

**Report to  
Rapport au:**

**Ottawa Board of Health  
Conseil de santé d'Ottawa  
17 June 2024 / 17 juin 2024**

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**Submitted by  
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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2024-OPH-BDS-0002**

**SUBJECT: 2024 Operating and Capital Budget Q1 – Board of Health for the City  
of Ottawa Health Unit Status Report**

**OBJET: Rapport d'étape sur le budget de fonctionnement et  
d'immobilisations 2024 du Q1 du Conseil de santé pour la  
circonscription sanitaire de la ville d'Ottawa**

#### **REPORT RECOMMENDATION**

**THAT the Board of Health for the City of Ottawa Health Unit receive the 2024 Q1  
operating and capital budget status report for information.**

#### **RECOMMANDATION DU RAPPORT**

**QUE le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa prenne  
connaissance du rapport d'étape sur le budget de fonctionnement et  
d'immobilisations du T1 2024.**

## **BACKGROUND**

The purpose of this report is to present to the Ottawa Board of Health the first quarter operating and capital budget results for Public Health Programs. Ottawa Public Health (OPH) management actively reviews quarterly results to ensure that their respective spending and revenue are on-track as planned, and not indicative of any underlying issues needing to be highlighted or addressed.

The 2024 operating budget first quarter results present actual year-to-date revenues and expenditures against the amounts budgeted for the corresponding period. The capital report provides a listing of the capital projects, the authorized expenditure budgets, along with the actual expenditures and commitments incurred to-date.

## **DISCUSSION**

Document 1 provides operating budget details on first quarter results for the various Ontario Public Health Standards. Financial information is presented by program.

Document 2 provides compensation information showing the actual salary, benefits and overtime costs incurred by OPH during the corresponding period.

Document 3 provides information on budget adjustments and transfers made in the first quarter of 2024 through delegated authority given to the Medical Officer of Health.

Document 4 provides a listing of the capital projects in progress and their status as of March 31, 2024.

### **Q1 Operating Results**

The year-to-date budget figures are prepared on a calendarized basis. Service Areas have allocated their 2024 budgets on a monthly and quarterly basis, established primarily according to historical trends.

Table 1 outlines Q1 2024 expenditures and revenues by funding types and the year-to-date budget status.

The budget for base-funded programs, which includes cost-shared mandatory programs, is underspent by 4% because some positions were temporarily left vacant to cover the final wrap-up costs of the stand-alone COVID-19 program as provincial communications in late 2023 indicated increased uncertainty about reimbursement. In Q2, staffing and recruitment processes were initiated to fill these vacancies as the

province amended their funding agreement with the Board of Health and provided \$2.2 million in one-time funding to conclude the COVID-19 program. OPH has adjusted the Board of Health approved COVID-19 program budget from \$6.8 million to \$2.2 million in line with the ministry's funding commitment (details in Document 3). The high spending rate for COVID-19 vaccine program leads to budget pressure. However, higher spending rate for other one-time funded programs (e.g., neighbourhood hubs) doesn't create any budget pressure as the spending doesn't exceeds revenue. The spending rate for supplementary funded programs, including Healthy Babies Healthy Children and City-funded programs, is 16% higher than the year-to-date budget. The higher spending in supplementary funded programs is largely attributed to variation of month-month expenditure of the non-compensation budget. Compensation spending, 26% of annual budget for this categories) is a better reflection of spending status (details in document 2). At the end of Q1, net spending is \$415,000 higher than the year-to-date budget.

A year-to-date revenue surplus \$765,000 fully offsets the year-to-date expenditure deficit, resulting in a net surplus of \$350,000.

**Table 1 - Summary of Q1 2024 Operating Results**

	Expenditures				Revenue				Surplus / (Deficit)		
	Annual Expenditure	YTD Budget	YTD Actual	Spent	Annual Revenue	YTD Budget	YTD Actual	Spent %	YTD Expenditure	YTD Revenue	YTD Net
<b>Total Base Funded Programs</b>	70,223	17,986	17,276	96%	(45,045)	(11,054)	(11,248)	102%	710	194	904
<b>Total One-Time Funded Programs</b>	2,459	2,459	3,326	135%	(2,460)	(2,460)	(2,996)	122%	(867)	536	(331)
<b>Total Supplementary Funded Programs</b>	7,983	1,599	1,857	116%	(5,028)	(1,251)	(1,286)	103%	(258)	35	(223)
<b>Total All Programs</b>	<b>80,665</b>	<b>22,045</b>	<b>22,460</b>	<b>102%</b>	<b>(52,533)</b>	<b>(14,765)</b>	<b>(15,530)</b>	<b>105%</b>	<b>(415)</b>	<b>765</b>	<b>350</b>

### Q1 Compensation Results

Document 2 outlines the operating status of OPH compensation expenditures as of March 31, 2024. The financial data indicates that OPH has utilized 28% of its annual budget for compensation and benefits and 20% of its annual budget for overtime in the first quarter of 2024.

### Budget Adjustments and Transfers

Document 3 provides a summary of the budget adjustments and transfers made in the first quarter of 2024 under the delegated authority granted to the Medical Officer of Health. The primary adjustment involves reducing the Board of Health approved COVID-19 program budget from \$6.8 million to \$2.2 million, in line with the ministry's funding commitment. According to the Board of Health's Delegation of Authority By-law, these transactions are reported for informational purposes and operations will be carried out to balance within the adjusted budget.

### **Q1 Capital Projects**

Document 4 provides a list of provincially funded capital projects, detailing the total approved budget authority, expenditures up to March 31, 2024, and contractual obligations as of the same date. The total value of capital projects currently in progress amounts to \$5.5 million.

### **Provincial Funding Update**

- OPH received an amended funding agreement for 2023-2024 from the province, and it includes:
  - \$2.2 million one-time funding allocation designated to support wrapping up of the COVID-19 program in Q1 2024.
  - \$550,000 one-time additional allocation to offset overspending in Ontario Seniors Dental Care Program in 2023.
  - \$368,500 to support Respiratory Syncytial Virus (RSV) Adult Prevention Program.
- OPH also received \$900,000 one-time in-year funding in Q1 from the province, out of funding provided to Kids Come First (KCF) Health Team Based at Children's Hospital of Eastern Ontario (CHEO) to support cost of provision of immunization services for those from birth to 17 years of age.
- The province will establish a working group and commence discussions with Public Health Units (PHUs) regarding the review of the funding formula in the upcoming weeks. The provincial goal is to unveil a new funding formula in spring 2025 and put it into effect from January 2026.
- Discussions continue with the province to extend capital project funding to support unfinished work in dental clinic construction and repair projects.
- Funding for RSV vaccination efforts is anticipated to be accessible once again in the Fall of 2024.

### **Continued Budget Pressures**

- The new CIPP collective agreement has increased budgetary pressures, requiring an additional 0.5% increase beyond the initial 2% projected salary increase for employees. Additionally, we need to retroactively compensate employees for work performed in 2023, resulting in an approximately \$750,000 budget pressure to address 2023-2024 cost of living adjustments.

- OPH completed market rate adjustments for Public Health Inspector (PHI) salaries, adding an additional compensation pressure of about \$125,000 for 2024.
- Additionally, OPH has opted to invest in renting the Putman school compound for immunization purposes, incurring an annual rental cost of approximately \$200,000.
- Collectively, above-mentioned adjustments that will be reflected in Q2 report have resulted in a budget pressure of \$1 million for 2024.

### **Strategies to address Budget pressures and Financial Outlook**

OPH's approach to managing vacancies has effectively kept the expenditures under control in the first quarter. Although OPH has directed the team to cease additional gapping and focus on filling open positions, the compensation spending rate will be relatively lower in Q2 due to the time required to fill vacancies, upcoming retirements, and vacation time. OPH will request provincial reimbursement for the CIPP increment back pay for employees who supported the COVID-19 program in 2023. Additionally, OPH is conducting a thorough review of the non-compensation spending, which appears relatively low at the close of the first quarter. This presents potential opportunities for reallocation and investment. The anticipated compensation savings, along with the above-mentioned strategies, will enable OPH to absorb the \$1 million pressure by year-end. However, budgetary pressures will continue into 2025 as OPH strives to enhance service delivery to meet the rising demand for public health services, ensuring full compliance with Ontario Public Health Standards amidst rising service delivery costs.

### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

### **CONSULTATION**

The purpose of this report is administrative in nature and therefore no public consultation is required.

### **LEGAL IMPLICATIONS**

There are no legal impediments to receiving the information in this report.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications associated with this information report.

### **FINANCIAL IMPLICATIONS**

Financial implications are as outlined in the report.

### **ACCESSIBILITY IMPACTS**

There are no accessibility implications associated with this report.

### **SUPPORTING DOCUMENTATION**

Document 1: Ottawa Public Health 2024 1st Quarter Operating Status Report

Document 2: Ottawa Public Health 2024 1st Quarter Compensation Status Report

Document 3: Ottawa Public Health 2024 1st Quarter Budget Adjustments & Transfers

Document 4: Ottawa Public Health 2024 1st Quarter Capital Status Report

### **DISPOSITION**

This report is provided for information.