



Council Report

Report Number: CORP2021-006
Meeting Date: February 23, 2021
Title: Haliburton Kawartha Pine Ridge District Health Unit 2020 Budget Arrears
Author and Title: Carolyn Daynes, Treasurer

Recommendation(s):

That Report CORP2021-006, Haliburton Kawartha Pine Ridge District Health Unit (HKPRDHU) 2020 Budget Arrears, be received; and

THAT Council approve the payment of the 2020 City of Kawartha Lakes assessed budget arrears for HKPRDHU in the amount of \$167,684.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Council, at the Special Council Meeting of February 2, 2021, passed the following resolution:

CR2021-048

That the correspondence from the Haliburton, Kawartha, Pine Ridge District Health Unit, **regarding 2020 Levy in Arrears**, be received and referred to staff for review and report back at the February 23, 2021 Regular Council Meeting for consideration.

This report addresses the payment of this arrears.

Rationale:

During the 2020 budget preparation a letter was sent to all external agencies indicating that the Council directed all Boards and Agencies to submit 2020 budgets at or below 2019 funding and contribution levels.

In response to this Council motion, the majority of the City Agencies and Boards were able to submit a budget that matched this direction. The Haliburton Kawartha Pine Ridge District Health Unit (HKPR) submitted a 2020 budget assessment to the City of Kawartha Lakes in the amount of \$2,045,033. Their previous year 2019 budget assessment totaled \$1,877,349. City Council approved the HKPRDHU budget for 2020 at the 2019 assessed amount of \$1,877,349.

This decision resulted in a funding shortfall from the City's 2020 apportioned and assessed share to the HKPRDHU totaling \$167,684. HKPRDHU subsequently submitted an invoice to the City to collect arrears up to October 13, 2020 (total arrears at that time totaled \$139,735.42).

As the Health Unit describes in their letter, municipalities have an obligation to fund Ontario Health Units. The Health Protection and Promotion Act states under Part VI, Health Units and Boards of Health:

"Payment by obligated municipalities

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”

And:

“Payment in accordance with notice

(8) An obligated municipality that is given notice by a board of health under this section shall pay to the board of health the amounts required by the notice at the times required by the notice. 1997,c.90,D,s.8”

As the arrears letter states, municipalities are required to pay their portion of the municipal levy and in fact funding from municipalities is necessary in order to maintain program and service delivery to our communities; programs and services that are vital in protecting and improving health.

The City of Kawartha Lakes has received follow-up letters from HKPRDHU since Council passed the reduced budget. Correspondence was received in the Fall of 2020 that attempted to explain the reason for the increases in the health unit levy. It centres around reduced funding by the province in various programs. The correspondence is attached to this report as Appendix B.

It should be noted that the HKPRDHU’s 2021 budget submission of \$2,249,536 is a 9% increase over their 2020 budget assessment to the City of \$2,045,033. Provincial legislation caps annual public health budget requests to 10%.

Prior to the pandemic, the Provincial Government initiated a modernization review of Public Health Services. This review remains “on hold” and should move ahead presumably in 2021/2022. It is through this review that the municipality will know their funding responsibility for future Health Unit budget contributions.

The decision to reduce the 2020 budget contribution recognized this modernization review, and anticipated changes to the funding and service delivery structure of Public Health Units. Until this review is completed, it is recommended that Council approve payment of the 2020 budget arrears.

At the time of writing this report, Council approved through the City’s operating budget the HKPRDHU 2021 City assessed contribution of \$2,249,536.

Other Alternatives Considered:

n/a

Alignment to Strategic Priorities

This report is in alignment with the 2020 / 2023 Kawartha Lakes Strategic Plan priorities of good government.

Financial/Operation Impacts:

Staff have included the outstanding amount of \$167,684 in the 2020 actual expenditures. The inclusion of the amount in the 2020 expenses removes any affect on the City's 2021 operating budget.

If Council chooses not to pay the additional amount to bring the 2020 total Health Unit Levy up to their requested budget assessment of \$2,045,033 then the amount can be removed from the 2020 expenses.

Consultations:

Chief Administrative Officer
Haliburton Kawartha Pine Ridge District Health Unit

Attachments:

Attachment A – HKPRDHU Arrears Letter



CORP2021-006 -
ATTACHMENT A.pdf

Attachment B - HKPRDHU Increased Budget Explanation



CORP2021-006 -
ATTACHMENT B.pdf

Attachment C – HKPRDHU 2021 Budget Submission



CORP2021-006-ATT
ACHMENT C.pdf

Department Head email: jstover@kawarthalakes.ca

Department Head: Jennifer Stover