <b>11,709,247</b>         | <b>11,520,635</b>         | <b>188,612</b>  | <b>1.64%</b>  |  |
| <b>FEES &amp; OTHER REVENUES</b>                 |                           |                           |                 |               |  |
| 13 Expenditure Recoveries - Immunization Program | 31,300                    | 31,300                    | -               | 0.00%         | Based on 2022 activity levels and anticipated catch-up due to delays related to COVID  |
| 14 Expenditure Recoveries & Offset Revenues      | 618,506                   | 640,506                   | (22,000)        | -3.43%        | Projected reduction in fees collected for dental programs and other programs not anticipated to operate in 2023 due to de-prioritization |
| <b>FEES &amp; OTHER REVENUES</b>                 | <b>649,806</b>            | <b>671,806</b>            | <b>(22,000)</b> | <b>-3.27%</b> |  |
| <b>NET EXPENDITURES - Cost Shared Budget</b>     | <b>11,059,441</b>         | <b>10,848,829</b>         | <b>210,612</b>  | <b>1.94%</b>  |  |

## Appendix A

|                                      | 2023<br>Combined<br>Total | 2022<br>Combined<br>Total | Change         | %<br>Change | Comments  |
|--------------------------------------|---------------------------|---------------------------|----------------|-------------|---|
| <b>PARTNER CONTRIBUTIONS – 2023</b>  |                           |                           |                |             |   |
| 15 Ministry of Health - Cost Shared  | 7,130,500                 | 7,112,850                 | 17,650         | 0.25%       | Assumes 0% increase from Ministry. In 2022 received 1% increase pro-rated for 9 months of the year. |
| 16 - One-Time Mitigation             | 1,015,000                 | 1,015,000                 | -              | 0.00%       | Assumes no change in funding from prior year  |
| 17 - Indigenous Communities          | 10,000                    | 10,000                    | -              | 0.00%       | Assumes no change in funding from prior year  |
| 18 City of Peterborough              | 1,644,880                 | 1,343,755                 | 301,126        | 22.41%      | Funding based on levy increase per staff report net of change due to 2021 census population         |
| 19 County of Peterborough            | 1,241,591                 | 937,361                   | 304,230        | 32.46%      | Funding based on levy increase per staff report net of change due to 2021 census population         |
| 20 Curve Lake First Nation           | 13,194                    | 10,516                    | 2,678          | 25.46%      | Funding based on levy increase per staff report   |
| 21 Hiawatha First Nation             | 4,276                     | 3,411                     | 865            | 25.37%      | Funding based on levy increase per staff report   |
| <b>FUNDING PARTNER CONTRIBUTIONS</b> | <b>11,059,441</b>         | <b>10,432,892</b>         | <b>626,549</b> |             |   |
| <b>Projected (Deficit)</b>           | <b>(0)</b>                | <b>(415,937)</b>          | <b>415,936</b> |             |   |

Note: The local portion of the 1% increase received in 2022 was funded through reserves not billed directly to Local Partners. Thus 2021 funding remained at previous year rates.