

TITLE: **2024 Budget**

TO: Board of Health

FROM: Dr. N. Bocking, Medical Officer of Health

DATE: December 7, 2023

APPROVED BY: N/A

IN CAMERA? Yes No

Overview:

The HKPR District Health Unit's proposed budget for 2024 is \$22,378,169. This represents a 6.5% decrease from the 2023 budget.

Recommendations to Board

THAT the Board of Health approve the 2024 Operating Budget in the amount of \$22,378,169.

Background:

In a briefing note provided to the Board of Health for the November board meeting, staff outlined the provincial planning context for the 2024 budget as well as pressure points and assumptions. The briefing also detailed initiatives that staff have taken to reduce expenditures and summarized the status of the organizations cash surplus.

Recap of pertinent points related to the 2024 budget:

- Provincial base contribution reflects a 1% increase applied to the total of our 2023 base plus mitigation funding.
- Municipal contributions reflect a 5% increase from 2023 (note that a 0% increase was issued last year).
- One time funding requests to the province reflect program pressures specifically in the areas of the vaccine program and small drinking water systems.

- Organizational cash surplus in the amount of \$500,000 is proposed to offset ongoing operational pressures related to investments in our strategic plan initiatives as well as local priorities including responding to the drug poisoning crisis.
- Salaries and benefits make up 72% of proposed expenditures.

Detailed Description of 2024 Revenue

Item	2024 Revenue	Comments
Provincial Cost-Shared Base Funding	12,831,545	1% increase applied to 2023 provincial base contribution plus mitigation funding.
Northumberland County	2,757,119	5% increase already communicated to CAO.
CKL	2,444,955	5% increase already communicated to CAO.
Haliburton County	634,663	5% increase already communicated to CAO.
MCCSS (HBHC)	1,019,533	Amount received in 2023.
100% Provincially Funded		
Ontario Seniors Dental Program	1,185,500	Amount received in 2023.
MOH Comp. Initiative	79,000	Amount received in 2023.
One Time Funding Requests		
Needle Exchange	59,000	Amount received in 2023.
PHI Practicum Student	30,000	Amount received in 2023.
Vaccine Program Pressures	209,687	New one-time funding request. Costs associated with demands vaccine program demands from COVID-19 and RSV vaccine roll-out. Unclear whether full amount will be approved.
Small Drinking Water Systems	266,667	New one-time funding request. Costs associated with additional contract PHI positions to clear back log in SDWS risk assessments and inspections. Unclear whether full amount will be approved.
Other Provincial Grants		
Hub and Spoke Funding	70,000	Amount received in 2023.
Recovery	290,500	Recovered funds from vaccines, food handler training, as well as interest earned on cash reserves.
Cash Surplus	500,000	Amount endorsed by board to offset operational pressures for 2024.
TOTAL	22,378,169	

Detailed Description of 2024 Expenditures

Item	2024 Expenses	Comments
Salaries	12,444,537	Includes permanent and contract salaries.
Benefits	3,733,361	Reflects an anticipated 39% increase in benefit premiums starting April 1, 2024.
Travel	325,852	Budgeted travel expenditures are 31.62% less than the \$476,555 budgeted in 2023. This reflects less travel needed for COVID immunization clinics as well as decreased travel associated with a hybrid work environment.
Fees for Service	1,596,846	This is largely funds for Ontario Seniors Dental Program which flows directly to partner organizations.
Professional Development	102,000	Reflects a decrease in head count.
Supplies	262,338	Reflects a decrease in COVID-19 programming supplies, results of PBMA, and use of 2023 surplus to offset 2024 expenditures.
Administrative	75,000	This includes costs associated with fees for payroll software, bank accounts, etc.
Insurance	250,000	Minimal increase compared to 2023.
Occupancy Costs	2,409,426	Reflects decrease in approx. \$50,000 for Haliburton office space.
Renovations	15,000	Anticipating minimal renovation costs.
Communication Costs	214,800	Includes costs associated with phone lines, cell phones and internet. The decrease reflects efficiencies found by replacing our existing wide area network with direct to office fibre optic internet connections.
Computer Support	572,400	The Health Unit has a managed service provider for IT that is costed on a per person basis. The decrease reflects a decreased head count at the Health Unit.
Equipment	238,609	Reflects use of 2023 variance to offset purchase costs for equipment coming off lease in 2024.
MOH Comp. Initiative	79,000	No change.
Needle Exchange	59,000	No change.
TOTAL	22,378,169	