



**The Corporation of the City of Sault Ste. Marie
Budget Meeting of City Council
Agenda**

Monday, January 28, 2019

5:45 pm

Council Chambers

Civic Centre

Pages

1. Approve Agenda as Presented

Mover Councillor S. Hollingsworth

Seconder Councillor M. Scott

That the Agenda for 2019 01 28 Budget meeting as presented be approved.

2. Declaration of Pecuniary Interest

3. Levy Boards

Levy Boards have the legislative ability to provide an amount to a municipality to be added to the municipal tax levy.

3.1 Algoma Public Health

4 - 79

Public health units are governed by the *Health Protection and Promotion Act*. Section 72(1)(a) states the obligating municipality must pay for the expenses incurred by the health unit in its performance of its functions and duties set out by the Act. Section 72(8) states that obligating municipalities will pay the amounts set out in the notice from the health unit at the times specified.

Dr. Marlene Spruyt, Medical Officer of Health/CEO, Dr. Jennifer Loo, Associate Medical Officer of Health and Justin Pino, Chief Financial Officer

3.2 Sault Ste. Marie & Region Conservation Authority

80 - 91

Conservation Authorities are governed by the *Conservation Authorities Act*. Section 27 sets out the apportionment of costs based upon the benefit derived by each participating municipality. The ability to enforce the payment is set out in section 27(7). A municipality may appeal the levy to the Mining and Lands Commissioner appointed under the *Ministry of Natural Resources Act*. The appeal must commence within 30 days after the notice of the levy is received from the authority.

Rhonda Bateman, General Manager / Secretary-Treasurer

3.3 Sault Ste. Marie District Social Services Administration Board

The Sault Ste. Marie District Social Services Administration Board (SSMDSSAB) is governed by the *District Social Services Administration Board Act*. Section 6 states the "municipality shall pay the amounts required to be provided by it for its share of the costs of social services to the board for its district, on demand." The Act allows for penalties to be imposed for non-payment.

4. Local Boards

Local Boards have the legislative ability to set their budgets to be added to the municipal tax levy; however, the municipality may have a greater say in the service level that the board provides.

4.1 Police Services Board

92 - 97

The Police Service is governed by the *Police Services Act*. Section 39(5) of the Act states that the board can appeal to the Ontario Civilian Police Commission who will determine if the proposed estimates provide for adequate and effective police services that meet the needs of the community for the fiscal year in question. The budget submitted by the Police Service is based upon meeting their requirements under the Act.

Chief H. Stevenson, Angela Davey, Finance Coordinator

4.2 Public Library Board

98 - 107

A public library board is governed by the *Public Libraries Act*. The Act requires the library board to submit to Council annually an estimate required by the board for the fiscal year. Under the Act, Council can approve or amend and approve the estimates.

Matthew MacDonald, Acting CEO/Director of Public Libraries

5. Outside Agency Grants

The following outside agency grants are approved by Council through funding agreements.

All other requests from outside agencies are governed by the Sustaining and Other Grants Policy.

5.1 Algoma University 108 - 116

Asima Vezina, President and Vice-Chancellor, Brent Krmpotich, Director of Enrollment Management and International Operations and Robert Battisti, Vice President of Finance and Operations

5.2 Sault Ste. Marie Museum 117 - 135

Julia Victoria Piskiewicz, Director/Curator

5.3 Safe Communities Partnership 136 - 153

Judy Ritza, Catholic Curriculum Coordinator, Mount St. Joseph Centre and Jennifer Rose, Regional Manager, Algoma Power Ltd.

5.4 Art Gallery of Algoma 154 - 197

Mark Lepore, President and Jasmina Jovanovic, Executive Director

5.5 Physician Recruitment 198 - 251

Dr. Tim Best and Christine Pagnucco, Manager

5.6 Soo Arena Association 252 - 266

Chad Bouchard, Manager

5.7 Canadian Bushplane Heritage Centre 267 - 274

Kim Park, President, Dan Ingram, Executive Director, Pand Dave Blair, Treasurer

6. Adjournment

Mover Councillor P. Christian

Seconder Councillor C. Gardi

That this Council shall now adjourn.

Algoma Public Health

The City of Sault Ste. Marie

Medical Officer of Health / CEO

Dr. Marlene Spruyt BSc, MD, CCFP, FCFP, MSc-PH

Associate Medical Officer of Health

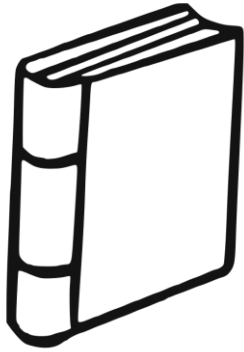
Dr. Jennifer LOO MD MSc CCFP FRCPC

Chief Financial Officer

Justin Pino CPA, CMA



Contents



Context

(why we're here)



Budget

(talking dollars & cents)



Public Health ROI

(what we get back)

Context

(why we're here)

Municipalities and Local
Public Health Agencies in Ontario



The Big Picture

Goal:

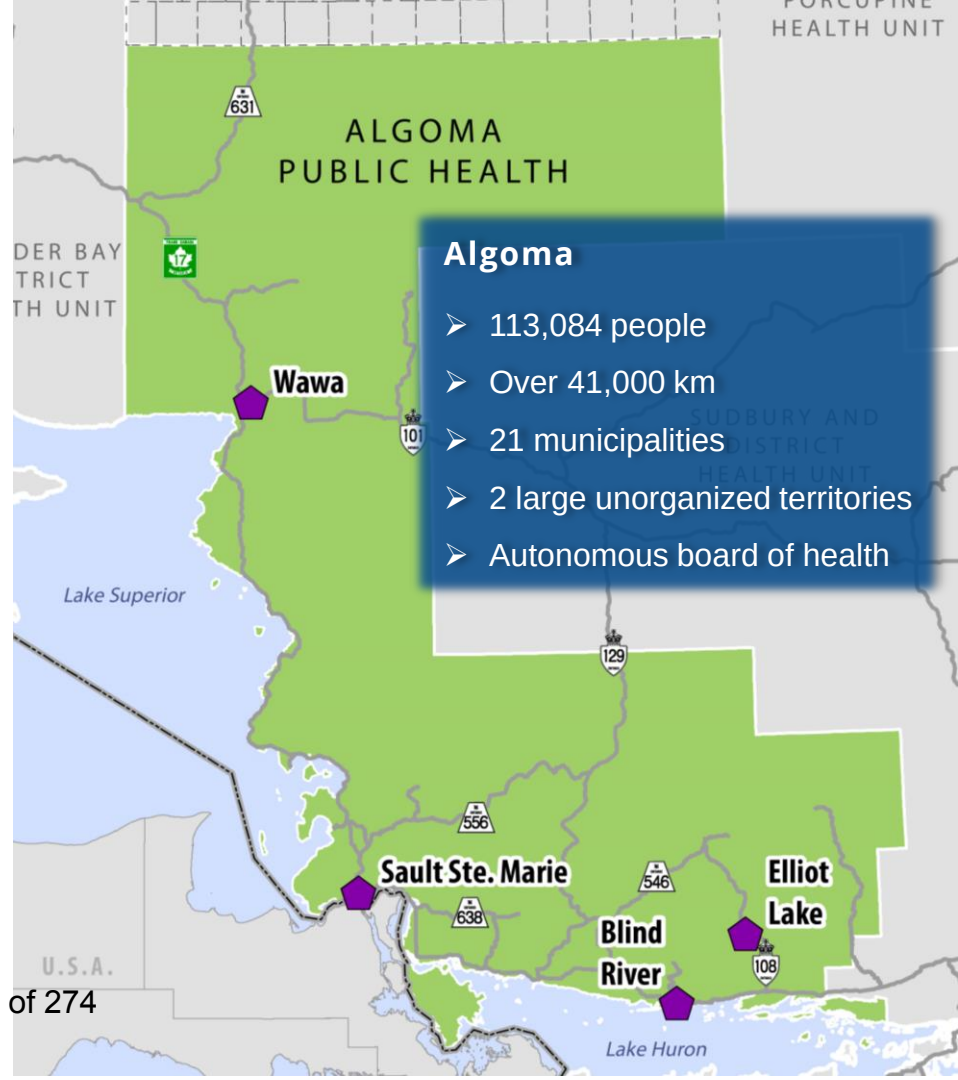
Improving health and health equity at the community level.

Upstream Focus:

Creating the environmental and social conditions that promote community health.

Public Health Service:

- Mandated by legislation
- Funded jointly by province and municipalities



Legislation

HPPA (72.1) states that 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 the HPPA or any other Act; and
- (b) The expenses incurred by or on behalf of the MOH of the board of health in the performance of his or her functions and duties under the HPPA or any other Act

HPPA (76) Grants states;

The Minister may make discretionary grants for the purposes of the HPPA as he or she considers appropriate

Values & Guiding Principles

- ✓ Excellence
- ✓ Respect
- ✓ Accountability & Transparency
- ✓ Collaboration



Budget

(talking dollars and cents)

Algoma Public Health Budget &
what our citizens pay



Breakdown

**Annual Public
Health Budget**
(2019)



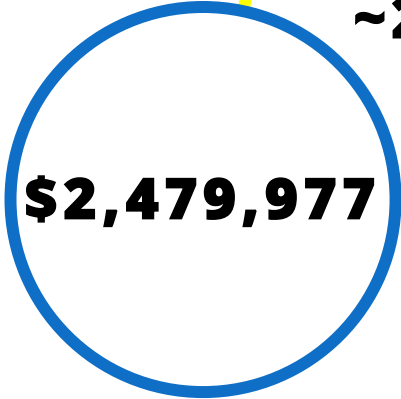
\$14.7 million

Municipal Levy
(2019)

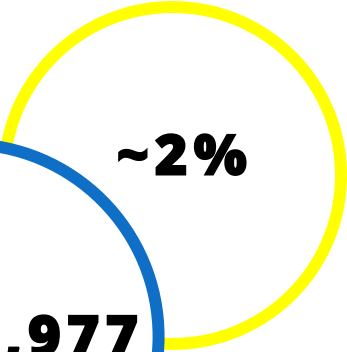


\$33.80
per person

SSM Levy
(2019)

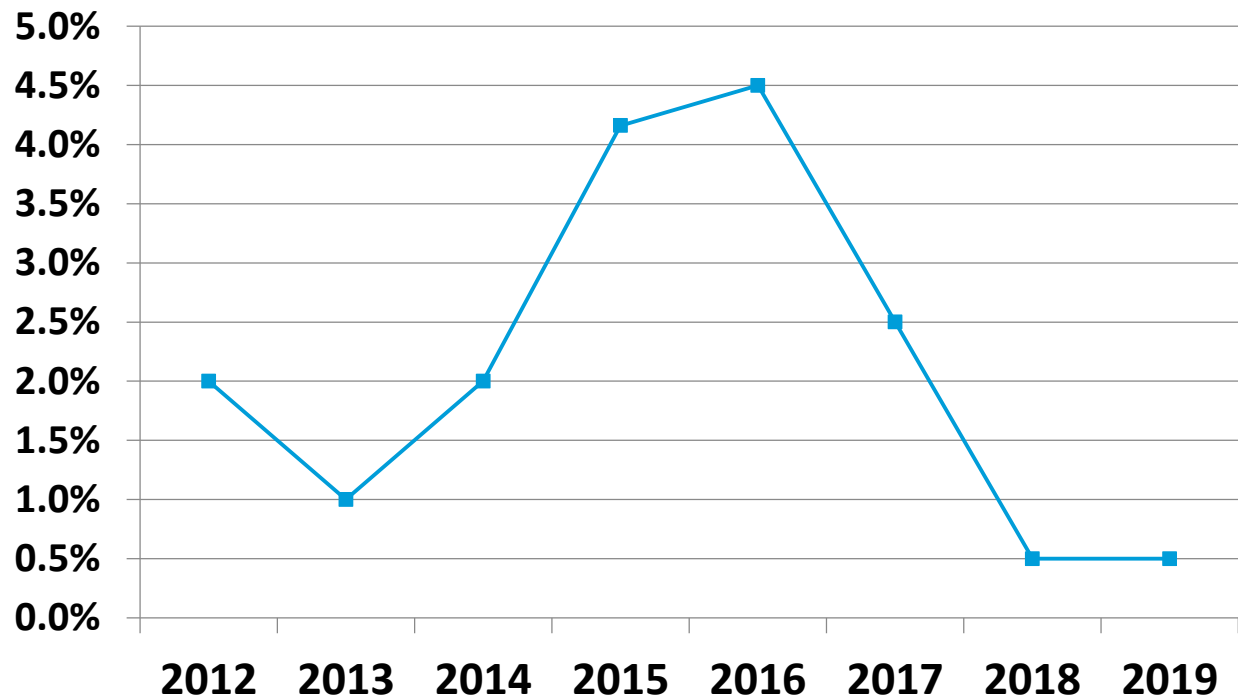


\$2,479,977



~2%

Percentage increase in public health levy to Algoma municipalities 2012-2019



Over the Years

The percentage (%) change from year to year is determined by the Board of Health.



...so what do we pay?

Algoma Public Health's municipal
and provincial funding come
from the same taxpayer.

What does the Algoma citizen
pay for public health services
(through municipal and
provincial tax dollars)?

Cost Per Person



NETFLIX

TIMBITS™

\$124.15

per
year

\$10.35

per
month

\$0.34

per
day

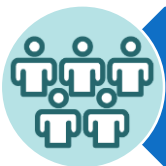
Public Health ROI

(what we get back)



Public Health ROI

What does public health do for municipalities?



Population Health
Assessment



Disease & Injury
Prevention



Surveillance



Health Protection



Emergency
Preparedness



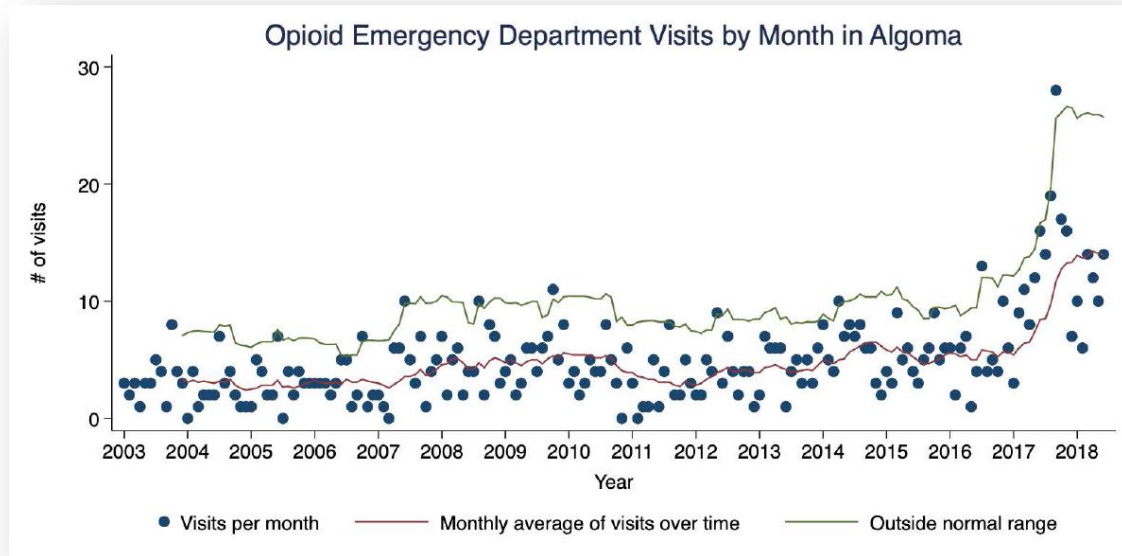
Health Promotion

Public Health ROI

- Population Health Assessment
- Surveillance
- Emergency Preparedness



Example: Algoma Community Health Profile



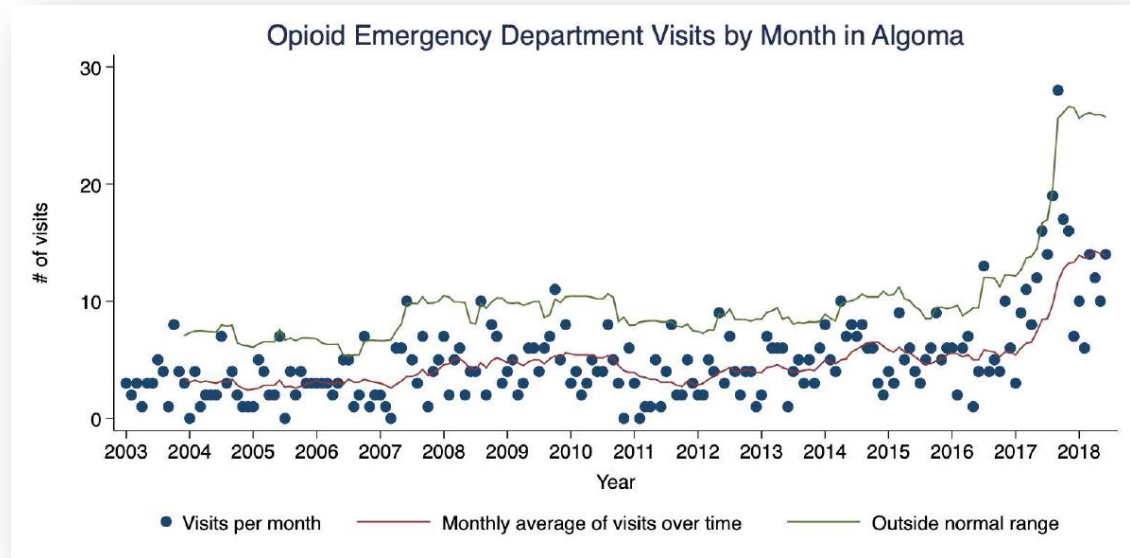
Example: Opioid Surveillance Bulletin

Public Health ROI

- Population Health Assessment
- **Surveillance**
- Emergency Preparedness



Example: Algoma Community Health Profile



Example: Opioid Surveillance Bulletin

Public Health ROI

- Population Health Assessment
- Surveillance
- **Emergency Preparedness**



Flood Tips:

Be prepared before flooding happens.
Do you have your 72-hour emergency kit ready?



Public Health ROI

- Population Health Assessment
- Surveillance
- Emergency Preparedness

APH: More than 50 whooping cough cases in Blind River area

Make sure your kids and you get your vaccinations updated

May 4, 2016 10:00 AM by: SooToday Staff



NEWS RELEASE

ALGOMA PUBLIC HEALTH

Algoma Public Health is dealing with over 50 cases of Pertussis (Whooping Cough) in the Blind River area.

Whooping cough outbreak in Blind River a wake-up call

By Jeffrey Ougler

[More from By Jeffrey Ougler](#)

Published on: May 9, 2016 | Last Updated: May 9, 2016 11:40 PM EDT



As whooping cough cases increase in Blind River, Algoma Public Health is, again, emphasizing the importance of immunization in preventing pertussis.



APH announced last Wednesday it was dealing with more than 50 cases in the area and, over the weekend, six have been added to the list, with the overall number now in the "high fifties," says Jonathan Bouma, APH's manager of environmental health and communicable disease control.



"It took a foothold and it's been hard to slow down," Bouma told The Sault Star Monday.

The contagious bacterial disease, which affects the respiratory system, is not known to have spread outside the town, 150 kilometres east of Sault Ste. Marie.



"Not yet, not that we know of," Bouma said.

Symptoms start with an irritating cough, which gets progressively worse, and may be characterized by a high-pitched whoop. Vomiting may follow a coughing episode and the situation tends to be worse at night.

"This is cough until you vomit," Bouma said. "It's very noticeable "¡ That whoop and that heavy, heavy cough. It's exhausting."

APH says routine immunization helps protect children and adults. Children should be up to date with routine immunizations, including pertussis. Additionally, all adults are recommended to receive a one-time booster for pertussis (Tdap) during adulthood, especially those having contact with infants or pregnant women.

Public Health ROI

- Health Protection
- Health Promotion & Prevention



Example: Drinking Water



Example: Recreational Water

Public Health ROI

- Health Protection
- Health Promotion & Prevention



Example: Tattoo Studios



Example: Pedicures / Manicures

Public Health ROI

- **Health Protection**
- Health Promotion & Prevention



Example: Barbershop / Salon



Example: Eye Lash Extensions

Public Health ROI

- **Health Protection**
- Health Promotion & Prevention

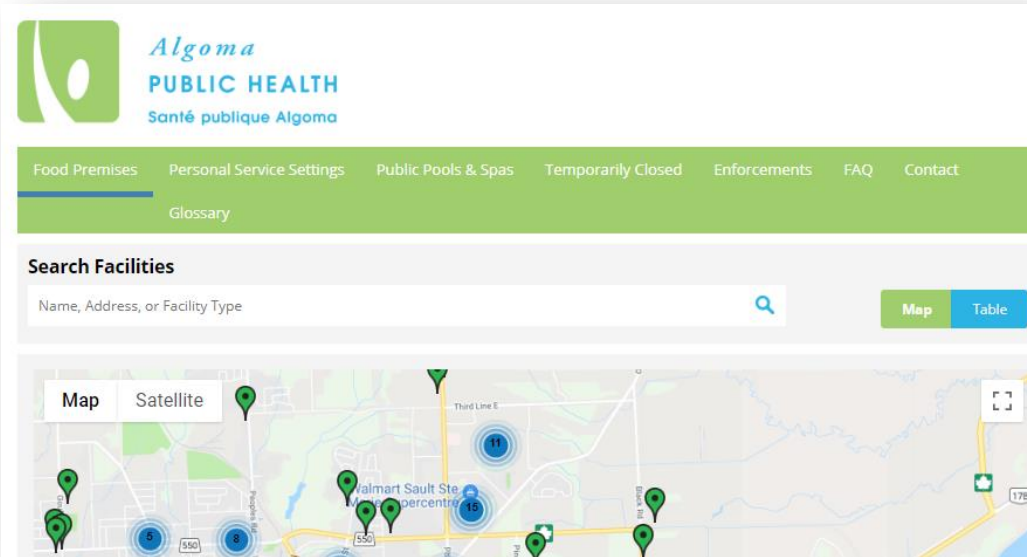


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Example: Restaurants

Public Health ROI

- Health Protection
- Health Promotion & Prevention



Inspection results are posted online daily – check them out yourself

disclosure.algomapublichealth.com/portal

Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



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Algoma
PUBLIC HEALTH
Santé publique Algoma

Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



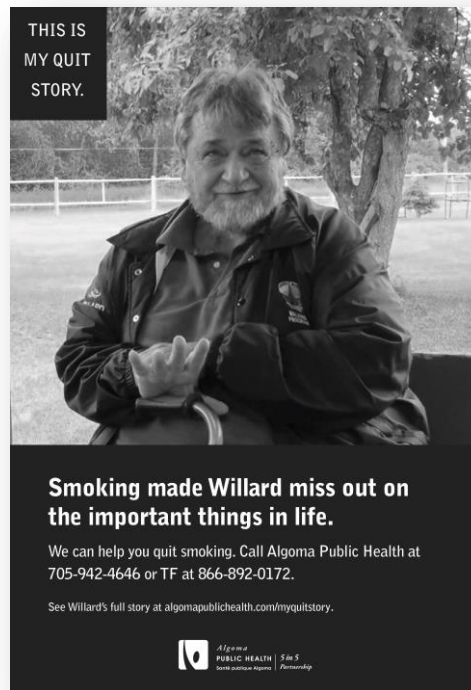
Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



Public Health ROI

- Health Protection
- Health Promotion & Prevention



Public Health ROI

- Health Protection
- **Health Promotion & Prevention**



Cannabis



Cannabis can impair your ability to operate vehicles or equipment safely



Adapted with permission of the North Bay Parry Sound District Health Unit. Further reproduction prohibited without permission, October 2018.

Overdose does not discriminate



Public Health ROI

- Health Protection
- Health Promotion & Prevention



Cost Savings

Every One Dollar...



- Invested toward immunizing children for measles, mumps and rubella, saves \$16 in health care costs.¹
- Invested toward tobacco prevention saves up to \$20 in health care costs.²
- Invested in early childhood development saves up to \$9 in future health, social, and justice service costs.^{3 4}



THANK YOU



References

¹Public Health Agency of Canada. 2018. Canadian Immunization Guide. Cost benefit of vaccines. Table 2: Cost savings achieved through selected immunization programs. Accessed 2019-01-17 from <https://www.canada.ca/en/public-health/services/publications/healthy-living/canadian-immunization-guide-part-1-key-immunization-information/page-3-benefits-immunization.html#p1c2t2>.

²Wang LY, Crossett LS, Lowry R, Sussman S, Dent CW. Cost-effectiveness of a School-Based Tobacco-Use Prevention Program. *Arch Pediatr Adolesc Med*. 2001;155(9):1043–1050. doi:10.1001/archpedi.155.9.1043

³Butler-Jones D. 2009. The Chief Public Health Officer's Report on the State of Public Health in Canada, 2009: Growing Up Well – Priorities for a Healthy Future. Government of Canada. Accessed 2019-0-17 from <http://www.phac-aspc.gc.ca/cphorsphc-respcacsp/2009/fr-rc/pdf/cphorsphc-respcacsp-eng.pdf>.

⁴Grunewald R and Rolnick A. March 2006. A proposal for achieving high returns on early childhood development. Federal Reserve Bank of Minneapolis. Accessed 2019-01-17 from <https://www.minneapolisfed.org/~media/files/publications/studies/earlychild/highreturn.pdf?la=en>





Algoma Public Health

2019 Public Health Operating & Capital Budget

2019 Operating & Capital Budget

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2019 Operating & Capital Budget

EXECUTIVE SUMMARY:

Issue:

The *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability* (the Standards) requires boards of health to ensure administration develops a budget forecast for the fiscal year that does not project a deficit. To support municipal budget planning, Algoma Public Health (APH) attempts to advise them of their respective levies as early as possible. The Board of Health Finance & Audit Committee has reviewed the 2019 Public Health Operating and Capital Budget and recommends the Board of Health approve the enclosed budget.

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2019 Public Health Operating and Capital budget as presented”.

Budget Summary:

The 2019 APH Operating & Capital Budget (the Budget) is designed to position the Board of Health for the District of Algoma Health Unit in fulfilling its mandate as per the requirements set out in the *Health Protection and Promotion Act (HPPA)*, the Standards, the *Public Health Accountability Agreement*, and APH’s strategic plan. The 2019 budget reflects changes in programming consistent with the new 2018 Standards. This includes implementation of the Vision Screening Program; greater focus on using data in developing program plans; reducing involvement in services that are provided elsewhere in the community; additional enforcement activities with respect to *Smoke Free Ontario Act*, enforcing new health protection regulations, and additional disclosure requirements.

The proposed 2019 Budget for mandatory programs and services is \$14,735,055 and as compared to the 2018 Board of Health approved budget, represents a 0.1% overall increase.

The recommended 0.50% increase in the municipal levy will help to offset the projected 0% increase in the provincial grant for cost-shared programs, inherent inflationary pressures and general salary increases. Cost savings measures are also reflected in the budget which is helping to manage the projected flat-lined provincial funding.

2019 Financial Assumptions:

- Cost associated with changes in service offerings are projected
- 0% increase in the 2019 provincial cost-shared portion of funding
- 0.50% (\$17,511) overall increase in the 2019 municipal levy

2019 Operating & Capital Budget

- 0.16% overall increase in mandatory cost-shared programs budget
- Salary increases of 1.5% for both ONA and CUPE employees as of April 1st 2019, as per collective bargaining agreements
- Salary increases of 1.5% for Non-Union and Management employees as of April 1st, 2019; equivalent to that of negotiated increases with ONA and CUPE employees
- Non-salary costs are based on historical data and where possible, efficiencies introduced; adjustments for inflation have been incorporated where appropriate
- Debt repayment plans will be managed within approved (existing) resources
- Capital Asset Funding Plan developed

PUBLIC HEALTH BUDGET BACKGROUND:

Provincial Government Context

2018 marked the formation of a new Provincial government which campaigned on reducing provincial spending. With respect to this commitment, the Provincial Government obtained the services of Ernst & Young to conduct a review of Ontario Government Spending for the fifteen years ending fiscal year 2017/2018. Noted in the review was that “the Government has indicated an objective of efficiency gains in the order of four cents on the dollar”¹. At this time, there has been no indication by the provincial government with respect to funding of the public health system.

Ministry of Health and Long-Term Care Context:

The HPPA and Accountability Agreements

Under the *HPPA*, a Board of Health has legal responsibilities for ensuring the delivery of health services and programs in accordance with the *Act* and Regulations. The Public Health Accountability Agreement, between the Ministry of Health and Long-Term Care (MOHLTC) and Boards of Health, commits Boards of Health to achieving mandatory performance and monitoring indicators.

The Standards

2018 marked the first year operating under the modernized public health Standards.

The Standards are published by the MOHLTC under the authority of section 7 of the *HPPA* to specify the mandatory health programs and services provided by boards of health. These Standards provide a framework for public health programs, services, and accountability.

¹ Managing Transformation – A Modernization Action Plan for Ontario; Line-by-line Review of Ontario Government Expenditures 2002/203-2017/2018, September 21, 2018.

2019 Operating & Capital Budget

Annual Service Plans

The 2018 Annual Service Plan was the first time that the MOHLTC required boards of health to demonstrate that programs align with community priorities (as identified in their population health assessment), demonstrate accountability for planning, and demonstrate the use of funding per program and service.

The Ministry has advised all public health units to plan for no growth funding with regards to cost-shared programs. The 2019 Budget reflects the Ministry's advisement.

Algoma Public Health Context

APH's Community Health Profile

In 2018 APH released its Community Health Profile which provides a snapshot of health across the District of Algoma. The Community Health Profile will serve as a guidance document in APH's Program Planning process and aid the Board of Health with the development of its strategic priorities.

APH Strategic Planning Process

The Public Health Accountability Framework section of the Standards specify that "the board of health shall have a strategic plan that establishes strategic priorities over 3 to 5 years, includes input from staff, clients and community partners, and is reviewed at least every other year". APH's current strategic plan is set to expire in 2020. The 2019 Budget includes dollars allocated for the development of a new Strategic Plan that that would be in place by 2020.

APH 2018 Grant Approval:

In May of 2018, just prior to the election, APH was notified by the Ministry that it would receive up to 3% (\$214,000) in base funding and up to \$227,000 in one-time funding². This funding announcement was unexpected given the Ministry's recommendation to plan for no growth funding for 2018.

For context, the Board of Health for the District of Algoma Health Unit has experienced the following historical growth in provincial MOHLTC funding for mandatory cost-shared programs:

² \$141,700 of the one-time funding total was in relation to the Northeastern Collaboration/Shared Service Project which is being shared by the five north eastern public health units.

2019 Operating & Capital Budget

Year	Growth (%)	
2019	0.00%	projected
2018	3.00%	
2017	0.00%	
2016	0.00%	
2015	0.00%	
2014	2.00%	
2013	1.50%	
2012	2.00%	
2011	2.52%	

2019 PUBLIC HEALTH BUDGET ANALYSIS:

As a result of the Ministry advising Public Health Units to plan for no growth funding for mandatory cost-shared programs, APH's budget is built on a 0% increase in growth funding for mandatory cost-shared programs from the MOHLTC and a recommended a 0.50% increase in the municipal levy.

Revenue Generating & Cost Savings Initiatives:

Identification of revenue generating and cost savings opportunities is necessary in order to attain a balanced budget for 2019 and in anticipation of ongoing funding pressures. Management and the Finance and Audit Committee have worked towards identifying opportunities to generate revenue and control costs. Noted below is a summary of key initiatives built into the 2019 Budget that will result in cost savings or incremental revenue generation for APH.

#	Cost Savings/Revenue Generating Initiative	Amount
1	Janitorial Services	\$ 20,000
2	Security Services	\$ 6,000
3	HVAC Annual Maintenance Contract	\$ 8,455
4	Print Services (Xerox Contract)	\$ 48,000
5	Phone Hardware Warranty (CISCO)	\$ 35,000
6	Increase in Ontario Building Code Fees (Approved in 2017)	\$ 6,400
TOTAL		\$123,855

Action Plan to Manage Projected Flat Line Provincial Funding:

- Development of the 2019 Budget to ensure it is aligned with APH's strategic directions and MOHLTC Accountability Agreement and the Standards.
- Continue to submit one-time funding requests to the MOHLTC through the Annual Service Plan process.

2019 Operating & Capital Budget

- Control spending by ensuring APH is receiving “value for dollars” spent.
- Identification of process improvements and improved efficiency opportunities.
- Utilization of additional funding opportunities (i.e. through the Northern Ontario Heritage Fund).
- Continued exploration of cost-sharing opportunities with Northeast health units (Northeastern Public Health Collaboration Project).

Revenues

Cost-shared programs and services are funded by the province, municipalities and other sources of revenue, such as interest revenue, and user fees (Appendix 1).

The province also contributes funding for services to Unorganized Territories (a geographic region that is not part of a municipality or First Nation reserve).

Provincial

Pursuant to section 76 of the Health Protection & Promotion Act, the Minister may make grants for the purposes of this Act on such conditions as he or she considers appropriate.

In 2015, the Ministry of Health & Long Term Care introduced a new public health funding model for mandatory programs. The adopted public health funding model identifies an “appropriate” share for each Board of Health that reflects the needs in relation to other Boards of Health. While the model attempts to lessen the impact of a region’s population to account for equity and needs of a region, the weight given to a region’s population still drives the formula. The Ministry did not apply the funding model in 2018 with respect to the increase in base funding that was realized by health units across the province. The importance of the funding model will be minimal in 2019 as the Ministry has communicated to public health units to plan for no growth funding.

Municipal

Pursuant to section 72 of the Health Protection & Promotion Act, 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 the HPPA or any other act; and*
- (b) the expenses incurred by or on behalf of the MOH of the board of health in the performance of his or her functions and duties under the HPPA or any other Act.*

With respect to the cost-shared programs, APH’s funding ratio for 2018 was 70% provincial funding and 30% municipal funding.

2019 Operating & Capital Budget

The municipal share is slightly reduced compared to 2017. This is a result of the 2018 provincial increase in base funding for mandatory costs shared programs of 3% on approximately \$7.3 million. In 2018, the board approved a 0.5% levy increase on approximately \$3.5 million.

Other historical factors impacting the funding ratio include:

- The Ministry's decision in 2016 to fund the Healthy Smiles program at 100% provincially funded thus removing these dollars from the Municipal portion of the cost-shared formula.
- From 2015 to 2017, APH has received 0% growth with respect to Ministry cost-shared funding while receiving growth funding from the respective Municipalities within the District of Algoma in the form of levy increases.

Municipal dollars through the form of the levy have allowed the Board of Health to make contribution decisions with respect to the Board's Reserve Fund. This is within the context of the Board's risk management strategy.

APH has historically used Census data as the mechanism to apportion costs amongst the municipalities within the District of Algoma. 2016 census data is used in the 2019 Budget to apportion the levy amongst the 21 Municipalities within the District of Algoma.

Management is recommending a 0.50% overall increase in the levy from obligated municipalities. This equates to a \$17,511 increase in revenues apportioned among the 21 Municipalities within the Algoma District (Appendix 2). For perspective, a 1.0% overall increase in the levy would result in an additional \$35,022 of revenue compared to 2018.

For context, the Board of Health for the District of Algoma Health Unit has experienced the following historical growth with respect to the municipal levy.

Year	Levy Increase	
2019	0.50%	<i>proposed</i>
2018	0.50%	
2017	2.50%	
2016	4.50%	
2015	4.16%	
2014	2.00%	
2013	1.00%	
2012	2.00%	

2019 Operating & Capital Budget

User Fees

APH is very mindful that a strong public health system ensures access to public health programs and services for those groups of people within our population that most need them. As such, when assessing the costs and benefits of increasing user fees, APH has taken a strategic view.

In June of 2017, the Board of Health approved a nominal price increase related to the Ontario Building Code Fees. This increase has been built into the 2019 Budget. It should be noted that the Land Control program is funded only through the fees generated. As such APH must ensure that it is at least covering the cost incurred to administer the program.

Expenses

Expenses are primarily driven through staff salary and benefits, (approximately 76% of all expenses), goods and service contracts, debt financing, and inflation (Appendix 3).

Inflationary pressures will continue to place upward pressures on APH's operating costs. The Consumer Price Index percentage change from August 2017 to August 2018 increased as follows:

- Canada: 2.8%
- Ontario: 3.1%

The recommended levy increase of 0.5% is less than the increase in inflation over the past year. When assessing any potential levy increase, the rate of inflation is a factor to consider.

Salary and Wages

Salary and Wages expenses are projected to increase by 0.9% compared to 2018.

Both CUPE and ONA collective agreements were ratified in 2018 and both agreements expire in 2021. Collectively bargained salary increases are reflected within the 2019 Budget. Salary increases for Non-Union and Management staff are equivalent to that of negotiated increases with ONA and CUPE employees.

For context, a summary of Public Health Full Time Equivalent (FTE) is noted below:

Year	FTE	
2019	123	<i>budgeted</i>
2018	121	
2017	120	
2016	122	

2019 Operating & Capital Budget

Compared to budgeted 2018 FTE, the Public Health FTE count has increased by two (2) FTE in the 2019 Budget. This is a result of the Ministry announcing a 3% increase in base funding in May 2018. The 2018 increase in base funding has allowed Management to increase the FTE complement to align resources to help meet requirements set out in the new Standards.

Benefits

Benefit expenses are projected to increase by 2.7% compared to 2018.

This is a result of increased salary and wages expense as noted above as well as increasing costs associated with non-statutory benefits that the health unit is committed to.

Travel

Travel expenses are projected to decrease by 2.4% compared to 2018.

This is a result of revising the travel budget to more accurately reflect actual travel expenses incurred in 2018.

Program

Program expenses are projected to decrease by 4.0% compared to 2018.

This is a result of revising the Immunization budgeted expenses to more accurately reflect actual expenses incurred in 2018. Also, Healthy Living and Food Safety budgeted expenses have been reduced to reflect actual spending. Offsetting the reduction in spending is the inclusion of purchased services for updating the agency's strategic plan.

Equipment

Equipment expenses are projected to remain unchanged compared to 2018.

Computers typically are refreshed on a three year cycle with \$25,000 budgeted annually.

Office Expenses

Office expenses are projected to decrease by 19.7% compared to 2018.

APH's Xerox lease commitments expired in 2018. Cost savings are anticipated and factored into the 2019 Budget. Co-operative Purchasing program pricing, such as the Public Sector Vendor of Record (VOR) program and the Ontario Education Collaborative Marketplace (OECM), are being explored at the time of drafting the 2019 budget. APH's centralized procurement processes continues to generate savings and improve operating efficiencies by allowing APH to capitalize on volume discounts and developing staff procurement expertise.

2019 Operating & Capital Budget

Computer Services

Computer Services expenses are projected to increase by 3.2% compared to 2018.

APH's Service Level Agreement with MicroAge allows APH to flex resources. In 2018, APH increased the FTE complement up to the original contract commitment of five (5) resources from four (4). As a result of this added FTE complement, APH decided not to pursue obtaining access to MicroAge's corporate resources to help with IT requests. The net impact is \$27k to APH's 2019 Operating budget.

Telecommunications

Telecommunications expenses are projected to decrease by 11.7% compared to 2018.

APH's contract for warranty of telephone hardware expired in 2018. Savings of approximately \$36,000 are projected for 2019 compared to 2018. Savings will be realized by moving the software component of the warranty to APH servers. This is an example of APH leveraging its investment in quality servers to support further efficiencies and generate cost savings.

Program Promotion

Program promotion expenses are projected to decrease by 4.5% compared to 2018.

Promotional activities continue to be in line with program plans. The reduction in promotional expenses is to better reflect actual spending.

Facility Leases

Facility Leases expense is projected remain unchanged in 2018.

No increases with current leased facilities in Blind River, Elliot Lake, and Wawa offices are scheduled for 2019.

Building Maintenance

Building Maintenance expenses are projected to decrease by 9.1% compared to 2018.

Since APH is projecting a surplus for 2018 with regards to mandatory cost-shared programs, Building Maintenance expenses that would have been budgeted in 2019 has been pulled forward to 2018 thus reducing budgeted Building Maintenance expenses for 2019. Furthermore, savings will be generated through the new janitorial contract that was implemented in August 2018.

2019 Operating & Capital Budget

Fees & Insurance

Fees & Insurance expenses are projected to increase by 6.0% as compared to 2018.

In 2018, the Board of Health made a commitment to purchase cyber insurance. This expense is factored into the 2019 Operating Budget.

Expense Recoveries

Expense Recoveries are projected to increase by 0.4% compared to 2018.

Expense Recoveries are administrative allocations from Community Health programs to Public Health programs. An example would be Public Health charging a Community Health program for administrative services related to clerical or financial reporting support. In order to more accurately reflect the work Public Health is supporting with respect to Community Health programs, Management is ensuring adequate administrative charges for non-public health programs. This is in line with the Boards strategy to ensure it is accountable for the dollars it receives and spends by not subsidizing non-public health programs. 2019 Expense Recoveries are similar to 2018 projections.

Debt Management

Debt Management expenses are projected to remain constant compared to 2017.

APH debt servicing costs will be financed through operations. The loan related to 294 Willow Avenue property continues for three (3) more years with monthly payments applied according to schedule.

Capital Expenses

In 2018 APH received a building conditions assessment that was funded through the Ministry of Community and Social Services. This document helped to facilitate a formal Building Capital Plan referred to as, Algoma Public Health 2018-2030 Capital Asset Funding Plan (Appendix 4).

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2019 Public Health Operating and Capital budget as presented”.

APPENDIX 1

2019 Funding Projections	2018	2019	
Grants, Levies and Recoveries	Annual	Annual	Ch as %
	Budget	Budget	
Public Health Mandatory Programs	\$ 7,344,900	\$ 7,344,900	0.00%
Vector-Bourne Diseases Program (75%)	108,700	108,700	0.00%
Small Drinking Water Systems (75%)	69,600	69,600	0.00%
Healthy Smiles Ontario Program (100%)	769,900	769,900	0.00%
Unorganized Territories (100%)	530,400	530,400	0.00%
Smoke-Free Ontario Strategy (100%)	433,600	433,600	0.00%
Infectious Diseases Control Initiative (100%)	222,300	222,300	0.00%
Social Determinants of Health Nurses Initiative (100%)	180,500	180,500	0.00%
Diabetes Prevention Programming (100%)	150,000	150,000	0.00%
Harm Reduction Program Enhancement (100%)	150,000	150,000	0.00%
Chief Nursing Officer Initiative (100%)	121,500	121,500	0.00%
Northern Fruit and Vegetable Program (100%)	117,400	117,400	0.00%
MOH / AMOH Compensation Initiative (100%)	126,451	126,451	0.00%
Infection Prevention and Control Nurses Initiative (100%)	90,100	90,100	0.00%
Needle Exchange Program Initiative (100%)	64,700	64,700	0.00%
Enhanced Food Safety - Haines Initiative (100%)	24,600	24,600	0.00%
Enhanced Safe Water Initiative (100%)	15,500	15,500	0.00%
Levies Sault Ste. Marie	2,425,763	2,438,101	0.51%
Levies District	1,016,983	1,022,156	0.51%
Levies VBD/Safe Water/One Time	59,433	59,433	0.00%
Recoveries	220,213	238,214	8.17%
Land Control Fees	160,000	160,000	0.00%
Program Fees	65,000	65,000	0.00%
Program Fees Immunization	185,000	160,000	-13.51%
Program Fees Influenza, HPV & Menactra	55,000	40,000	-27.27%
Interest & Other	14,000	32,000	128.57%
Total	14,721,543	14,735,055	0.09%
Summary			
Grants	10,520,151	10,520,151	0.00%
Levies	3,502,179	3,519,690	0.50%
Recoveries	699,213	695,214	-0.57%
Total	\$ 14,721,543	\$ 14,735,055	0.09%
Ont Time Funding per Accountability Agreement	\$ 227,700		

APPENDIX 2

2019 Municipal Levy	POP 2016 Census	Proposed 2019 Rate	Proposed 2019 Levy	2018 Rate	2018 Levy	Change in Net Amount	% Change in Net Amount	Apportionment of Costs
<u>CITIES</u>								
Sault Ste. Marie	73,368	33.80	2,479,977	33.63	2,467,639	12,338	0.50%	70.46%
Elliot Lake	10,741	33.80	363,066	33.63	361,260	1,806	0.50%	10.32%
<u>TOWNS</u>								
Blind River	3,472	33.80	117,360	33.63	116,776	584	0.50%	3.33%
Bruce Mines	582	33.80	19,673	33.63	19,575	98	0.50%	0.56%
Thessalon	1,286	33.80	43,469	33.63	43,253	216	0.50%	1.24%
<u>VILLAGES/MUNICIPALITY</u>								
Hilton Beach	171	33.80	5,780	33.63	5,751	29	0.50%	0.16%
Huron Shores	1,664	33.80	56,246	33.63	55,967	280	0.50%	1.60%
<u>TOWNSHIPS</u>								
Dubreuilville	613	33.80	20,721	33.63	20,617	103	0.50%	0.59%
Jocelyn	313	33.80	10,580	33.63	10,527	53	0.50%	0.30%
Johnson	751	33.80	25,385	33.63	25,259	126	0.50%	0.72%
Hilton	307	33.80	10,377	33.63	10,326	52	0.50%	0.29%
Laird	1,047	33.80	35,391	33.63	35,215	176	0.50%	1.01%
MacDonald, Meredith and Aberdeen Add'l	1,609	33.80	54,387	33.63	54,117	271	0.50%	1.55%
Wawa (formerly Michipicoten)	2,905	33.80	98,195	33.63	97,706	489	0.50%	2.79%
The North Shore	497	33.80	16,800	33.63	16,716	84	0.50%	0.48%
Plummer Add'l	660	33.80	22,309	33.63	22,198	111	0.50%	0.63%
Prince	1,010	33.80	34,140	33.63	33,970	170	0.50%	0.97%
St. Joseph	1,240	33.80	41,914	33.63	41,706	209	0.50%	1.19%
Spanish	712	33.80	24,067	33.63	23,947	120	0.50%	0.68%
Tarbutt & Tarbutt Add'l	534	33.80	18,050	33.63	17,960	90	0.50%	0.51%
White River	645	33.80	21,802	33.63	21,694	108	0.50%	0.62%
Total	104,127		3,519,690		3,502,179	17,511	0.50%	100.00%

Note:

Population from 2016 CENSUS per Stats Canada

APPENDIX 3

2019 Annual Operating Budget

	2018 Annual Budget	2019 Annual Budget	
	(Final Approved)		Inc as %
Revenues Summary			
Province Portion of Jointly Funded Programs	\$ 7,523,200	\$ 7,523,200	0.0%
100% Provincially Funded Programs	2,996,951	2,996,951	0.0%
Municipal Levies	3,502,179	3,519,690	0.5%
Other Recoveries and Fees	699,213	695,214	-0.6%
Total	14,721,543	14,735,055	0.1%
Expenses:			
Salaries and Wages	8,953,731	9,031,429	0.9%
Benefits	2,126,952	2,185,087	2.7%
Travel	195,775	191,069	-2.4%
Program	657,715	631,433	-4.0%
Equipment	25,000	25,000	0.0%
Office	128,909	103,544	-19.7%
Computer Services	757,881	781,927	3.2%
Telecommunications	303,304	267,685	-11.7%
Program Promotion	167,223	159,632	-4.5%
Facilities Leases	160,000	160,000	0.0%
Building Maintenance	660,000	600,000	-9.1%
Fees & Insurance	228,450	242,080	6.0%
Expense Recoveries	(104,296)	(104,730)	0.4%
Debt Management (I & P)	460,900	460,900	0.0%
Total	14,721,543	14,735,055	0.1%
Surplus/(Deficit)			
	\$ -	\$ -	



APPENDIX 4

Algoma Public Health 2018 - 2030 Capital Asset Funding Plan

2018 - 2030 Capital Asset Funding Plan

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2018 - 2030 Capital Asset Funding Plan

Purpose:

The Board of Health for the District of Algoma (the Board) has undertaken the development of a Capital Asset Funding Plan (the Plan). The purpose of the Plan is to provide visibility to the Board with respect to capital asset needs. The Capital Asset Plan, in conjunction with APH's Reserve Fund Policy, will allow the Board of Health to set long-term financial goals.

As part of the Ontario Public Health Standards, "the board of health shall maintain a capital funding plan, which includes policies and procedures to ensure that funding for capital projects is appropriately managed and reported". As APH owns and operates a facility in Sault Ste. Marie, there is a need to plan for and appropriately fund the cost of major ongoing repairs and maintenance associated with the facility. In addition, APH leases several facilities which may require leasehold improvements. By maintaining adequate Reserves, APH will be able to offset the need to obtain alternate sources of financing.

Operating Budget versus Capital Asset Plan:

The Operating Budget captures the projected incoming revenues and outgoing expenses that will be incurred on a daily basis for the operating year.

The Capital Asset Plan is a blueprint to identify potential capital expenditures and to develop a method in which to finance the associated expenditure. Capital expenditures are cost incurred for physical goods that will be used for more than one year.

The development of the Capital Asset Funding Plan serves as a risk management tool as it minimizes having large unforeseen budget increases in the future as a result of capital needs.

In addition, the Capital Asset Funding Plan will help the Board with contribution and withdrawal decisions to the Reserve Fund. Reserves can only be generated through unrestricted operating surpluses. As any unspent provincial dollars must be returned to the Ministry, the only mechanism to generate surplus dollars is through the Municipal levy. Maintaining adequate Reserves reduces the need for the Board of Health to further levy obligated municipalities within the district to cover unexpected expenses incurred by the board of health.

The Capital Asset Funding Plan was developed around the Building Conditions Assessment (the Assessment) that was completed on behalf of the Ministry of

2018 - 2030 Capital Asset Funding Plan

Community and Social Services (the Ministry). The Assessment was conducted on November 20, 2015 with a final report received on February 20th, 2018. This Assessment report, specifically the Capital Reserve Expenditure schedule serves as the foundation of APH's Capital Asset Funding Plan over a 20 year period. In addition, the Assessment will help with Reserve Fund contribution decisions.

The Capital Asset Plan is a fluid document. The timing of planned expenditures may be moved up or pushed back depending on the situation.

Types of Capital Assets:

In addition to the specific capital building needs, APH management included items related to Computer Equipment; Furniture and Equipment; Vehicles; and Leasehold Improvements (as APH leases office space within the District). These categories mirror those referenced in APH's Financial Statements which are amortized over a period of time.

Computer Equipment/Furniture/Vehicles

Investing in Computer Equipment, Furniture, and Vehicles is required to allow APH employees to provide services within the District of Algoma. Keeping staff well-equipped improves efficiencies while improving program outcomes.

Facilities – Maintenance, Repair and Replacement

APH owns and leases space. As a result, it is necessary to make improvements to the property (capital or leasehold improvements). As the owner of the facility located at 294 Willow Avenue in Sault Ste. Marie, APH is responsible for repairs and maintenance of the facility. Anticipating what repairs or improvements may be necessary, researching and estimating the related costs, determining the target amount needed and the approximate timing of the expenditure are all part of the capital budgeting process, along with developing funding strategies.

Types of Financing Options Available to the Board of Health:

Depending of the nature and the associated cost of the expenditure, there are different financing options available to the Board of Health. Three examples include:

2018 - 2030 Capital Asset Funding Plan

Operating Dollar Financing – can be used if APH is operating in a surplus position in any given year and the associated cost of the expenditure will still allow the Board to remain on target with respect to their annual operating budget. The nature of the expenditure would have to be admissible under the terms of the Ministry Accountability Agreement. Use of operating dollars for capital expenditures helps to minimize the amount of dollars that may have to be returned to the Ministry within any given year.

Reserve Financing – can be used if APH determines that the use of operating dollars is not feasible (i.e. cost of the expenditure would negatively impact the annual Operating Budget or the type of expenditure is inadmissible under the terms of the Ministry Accountability Agreement). The advantages of Reserve Financing are it minimizes the amount of debt the Board would otherwise incur and/or reduces the Levy that municipalities would have to contribute.

Debt Financing – can be used when the expenditure is large in scale such that operating dollars and Reserves would not support it.

Regardless of whether the expenditure is capital or operating in nature, APH's Procurement Policy 02-04-030 and Reserve Fund Policy 02-05-065 must be adhered to. As such, management may make capital expenditures with operating or reserve dollars provided the expenditure is within the Board approved spending limits as noted within each of the respective policies. Any debt financing would typically require Board approval.

ALGOMA PUBLIC HEALTH CAPITAL ASSET PLAN													
Item	Anticipated Expenditure												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Computer Equipment													-
Network Servers					200,000							200,000	400,000
Telephone System	150,000								150,000				300,000
Network Infrastructure					60,000								60,000
Polycom Video Conference System			28,000					28,000					56,000
Backup Data Storage			30,000								30,000		60,000
Computers	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	325,000
													-
Furniture and Equipment													-
Vaccine Refrigerators			7,000				7,000				7,000		21,000
													-
Vehicle													-
Truck (land control)						50,000							50,000
													-
Leasehold Improvements													-
Blind River Office	5,000												5,000
Elliot Lake Office					7,000								7,000
Wawa Office		5,000											5,000
													-
Owned Facility:													-
294 Willow Avenue Building, Sault Ste. Marie													-
Municipal/Utility Services													-
Water Supply													-
Sanitary Supply													-
Storm Sewer													-
Gas Utility													-
Hydro Utility													-
Other Municipal/Utility Services													-
Site Finishes													-
Passenger Vehicle Parking Area - Pavement and Curbing							26,600						26,600
Roadways - Pavement and Curbing							17,500						17,500
Walkways, Sidewalks and Exterior stairs													-
Exterior Light Standards													-
Soft Landscaping and Picnic Facilities													-
Signage													-
Retaining walls and other Site Improvements													-
Site Drainage													-
Parking Gates													-
Other Site Finishes													-
Structural													-
Building Substructure, including foundations and basement walls													-
Building Superstructure													-
Interior Stairs													-
Roof Construction													-
Other Structural													-
Building Exterior													-
Foundation Wall													-
Cladding System													-
Exterior Sealants and Caulking													-
Entrances and Doors													-
Windows including Frames													-
Parapets and Canopies													-
Loading Dock													-
Other Building Exterior													-
Roof													-
Roof Assembly (waterproofing membrane and roof surface)					165,000								165,000
Flashing													-
Roof Drainage (eaves troughs/downspouts, roof drains)													-
Chimneys/Boiler Stacks													-
Skylights and other Roof Openings													-
Roof venting, if any													-
Other Roof													-
Building Interior													-
Interior Partitions and Doors													-
Flooring													-
Ceiling			60,000									60,000	120,000
Wall Finishes (Paint, Trim Baseboards, etc.)			45,000									45,000	90,000
Washroom Fixtures and Accessories (Towel dispensers, hand dryers, soap dispensers, change tables, partitions, etc.)													-
Presence of Mould													-
Other Building Interior													-
Mechanical and HVAC													-
Heating, Ventilating and Air Conditioning Systems							122,000						122,000
Building, Automation Systems, if any													-
Ductwork, if any													-
Vertical Transportation Devices, if any													-
Other Mechanical and HVAC													-
Plumbing													-
Plumbing fixtures													-

ALGOMA PUBLIC HEALTH CAPITAL ASSET PLAN														
Item	Anticipated Expenditure													
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Domestic water distribution														-
Sanitary waster														-
Rainwater drainage														-
Water Fountain														-
Electric														-
Primary Feed and Main Switchgear														-
Main Transformers														-
Step-down Transformers														-
Emergency Power Source or Generator														-
Distribution Systems and Panels														-
Interior Lighting														-
Exterior Lighting (Building-Mounted)														-
Automated Lighting Control System														-
Other Electrical														-
Fire Protection and Life Safety Systems														-
Water Reservoir, if any														-
Sprinkler and/or Standpipe System, if any														-
Fire Extinguishers														-
Fire Pumps, if any														-
Fire Alarm System and Voice Communication Systems, if any														-
Smoke and Heat Detectors and Carbon Monoxide Detectors, as applicable														-
Emergency Lighting and Exit Signage														-
Security System														-
Fire/Emergency Plans														-
Fire Separations (visual inspection and inclusion of info that is readily available)														-
Automatic door closers														-
Other Fire Protection and Life Safety Systems														-
Hazardous Materials														-
Asbestos														-
PCB's														-
Other Hazardous Materials														-
Subtotal	180,000	30,000	195,000	25,000	457,000	75,000	198,100	53,000	175,000	25,000	62,000	225,000	130,000	1,830,100
Contingency (10%)	18,000	3,000	19,500	2,500	45,700	7,500	19,810	5,300	17,500	2,500	6,200	22,500	13,000	183,010
Subtotal Including Contingency	198,000	33,000	214,500	27,500	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	2,013,110
Escalation Allowance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-
Escalation Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimate Financial Projections	198,000	33,000	214,500	27,500	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	2,013,110

Total Net Sq. Ft. of Owned Facility	74,000
Year Built	2011
Age (yrs.)	8
Reserve Term (yrs.)	20

NOTES:
1) Contingency of 10% has been carried to cover unforeseen items & cost increases.
2) Cost in 2017 dollars with no provision for escalation.
3) HST is excluded.



Algoma Public Health

2019 Public Health Operating & Capital Budget

2019 Operating & Capital Budget

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2019 Operating & Capital Budget

EXECUTIVE SUMMARY:

Issue:

The *Ontario Public Health Standards: Requirements for Programs, Services, and Accountability* (the Standards) requires boards of health to ensure administration develops a budget forecast for the fiscal year that does not project a deficit. To support municipal budget planning, Algoma Public Health (APH) attempts to advise them of their respective levies as early as possible. The Board of Health Finance & Audit Committee has reviewed the 2019 Public Health Operating and Capital Budget and recommends the Board of Health approve the enclosed budget.

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2019 Public Health Operating and Capital budget as presented”.

Budget Summary:

The 2019 APH Operating & Capital Budget (the Budget) is designed to position the Board of Health for the District of Algoma Health Unit in fulfilling its mandate as per the requirements set out in the *Health Protection and Promotion Act (HPPA)*, the Standards, the *Public Health Accountability Agreement*, and APH’s strategic plan. The 2019 budget reflects changes in programming consistent with the new 2018 Standards. This includes implementation of the Vision Screening Program; greater focus on using data in developing program plans; reducing involvement in services that are provided elsewhere in the community; additional enforcement activities with respect to *Smoke Free Ontario Act*, enforcing new health protection regulations, and additional disclosure requirements.

The proposed 2019 Budget for mandatory programs and services is \$14,735,055 and as compared to the 2018 Board of Health approved budget, represents a 0.1% overall increase.

The recommended 0.50% increase in the municipal levy will help to offset the projected 0% increase in the provincial grant for cost-shared programs, inherent inflationary pressures and general salary increases. Cost savings measures are also reflected in the budget which is helping to manage the projected flat-lined provincial funding.

2019 Financial Assumptions:

- Cost associated with changes in service offerings are projected
- 0% increase in the 2019 provincial cost-shared portion of funding
- 0.50% (\$17,511) overall increase in the 2019 municipal levy

2019 Operating & Capital Budget

- 0.16% overall increase in mandatory cost-shared programs budget
- Salary increases of 1.5% for both ONA and CUPE employees as of April 1st 2019, as per collective bargaining agreements
- Salary increases of 1.5% for Non-Union and Management employees as of April 1st, 2019; equivalent to that of negotiated increases with ONA and CUPE employees
- Non-salary costs are based on historical data and where possible, efficiencies introduced; adjustments for inflation have been incorporated where appropriate
- Debt repayment plans will be managed within approved (existing) resources
- Capital Asset Funding Plan developed

PUBLIC HEALTH BUDGET BACKGROUND:

Provincial Government Context

2018 marked the formation of a new Provincial government which campaigned on reducing provincial spending. With respect to this commitment, the Provincial Government obtained the services of Ernst & Young to conduct a review of Ontario Government Spending for the fifteen years ending fiscal year 2017/2018. Noted in the review was that “the Government has indicated an objective of efficiency gains in the order of four cents on the dollar”¹. At this time, there has been no indication by the provincial government with respect to funding of the public health system.

Ministry of Health and Long-Term Care Context:

The HPPA and Accountability Agreements

Under the *HPPA*, a Board of Health has legal responsibilities for ensuring the delivery of health services and programs in accordance with the *Act* and Regulations. The Public Health Accountability Agreement, between the Ministry of Health and Long-Term Care (MOHLTC) and Boards of Health, commits Boards of Health to achieving mandatory performance and monitoring indicators.

The Standards

2018 marked the first year operating under the modernized public health Standards.

The Standards are published by the MOHLTC under the authority of section 7 of the *HPPA* to specify the mandatory health programs and services provided by boards of health. These Standards provide a framework for public health programs, services, and accountability.

¹ Managing Transformation – A Modernization Action Plan for Ontario; Line-by-line Review of Ontario Government Expenditures 2002/203-2017/2018, September 21, 2018.

2019 Operating & Capital Budget

Annual Service Plans

The 2018 Annual Service Plan was the first time that the MOHLTC required boards of health to demonstrate that programs align with community priorities (as identified in their population health assessment), demonstrate accountability for planning, and demonstrate the use of funding per program and service.

The Ministry has advised all public health units to plan for no growth funding with regards to cost-shared programs. The 2019 Budget reflects the Ministry's advisement.

Algoma Public Health Context

APH's Community Health Profile

In 2018 APH released its Community Health Profile which provides a snapshot of health across the District of Algoma. The Community Health Profile will serve as a guidance document in APH's Program Planning process and aid the Board of Health with the development of its strategic priorities.

APH Strategic Planning Process

The Public Health Accountability Framework section of the Standards specify that "the board of health shall have a strategic plan that establishes strategic priorities over 3 to 5 years, includes input from staff, clients and community partners, and is reviewed at least every other year". APH's current strategic plan is set to expire in 2020. The 2019 Budget includes dollars allocated for the development of a new Strategic Plan that that would be in place by 2020.

APH 2018 Grant Approval:

In May of 2018, just prior to the election, APH was notified by the Ministry that it would receive up to 3% (\$214,000) in base funding and up to \$227,000 in one-time funding². This funding announcement was unexpected given the Ministry's recommendation to plan for no growth funding for 2018.

For context, the Board of Health for the District of Algoma Health Unit has experienced the following historical growth in provincial MOHLTC funding for mandatory cost-shared programs:

² \$141,700 of the one-time funding total was in relation to the Northeastern Collaboration/Shared Service Project which is being shared by the five north eastern public health units.

2019 Operating & Capital Budget

Year	Growth (%)	
2019	0.00%	projected
2018	3.00%	
2017	0.00%	
2016	0.00%	
2015	0.00%	
2014	2.00%	
2013	1.50%	
2012	2.00%	
2011	2.52%	

2019 PUBLIC HEALTH BUDGET ANALYSIS:

As a result of the Ministry advising Public Health Units to plan for no growth funding for mandatory cost-shared programs, APH's budget is built on a 0% increase in growth funding for mandatory cost-shared programs from the MOHLTC and a recommended a 0.50% increase in the municipal levy.

Revenue Generating & Cost Savings Initiatives:

Identification of revenue generating and cost savings opportunities is necessary in order to attain a balanced budget for 2019 and in anticipation of ongoing funding pressures. Management and the Finance and Audit Committee have worked towards identifying opportunities to generate revenue and control costs. Noted below is a summary of key initiatives built into the 2019 Budget that will result in cost savings or incremental revenue generation for APH.

#	Cost Savings/Revenue Generating Initiative	Amount
1	Janitorial Services	\$ 20,000
2	Security Services	\$ 6,000
3	HVAC Annual Maintenance Contract	\$ 8,455
4	Print Services (Xerox Contract)	\$ 48,000
5	Phone Hardware Warranty (CISCO)	\$ 35,000
6	Increase in Ontario Building Code Fees (Approved in 2017)	\$ 6,400
TOTAL		\$123,855

Action Plan to Manage Projected Flat Line Provincial Funding:

- Development of the 2019 Budget to ensure it is aligned with APH's strategic directions and MOHLTC Accountability Agreement and the Standards.
- Continue to submit one-time funding requests to the MOHLTC through the Annual Service Plan process.

2019 Operating & Capital Budget

- Control spending by ensuring APH is receiving “value for dollars” spent.
- Identification of process improvements and improved efficiency opportunities.
- Utilization of additional funding opportunities (i.e. through the Northern Ontario Heritage Fund).
- Continued exploration of cost-sharing opportunities with Northeast health units (Northeastern Public Health Collaboration Project).

Revenues

Cost-shared programs and services are funded by the province, municipalities and other sources of revenue, such as interest revenue, and user fees (Appendix 1).

The province also contributes funding for services to Unorganized Territories (a geographic region that is not part of a municipality or First Nation reserve).

Provincial

Pursuant to section 76 of the Health Protection & Promotion Act, the Minister may make grants for the purposes of this Act on such conditions as he or she considers appropriate.

In 2015, the Ministry of Health & Long Term Care introduced a new public health funding model for mandatory programs. The adopted public health funding model identifies an “appropriate” share for each Board of Health that reflects the needs in relation to other Boards of Health. While the model attempts to lessen the impact of a region’s population to account for equity and needs of a region, the weight given to a region’s population still drives the formula. The Ministry did not apply the funding model in 2018 with respect to the increase in base funding that was realized by health units across the province. The importance of the funding model will be minimal in 2019 as the Ministry has communicated to public health units to plan for no growth funding.

Municipal

Pursuant to section 72 of the Health Protection & Promotion Act, 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 the HPPA or any other act; and*
- (b) the expenses incurred by or on behalf of the MOH of the board of health in the performance of his or her functions and duties under the HPPA or any other Act.*

With respect to the cost-shared programs, APH’s funding ratio for 2018 was 70% provincial funding and 30% municipal funding.

2019 Operating & Capital Budget

The municipal share is slightly reduced compared to 2017. This is a result of the 2018 provincial increase in base funding for mandatory costs shared programs of 3% on approximately \$7.3 million. In 2018, the board approved a 0.5% levy increase on approximately \$3.5 million.

Other historical factors impacting the funding ratio include:

- The Ministry's decision in 2016 to fund the Healthy Smiles program at 100% provincially funded thus removing these dollars from the Municipal portion of the cost-shared formula.
- From 2015 to 2017, APH has received 0% growth with respect to Ministry cost-shared funding while receiving growth funding from the respective Municipalities within the District of Algoma in the form of levy increases.

Municipal dollars through the form of the levy have allowed the Board of Health to make contribution decisions with respect to the Board's Reserve Fund. This is within the context of the Board's risk management strategy.

APH has historically used Census data as the mechanism to apportion costs amongst the municipalities within the District of Algoma. 2016 census data is used in the 2019 Budget to apportion the levy amongst the 21 Municipalities within the District of Algoma.

Management is recommending a 0.50% overall increase in the levy from obligated municipalities. This equates to a \$17,511 increase in revenues apportioned among the 21 Municipalities within the Algoma District (Appendix 2). For perspective, a 1.0% overall increase in the levy would result in an additional \$35,022 of revenue compared to 2018.

For context, the Board of Health for the District of Algoma Health Unit has experienced the following historical growth with respect to the municipal levy.

Year	Levy Increase	
2019	0.50%	<i>proposed</i>
2018	0.50%	
2017	2.50%	
2016	4.50%	
2015	4.16%	
2014	2.00%	
2013	1.00%	
2012	2.00%	

2019 Operating & Capital Budget

User Fees

APH is very mindful that a strong public health system ensures access to public health programs and services for those groups of people within our population that most need them. As such, when assessing the costs and benefits of increasing user fees, APH has taken a strategic view.

In June of 2017, the Board of Health approved a nominal price increase related to the Ontario Building Code Fees. This increase has been built into the 2019 Budget. It should be noted that the Land Control program is funded only through the fees generated. As such APH must ensure that it is at least covering the cost incurred to administer the program.

Expenses

Expenses are primarily driven through staff salary and benefits, (approximately 76% of all expenses), goods and service contracts, debt financing, and inflation (Appendix 3).

Inflationary pressures will continue to place upward pressures on APH's operating costs. The Consumer Price Index percentage change from August 2017 to August 2018 increased as follows:

- Canada: 2.8%
- Ontario: 3.1%

The recommended levy increase of 0.5% is less than the increase in inflation over the past year. When assessing any potential levy increase, the rate of inflation is a factor to consider.

Salary and Wages

Salary and Wages expenses are projected to increase by 0.9% compared to 2018.

Both CUPE and ONA collective agreements were ratified in 2018 and both agreements expire in 2021. Collectively bargained salary increases are reflected within the 2019 Budget. Salary increases for Non-Union and Management staff are equivalent to that of negotiated increases with ONA and CUPE employees.

For context, a summary of Public Health Full Time Equivalent (FTE) is noted below:

Year	FTE	
2019	123	<i>budgeted</i>
2018	121	
2017	120	
2016	122	

2019 Operating & Capital Budget

Compared to budgeted 2018 FTE, the Public Health FTE count has increased by two (2) FTE in the 2019 Budget. This is a result of the Ministry announcing a 3% increase in base funding in May 2018. The 2018 increase in base funding has allowed Management to increase the FTE complement to align resources to help meet requirements set out in the new Standards.

Benefits

Benefit expenses are projected to increase by 2.7% compared to 2018.

This is a result of increased salary and wages expense as noted above as well as increasing costs associated with non-statutory benefits that the health unit is committed to.

Travel

Travel expenses are projected to decrease by 2.4% compared to 2018.

This is a result of revising the travel budget to more accurately reflect actual travel expenses incurred in 2018.

Program

Program expenses are projected to decrease by 4.0% compared to 2018.

This is a result of revising the Immunization budgeted expenses to more accurately reflect actual expenses incurred in 2018. Also, Healthy Living and Food Safety budgeted expenses have been reduced to reflect actual spending. Offsetting the reduction in spending is the inclusion of purchased services for updating the agency's strategic plan.

Equipment

Equipment expenses are projected to remain unchanged compared to 2018.

Computers typically are refreshed on a three year cycle with \$25,000 budgeted annually.

Office Expenses

Office expenses are projected to decrease by 19.7% compared to 2018.

APH's Xerox lease commitments expired in 2018. Cost savings are anticipated and factored into the 2019 Budget. Co-operative Purchasing program pricing, such as the Public Sector Vendor of Record (VOR) program and the Ontario Education Collaborative Marketplace (OECM), are being explored at the time of drafting the 2019 budget. APH's centralized procurement processes continues to generate savings and improve operating efficiencies by allowing APH to capitalize on volume discounts and developing staff procurement expertise.

2019 Operating & Capital Budget

Computer Services

Computer Services expenses are projected to increase by 3.2% compared to 2018.

APH's Service Level Agreement with MicroAge allows APH to flex resources. In 2018, APH increased the FTE complement up to the original contract commitment of five (5) resources from four (4). As a result of this added FTE complement, APH decided not to pursue obtaining access to MicroAge's corporate resources to help with IT requests. The net impact is \$27k to APH's 2019 Operating budget.

Telecommunications

Telecommunications expenses are projected to decrease by 11.7% compared to 2018.

APH's contract for warranty of telephone hardware expired in 2018. Savings of approximately \$36,000 are projected for 2019 compared to 2018. Savings will be realized by moving the software component of the warranty to APH servers. This is an example of APH leveraging its investment in quality servers to support further efficiencies and generate cost savings.

Program Promotion

Program promotion expenses are projected to decrease by 4.5% compared to 2018.

Promotional activities continue to be in line with program plans. The reduction in promotional expenses is to better reflect actual spending.

Facility Leases

Facility Leases expense is projected remain unchanged in 2018.

No increases with current leased facilities in Blind River, Elliot Lake, and Wawa offices are scheduled for 2019.

Building Maintenance

Building Maintenance expenses are projected to decrease by 9.1% compared to 2018.

Since APH is projecting a surplus for 2018 with regards to mandatory cost-shared programs, Building Maintenance expenses that would have been budgeted in 2019 has been pulled forward to 2018 thus reducing budgeted Building Maintenance expenses for 2019. Furthermore, savings will be generated through the new janitorial contract that was implemented in August 2018.

2019 Operating & Capital Budget

Fees & Insurance

Fees & Insurance expenses are projected to increase by 6.0% as compared to 2018.

In 2018, the Board of Health made a commitment to purchase cyber insurance. This expense is factored into the 2019 Operating Budget.

Expense Recoveries

Expense Recoveries are projected to increase by 0.4% compared to 2018.

Expense Recoveries are administrative allocations from Community Health programs to Public Health programs. An example would be Public Health charging a Community Health program for administrative services related to clerical or financial reporting support. In order to more accurately reflect the work Public Health is supporting with respect to Community Health programs, Management is ensuring adequate administrative charges for non-public health programs. This is in line with the Boards strategy to ensure it is accountable for the dollars it receives and spends by not subsidizing non-public health programs. 2019 Expense Recoveries are similar to 2018 projections.

Debt Management

Debt Management expenses are projected to remain constant compared to 2017.

APH debt servicing costs will be financed through operations. The loan related to 294 Willow Avenue property continues for three (3) more years with monthly payments applied according to schedule.

Capital Expenses

In 2018 APH received a building conditions assessment that was funded through the Ministry of Community and Social Services. This document helped to facilitate a formal Building Capital Plan referred to as, Algoma Public Health 2018-2030 Capital Asset Funding Plan (Appendix 4).

Recommended Action:

“That the Board of Health for the District of Algoma Health Unit approves the 2019 Public Health Operating and Capital budget as presented”.

APPENDIX 1

2019 Funding Projections	2018	2019	
Grants, Levies and Recoveries	Annual Budget	Annual Budget	Ch as %
Public Health Mandatory Programs	\$ 7,344,900	\$ 7,344,900	0.00%
Vector-Bourne Diseases Program (75%)	108,700	108,700	0.00%
Small Drinking Water Systems (75%)	69,600	69,600	0.00%
Healthy Smiles Ontario Program (100%)	769,900	769,900	0.00%
Unorganized Territories (100%)	530,400	530,400	0.00%
Smoke-Free Ontario Strategy (100%)	433,600	433,600	0.00%
Infectious Diseases Control Initiative (100%)	222,300	222,300	0.00%
Social Determinants of Health Nurses Initiative (100%)	180,500	180,500	0.00%
Diabetes Prevention Programming (100%)	150,000	150,000	0.00%
Harm Reduction Program Enhancement (100%)	150,000	150,000	0.00%
Chief Nursing Officer Initiative (100%)	121,500	121,500	0.00%
Northern Fruit and Vegetable Program (100%)	117,400	117,400	0.00%
MOH / AMOH Compensation Initiative (100%)	126,451	126,451	0.00%
Infection Prevention and Control Nurses Initiative (100%)	90,100	90,100	0.00%
Needle Exchange Program Initiative (100%)	64,700	64,700	0.00%
Enhanced Food Safety - Haines Initiative (100%)	24,600	24,600	0.00%
Enhanced Safe Water Initiative (100%)	15,500	15,500	0.00%
Levies Sault Ste. Marie	2,425,763	2,438,101	0.51%
Levies District	1,016,983	1,022,156	0.51%
Levies VBD/Safe Water/One Time	59,433	59,433	0.00%
Recoveries	220,213	238,214	8.17%
Land Control Fees	160,000	160,000	0.00%
Program Fees	65,000	65,000	0.00%
Program Fees Immunization	185,000	160,000	-13.51%
Program Fees Influenza, HPV & Menactra	55,000	40,000	-27.27%
Interest & Other	14,000	32,000	128.57%
Total	14,721,543	14,735,055	0.09%
Summary			
Grants	10,520,151	10,520,151	0.00%
Levies	3,502,179	3,519,690	0.50%
Recoveries	699,213	695,214	-0.57%
Total	\$ 14,721,543	\$ 14,735,055	0.09%
Ont Time Funding per Accountability Agreement	\$ 227,700		

APPENDIX 2

2019 Municipal Levy	POP 2016 Census	Proposed 2019 Rate	Proposed 2019 Levy	2018 Rate	2018 Levy	Change in Net Amount	% Change in Net Amount	Apportionment of Costs
<u>CITIES</u>								
Sault Ste. Marie	73,368	33.80	2,479,977	33.63	2,467,639	12,338	0.50%	70.46%
Elliot Lake	10,741	33.80	363,066	33.63	361,260	1,806	0.50%	10.32%
<u>TOWNS</u>								
Blind River	3,472	33.80	117,360	33.63	116,776	584	0.50%	3.33%
Bruce Mines	582	33.80	19,673	33.63	19,575	98	0.50%	0.56%
Thessalon	1,286	33.80	43,469	33.63	43,253	216	0.50%	1.24%
<u>VILLAGES/MUNICIPALITY</u>								
Hilton Beach	171	33.80	5,780	33.63	5,751	29	0.50%	0.16%
Huron Shores	1,664	33.80	56,246	33.63	55,967	280	0.50%	1.60%
<u>TOWNSHIPS</u>								
Dubreuilville	613	33.80	20,721	33.63	20,617	103	0.50%	0.59%
Jocelyn	313	33.80	10,580	33.63	10,527	53	0.50%	0.30%
Johnson	751	33.80	25,385	33.63	25,259	126	0.50%	0.72%
Hilton	307	33.80	10,377	33.63	10,326	52	0.50%	0.29%
Laird	1,047	33.80	35,391	33.63	35,215	176	0.50%	1.01%
MacDonald, Meredith and Aberdeen Add'l	1,609	33.80	54,387	33.63	54,117	271	0.50%	1.55%
Wawa (formerly Michipicoten)	2,905	33.80	98,195	33.63	97,706	489	0.50%	2.79%
The North Shore	497	33.80	16,800	33.63	16,716	84	0.50%	0.48%
Plummer Add'l	660	33.80	22,309	33.63	22,198	111	0.50%	0.63%
Prince	1,010	33.80	34,140	33.63	33,970	170	0.50%	0.97%
St. Joseph	1,240	33.80	41,914	33.63	41,706	209	0.50%	1.19%
Spanish	712	33.80	24,067	33.63	23,947	120	0.50%	0.68%
Tarbutt & Tarbutt Add'l	534	33.80	18,050	33.63	17,960	90	0.50%	0.51%
White River	645	33.80	21,802	33.63	21,694	108	0.50%	0.62%
Total	104,127		3,519,690		3,502,179	17,511	0.50%	100.00%

Note:

Population from 2016 CENSUS per Stats Canada

APPENDIX 3

2019 Annual Operating Budget

	2018 Annual Budget	2019 Annual Budget	
	(Final Approved)		Inc as %
Revenues Summary			
Province Portion of Jointly Funded Programs	\$ 7,523,200	\$ 7,523,200	0.0%
100% Provincially Funded Programs	2,996,951	2,996,951	0.0%
Municipal Levies	3,502,179	3,519,690	0.5%
Other Recoveries and Fees	699,213	695,214	-0.6%
Total	14,721,543	14,735,055	0.1%
Expenses:			
Salaries and Wages	8,953,731	9,031,429	0.9%
Benefits	2,126,952	2,185,087	2.7%
Travel	195,775	191,069	-2.4%
Program	657,715	631,433	-4.0%
Equipment	25,000	25,000	0.0%
Office	128,909	103,544	-19.7%
Computer Services	757,881	781,927	3.2%
Telecommunications	303,304	267,685	-11.7%
Program Promotion	167,223	159,632	-4.5%
Facilities Leases	160,000	160,000	0.0%
Building Maintenance	660,000	600,000	-9.1%
Fees & Insurance	228,450	242,080	6.0%
Expense Recoveries	(104,296)	(104,730)	0.4%
Debt Management (I & P)	460,900	460,900	0.0%
Total	14,721,543	14,735,055	0.1%
Surplus/(Deficit)			
	\$ -	\$ -	



APPENDIX 4

Algoma Public Health 2018 - 2030 Capital Asset Funding Plan

2018 - 2030 Capital Asset Funding Plan

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2018 - 2030 Capital Asset Funding Plan

Purpose:

The Board of Health for the District of Algoma (the Board) has undertaken the development of a Capital Asset Funding Plan (the Plan). The purpose of the Plan is to provide visibility to the Board with respect to capital asset needs. The Capital Asset Plan, in conjunction with APH's Reserve Fund Policy, will allow the Board of Health to set long-term financial goals.

As part of the Ontario Public Health Standards, "the board of health shall maintain a capital funding plan, which includes policies and procedures to ensure that funding for capital projects is appropriately managed and reported". As APH owns and operates a facility in Sault Ste. Marie, there is a need to plan for and appropriately fund the cost of major ongoing repairs and maintenance associated with the facility. In addition, APH leases several facilities which may require leasehold improvements. By maintaining adequate Reserves, APH will be able to offset the need to obtain alternate sources of financing.

Operating Budget versus Capital Asset Plan:

The Operating Budget captures the projected incoming revenues and outgoing expenses that will be incurred on a daily basis for the operating year.

The Capital Asset Plan is a blueprint to identify potential capital expenditures and to develop a method in which to finance the associated expenditure. Capital expenditures are cost incurred for physical goods that will be used for more than one year.

The development of the Capital Asset Funding Plan serves as a risk management tool as it minimizes having large unforeseen budget increases in the future as a result of capital needs.

In addition, the Capital Asset Funding Plan will help the Board with contribution and withdrawal decisions to the Reserve Fund. Reserves can only be generated through unrestricted operating surpluses. As any unspent provincial dollars must be returned to the Ministry, the only mechanism to generate surplus dollars is through the Municipal levy. Maintaining adequate Reserves reduces the need for the Board of Health to further levy obligated municipalities within the district to cover unexpected expenses incurred by the board of health.

The Capital Asset Funding Plan was developed around the Building Conditions Assessment (the Assessment) that was completed on behalf of the Ministry of

2018 - 2030 Capital Asset Funding Plan

Community and Social Services (the Ministry). The Assessment was conducted on November 20, 2015 with a final report received on February 20th, 2018. This Assessment report, specifically the Capital Reserve Expenditure schedule serves as the foundation of APH's Capital Asset Funding Plan over a 20 year period. In addition, the Assessment will help with Reserve Fund contribution decisions.

The Capital Asset Plan is a fluid document. The timing of planned expenditures may be moved up or pushed back depending on the situation.

Types of Capital Assets:

In addition to the specific capital building needs, APH management included items related to Computer Equipment; Furniture and Equipment; Vehicles; and Leasehold Improvements (as APH leases office space within the District). These categories mirror those referenced in APH's Financial Statements which are amortized over a period of time.

Computer Equipment/Furniture/Vehicles

Investing in Computer Equipment, Furniture, and Vehicles is required to allow APH employees to provide services within the District of Algoma. Keeping staff well-equipped improves efficiencies while improving program outcomes.

Facilities – Maintenance, Repair and Replacement

APH owns and leases space. As a result, it is necessary to make improvements to the property (capital or leasehold improvements). As the owner of the facility located at 294 Willow Avenue in Sault Ste. Marie, APH is responsible for repairs and maintenance of the facility. Anticipating what repairs or improvements may be necessary, researching and estimating the related costs, determining the target amount needed and the approximate timing of the expenditure are all part of the capital budgeting process, along with developing funding strategies.

Types of Financing Options Available to the Board of Health:

Depending of the nature and the associated cost of the expenditure, there are different financing options available to the Board of Health. Three examples include:

2018 - 2030 Capital Asset Funding Plan

Operating Dollar Financing – can be used if APH is operating in a surplus position in any given year and the associated cost of the expenditure will still allow the Board to remain on target with respect to their annual operating budget. The nature of the expenditure would have to be admissible under the terms of the Ministry Accountability Agreement. Use of operating dollars for capital expenditures helps to minimize the amount of dollars that may have to be returned to the Ministry within any given year.

Reserve Financing – can be used if APH determines that the use of operating dollars is not feasible (i.e. cost of the expenditure would negatively impact the annual Operating Budget or the type of expenditure is inadmissible under the terms of the Ministry Accountability Agreement). The advantages of Reserve Financing are it minimizes the amount of debt the Board would otherwise incur and/or reduces the Levy that municipalities would have to contribute.

Debt Financing – can be used when the expenditure is large in scale such that operating dollars and Reserves would not support it.

Regardless of whether the expenditure is capital or operating in nature, APH's Procurement Policy 02-04-030 and Reserve Fund Policy 02-05-065 must be adhered to. As such, management may make capital expenditures with operating or reserve dollars provided the expenditure is within the Board approved spending limits as noted within each of the respective policies. Any debt financing would typically require Board approval.

ALGOMA PUBLIC HEALTH CAPITAL ASSET PLAN													
Item	Anticipated Expenditure												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Computer Equipment													-
Network Servers					200,000							200,000	400,000
Telephone System	150,000								150,000				300,000
Network Infrastructure					60,000								60,000
Polycom Video Conference System			28,000				28,000						56,000
Backup Data Storage			30,000								30,000		60,000
Computers	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	325,000
													-
Furniture and Equipment													-
Vaccine Refrigerators			7,000				7,000				7,000		21,000
													-
Vehicle													-
Truck (land control)						50,000							50,000
													-
Leasehold Improvements													-
Blind River Office	5,000												5,000
Elliot Lake Office					7,000								7,000
Wawa Office		5,000											5,000
													-
Owned Facility:													-
294 Willow Avenue Building, Sault Ste. Marie													-
Municipal/Utility Services													-
Water Supply													-
Sanitary Supply													-
Storm Sewer													-
Gas Utility													-
Hydro Utility													-
Other Municipal/Utility Services													-
Site Finishes													-
Passenger Vehicle Parking Area - Pavement and Curbing							26,600						26,600
Roadways - Pavement and Curbing							17,500						17,500
Walkways, Sidewalks and Exterior stairs													-
Exterior Light Standards													-
Soft Landscaping and Picnic Facilities													-
Signage													-
Retaining walls and other Site Improvements													-
Site Drainage													-
Parking Gates													-
Other Site Finishes													-
Structural													-
Building Substructure, including foundations and basement walls													-
Building Superstructure													-
Interior Stairs													-
Roof Construction													-
Other Structural													-
Building Exterior													-
Foundation Wall													-
Cladding System													-
Exterior Sealants and Caulking													-
Entrances and Doors													-
Windows including Frames													-
Parapets and Canopies													-
Loading Dock													-
Other Building Exterior													-
Roof													-
Roof Assembly (waterproofing membrane and roof surface)					165,000								165,000
Flashing													-
Roof Drainage (eaves troughs/downspouts, roof drains)													-
Chimneys/Boiler Stacks													-
Skylights and other Roof Openings													-
Roof venting, if any													-
Other Roof													-
Building Interior													-
Interior Partitions and Doors													-
Flooring													-
Ceiling			60,000									60,000	120,000
Wall Finishes (Paint, Trim Baseboards, etc.)			45,000									45,000	90,000
Washroom Fixtures and Accessories (Towel dispensers, hand dryers, soap dispensers, change tables, partitions, etc.)													-
Presence of Mould													-
Other Building Interior													-
Mechanical and HVAC													-
Heating, Ventilating and Air Conditioning Systems							122,000						122,000
Building, Automation Systems, if any													-
Ductwork, if any													-
Vertical Transportation Devices, if any													-
Other Mechanical and HVAC													-
Plumbing													-
Plumbing fixtures													-

ALGOMA PUBLIC HEALTH CAPITAL ASSET PLAN														
Item	Anticipated Expenditure													
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Domestic water distribution														-
Sanitary waster														-
Rainwater drainage														-
Water Fountain														-
Electric														-
Primary Feed and Main Switchgear														-
Main Transformers														-
Step-down Transformers														-
Emergency Power Source or Generator														-
Distribution Systems and Panels														-
Interior Lighting														-
Exterior Lighting (Building-Mounted)														-
Automated Lighting Control System														-
Other Electrical														-
Fire Protection and Life Safety Systems														-
Water Reservoir, if any														-
Sprinkler and/or Standpipe System, if any														-
Fire Extinguishers														-
Fire Pumps, if any														-
Fire Alarm System and Voice Communication Systems, if any														-
Smoke and Heat Detectors and Carbon Monoxide Detectors, as applicable														-
Emergency Lighting and Exit Signage														-
Security System														-
Fire/Emergency Plans														-
Fire Separations (visual inspection and inclusion of info that is readily available)														-
Automatic door closers														-
Other Fire Protection and Life Safety Systems														-
Hazardous Materials														-
Asbestos														-
PCB's														-
Other Hazardous Materials														-
Subtotal	180,000	30,000	195,000	25,000	457,000	75,000	198,100	53,000	175,000	25,000	62,000	225,000	130,000	1,830,100
Contingency (10%)	18,000	3,000	19,500	2,500	45,700	7,500	19,810	5,300	17,500	2,500	6,200	22,500	13,000	183,010
Subtotal Including Contingency	198,000	33,000	214,500	27,500	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	2,013,110
Escalation Allowance	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-
Escalation Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimate Financial Projections	198,000	33,000	214,500	27,500	502,700	82,500	217,910	58,300	192,500	27,500	68,200	247,500	143,000	2,013,110

Total Net Sq. Ft. of Owned Facility	74,000
Year Built	2011
Age (yrs.)	8
Reserve Term (yrs.)	20

NOTES:
1) Contingency of 10% has been carried to cover unforeseen items & cost increases.
2) Cost in 2017 dollars with no provision for escalation.
3) HST is excluded.



Sault Ste. Marie Region Conservation Authority

Sault Ste. Marie City Council Presentation

January 28, 2019



Mandate

Conservation Authorities, created in 1946 by an Act of the Provincial Legislature, are mandated to ensure the conservation, restoration and responsible management of Ontario's water, land and natural habitats through programs that balance human, environmental and economic needs.

Vision

Healthy watersheds existing in a balance between the natural environment and human needs.

Mission Statement

To protect, improve and promote local watersheds through the delivery of resource management services and programs in cooperation with community partners.



SSMRCA Regulations

Conservation Authorities Act

O. Reg. 176/06 - Regulation of Development, Interference with Wetlands and Alterations to Shorelines and Watercourses

O. Reg. 134/90 – Conservation Areas – Sault Ste. Marie Region



Flood Prevention and Maintenance

Flood Control Channel Maintenance

- debris removal
- brush/tree cutting
- grass cutting

Flood Forecasting

- Daily Planning Cycle
- Evaluation of current conditions
- Monitoring of streamflow gauges
- Analysis of forecasts
- Determination of flood threat

Dam Operations and Maintenance

- dam safety and security
- reservoir level maintenance
- dam maintenance

Flood Messaging

- Inform appropriate ER agencies
- Watershed Conditions Statement
- Flood Watch – flooding is possible
- Flood Warning – flooding is imminent or occurring



SSMRCA Infrastructure and Property

Flood Control Infrastructure

Ward 1 – Clark Creek

Ward 3 – Fort Creek Dam and Reservoir

Ward 4 – Fort Creek Channel

East Davignon Channel

Central Creek – north

Bennett-West Davignon Channel

Ward 5 – Central Creek – south

Bennett-West Davignon Channel

Total length of channels – 12.26 km

Conservation Areas

Ward 2 – Waterfront – 0.5 ha (1.2 ac)

Ward 3 – Hiawatha Highlands - 893 ha (2207 ac)

Ward 4 – Fort Creek – 77 ha (190 ac)

Ward 5 – Shore Ridges – 374 ha (924 ac)

Mark's Bay – 108 ha (267 ac)

Other Property

Ward 5 – 2 parcels forestry – 251 ha (620 ac)

Prince Township – 255 ha (629 ac)



Flood Control Structures



Fort Creek Dam



Clark Creek



East Davignon Channel



West Davignon Channel



Programs and Benefits

Integrated Watershed Management

Drinking Water Source Protection

Education and Outreach

Forest Management

Conservation Areas

Watershed Science



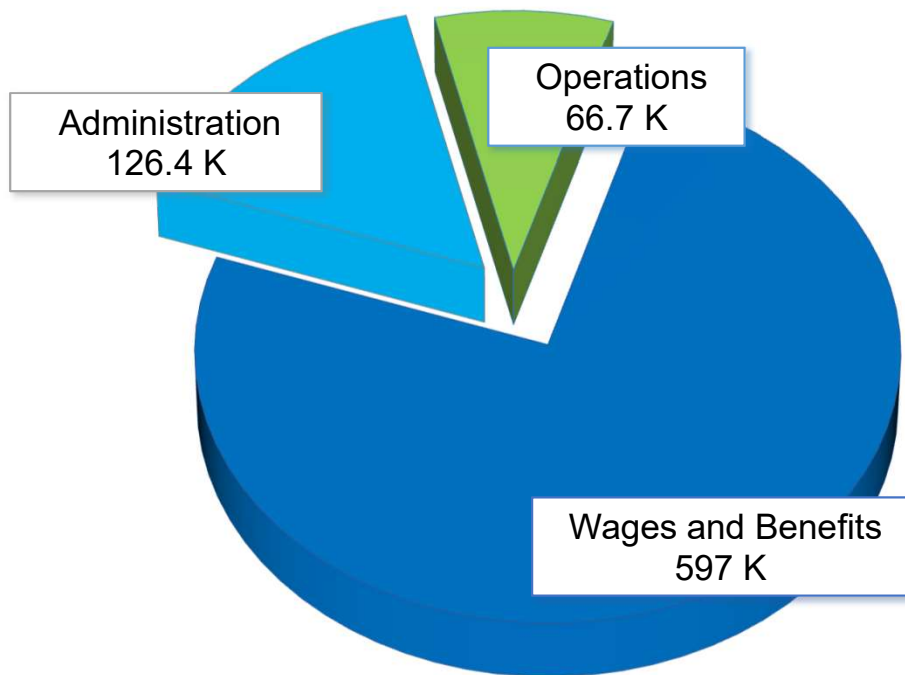


Conservation Areas





Expenditures



Wages and Benefits

8 staff members

Administration

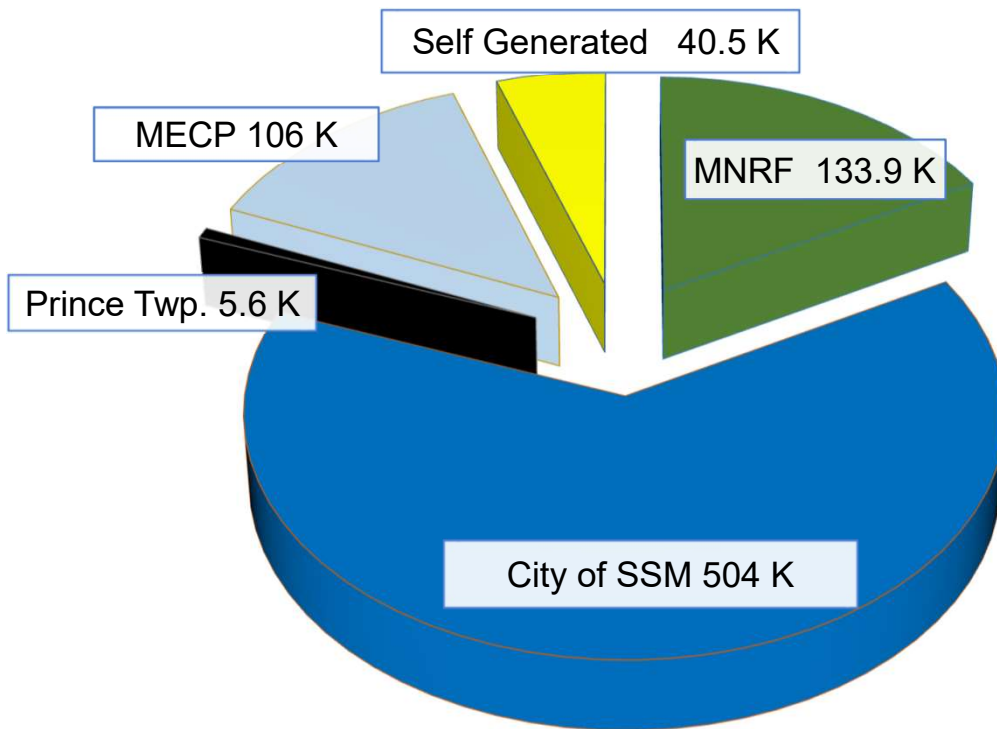
Taxes, fees, utilities, licenses, travel, training, committees, insurance, education and outreach, partnership development, trails

Operations

Flood forecasting and warning, channel maintenance, dam maintenance, repairs



Revenues



MNRF – flood forecasting and warning, flood maintenance and operations, administration, wages and benefits

MECP – Drinking Water Source Protection, wages and administration

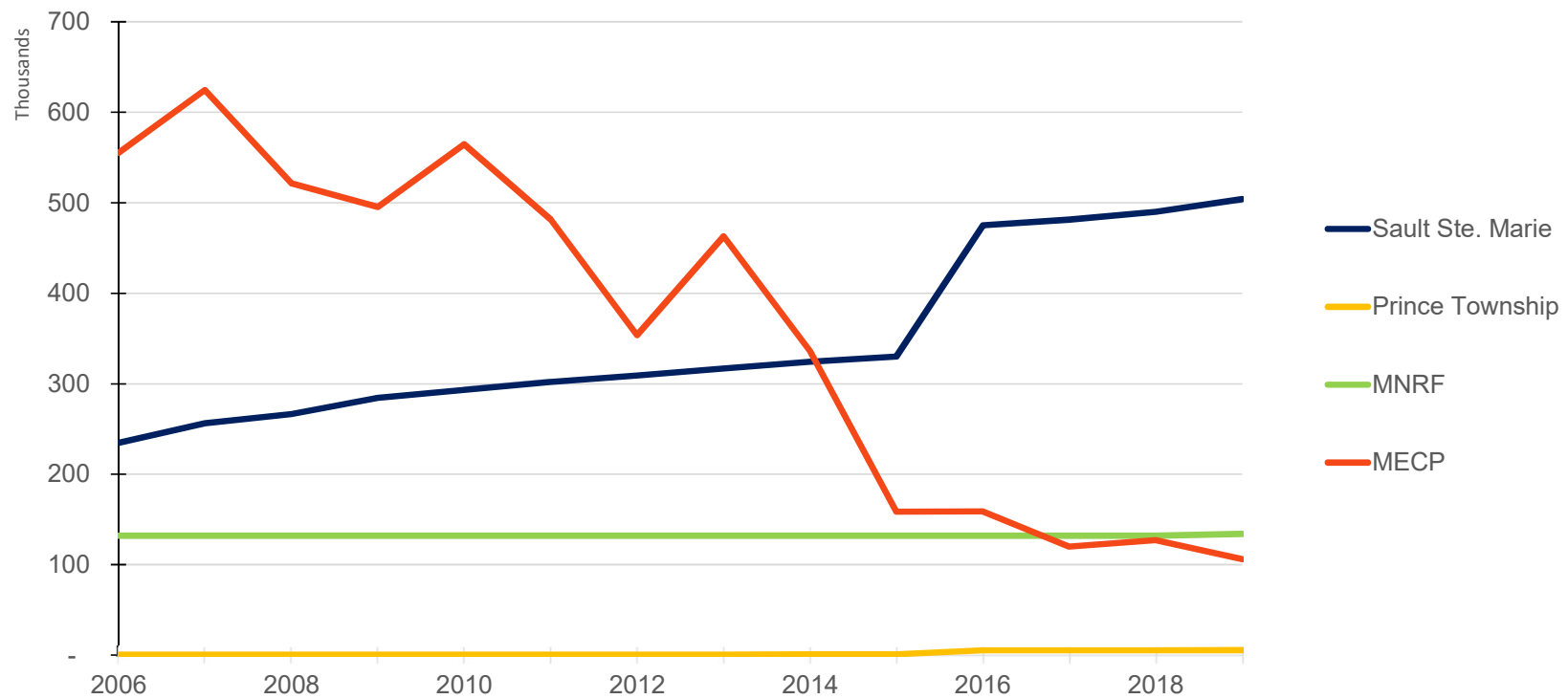
Self-Generated – development regulation fees, donations, rentals and leases

City of SSM – flood forecasting and warning, flood maintenance and operations, administration, wages and benefits, education and outreach, trails, regulations

Prince - flood forecasting and warning, administration, wages and benefits, education and outreach, regulations



SSMRCA Funding





Efficiencies

Yearly increase in regulatory fees for the past five years

Undertaking field projects with existing staff and equipment to decrease the capital funds levied to the City

Opportunities for revenue generation and grant applications

Partnerships

Sault Ste. Marie Police Service 2019 Budget Presentation



Executive Summary

- A budget was approved by the Police Services Board on September 27, 2018
- That budget estimated a 2.4% Increase for 2019.
- Subsequently, a new agreement was made with Prince Township which increased revenues by \$175,000
- As a result, the budget increase is now 1.7% over the 2018 budgeted amount.
- This increase results in a budgeted request for Police Services in the amount of \$25,526,849 for 2019

2019 Budget Highlights

- Maintaining a zero percent increase is a challenge with increasing costs of doing business – fleet fuel, janitorial services, technology and storage costs, WSIB etc.
- We want to remain a progressive police service and had to find strategies to keep the cost of progress to a minimum
- In 2019 we are offering a retirement incentive to find savings through the reduced salaries of replacement officers at lower rates of pay over the next 3 years and reduced training costs

Commitment to Public Safety

- Increase in Opioid abuse and Secondary property offences
- Initiated Project Heat and Core
- In the past 6 months, 22 firearms, and \$350,000 in drug value seized over 50 accused and 29 occurrences
- Actively pursuing more serious charges related to drug dealing
- Biggest Heroin seizure in Sault Ste. Marie History 149,500
- 4 Significant High End Fentanyl Suppliers arrested – and brought before the courts
- Increased foot and bicycle patrol in populated areas
- Opened a “drop in police office” at the Station mall to increase access and public exposure of law enforcement in downtown core
- Initiated mandatory foot patrol for all sworn members from Cst to Chief
- Worked with Algoma Public Health and other agencies in educating and preventing opioid overdose and deaths
- Continue to listen to constituents and the public on areas of high crime

Areas of Concern

- Uncontrollable costs:
 - Major incidents
 - Staffing issues
 - Police Services building maintenance
 - Cost of travel for training purposes
 - Technology issues

**SAULT STE. MARIE POLICE SERVICE
2019 BUDGET SUMMARY**

APPROVED BY PSB - SEPT 27, 2018

Account description	Account #	2019 BUDGET REQUEST	2018 BUDGET FINAL	\$ Diff	% Diff
Revenues					
Grants		2,203,490	2,068,490	135,000	6.5%
Fees/Charges		397,700	361,805	35,895	9.9%
Other		117,000	117,000	-	0.0%
TOTAL REVENUES		2,718,190	2,547,295	170,895	6.7%
Salaries	6001	to back fill later (see totals below)			
Salaries - PT	6001				
Salaries - Settlements	6007				
CPP	6031				
EI	6032				
EHT	6033				
Omers	6041				
Health	6042				
Dental	6043				
Group Insurance	6044				
Long Term Disability	6045				
WSIB	6046				
SALARIES AND BENEFITS		23,825,649	23,525,229	300,420	1.3%
Office Supplies	6111	82,900	106,900	(24,000)	-22.5%
Photocopying	6116	29,600	29,600	-	0.0%
Books and Publications	6150	2,500	3,170	(670)	-21.1%
Memberships and Subscriptions	6170	10,135	11,080	(945)	-8.5%
Travel	6182	97,390	94,715	2,675	2.8%
Training	6185	426,000	293,550	132,450	45.1%
In-Service Training	6186	75,900	29,600	46,300	156.4%
Vehicle Purchases/Leases	6206	515,385	513,230	2,155	0.4%
Vehicle Maintenance/Changeover	6220	120,945	124,080	(3,135)	-2.5%
Vehicle Fuel	6246	255,940	237,500	18,440	7.8%
Utilities	6252	187,000	158,500	28,500	18.0%
Meals/Meal Allowances	6300	18,000	18,000	-	0.0%
Miscellaneous	6316	223,180	180,980	42,200	23.3%
Technical/K9 Supplies	6322	13,400	7,300	6,100	83.6%
Safety Equipment	6352	25,400	17,400	8,000	46.0%
Clothing & Equipment	6355	250,920	243,605	7,315	3.0%
Operational Supplies/Flashlights/Batteries	6370	10,200	8,600	1,600	18.6%
Ammo & Range Supplies	6375	71,630	53,260	18,370	34.5%
Traffic/Emergency Aids	6376	10,050	9,275	775	8.4%
Photo/Forensic Supplies	6379	9,700	6,850	2,850	41.6%
Maintenance Office Equipment	6400	11,375	11,175	200	1.8%
Radio/Radar Maintenance	6406	135,440	109,640	25,800	23.5%
Building Maintenance	6410	165,500	159,700	5,800	3.6%
Insurance/Acclaim	6462	89,500	96,825	(7,325)	-7.6%
Postage/Courier	6470	4,700	4,700	-	0.0%
Telephone	6480	161,095	145,595	15,500	10.6%
Janitorial Services	6496	84,000	79,000	5,000	6.3%
Legal Fees	6511	121,200	121,200	-	0.0%
Summons Services	6526	12,000	10,000	2,000	20.0%
Dry Cleaning	6530	60,000	60,000	-	0.0%
Advertising	6540	1,000	1,000	-	0.0%
Community Relations	6542	8,400	10,900	(2,500)	-22.9%
OPTIC Operating Costs	6566	211,100	211,100	-	0.0%
Computer Leases	6706	125,000	120,000	5,000	4.2%
Transfer to Capital Reserve	6772	165,000	165,000	-	0.0%
Police Services Board		67,875	67,875	-	0.0%
OPERATING EXPENDITURES		3,859,360	3,520,905	338,455	9.6%
Office Equipment	8201	24,800	14,200	10,600	74.6%
Computer Equipment	8202	408,030	359,100	48,930	13.6%
Photo Equipment	8213	23,750	10,500	13,250	126.2%
Other Capital Equipment	8241	103,450	214,000	(110,550)	-51.7%
CAPITAL EXPENDITURES		560,030	597,800	(37,770)	-6.3%
TOTAL BUDGET		28,245,039	27,643,934	601,105	2.2%
Operating and Capital only		4,419,390	4,118,705	300,685	7.3%
NET WITH REVENUES		25,526,849	25,096,639	430,210	1.7%



Sault Ste. Marie
Public Library

"One stop....endless possibilities"

2019 BUDGET PRESENTATION

QUICK FACTS ABOUT YOUR PUBLIC LIBRARY

In 2018 there were...

- 18,159 Library Members
- Over 325,000 visits to library locations
- 5 major community events
- 23,380 who attended 946 programs
- 88,900 website visits (www.ssmpl.ca)
- 467,149 social media impressions (Facebook, Twitter, Instagram)



QUICK FACTS ABOUT YOUR PUBLIC LIBRARY

In 2018 there were...

- 89,585 Public Access Catalogue (PAC) visits with 716,872 pages viewed
- 534,528 item check outs and renewals
- 65,175 digital downloads (eBooks, audiobooks, magazines)



QUICK FACTS ABOUT YOUR PUBLIC LIBRARY

In 2018 there were...

- 27,763 computer booking sessions
- Laptops circulated 821 times
- 113,882 Wi-Fi uses
- 14,879 database searches
- 62,288 reference questions answered



SSMPL REVENUE

REVENUE	2019	2018	\$ Change	% Change
MUNICIPAL GRANT	2,959,910	2,532,209	(427,701)	16.89
CAPITAL RESERVE (MUNICIPAL)	200,000	50,000	(150,000)	300.00
CONTRACTING COMMUNITIES	22,965	22,965	-	0.00
PROVINCIAL GRANTS	373,374	391,112	17,738	(4.54)
FEDERAL GRANTS	0	50,000	50,000	(100.00)
OTHER GRANTS	34,681	47,983	13,302	(27.72)
FINES AND FEES	21,550	20,550	(1,000)	4.87
DONATIONS	17,000	17,000	-	0.00
COPY AND PRINT SERVICES	11,400	10,200	(1,200)	11.76
ROOM RENTALS	5,875	3,075	(2,800)	91.06
BOOK SALES	36,700	36,600	(100)	0.27
MISC. REVENUE	33,170	32,660	(510)	1.56
TOTAL REVENUE:	\$3,716,625	\$3,214,354	\$(502,271)	15.63

*Please note that the Municipal Grant increase request is \$148,875, 5.3% more than the total for 2016, the last year SSMPL operated three (3) locations.

SSMPL BUDGET INCREASE REQUEST

GRANT INCREASE	
MONEY REMOVED FROM BUDGET AFTER CHURCHILL CLOSURE	280,000
2.2% INFLATION PROVIDED IN CITY BUDGET ESTIMATE	61,871
ADDITIONAL FUNDS REQUESTED BY LIBRARY	85,830
TOTAL INCREASE	\$427,701

ADDITIONAL FUNDS REQUESTED BY THE LIBRARY

The rent for the North Branch will be more than that of the Churchill Branch in 2016. The reason for this increase is a Capital Fee related to the construction of the branch which is \$78,612 annually for a 10 year term. An increase in the collections budget is also needed to properly stock the larger space.



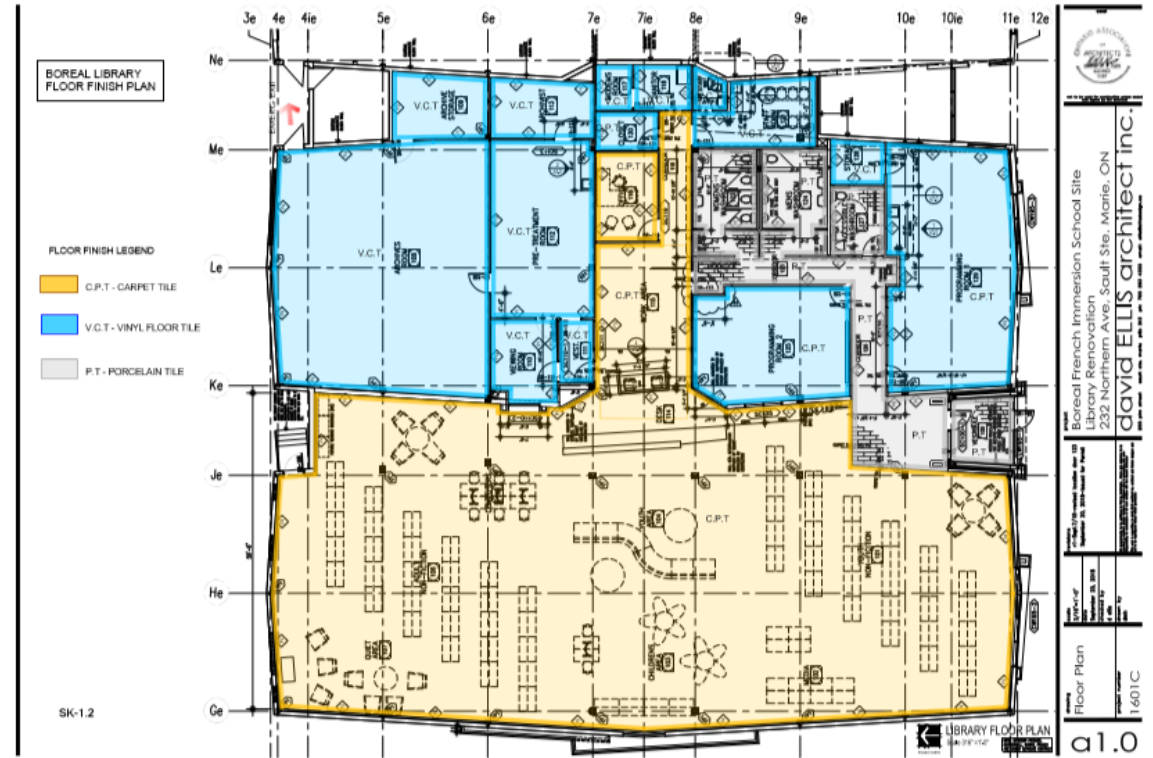
SSMPL EXPENDITURES

EXPENDITURES	2019	2018	\$ Change	% Change
SALARIES	2,194,423	2,032,082	162,341	7.99
BENEFITS	512,610	474,779	37,831	7.97
LIBRARY MATERIALS	192,300	129,850	62,450	48.09
UTILITIES	100,000	102,000	(2,000)	(1.96)
OFFICE EXPENDITURES	144,340	156,300	-11,960	(7.65)
OPERATING EXPENDITURES	407,952	262,143	145,809	55.62
EQUIPMENT PURCHASES	165,000	57,200	107,800	188.46
TOTAL EXPENDITURES	\$3,716,625	\$3,214,354	\$502,271	15.63

NORTH BRANCH

REVENUE	
FINES AND FEES	1,000
COPY AND PRINT SERVICES	1,200
ROOM RENTALS	2,800
BOOK SALES	100
MISC. REVENUE	10
TOTAL REVENUE:	\$5,110

EXPENDITURES	
SALARIES	259,370
BENEFITS	58,787
LIBRARY MATERIALS	45,000
OFFICE EXPENDITURES	6,240
OPERATING EXPENDITURES	225,203
EQUIPMENT PURCHASES	2,500
TOTAL EXPENDITURES	\$597,100



Budget numbers are ongoing costs and do not include one time costs associated with opening the Branch.

RESERVE REQUEST

The Library is requesting use of up to \$200,000 from the Library's Capital Reserve for one time costs primarily related to the opening of the North Branch. The Library initiated a fundraising campaign last Fall. Funds raised will be used toward offsetting the opening costs of the Branch.

	2019
FURNITURE & EQUIPMENT	85,000
IT EQUIPMENT	48,000
MOVING EXPENSE	5,000
OTHER	62,000
TOTAL EXPENDITURES	\$200,000

VALUE OF THE SAULT STE. MARIE PUBLIC LIBRARY

Social Return on Investment (SROI)*

\$3.18

***SROI calculations based on 2017 statistics. For each \$1 invested into the Sault Ste. Marie Public Library the community receives at least \$3.18 in value in return.**

"One stop... endless possibilities"

ALLIN.



Algoma
UNIVERSITY

Presentation

- Algoma University Background
- City Funding Impact on Mandate
- Algoma University Key Initiatives



Algoma University | Background

Within the June 2008 University Charter:

It is the special mission of the University to,

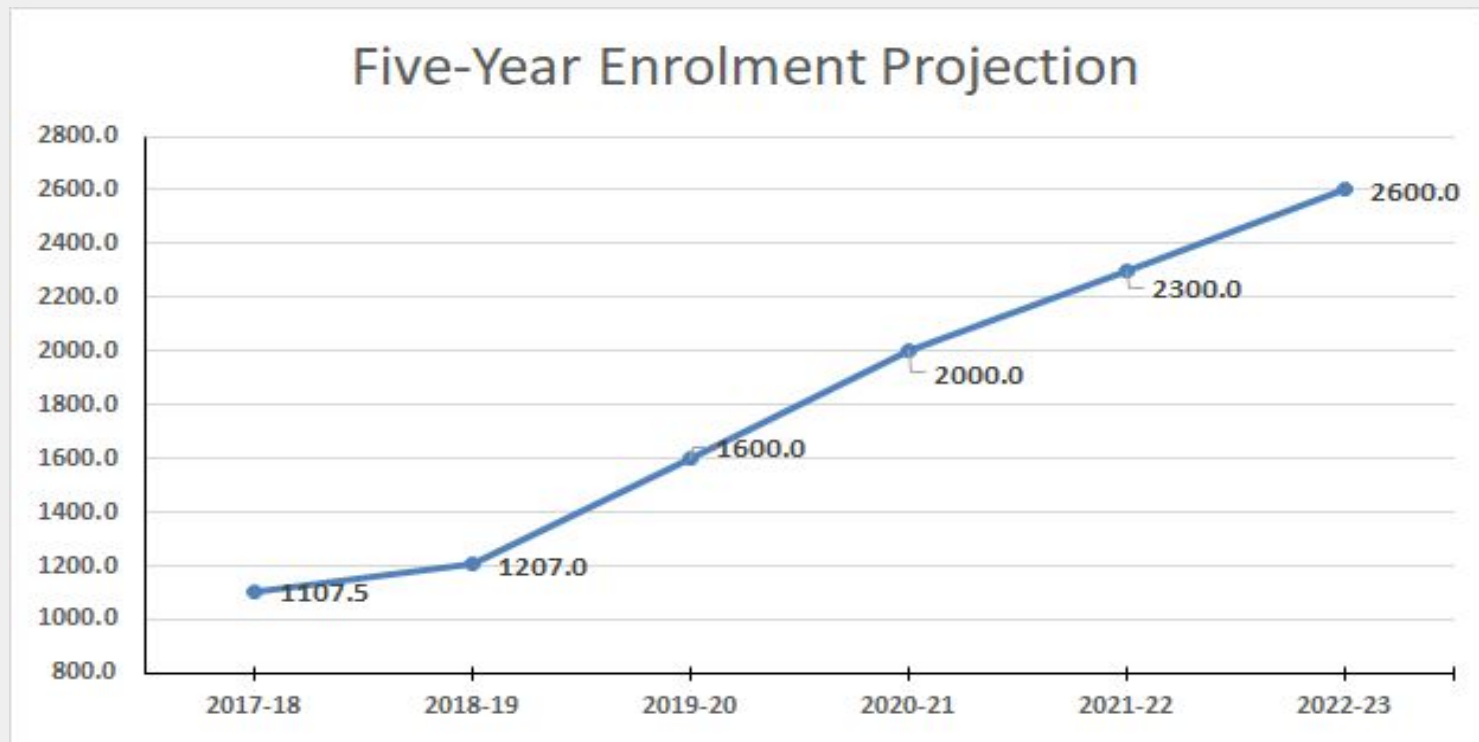
- Be a teaching-oriented university that provides programs in liberal arts and sciences and professional programs, primarily at the undergraduate level, with a particular focus on the needs of Northern Ontario; and
- Cultivate cross-cultural learning between Aboriginal communities and other communities, in keeping with the history of Algoma University College and its geographic site.

Annual City Funding for Algoma University

Algoma University Currently Receives \$40,000 of City Funding.

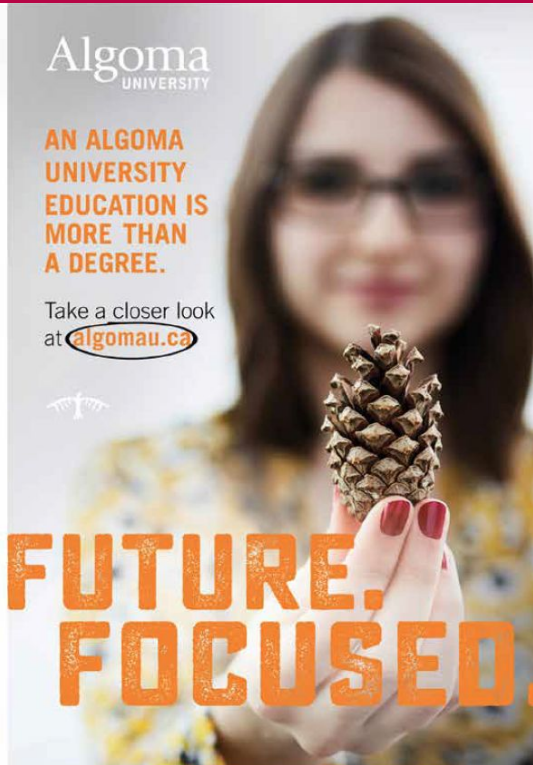
- \$20,000 is directed towards Scholarships for local students
- \$20,000 is directed towards marketing and recruitment initiatives

Impact of Funding on Algoma University



Enrolment Growth

1. 12% increase in enrolment year over year
2. Record January intake
3. 34.5% increase in Ontario applicants



Alignment to Future SSM

1. Promotion of SSM
2. Economic and Community Development
3. Building Our Labour Force
4. Growing Post Secondary Institutions
5. Inviting Immigration and welcoming newcomers
6. Advancing Indigenous Relationships



Algoma University Key Initiatives

- Expansion of School of Business and Economics, School of Life Science and Environment, Computer Science - Innovative Programming/Research and Innovation
- Regional Economic Impact Study in May 2019
- Universities Canada National Reconciliation Forum in October 2019
- The Creation of Campus Master Plan

Questions ?



Algoma
UNIVERSITY

SAULT STE. MARIE & 49TH FIELD REGIMENT R.C.A. HISTORICAL SOCIETY

OPERATING THE SAULT STE. MARIE MUSEUM

Sault Ste. Marie
Museum

Sault Ste. Marie & 49th Field Regiment RCA
Historical Society

OVERVIEW

- The Historical Society for SSM & Repository of SSM History
- Over 50,000 artifacts
- Over 300,000 paper & digitized archival items
- 3 floors of rotating exhibitions:
 - Every 3-4 months in our Durham Exhibition
 - Every 5-8 years in our permanent galleries
- An important resource for our Community Members, Tourists & Visitors

SERVICES RENDERED & VALUE TO OUR COMMUNITY

- Archives – Weekly Research Requests
- Collection – accepting new donations & rotate our Durham Gallery exhibition every 3-4 months
- Acquired new Museum Standards approved Professional Museum Database
- Events – exhibit openings, Tea & Scones, Free Admission days, hosting the CHO conference, Halloween & Christmas movies, hosted OTF exec, etc.
- Programming – March Break & Summer programming
- Updates to our outreach & education department – new Discovery Gallery, revamped Education Studio
- Updates to our 1st floor - new floors, new exhibit cases, new modular walls
- Successful Grant Applications
- Outreach exhibitions:
 - Station Mall, GFL Memorial Gardens, etc.
- Home to the Algoma Weavers' Guild
- Home to ArtSpeaks

SERVICES RENDERED & VALUE TO OUR COMMUNITY

- Partnerships with:
 - Algoma Weavers' Guild (programming)
 - ArtSpeaks (programming)
 - 2310 Army Cadets (volunteers, programming, exhibition, archival)
 - 49th Field Regiment (volunteers, exhibition, archival)
 - Royal Canadian Legion - Branch 25 (exhibition & archival)
 - Rotary Club (exhibition)
 - Ermatinger-Clergue National Historic Site (programming)
 - Parks Canada – SSM Canal (archival)
 - City of Sault Ste. Marie (archival & exhibition)
 - Canada Border Services Agency – SSM POE (exhibition)
 - NSCAN – North Shore Cultural Attractions Network (professional development)
 - Sault Ste. Marie & District Finnish Canadian Historical Society (archives)
 - Precious Blood Cathedral (exhibition, curatorial)
 - Remember When – Nip & Tuck

Sault Ste. Marie
Museum

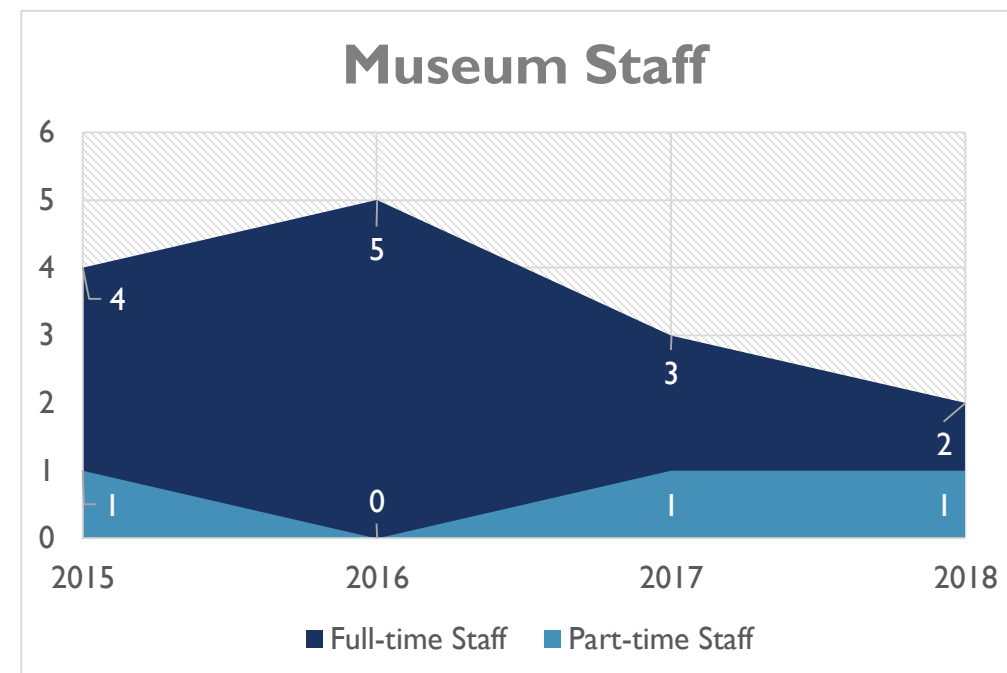
Sault Ste. Marie & 49th Field Regiment RCA
Historical Society

NECESSARY TLC

- Currently at the Museum:
 - Two (2) HVACs have not been working since 2016 – catering to 3rd floor Textile Storage & Sports Gallery, 1st floor Archives
 - Do not meet Curatorial, Collection and Exhibition Museum Standards
 - One (1) AC unit has not been working since 2017 – caters to the entire building
 - Damaged Accessibility Ramp
- One (1) HVAC unit is at the end of its lifespan – caters to Durham Gallery
 - Jeopardizing Curatorial and Exhibition Museum Standards & 5 year Travelling Exhibition Schedule for visiting exhibitions

2018 STAFFING

- 2 Full-time Staff – Director/Curator & Assistant Curator and Museum Services Staff
- 1 Part-time Staff – Design Associate
- On an as-needed basis –
(as Museum Revenue & available grants permit):
 - 3 Contract Staff
 - 4 Grant Staff
 - 2 Interns
 - 23 Volunteers (total of 4,335 hrs.)



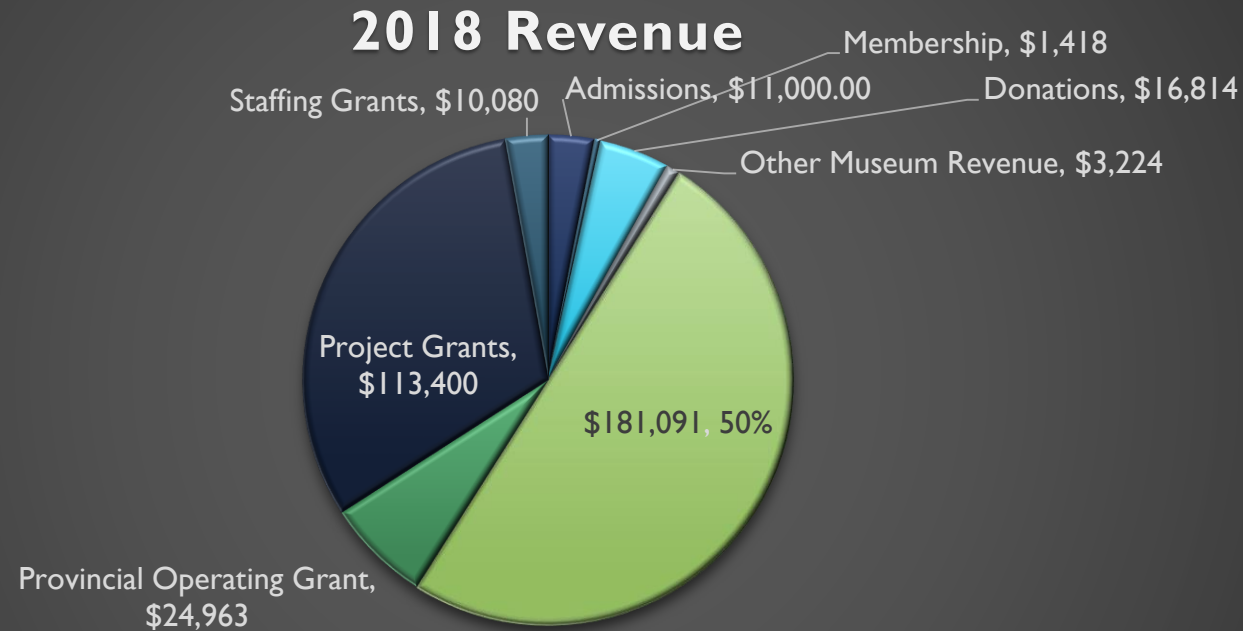
Sault Ste. Marie
Museum

Sault Ste. Marie & 49th Field Regiment RCA
Historical Society

FUTURE MUSEUM PROJECTS

- In order to meet Museum Standards we will need to:
 - Re-do & update all exhibition panels & labeling on the 2nd & 3rd floors to meet AODA, Accessibility and exhibition standards
 - Acquire new exhibition cases for 2nd & 3rd floors in order to meet environmental control & exhibition standards
 - Update the track lighting on all floors to meet regulated Lux & UV level standards in all galleries
 - Update all Museum signage to meet AODA and Accessibility standards
- In order to grow our capacity:
 - Acquire rolling compression storage for the curatorial collection and for the archival collection
 - Initiate a curatorial overhaul project in parallel with new Museum Database & a storage compression project with more formally trained museum staff
 - Increase the activity & outreach of our Education & Outreach Department with formally trained museum staff

REVENUE BREAKDOWN - 2018

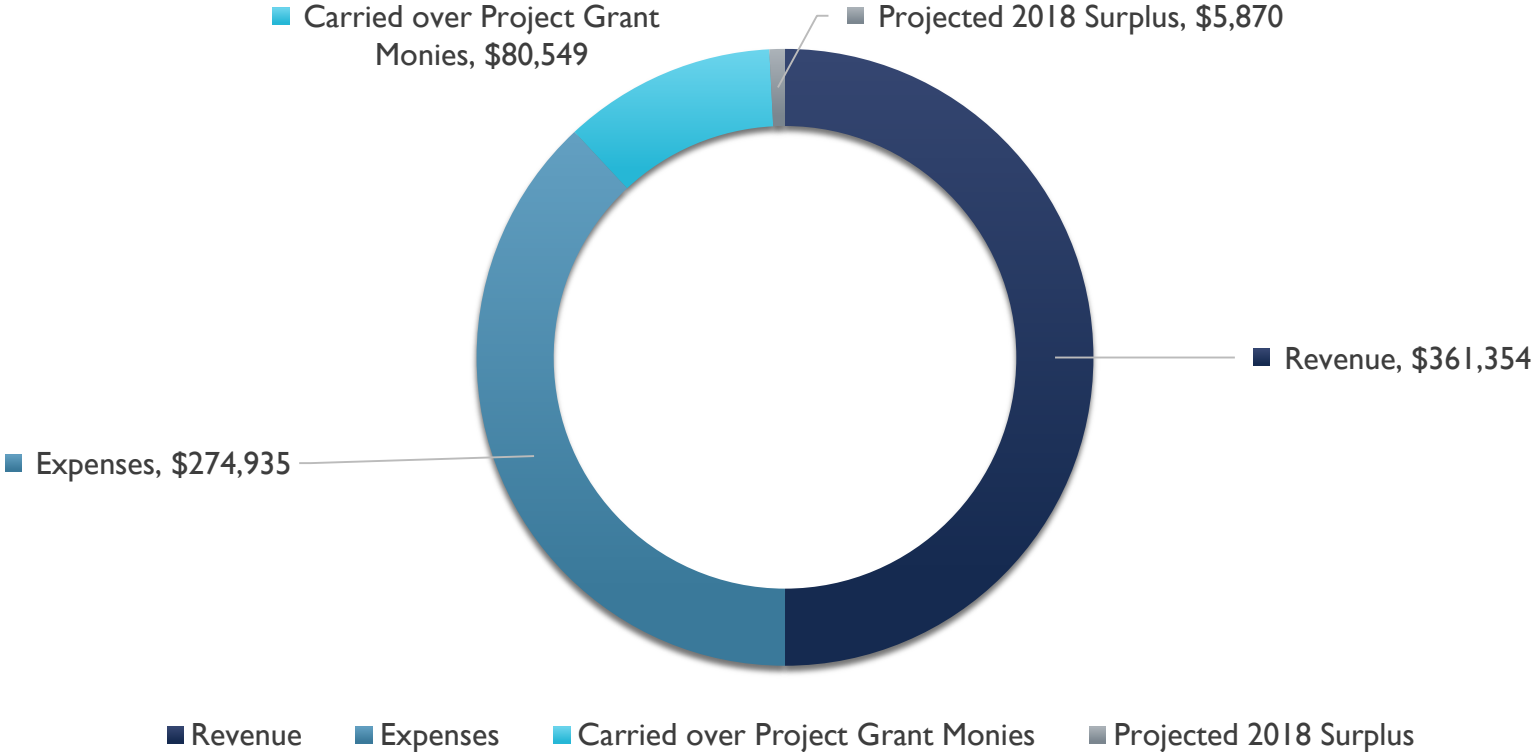


Admissions Membership Donations Other Museum Revenue City of SSM Grant Provincial Operating Grant Project Grants Staffing Grants

Sault Ste. Marie
Museum

Sault Ste. Marie & 49th Field Regiment RCA
Historical Society

2018 PROJECTED FINANCIAL POSITION



WE ARE SEEKING AN INCREASE OF \$68,909
TO FURTHER EFFECT CHANGE WITHIN OUR COMMUNITY
AND OPEN POSSIBILITIES FOR REVENUE PRODUCING
ACTIVITIES & EVENTS BY HIRING MORE STAFF, INCLUDING
A FULL-TIME PERMANENT EDUCATION & OUTREACH
OFFICER



Q & A

Sault Ste. Marie
Museum

Page 127 of 274

Sault Ste. Marie & 49th Field Regiment RCA
Historical Society

SAULT STE. MARIE AND 49TH FIELD REGIMENT
R.C.A. HISTORICAL SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2017

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Operations and Changes in Unrestricted Net Assets	3
Statement of Internally Restricted Trust Fund	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

LAURA J. SZCZEPANIAK

CHARTERED ACCOUNTANT

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SAULT STE. MARIE, ON P6A 2A6
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TELEPHONE (705) 759-0197
TOLL FREE (877) 361-0011
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Sault Ste. Marie and 49th Field Regiment R.C.A. Historical Society

I have audited the accompanying financial statements of Sault Ste. Marie and 49th Field Regiment R.C.A. Historical Society, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in unrestricted net assets, internally restricted trust fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

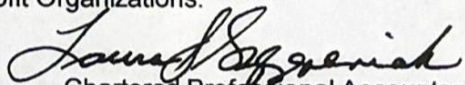
Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations, admissions, fundraising and membership fees, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to amounts recorded in the records of the organization. Therefore I was not able to determine whether any adjustments might be necessary to revenue and excess of revenue over expenditures for the years ended December 31, 2017 and 2016, and assets and net assets as at December 31, 2017 and 2016. My audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

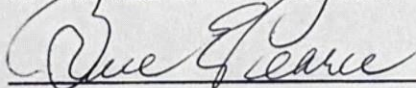
Sault Ste. Marie, Ontario
April 24, 2018

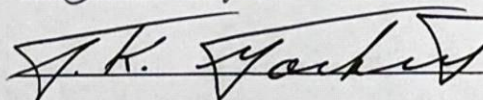

Chartered Professional Accountant
Licensed Public Accountant

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A
HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 101,973	\$ 78,346
Accounts receivable	2,818	2,299
Government sales tax receivable	8,435	6,463
Prepaid expenses	<u>1,477</u>	<u>1,529</u>
	<u>114,703</u>	<u>88,637</u>
RESTRICTED		
Cash	21,877	18,080
Term deposits - note 3	<u>82,393</u>	<u>83,731</u>
	<u>104,270</u>	<u>101,811</u>
	<u>\$ 218,973</u>	<u>\$ 190,448</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 19,574	\$ 13,910
Government remittances payable	2,364	1,969
Deferred contributions	<u>5,100</u>	<u>5,100</u>
	<u>27,038</u>	<u>20,979</u>
NET ASSETS		
Unrestricted	87,665	67,658
Internally restricted trust fund - note 4	<u>104,270</u>	<u>101,811</u>
	<u>191,935</u>	<u>169,469</u>
	<u>\$ 218,973</u>	<u>\$ 190,448</u>

APPROVED BY THE BOARD:

 Director

 Director

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A
HISTORICAL SOCIETY

STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Government contributions		
Provincial	\$ 30,942	\$ 24,963
Municipal	181,091	177,540
Admissions	11,656	9,728
Memberships	766	1,413
Donations	13,991	14,887
Programs, events and other	6,122	482
	<u>244,568</u>	<u>229,013</u>
EXPENDITURES		
Wages and benefits	100,032	126,777
Exhibits and curatorial supplies	9,313	1,870
Events and activities	4,804	213
Utilities	58,022	50,865
Repairs and maintenance	21,891	17,154
Insurance and security	2,665	2,559
Telephone and internet	2,653	2,861
Advertising and promotion	5,803	2,417
Office	11,549	5,253
Audit	3,118	2,806
Interest and bank charges	565	404
Miscellaneous	4,146	762
	<u>224,561</u>	<u>213,941</u>
EXCESS OF REVENUE OVER EXPENDITURES	20,007	15,072
UNRESTRICTED NET ASSETS, beginning of year	<u>67,658</u>	<u>52,586</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 87,665</u>	<u>\$ 67,658</u>

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A
HISTORICAL SOCIETY
STATEMENT OF INTERNALLY RESTRICTED TRUST FUND
YEAR ENDED DECEMBER 31, 2017

	2017	2016
FUND BALANCE, beginning of year	\$ 101,811	\$ 98,253
Donations	2,000	1,100
Interest	<u>459</u>	<u>2,458</u>
FUND BALANCE, end of year	<u>\$ 104,270</u>	<u>\$ 101,811</u>

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A
HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

	2017	2016
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 20,007	\$ 15,072
Changes in non-cash working capital		
Accounts receivable	(519)	(2,299)
Government sales tax receivable	(1,972)	2,956
Prepaid expenses	52	-
Accounts payable	5,664	3,585
Government remittances payable	<u>395</u>	<u>(2,900)</u>
INCREASE IN CASH	23,627	16,414
UNRESTRICTED CASH, beginning of year	<u>78,346</u>	<u>61,932</u>
UNRESTRICTED CASH, end of year	<u>\$ 101,973</u>	<u>\$ 78,346</u>

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A.
HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. PURPOSE OF THE ORGANIZATION

The organization is incorporated under the Corporations Act of Ontario as a corporation without share capital and is also an affiliated member of the Ontario Historical Society pursuant to The Ontario Historical Society Act of 1899. Its primary purpose is to acquire, restore and maintain artifacts and exhibits to preserve the history of Ontario and Canada. The organization is a registered charity and exempt from income taxes under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

Cash

Cash consists of cash on hand and bank deposits.

Capital Assets

Capital assets are expensed on acquisition. Capital assets held include leasehold improvements, furniture, office equipment and computers.

Collection

The collection of historical artifacts is not capitalized in the statement of financial position. Expenditures on artifacts and exhibits are reported on the statement of operations in the year of acquisition.

Revenue Recognition

The organization follows the deferral method of accounting for contributions which include government grants. Unrestricted contributions are recognized as revenue when received or receivable except for contributions relating to approved expenditures not yet incurred which are credited to deferred contributions. Restricted trust fund contributions are recognized as revenue when received or receivable.

Contributed Services

The organization would not be able to carry out its activities without the services of many volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

SAULT STE. MARIE AND 49TH FIELD REGIMENT R.C.A.
HISTORICAL SOCIETY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the organization's management and directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates and assumptions are reviewed periodically and adjustments are reported in the year in which they become known.

3. TERM DEPOSITS

Term deposits comprise non-redeemable guaranteed investment certificates with interest rates of .75% to 2.05% maturing at various times until July 24, 2020.

4. INTERNALLY RESTRICTED TRUST FUND

The organization established a trust fund in 2006 to assist with educational programs, exhibits and preservation and interpretation of the collection. Use of the fund is restricted to 5% of the principal plus any income earned on the fund annually. The fund is administered by the board of directors.

5. FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The organization is exposed to this risk through its interest bearing deposits. The organization manages this risk through investing in fixed-rate deposits of short to medium term maturity.

Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its obligations as they become due. The organization manages this risk by establishing budgets and funding plans sufficient to fund its operating expenses. Cash is held in an interest bearing account which provides a rate of return as well as liquidity. Term deposits are arranged with varying maturities in order to meet future cash flow requirements.

6. ECONOMIC DEPENDENCE

Approximately 75% of the organization's revenue is received from the City of Sault Ste. Marie. The continuation of the organization is dependent on this funding.

Sault Ste. Marie Safe Communities Partnership



Safe Communities Partnership



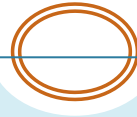
Since 1999 the Sault Ste. Marie Safe Communities Partnership has pursued its mission of making Sault Ste. Marie the safest place in the world in which to live, learn, work, and play, creating a culture instilled with safety, education and commitment to injury prevention.

The City of Sault Ste. Marie is currently designated as a safe community by Parachute, a national, charitable organization dedicated to preventing injuries and saving lives and Safe Communities Partnership serves to maintain this designation.

Based on our historical funding relationship with the City of Sault Ste. Marie, Safe Communities Partnership considers this as our primary source of funding. As designated by city council in November 2002, Safe Communities Partnership is the umbrella organization for injury prevention initiatives in the community.

Our organization operates as a not-for-profit and is directed by a Volunteer Board of Directors composed of community members from the private, public and education sectors.

Safe Communities Partnership



- Safe Communities Partnership achieves its mission by working with community partners and various committees.
- These committees assess, plan, coordinate and deliver programs and initiatives to promote safety and injury prevention through out the community.
- Safe Communities offers support for the committees and initiatives in the areas of planning, marketing, organizing and scheduling.
- Safe Communities also provides support by researching and completing grant applications on behalf of the committees to secure funding to support injury prevention initiatives.

Safety and Injury Prevention



Committees

- Senior's Rights Protection Council
- Standardized Safety Training and Orientation (SSO)
- Operation all Dressed Up
- Sault Ste. Marie Rising Stars
- Sault and Area Drug Strategy
- Kidz Safety Summer Festival
- Play Safe Program
- Concussion Awareness and Prevention
- Road Safety
- Health Opportunities Preventing Exploitation (HOPE Alliance)
- Stay On Your Feet
- Algoma Council on Domestic Violence

Safe Communities Partnership Funding



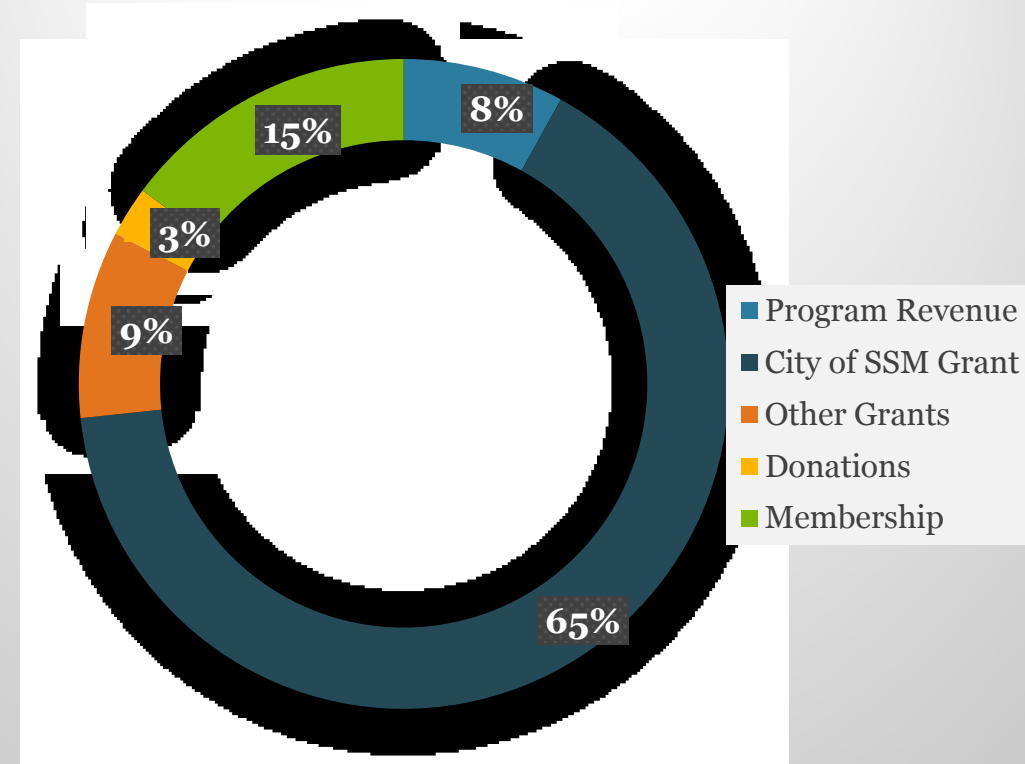
- Since 1999 the City of Sault Ste. Marie has supported Safe Communities Partnership's mission and mandate through annual financial assistance of \$40,000.00. This contribution assists in the sustainability of this not-for-profit organization, which is composed of one staff member, community volunteers, and 15 voluntary board of director members.
- The annual funding provides support for Safe Communities Partnership and committees to increase awareness and educate the community on safety and injury prevention.
- Funding is used to cover office space, internet access, administrative costs and sustain employment for one full time employee to support the Safe Communities Partnership work.

Safe Communities Revenue Breakdown



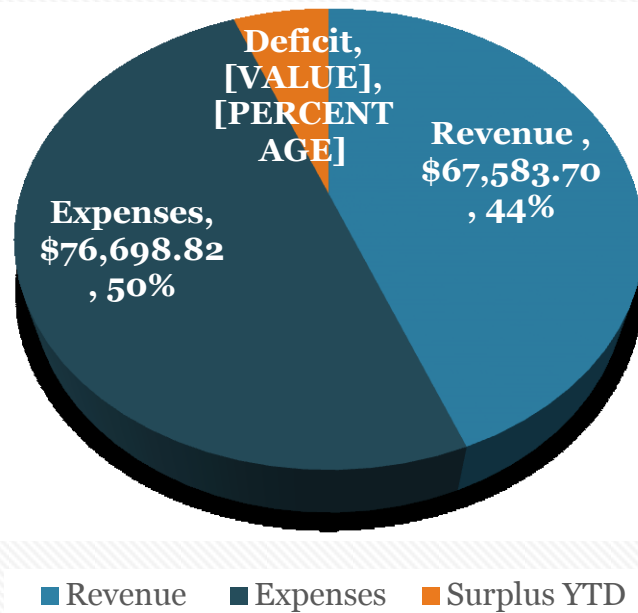
Summary of 2018:

- \$9,100 in community sponsorship
- \$4,925 in program revenue (Standardized Safety Training Course)
- \$1,525 in community donations for specific events
- \$45,725 in grants (City of Sault Ste. Marie, Ministry of Transportation, Electrical Safety Awareness Grant and Cross Safe Rail Safety Grant from Parachute Canada)



Financial Position at December 31, 2018

YTD December 31, 2018



- 2018 deficit of \$ 9,115
- Expected due to decreased SSO revenue
- Decision to run deficit to maintain services while re-positioning the SSO program and Safe Communities Partnership priorities
- Used prior years surpluses to fund deficit



We would like to thank the
City of Sault Ste. Marie
for continued support



**SAFE COMMUNITY PARTNERSHIP SAULT STE.
MARIE
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

June 28, 2018

The Executive and Members of Safe Community Partnership Sault Ste. Marie

Report on the Financial Statements

I have audited the accompanying financial statements of Safe Community Partnership Sault Ste. Marie, which comprise the statement of financial position as at December 31, 2017, the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis of Qualification

In common with many organizations of this type, the organization derives revenues from the general public in the form of cash receipts, the completeness of which is not susceptible of satisfactory audit evidence. Accordingly, my verification of those revenues was limited to the amounts recorded in the records of the Organization and I was not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over (under) expenditures and net assets for the year ended December 31, 2017.

Opinion

In my opinion, except for the effects, if any, described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Safe Community Partnership Sault Ste. Marie as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountant
Professional Corporation
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario
Sault Ste. Marie, Canada

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, **2017** **2016**

ASSETS

CURRENT ASSETS

Cash	\$ 32,021	\$ 43,680
Accounts receivable	2,276	1,681
Government sales tax receivable	1,366	1,215
Prepaid insurance	486	-

\$ 36,149 \$ 46,576

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 1,617	\$ 2,962
	1,617	2,962

NET ASSETS

Unrestricted	26,809	35,891
Raffle reserve fund	696	696
Externally restricted	7,027	7,027
	34,532	43,614

\$ 36,149 \$ 46,576

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31,	2017	2016
Revenues		
Grants:		
Municipal	\$ 40,000	\$ 40,000
Provincial	3,000	-
Program revenue	4,075	6,688
Sponsorships	9,700	10,150
Donations	9,125	5,769
Interest and other	194	-
	<u>66,094</u>	<u>62,607</u>
Expenses		
Administration	6,233	12,854
Conference and workshops	15,124	9,215
Materials and supplies	1,070	736
Professional and consulting fees	4,480	11,948
Travel	393	367
Wages and benefits	45,261	45,191
Interest and bank fees	215	580
Rent	2,400	1,200
	<u>75,176</u>	<u>82,091</u>
Excess of revenues over (under) expenditures	\$ (9,082)	\$ (19,484)

The accompanying notes are an integral part of these financial statements

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31,	2017				2016	
	Unrestricted	Raffle Reserve fund	Externally restricted	Total	Total	
Balance, beginning of year	\$ 35,891	\$ 696	\$ 7,027	\$ 43,614	\$ 63,098	
Excess of revenue over (under) expenditures	(9,082)	-	-	(9,082)	(19,484)	
Balance, end of year	\$ 26,809	\$ 696	\$ 7,027	\$ 34,532	\$ 43,614	

DRAFT

The accompanying notes are an integral part of these financial statements

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over (under) expenditures for the year	\$ (9,082)	\$ (19,484)
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(595)	(848)
Inventory	(151)	(785)
Accounts payable and accrued liabilities	(1,345)	622
Prepaid insurance	(486)	-
	(11,659)	(20,495)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(11,659)	(20,495)
CASH, BEGINNING OF YEAR	43,680	64,175
CASH, END OF YEAR	\$ 32,021	\$ 43,680

DRAFT

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

The Safe Community Partnership Sault Ste. Marie is incorporated under the laws of Ontario. Its primary concern is promoting injury prevention in the community. The organization is committed to injury prevention interests and initiatives, and creating a culture instilled with safety, education and commitment to injury prevention. The organization operates a local office and has established various committees for injury prevention. The organization is a not-for-profit under the Canadian Income Tax Act and accordingly is exempt from income taxes provided certain criteria are met on an ongoing basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian Accounting Standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

- a) Revenue recognition and fund accounting: The organization follows the deferral method of accounting for contributions which include government grants. Unrestricted contributions are recognized as revenue in the year received or receivable provided any receivables can be estimated and collection is reasonably assured. Donations and memberships are recorded when received. Revenue from program fees is recognized when the course has taken place and collectability is reasonably assured.

Funds within the financial statements consist of general and reserve funds. Transfers between the funds are recorded as adjustments to the appropriate fund balances.

- b) Capital asset purchases are charged to operations in the year they are acquired. During the year, the capital assets purchases in 2017 were \$null (2016 - \$2,542) charged to operations. Capital assets held include leasehold improvements, furniture, office equipment and computers.
- c) Use of estimates: The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.
- d) Contributed goods and services: The organization has a volunteer board of directors and numerous other volunteers. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements. In addition, the organization also received contributed materials and services including advertising, use of meeting rooms, office space, equipment, staffing and supplies. The value of these contributed materials and services have not been reflected in the financial statements.
- e) Financial Instruments: The Organization initially measures its financial assets and financial liabilities at fair value, and subsequently measures all its financial assets and liabilities at cost or amortized cost. Financial assets measured at cost include cash, accounts receivable and government sales tax receivable. Financial liabilities measured at amortized cost include accounts payable.

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

2. ECONOMIC DEPENDENCE

The organization is funded through an operating grant from the City of Sault Ste. Marie, which provide a significant portion of its revenue.

3. CAPITAL MANAGEMENT

The organization considers its capital to be its unrestricted net assets which consist of amounts for future operations. The organization's objectives when managing its capital assets are to safeguard its ability to continue as a going concern so it can continue to provide fundraising capacity. An annual budget is developed and monitored to ensure the organization's capital is maintained to meet these objectives.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2016-\$1,345), which includes amounts related to HST and payroll related taxes.

5. COMMITMENTS

The organization is under a temporary lease agreement with Algoma Central Properties Inc. in effect as of July 1, 2016 on a month to month basis. Lease payments of \$200 are required monthly.

6. FINANCIAL RISKS

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The organization deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The organization performs continuous evaluation of its accounts receivable and records an allowance for impairment. No individual account is significant to the organization.

(b) Liquidity risk:

Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization manages its liquidity risk by monitoring its operating requirements. The organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

SAFE COMMUNITY PARTNERSHIP SAULT STE. MARIE
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

6. FINANCIAL RISKS (continued)

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed rate instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.

Concentration of risk:

(a) Industry:

The organization relies heavily on various funding, donations and fundraising efforts. It's ability to continue as a going concern depends on it's ongoing ability to raise funds through these different sources.

DRAFT

Safe Communities Partnership SSM

Sault Ste. Marie, ON

Sault Ste. Marie, ON									Based on 2018 (except payroll - 2019)				
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
REVENUE:													
Grants	-	-	-	40,000	2,250	1,000	-	1,500	1,500	-	-	1,500	47,750
SSO	200	400	600	200	200	200	200	200	400	400	400	400	3,800
Donations	-	-	-	500	-	1,300	-	-	-	-	-	-	1,800
Sponsorship/Membership	-	-	-	9,000	-	-	-	-	-	-	-	-	9,000
Event Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraiser	-	-	-	-	-	-	-	-	-	-	-	-	-
Event 6	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc income	-	-	-	-	-	-	-	-	-	-	-	-	-
REVENUE TOTAL	200	400	600	49,700	2,450	2,500	200	1,700	1,900	400	400	1,900	62,350
EXPENSES:													
Payroll Expenses	3,438	3,462	3,462	3,852	3,462	5,157	3,438	4,419	3,438	3,438	3,438	5,157	46,161
Office Expenses	360	340	360	360	360	340	360	340	360	340	340	360	4,220
Communications Expense	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Banking Expenses	59	9	9	9	9	9	9	9	9	9	9	9	158
Mileage	25	25	25	25	25	25	25	25	25	25	25	25	300
Medical/Dental Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Misc. Expense	-	-	150	-	-	-	-	-	-	-	465	-	615
LG Solution - SSO Facilitator	200	200	200	200	-	-	-	-	200	200	200	-	1,400
Outside Contractor Expense	100	-	-	100	-	3,450	100	-	-	100	-	-	3,850
Meeting Expenses	80	80	80	80	80	500	-	-	80	80	80	80	1,220
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Committees	-	-	-	-	-	10,500	-	-	-	-	-	-	10,500
EXPENSES TOTAL	4,382	4,236	4,406	4,746	4,056	20,101	4,052	4,913	4,232	4,312	4,677	5,751	69,864
OPERATING INCOME	(4,182)	(3,836)	(3,806)	44,954	(1,606)	(17,601)	(3,852)	(3,213)	(2,332)	(3,912)	(4,277)	(3,851)	(7,514)

Art Gallery of Algoma

Presentation to Council of the City of Sault Ste. Marie

January 17, 2019

Presentation Overview

- Vision, Mission, Mandate
- AGA in 2017 - 2018
- AGA Building Issues
- AGA Permanent Collection
- AGA Programming
- AGA in 2019
- AGA Priorities for 2019
- AGA Challenges
- Financial Audit for 2017-2018 included

The Art Gallery of Algoma was incorporated in 1975 as a not-for-profit organization

Our Vision

To be a premiere visual arts institution in northern Ontario, gaining national recognition and international partnerships.

Our Mission

Celebrating culture, educating visitors and enriching lives through the visual arts

Our Mandate

- To ensure the highest standards for the presentation, collection, preservation and interpretation of art;
- To deliver exhilarating intellectual experiences, entertaining artistic synergies, and expressive art education through interpretation and classes;
- To coordinate a fusion of arts, education and entertainment activities through AGA's exhibition schedule and expanding collection;
- To nurture relationships and partnerships with outstanding people in the region.

AGA in 2017- 2018

As the AGA enters the 45th year of operation, the Board of Directors with the Executive Director:

- Annually review where we are at
- Where we would like to go as an organization serving the community of Sault Ste. Marie and District

AGA in 2017 - 2018

Governance - AGA Board of Directors

Standing committees of the Board include:

- Governance and Nominations Committee
- Fundraising and Marketing Committee
- Works of Art Committee
- Other committees as needed

AGA 2017 - 2018

The AGA Board of Directors with the Executive Director are working together to ensure that museological standards are in place and followed at the AGA.

Part of that is an ongoing reviewing, updating, and identifying gaps in policies and procedures necessary for an effective and efficient gallery operation according to the accepted professional standards.

AGA in 2017-2018

Policies approved by the AGA Board of Directors since 2014 include:

- Preservation Policy
- Collections Management Policy
- Disaster Response Policy
- Accessible Visitor Services Policy
- Works of Art Policy
- Procurement Policy
- HR Policy - under review by the Government and Nomination Committee

AGA in 2017 -2018

Some Sources of Funding for the AGA in 2017-2018:

- City of Sault Ste. Marie - funds received in the amount of \$280,785
- Department of Canadian Heritage, Museums Assistance Program (MAP) - application approved in the amount of \$82,300 in for the exhibition project *Embodiment: 30 Years of Sculpture* by Susan Low-Beer; touring exhibition (currently on tour in Ontario); \$23,985 deferred to 2017-18

AGA in 2017 -2018

Some Sources of Funding for the AGA in 2017-18 continued:

- Ontario Trillium Foundation - application approved for capital project in the amount of \$150,000; project (HVAC and roof replacement) completed in the fall of 2017
- Cultural Spaces Canada Fund - application approved for capital project in the amount of \$165,550; project (HVAC and roof replacement) completed in the fall of 2017 replacement)

AGA in 2017 - 2018

Some Sources of Funding for the AGA in 2017-18 continued:

- Northern Ontario Heritage Fund Corporation - application approved in the amount of \$29,484 for Business Development Coordinator Internship; funds received in 2017 in the amount of \$5,103 for two months; position was filled again in May 2018, the entire amount of \$29,484 was approved again for one year of internship

AGA in 2017 - 2018

Art Gallery of Algoma - Gallery holds Designation “A”

- Department of Canadian Heritage reapproved the AGA as Designation “A” art gallery in 2015
- This is the top category amongst art galleries on a national level
- This designation aligns with the Vision and Mission of the AGA and is hugely important for the success of the AGA

AGA Building Issues

Building Issues in 2017-2018

- HVAC system repairs were necessary to sustain Designation “A”
- Roof repairs/replacement were necessary to sustain Designation “A”

Funding was obtained for these two projects and projects were completed in the fall of 2017.

AGA Building Issues

Building Issues in 2017-2018 continued

At the end of 2017 the AGA faced another building emergency. Water leak in the permanent collection storage area forced the move of the part of the permanent collection out of storage to exhibition galleries and other spaces in the building. Due to the winter conditions nothing could have been done until the outside temperatures changed.

It was determined that the water was coming in through the east side outside wall, through the bricks and joints.

There are issues with this wall that cannot be repaired. All repairs are temporary and will last for a few years.

The permanent solution is to rebuild the wall or make it an inside wall.

AGA Building Issues

Building Issues in 2017-2018 continued

- The estimated cost of the repairs was approximately \$30,000. The fundraising efforts resulted in raising necessary funds to proceed with the repairs in the summer of 2018.
- Repairs were delayed due to the unforeseen issues as the repairs were done
- Repairs were completed in September 2018
- It was possible to move the permanent collection back into storage which enabled installation of new exhibitions after nine months.

AGA Building Issues

Outstanding Building Projects:

- Collection *storage* is below museological standards and *is not enabling further collection growth*
- Gallery pays for off-site storage for the Animation Collection for many years. In spring of 2017 the AGA had to move Animation Collection again to a new storage facility which is below museological standards. Additional costs were incurred for the collection move.

AGA Building Issues

Outstanding Building Projects continued:

- Additional exhibition spaces are necessary to be able to present significant exhibitions - either traveling exhibitions or exhibitions from other public collections
- Existing exhibition spaces need improvement to meet necessary standards (lighting, temporary walls, security)
- Loading dock needs improvement to enable delivery of high importance exhibitions and/or loans
- Washrooms need complete renovation
- Kitchen needs complete renovation
- Accessibility issues need to be addressed

AGA Permanent Collection

AGA Permanent Collection

- Digitization and cataloguing of the permanent collection started in 2013; 3,354 artworks have been catalogued and digitized at the end of 2018. Permanent collection consists of approximately 5,000 artworks.
- Digitization and cataloguing are necessary to allow the Gallery to achieve the necessary professional museological standards
- Digitization and cataloguing also provide access for research of the permanent collection

AGA Programming

Partnerships

- *Light in the Land ~ the Nature of Canada* exhibition of photographs by Dr. Roberta Bondar was produced in partnership with The Roberta Bondar Foundation and the Algoma Fall Festival in October - December 2017.
- AGA Bondar Challenge followed this exhibition. It included 165 grade 4 and 5 students from both School Boards; children's exhibition was on display in December 2017-January 2018; students met with Dr. Roberta Bondar who opened their exhibition.
- In partnership with the Quilt Guild exhibition *Splendor of Thread & Fabric* celebrating the 25th Anniversary of the Guild was on display from December 15, 2017 - January 20, 2018.

AGA Programming

Partnerships continued

- Existing partnership with Tourism Sault Ste. Marie regarding a Group of Seven Offering continues; in 2018 the AGA hosted 13 groups from USA and Ontario
- *Art in Bloom* exhibition and event was held in April 2018 for the third time in partnership with local florists and artists. The event was sold out
- Partnership with Autism Ontario included a series of art workshops and an exhibition of art by youth and children with Autism
- Ongoing partnership with local organizations, events and festivals continues

AGA Programming

Partnerships continued:

- ▶ AGA participated in the annual celebration of Multiculturalism Day in partnership with LIP and other local organizations in culture
- ▶ AGA participated in Culture Days - an annual event in September which offers free activities to the community; in partnership with Indian Friendship Centre the AGA hosted jingle dancers and drumming group. It was featured provincially through social media as one of the most popular events.
- ▶ AGA Participated in Art Fairs organized by both ADSB & HSCDSB School Boards

AGA Programming

Due to the water leak in the collection storage area and the necessary move of the parts of the permanent collection the exhibition schedule and programming had to change as of January 2018.

Several exhibitions were cancelled.

Some exhibitions have been postponed and hopefully will be presented over time.

AGA Programming

Exhibitions in 2018

- ▶ Annual Winter Festival of Art was held in February 2018. This was the fifth annual exhibition; there were 93 participants. Theme of the exhibition and exhibition title was *Light & Shadow*.

AGA Programming

Exhibitions continued

- Out of necessity permanent collection was on display for most of 2018. Movement of the artwork was very limited.
- After the leak of the east wall was repaired in September 2018 the AGA was able to present, with huge effort and very last minute, exhibition *Algoma Discovered* which marked 100th anniversary of the first painting trip of the Group of Seven artists to Algoma. Art was borrowed from four public and some private collections. The exhibition was produced in partnership with the Algoma Fall Festival.
- Cost for presenting this exhibition was \$30,000.

AGA Programming

Exhibitions continued

- During the summer of 2018 the AGA held an open photo competition which resulted in over 270 entries. Independent Jury selected 35 images which were on display in October - November 2018 in the exhibition *Algoma Through My Eyes*
- Art by the Group of Seven artists was an inspiration for photographers. They were asked to take images of landscape that inspires them today as the Group of Seven artists painted 100 years ago what inspired them
- *A Fresh Angle* is an exhibition of art pieces made by 550 students currently on display. Exhibition of Group of Seven *Algoma Discovered* in October was an inspiration for the young artist

AGA Programming

- Educational programming, ongoing: school tours, art classes for all age groups in various art disciplines, workshops, youth programs, March Break art classes, summer art classes for children
- Family Days are held four times per year - free admission; art activities included

AGA Programming

AGA worked on the new logo and updated the website in the summer and fall of 2018

New AGA logo:



Art Gallery of
ALGOMA

AGA in 2019

- Staffing in January 2019:
 - Executive Director/Chief Curator, full time
 - Administrative Assistant, full time
 - Gallery Assistant, part time
 - Business Development Coordinator, NOHFC Internship until May 2019
 - Two casual part time Visitor Services Assistants, as needed
- Membership: 396 active members as of early January 2019
- 2018 tourism season: 13 tour groups were hosted - Group of Seven presentation, tour of the exhibitions, wine and cheese reception

AGA in 2019

Some exhibitions planned for 2019 include:

Sixth Annual Winter Festival of Art, opening reception and award ceremony is on February 8th; Exhibition theme/title is *Symbolism of Colour*

Algoma Collects - art in private collections in Sault Ste. Marie and area opening on February 8th

Forth Annual *Art In Bloom* exhibition and event; event is scheduled for April 26, 2019; People's Choice Award for best floral arrangement will be awarded; event will probably be extended over the 2-3 days as per interest expressed by florists and popular demand

In partnership with the Algoma Fall Festival exhibition of digital images of Norval Morrisseau paintings is planned for the fall

Exhibition of A.Y. Jackson art to mark his first visit to Algoma in 1919 is planned for summer/fall

AGA Priorities for 2019

- **Maintain current Designation “A”**
- **Determine feasibility of the building expansion**
- **Continue with building repairs**
- **Continue to work on increasing membership**
- **Work on increasing self-generated revenue through art educational programming, exhibition and programming sponsorship, individual and corporate donations, increase Gallery Shop sales, increase fundraising events revenue, continue and further develop collaboration with tourism sector**
- **Further develop partnerships and collaborations in producing exhibitions with art galleries across the country**
- **Addition of professional staffing**
- **Remain sustainable**

AGA Challenges

1. The AGA building is aging and has many issues that are compromising museological and conservation standards. Significant amount of resources has been dedicated to address these issues on an ongoing bases which has a direct impact on exhibitions and programming.
2. The AGA is constantly focused on *raising funds for basic operation*. Current vision is to move forward in providing more important exhibitions, art publications, art programming and to put the AGA and Sault Ste. Marie on a national map. This goal is not achievable with the current level of resources.
3. The AGA's vision to be a premier "visual arts institution in Northern Ontario, getting national recognition and international partnerships" would be attained only if additional professional staff is hired. This is not possible with the current state of funding.



Q & A

Thank You!

ART GALLERY OF ALGOMA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

ART GALLERY OF ALGOMA
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

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Statement of Changes in Net Assets	4
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Statement of Cash Flows	6
Notes to the Financial Statements	7
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Accounting
Tax
Consulting

Independent Auditor's Report

To the members of the Art Gallery of Algoma

I have audited the accompanying financial statements of Art Gallery of Algoma, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

The organization derives a portion of its revenue from donations and funding, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my examination of certain revenue was confined principally to a comparison of recorded income to duplicate receipts and deposit books.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Art Gallery of Algoma as at March 31, 2018 and its results from operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Suraci CPA Professional Corporation

Chartered Professional Accountant
Licensed Public Accountant

Sault Ste. Marie, ON
November 29, 2018

ART GALLERY OF ALGOMA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash (note 6)	\$ 98,708	\$ 252,939
Investments (note 4)	112,491	55,063
Accounts receivable	13,721	79,490
Inventory	<u>6,995</u>	<u>5,117</u>
	<u><u>\$ 231,915</u></u>	<u><u>\$ 392,609</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,058	\$ 38,976
Deferred contributions (note 10)	<u>24,610</u>	<u>167,293</u>
	<u><u>38,668</u></u>	<u><u>206,269</u></u>
NET ASSETS		
UNRESTRICTED NET ASSETS	193,247	141,099
CAPITAL FUND (note 9)	<u>0</u>	<u>45,241</u>
	<u><u>193,247</u></u>	<u><u>186,340</u></u>
	<u><u>\$ 231,915</u></u>	<u><u>\$ 392,609</u></u>

ART GALLERY OF ALGOMA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	Unrestricted Net Assets	Capital Fund (note 2(a),9)	2018 Total	2017 Total
BALANCE, beginning of year	\$ 141,099	\$ 45,241	\$ 186,340	\$ 199,165
SURPLUS (DEFICIT) for year	<u>52,148</u>	<u>(45,241)</u>	<u>6,907</u>	<u>(12,824)</u>
BALANCE, end of year	<u>\$ 193,247</u>	<u>\$ 0</u>	<u>\$ 193,247</u>	<u>\$ 186,341</u>

ART GALLERY OF ALGOMA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUE (page 11)		
Granting agencies	\$ 315,831	\$ 290,362
Admissions, programs and tours	55,642	39,024
Public support	75,928	21,743
Gallery shop	38,657	38,216
Other revenue	5,547	6,355
Investment income	9,764	6,981
Granting agencies - capital	<u>292,409</u>	<u>16,302</u>
	<u>793,778</u>	<u>418,983</u>
EXPENDITURES (note 8)		
Administration	144,446	129,557
Building, facility and occupancy	63,754	73,594
Curatorial and exhibition	98,187	98,822
Development	58,416	57,159
Education and public programs	35,577	31,944
Gallery shop	23,197	22,550
Capital expenditures	<u>363,294</u>	<u>18,181</u>
	<u>786,871</u>	<u>431,807</u>
SURPLUS (DEFICIT) for the year	<u>\$ 6,907</u>	<u>\$ (12,824)</u>

ART GALLERY OF ALGOMA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net surplus (deficit) for the year	\$ 6,907	\$ (12,824)
Changes in non-cash working capital		
Accounts receivable	65,769	(72,276)
Inventory	(1,878)	(1,144)
Accounts payable and accrued liabilities	(24,918)	16,889
Deferred contributions	(142,683)	137,871
	<u>(96,803)</u>	<u>68,516</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Decrease (increase) in investments	<u>(57,428)</u>	<u>(410)</u>
NET (DECREASE) INCREASE IN CASH	(154,231)	68,106
CASH, BEGINNING OF YEAR	<u>252,939</u>	<u>184,833</u>
CASH, END OF YEAR	<u><u>\$ 98,708</u></u>	<u><u>\$ 252,939</u></u>

ART GALLERY OF ALGOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. NATURE OF BUSINESS

Art Gallery of Algoma is a not for profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Art Gallery of Algoma is exempt from income tax. Its purpose is to provide a public program comprising exhibitions and activities promoting the understanding, appreciation and enjoyment of the visual arts in the community as well as establishing a permanent collection of resources in the visual arts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) FUND ACCOUNTING

Capital fund

The capital fund reports resources available for the organization's future investment in land, building, and equipment and other capital related projects as deemed by the board of directors.

(b) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Other revenue is recognized when earned and collection is reasonably certain.

(c) PERMANENT COLLECTION

Donated artwork and acquisitions for the permanent collection are not recorded in these financial statements. Acquisition costs related to the permanent collection are expensed as incurred.

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net surplus.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The organization's financial assets measured at fair value include investments, which

ART GALLERY OF ALGOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

include cash, mutual funds and publicly traded shares.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(e) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(f) **CAPITAL ASSETS EXPENSED**

As recurring revenues are less than \$500,000, the organization expenses capital assets in the year of purchase.

(g) **ALLOCATED EXPENSES**

The organization allocates its salary and benefits costs by percentage to various departments. The cost of each program include the costs of personnel that are directly related to providing the programs.

(h) **CONTRIBUTED MATERIALS AND SERVICES**

During the year, a number of organizations and individuals donate materials to the organization and a number of volunteers contribute a significant amount of time. Because of the difficulty in determining their fair value, contributed materials and services are not recorded in the financial statements.

ART GALLERY OF ALGOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from these financial instruments.

The extent of the organization's exposure to these risks did not change in 2018 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk on its investments, which include Canadian publicly traded shares with a fair market value of \$56,642 (2017: NIL).

4. INVESTMENTS

Investments of \$112,491 (2017 - \$55,063) are comprised of cash, equities and mutual funds and are recorded at their fair market value.

5. ENDOWMENTS WITH THE ONTARIO ARTS FOUNDATION

In 1999, the Province of Ontario established the Arts Endowment Program with the Ontario Arts Foundation ("OAF"). For each participating arts organization, a separate trust fund is established and maintained by the OAF. Each year, when available, these organizations receive income from the funds held for their benefit and this income is to be used for operating purposes.

Income is earned on the funds and paid out annually at the discretion of the OAF board of directors and included in investment income on the statement of operations. Investment income of \$6,596 (2017: \$6,431) was received in the year. At March 31, 2018 the fair value of the funds the OAF is holding for the benefit of the Gallery is \$142,175 (2017 - \$144,887). The funds held in trust are not reflected in these financial statements.

6. BANK INDEBTEDNESS

The organization has utilized \$0 (2017 - \$0) of an authorized operating line of credit with a limit up to a maximum of \$45,000. The line of credit bears interest at prime plus 1.25%.

7. CAPITAL ASSETS EXPENSED

The Art Gallery of Algoma's building and equipment are located on land leased from the City of Sault Ste. Marie. The value of the fixed assets are expensed as incurred. The aggregate historical cost of building and furnishings to March 31, 2018 amounted to \$1,908,649 (2017: \$1,545,355).

ART GALLERY OF ALGOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

8. ALLOCATED EXPENSES

Wages and benefits expense of \$229,879 (2017 - \$219,175) have been allocated based on management's estimate of the time and effort spent on the organization's functions as follows:

	2018	2017
Administration	\$ 92,602	\$ 87,998
Building, facility and occupancy	22,988	21,597
Curatorial and exhibition	41,378	40,471
Development	45,976	43,193
Education and public programs	<u>27,585</u>	<u>25,916</u>
	<u><u>\$ 230,529</u></u>	<u><u>\$ 219,175</u></u>

9. CAPITAL FUND

Activities of the capital fund are as follows:

	2018	2017
Opening balance	\$ 45,241	\$ 44,831
Investment income	0	410
Transfer to operations for HVAC system	<u>(45,241)</u>	<u>0</u>
Closing balance	<u><u>0</u></u>	<u><u>45,241</u></u>

10. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended portion of restricted government grant revenue received or receivable that relates to future periods, is as follows:

	2018	2017
Balance, beginning of the year	\$ 167,293	\$ 29,422
Less amount recognized as revenue in the year	(142,683)	(29,422)
Plus amount received related to the following year	<u>0</u>	<u>167,293</u>
Balance, end of year	<u><u>\$ 24,610</u></u>	<u><u>\$ 167,293</u></u>

11. PERMANENT COLLECTION

The value of the permanent collection, based on management's estimate is as follows:

	2018	2017
Balance, beginning of year	\$16,528,124	\$16,428,624
Acquisitions	<u>97,000</u>	<u>99,500</u>
	<u><u>\$16,625,124</u></u>	<u><u>\$16,528,124</u></u>

Acquisition value is based on the appraisal obtained on the works received in the year they are received. A current valuation of the entire portfolio is not done on an annual basis. The permanent collection is insured for \$11,000,000 (2017: \$11,000,000).

ART GALLERY OF ALGOMA
SCHEDULE OF REVENUE
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Granting agencies		
City of Sault Ste. Marie	\$ 280,785	\$ 244,958
City of Sault Ste. Marie - School board levy	0	10,000
Heritage Canada - Museum Assistance Grant	23,985	25,000
Government of Canada - Job grants	0	6,923
Province of Ontario - Job grants	5,958	2,875
Northern Ontario Heritage Fund Corporation	5,103	0
Other agencies and foundations	0	606
	<u>315,831</u>	<u>290,362</u>
Admissions, programs, tours		
Admissions	14,352	7,609
Classes and workshops	25,574	19,158
Exhibitions	5,114	414
Tours	10,602	11,843
	<u>55,642</u>	<u>39,024</u>
Public support		
Corporate memberships	400	418
Individual memberships	8,610	7,453
Fundraising	2,458	8,915
Donations	64,460	4,957
	<u>75,928</u>	<u>21,743</u>
Gallery shop	<u>38,657</u>	<u>38,216</u>
Other revenue	<u>5,547</u>	<u>6,355</u>
Investment income	<u>9,764</u>	<u>6,981</u>
Granting agencies - capital		
Canada cultural spaces fund	158,711	0
Trillium foundation	133,698	16,302
	<u>292,409</u>	<u>16,302</u>
	<u>\$ 793,778</u>	<u>\$ 418,983</u>



City Council Presentation January 28, 2019



Program Information

The SSM Physician Recruitment & Retention Program began in 2002 in an effort to coordinate the recruitment of physicians for our community. Our partners are the city of Sault Ste. Marie, Sault Area Hospital, the Group Health Centre and the Algoma West Academy of Medicine.

The committee approves an annual city-wide Physician Recruitment & Retention Plan that includes:

- key recruitment priorities for the upcoming year
- recruitment strategies and incentives
- retention strategies
- projected costs



How do we recruit?

- Attend annual conferences - Canadian Society of Internal Medicine, Family Medicine Forum
- Advertise - hfojobs, CASPR, websites
- NOSM promote electives/rotations and Summer Studentship Program
- Connect with medical learners from Sault Ste. Marie on Facebook & Twitter



Site Visits

The Ministry of Health provides funding for a Community Assessment Visit for physicians and their partners interested in exploring practice opportunities. Site visits are tailored specific to the practice and social interests of each individual physician.





Retention Events

Host a Physician Golf Day/Dinner in September and a Ski Day in February as part of our retention plan. These events provide the opportunity for physicians to reconnect as well as meet our new physicians, residents and students.

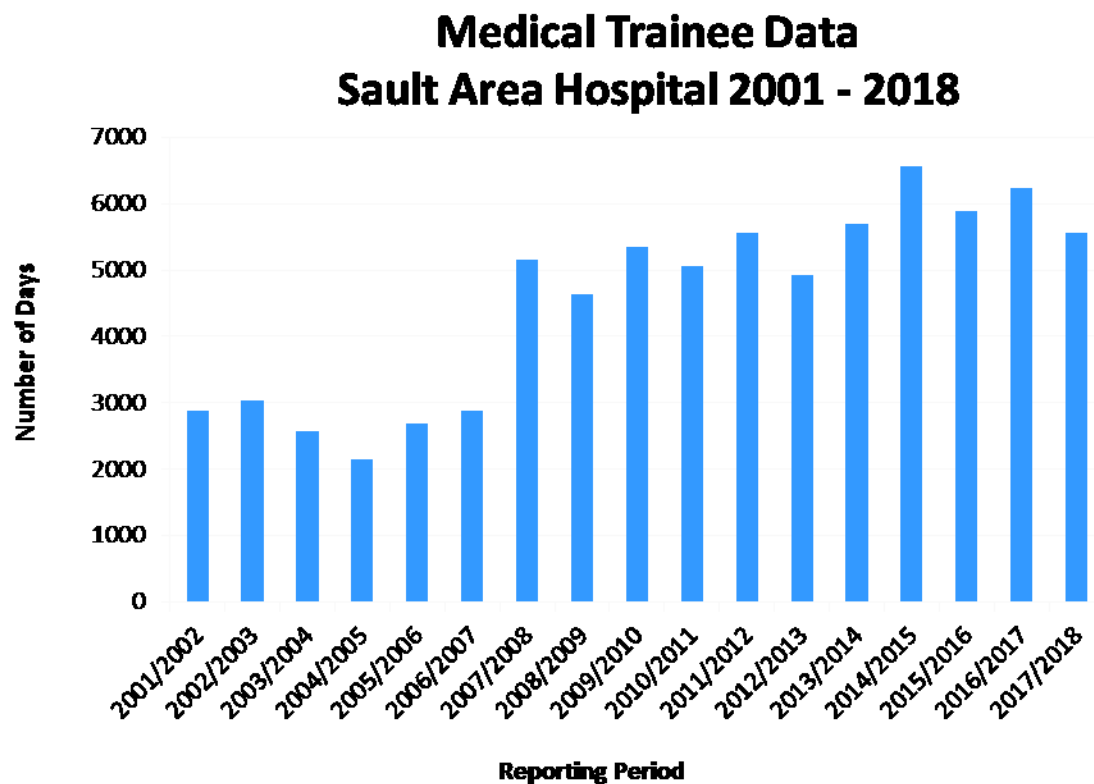




Sault Ste. Marie NOSM Site

- **Summer Studentship Program (SSP)**
 - Max of 10 first and second year students - all from SSM - month of June
- **Comprehensive Community Clerkship (CCC)**
 - 8 third year medical students per year placed from August to April
- **Residency Matching and Training**
 - Family Medicine 2 year training program (4-5 spots per year)
 - Family Practice Anesthesia 1 year training program (1-2 spots per year)
 - Pediatrics 4 year training program (1 spot per year)
 - Psychiatry 5 year training program (1 spot per year) ***NEW IN 2018
 - Other Enhanced Skills residents as requested
- **Elective Placements**
 - Medical learners from out of country, across Canada and Ontario (including NOSM) placed for various experiences.
- **Average of 115 medical learners per year!!**

Medical Trainee Days in SSM





Engaging our Physicians





SSM Medical Learner Successes

- 35 physicians recruited to date attended SSP
- CCC students with no ties to SSM often come back for residency program
- U of T IM resident elective placements successfully resulting in many current locum physicians
- Increased NOSM core elective rotation offerings in SSM
- New resident positions for Pediatrics, Anesthesia, and Psychiatry
- SSM is a well known popular placement location!!
- Medical education is directly related to recruitment!

151 physicians have been recruited since 2002

6 - Anesthetists	2 - Nephrologists
2 - Cardiologist	2 - Neurologists
3 - Critical Care Specialists	5 - Obstetrician/Gynecologists
5 - Diagnostic Radiologists	2 - Ophthalmologists
1 - Endocrinologist	5 - Orthopedic Surgeons
2 - Gastroenterologists	3 - Otolaryngologists
3 - General Internists	2 - Pathologists
2 - General Surgeons	3 - Pediatricians
1 - Geriatrician	11 - Psychiatrists
1 - Hematologist	1 - Rheumatologist
1 - Infectious Disease Specialists	3 - Urologists
5 - Medical Oncologists	

41 - Family Medicine (FM) Physicians
 24.5 - FM/Emergency Medicine Physicians
 3.5 - FM/Anesthetists
 8 - FM/Hospitalists
 3 - FM/Other (Palliative, Dermatology, Child & Adolescent Psychiatry)





SAULT STE. MARIE

PHYSICIAN RECRUITMENT
and RETENTION

Report to Council

Prepared by

Physician Recruitment & Retention Office

January 2019

COMMITTEE STRUCTURE

Sault Ste. Marie Physician Retention & Recruitment Executive Committee	
Membership List January 2019	
Member	Organization Represented
Mayor Christian Provenzano (Chair)	City/SSM
Mr. Al Horsman	City/SSM
Dr. David Fera	ADMG/GHA
Mr. Alex Lambert	
Dr. Silvana Spadafora	SAH
Dr. Andrew Webb	
Dr. Tim Best	AWAM
Christine Pagnucco*	Manager, Physician Recruitment Program
Carrie Stewart*	Physician Recruitment Coordinator

ADMG - Algoma District Medical Group

AWAM - Algoma West Academy of Medicine

SAH - Sault Area Hospital

GHA - Group Health Association

City/SSM - City of Sault Ste. Marie

* Non-voting Member

Terms of Reference

SSM Physician Recruitment & Retention Committee

Purpose	- To receive a city-wide Medical Manpower Plan, from Sault Area Hospital, Group Health Association and Algoma West Academy of Medicine by November of each year, for family physicians and specialists, to meet community needs while incorporating the service requirements of the SAH and GHA. - To approve an annual city-wide Physician Recruitment & Retention Plan to include: - key recruitment priorities for the upcoming year - recruitment strategies and incentives - retention strategies and incentives - projected costs - To establish sub-committees to deal with specific issues as appropriate - To provide an annual report to the four participating organizations and the community at large on activities, accomplishments and future plans - To receive written and substantiated proposals for recruitment & retention. - To function in a policy-setting and overseeing capacity - To support ongoing retention strategies and initiative	
Membership	City of Sault Ste. Marie One (1) votes Sault Area Hospital Two (2) votes Group Health Association & Algoma District Medical Group Two (2) votes Algoma West Academy of Medicine One (1) vote Mayor One (1) vote <u>Non Voting Members</u> Manager Administrative Assistant	1 - representative 2 - representatives (Chief of Staff & VP Medical Affairs) 2 - representatives 1 - representative 1 - representative
Sub-Committees	The following sub-committee will conduct ad-hoc meetings at the request of Executive Committee. Physician Advisory	
Chair	Appointed by Committee	
Meetings	Bi-Monthly (no meetings scheduled in July & August)	
Quorum	Majority of membership If quorum is not achieved, meeting will be cancelled. If quorum is lost throughout meeting; meeting will continue with information items only.	

ACTIVITY REPORT

**Report to City Council
January 28, 2019**

Physicians Recruited to Sault Ste. Marie

November 1, 2017 - January 2019

Service	Practice Location	Practice Start
Rheumatology	Group Health Centre	September 2019
Psychiatry	Sault Area Hospital	March 2019
Family Medicine	Group Health Centre	October 2018
FM/Emergency Medicine	Sault Area Hospital	May 2018
Cardiology	Unknown	October 2018
Diagnostic Radiology	Group Health Centre	September 2018
Otolaryngology	Group Health Centre	February 2019
Family Medicine	Unknown	Summer 2019
Family Medicine	Unknown	Fall 2019
Family Medicine	Unknown	Fall 2019
Pediatrics	Group Health Centre	Fall 2019

Recruitment Activities

Since November of 2017, we have hosted a number of physicians and their families in Sault Ste. Marie. Among this group there have been specialists in Rheumatology, Vascular Surgery, General Internal Medicine, Psychiatry, Gastroenterology, and Obstetrics & Gynecology.

A list of these site visits and recruitment events attended is attached for information.

Recruitment Priorities

Consulting with our partners, the following recruitment priorities have been identified:

- General Internal Medicine
- Urology
- Cardiology
- General Surgery
- Obstetrics & Gynecology
- Vascular Surgery
- Gastroenterology
- Plastic Surgery
- Respiriology
- Family Medicine

Retention Events

The Annual Physician Family Ski Day was held on Sunday February 25, 2018 at Searchmont Resort. Despite stormy weather, a large number of physicians and their families attended this year. Everyone enjoyed a full day of both downhill and cross-country skiing as well as a guided snowshoe trek.

The Mayor's Reception was held on December 27th, 2019. This event provided an opportunity for local physicians, medical students and residents to meet, mingle and catch up with colleagues and friends.

The Annual Physician Golf Day took place on September 12th, 2018 at Crimson Ridge Golf Club. Close to 100 people enjoyed a beautiful fall afternoon of golfing followed by dinner. This event provides us the opportunity to introduce our new physicians to their colleagues.

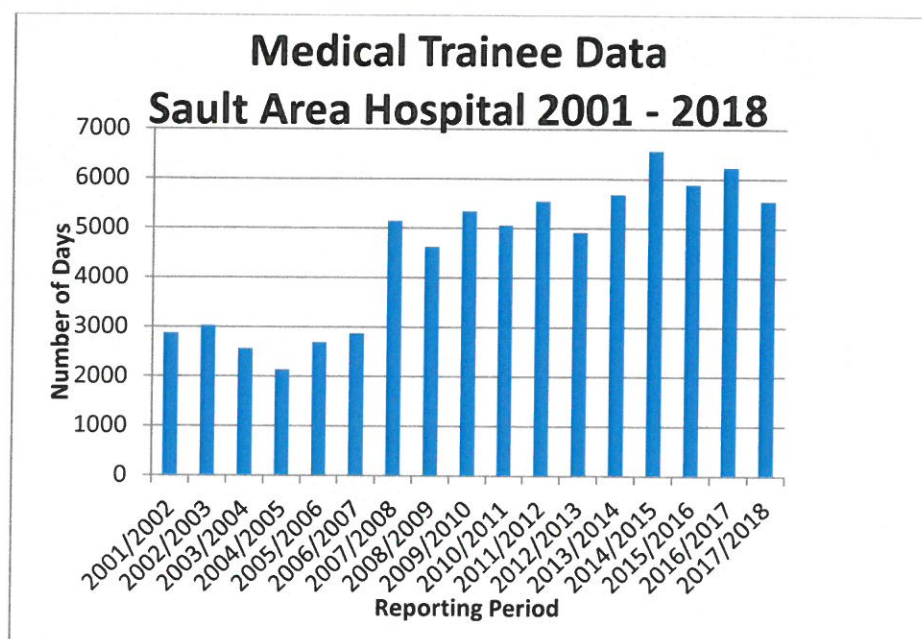
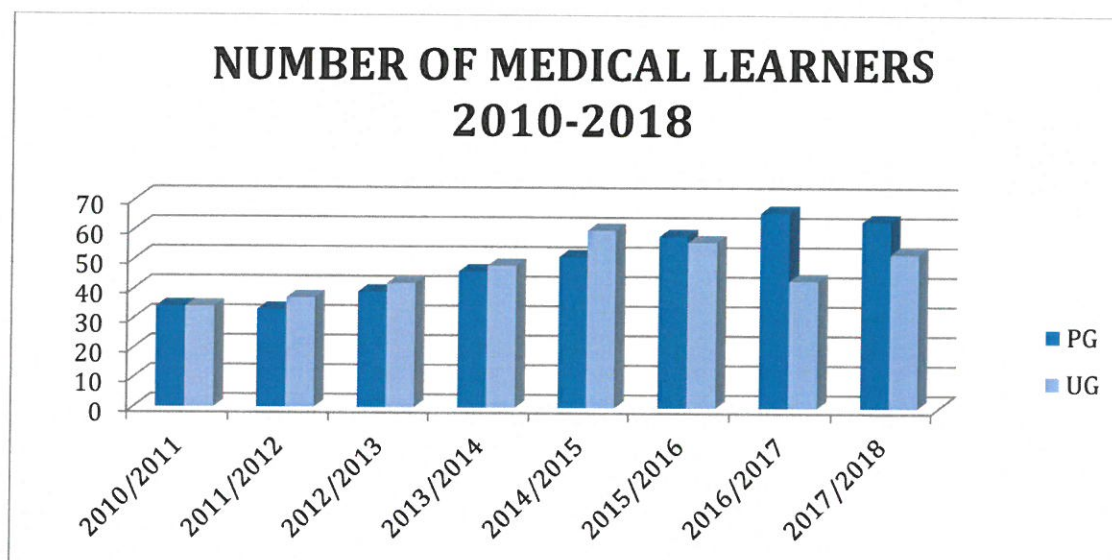
Saultites in Medical Training Programs

Currently, there are over 80 people from Sault Ste. Marie who are at various stages of their medical training.

NOSM at Work in Our Community

Medical Learners

During this past year, we had 115 placements for medical students and residents with a total of 5558 medical trainee days logged. The number of resident placements continues to increase as we add core opportunities and accept additional full time positions for NOSM post-graduate programs. Learners spent time in our community being trained by our local family and specialist physicians. Many of the learners are from the Northern Ontario School of Medicine however we have had learners from University of Toronto, McMaster University, University of Western Ontario, and University of Ottawa as well as learners from outside Ontario and Canada.



Summer Studentship Program (SSP)

The Summer Studentship Program continues to be a popular program for medical students from Sault Ste. Marie currently enrolled in a medical school in Canada. The three week paid placement takes place in the month of June each year. The students have opportunities to be placed in general and specialty physician offices, clinics and ORs as well as learn some skills from group sessions including casting and suturing. This program has been running in Sault Ste. Marie since 2000 and is operated in partnership with NOSM.

We had nine participants this year all from Northern Ontario School of Medicine.

Medical Learners

Seven Comprehensive Community Clerkship (CCC) students have been in Sault Ste. Marie since August completing their eight month training. These NOSM students will primarily be with Family Medicine preceptors but will also have many opportunities to learn with specialists as well as community healthcare partners. Four of the seven students are originally from Sault Ste. Marie and the surrounding area.

Canadian Residency Matching Service (CaRMS) - Sault Ste. Marie trains four Family Medicine physicians each year for their two year residency program through the Family Medicine Program at NOSM. We attend the interviews held in Thunder Bay and Sudbury in January of each year in order to promote the local program and meet the candidates. We currently have ten family medicine residents training in Sault Ste. Marie.

Sault Ste. Marie hosted candidate interviews in November 2018 for the NOSM Family Medicine third year training in Anesthesia. The program has two to three spots annually split between Sault Ste. Marie and Sudbury. Currently, we have two Anesthesia residents training with us and will have one new resident joining us next academic year starting July 1, 2019. Sault Ste. Marie is also hosting one resident completing a self-directed enhanced skills third year. This additional year of training is available to NOSM residents to enhance their scope of practice and further develop competencies and skill sets. Common resident interests are emergency medicine, women's health, and surgical skills.

Our local Psychiatry teaching group was successful in advocating and obtaining a full time Royal College Psychiatry residency position in Sault Ste. Marie. One resident is currently enrolled in our local program in year one and candidate interviews are being conducted for CaRMS match for residents starting July 1, 2019.

Sault Ste. Marie will be graduating our first NOSM Pediatric resident in June 2019. The NOSM four year residency program allows matching learners to choose Sault Ste. Marie or Thunder Bay as a learning community. The resident has also chosen Sault Ste. Marie as a practice location; this is a great example of how expanding our teaching site assists in our recruitment efforts! We are hoping for a new resident match this upcoming academic year starting July 1, 2019.

SSM Academic Medical Association

The Sault Ste. Marie Academic Medical Association (SSM AMA) is a local education group established in 2012 and funded directly by the Physician Clinical Teacher's Association (PCTA) who receives its funding from the Northern Ontario Academic Medicine Association (NOAMA). NOAMA manages, distributes and administers the Alternate Funding Plan (AFP) funding on behalf of the Ministry of Health and Long-Term Care to Northern Ontario School of Medicine Physician Clinical Faculty.

SSM AMA is responsible for supporting faculty development, research, academic programming and clinical teaching in the Algoma District. At 106 members, SSM AMA is the largest local education group in Northern Ontario.

SSM AMA, in partnership with the Sault Ste. Marie Innovation Centre, is excited to announce a new local medical research office. The medical association has been successful in recruiting a full-time Research Coordinator and Research Assistant. The association has also submitted applications for student funding from NOSM and Canada Summer Job Grants in hopes to further expand the team with summer research students. The team is focusing on building community research partnerships, promoting research opportunities, and assisting physician faculty with ongoing projects.

Recruitment Statistics

Statistical information for the Recruitment & Retention Program is included in the package for your information. One hundred and fifty one physicians have been recruited since the inception of this program. Of the 151 recruited physicians, 75 have had some medical training in Sault Ste. Marie

Respectfully submitted,



Christine Pagnucco

Community Assessment Visits Report November 2017 to date		
Service	Date of Visit	Results
Psychiatry	December 14 - 17, 2017	Practice elsewhere
General Internal Medicine	December 14 - 17, 2017	Practice elsewhere
Otolaryngology	February 15 - 17, 2018	Practice elsewhere
General Cardiology	February 19 - 20, 2018	Practice elsewhere
Vascular Surgery	May 10 - 13, 2018	Practice elsewhere
Vascular Surgery	May 17 - 20, 2018	Recruited/Practice elsewhere
Rheumatology	May 22, 2018	Recruited
Respirology	June 6 - 9, 2018	Not yet decided
Family Medicine	June 6 - 9, 2018	Not yet decided
General Internal Medicine	June 22, 2018	Not yet decided
Family Medicine	June 22, 2018	Not yet decided
Gastroenterology	July 7 - 10, 2018	Practice elsewhere
Psychiatry	July 26 - 27, 2018	Recruited
Otolaryngology	Sept 27 - 30, 2018 January 16 - 18, 2018	Recruited
Interventional Cardiology	October 14 - 17, 2018	Not yet decided
General Surgery	November 8 - 11, 2018	Practice elsewhere

RECRUITMENT & RETENTION EVENTS 2018/2019

<i>DATES</i>	<i>LOCATION</i>	<i>EVENT</i>	<i>TARGET GROUP</i>
August 9 - 10, 2018	Kingston	Queen's Family Medicine Career Fair	Residents - Family Medicine
October 19 - 22, 2018	Toronto	Canadian Cardiology Congress	Practicing Physicians & Residents
November 14 - 17, 2018	Toronto	Family Medicine Forum	Practicing Physicians & Residents
January 11 - 13, 2019	Thunder Bay	CaRMS Interviews - Family Medicine	Residents - Family Medicine and Specialty & NOSM Medical Students
January 25 - 27, 2019	Sudbury	CaRMS Interviews - Family Medicine	Residents - Family Medicine and Specialty & NOSM Medical Students
February 7 - 8, 2019	Toronto	Obstetrics & Gynecology Review	Ob/Gyn residents

Retention Initiatives
Birthday & Christmas Cards for Local Physicians and Locums Physician Appreciation Golf Day - September Mayor's Reception - December Family Ski Day - February

BUDGETS

CURRENT 2018-2019

&

PROPOSED 2019-2020

Summary of Cost Centres - Physician Recruitment & Retention
at January 21, 2019
for the fiscal reporting period April 1, 2018 - March 31, 2019

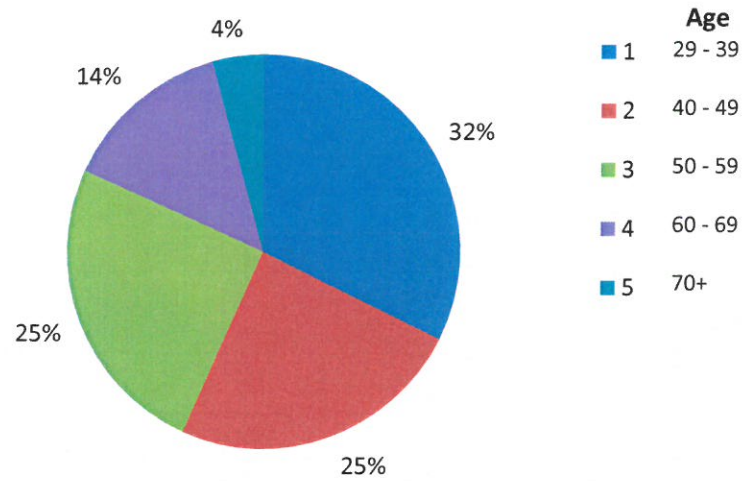
			Budget 2018/2019	Submitted expenses	Actual less GST	Balance	
35010	3501000	Salaries and Benefits	\$ 146,000.00	\$ 111,982.81	\$ 111,982.81	\$ 34,017.19	
49500	4950010	Office Supplies	\$ 2,200.00	\$ 1,129.95	\$ 1,053.46	\$ 1,146.54	
61030	6103000	Professional Conferences	\$ 2,000.00	\$ 382.83	\$ 347.57	\$ 1,652.43	
65050	6505000	Professional Services - Recruitment	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
65090	6509000	Professional Fees	\$ 175.00	\$ 175.00	\$ 175.00	\$ -	
67000	6700000	Advertising/Journals & Website Management	\$ 1,000.00	\$ 1,394.75	\$ 1,258.83	-\$ 258.83	
67020	6700010	Display & Promotional Materials	\$ 1,500.00	\$ 1,626.96	\$ 1,477.52	\$ 22.48	
67012	6959901	Recruitment support **	\$ 80,000.00	\$ 6,334.06	\$ 5,044.43	\$ 74,955.57	
67011	6959902	Learners Conference and Activities	\$ 3,000.00	\$ 1,240.63	\$ 1,136.91	\$ 1,863.09	
67013	6959903	Showcasing SSM/Site Visits	\$ 12,000.00	\$ 10,483.80	\$ 9,540.19	\$ 2,459.81	
67016	6959905	Retention Activities/Initiatives	\$ 14,000.00	\$ 10,511.25	\$ 9,643.05	\$ 4,356.95	
67018	6959906	Participation in Recruitment Events	\$ 11,375.00	\$ 10,019.72	\$ 8,894.20	\$ 2,480.80	
67017	6959907	Summer Studentship Program	\$ 4,000.00	\$ 2,647.68	\$ 2,442.46	\$ 1,557.54	
76500	7650000	Minor Equipment Purchases (Furniture & Office Equip)	\$ 750.00	\$ -	\$ -	\$ 750.00	
		TOTAL	\$ 200,000.00	\$ 152,595.38	\$ 148,952.00	\$ 51,048.00	
		Sault Area Hospital Contribution	\$ 60,000.00				
		Group Health Centre Contribution	\$ 60,000.00				
		City of Sault Ste. Marie Contribution	\$ 80,000.00				
		TOTAL	\$ 200,000.00				
		** not included in calculations					

Sault Ste. Marie Physician Recruitment & Retention Proposed Budget 2019/2020

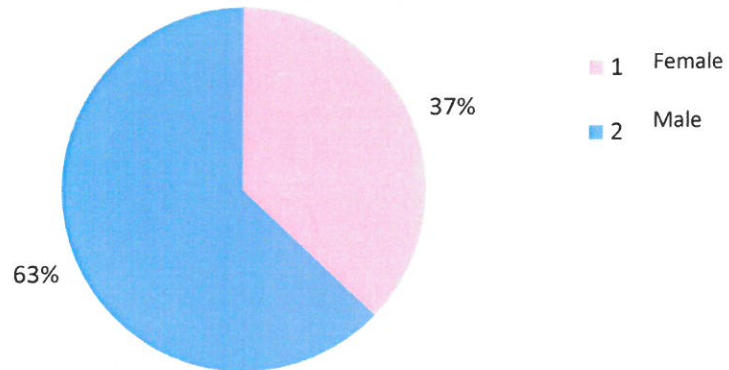
		Budget 2019/2020
3501000	Salaries and Benefits	\$ 152,000.00
4950010	Office Supplies	\$ 2,200.00
6103000	Professional Conferences	\$ 2,000.00
6505000	Professional Services - Recruitment	\$ 1,000.00
6509000	Professional Fees	\$ 175.00
6700000	Advertising/Journals & Website Management	\$ 2,150.00
6700010	Display & Promotional Materials	\$ 2,500.00
6959902	Learners Conference, Activities and Support	\$ 7,000.00
6959903	Showcasing SSM/Site Visits	\$ 14,500.00
6959905	Retention Activities/Initiatives	\$ 14,225.00
6959906	Participation in Recruitment Events	\$ 15,500.00
6959907	Summer Studentship Program	\$ 6,000.00
7650000	Minor Equipment Purchases (Furniture & Office Equip)	\$ 750.00
	TOTAL	\$ 220,000.00
	Sault Area Hospital Contribution	\$ 65,000.00
	Group Health Centre Contribution	\$ 65,000.00
	Proposed City of Sault Ste. Marie Contribution	\$ 90,000.00
	TOTAL	\$ 220,000.00

STATISTICAL INFORMATION

Age Statistics Sault Ste. Marie Physicians January 2019



Gender Statistics Sault Ste. Marie Physicians January 2019



Recruited Physicians 2002 - present

Areas of Practice Specialty

6 - Anesthetists	2 - Nephrologists
2 - Cardiologists	2 - Neurologists
3 - Critical Care Specialists	5 - Obstetrician/Gynecologists
5 - Diagnostic Radiologists	2 - Ophthalmologists
1 - Endocrinologist	5 - Orthopedic Surgeons
2 - Gastroenterologists	3 - Otolaryngologists
3 - General Internists	2 - Pathologists
2 - General Surgeons	3 - Pediatricians
1 - Geriatrician	11 - Psychiatrists
1 - Hematologist	1 - Rheumatologist
1 - Infectious Disease Specialist	3 - Urologists
5 - Medical Oncologists	
41 - Family Medicine (FM) Physicians 24.5 - FM/Emergency Medicine Physicians 3.5 - FM/Anesthetists 8 - FM/Hospitalists 3 - FM/Other (Palliative, Dermatology, Child & Adolescent Psychiatry)	

Summary of Physicians Recruited and Departed 2002 to January 16, 2019

	#	PHYSICIANS RECRUITED	PRACTICE LOCATION	#	PHYSICIANS DEPARTED
2002/03	4	Medical Oncology Family Medicine FM/Emergency Medicine (2)	SAH 3 GHC 1	2	Emergency Medicine Family Medicine
2003/04	5	Family Medicine FM/Emergency Medicine (2) Anaesthesia Psychiatry	SAH 4 GHC 1	4	Family Medicine Radiology (2) Internal Medicine
2004/05	5	Nephrology Psychiatry FM/Anesthesia - Emergency Medicine FM/Hospitalist Family Medicine	SAH 4 GHC 1	7	Family Medicine Internal Medicine Anesthesiology (2) Obstetrics/Gynecology General Surgery Pediatrics
2005/06	5	Medical Oncology FM/Hospitalist Anaesthesia General Surgery FM/Anesthesia/Emergency Medicine	SAH 4 GHC 1	3	Family Medicine (3)
2006/07	4	Diagnostic Radiology Anaesthesia Orthopedics Family Medicine	SAH 2 GHC 1 OTH 1	9	Family Medicine (2) Emergency Medicine (2) Pediatrics Orthopedics (2) Medical Oncology* Anaesthesiology
2007/08	8	FM/Bariatric Medicine FM/Emergency Medicine (2) Anaesthesiology Child Psychiatry Family Medicine (2) Nephrology	SAH 7 OTH 1		
2008/09	10	Orthopedic Surgery Family Medicine (3) Emergency Medicine (2) Obstetrics/Gynecology Psychiatry FM/Hospitalist Medicine (2)	SAH 4 GHC 4 OTH 2	7	Family Medicine (5) Psychiatry Nephrology
2009/10	12	Medical Oncology Diagnostic Radiology Otolaryngology Urology (2) Family Medicine (2) Ophthalmology Pediatrics Obstetrics/Gynecology Cardiology FM/Anaesthesia/Emergency Medicine	SAH 3 GHC 5 OTH 4	3	Family Medicine Diagnostic Radiology* Obstetrics/Gynecology

Summary of Physicians Recruited and Departed 2002 to January 16, 2019

	#	PHYSICIANS RECRUITED	PRACTICE LOCATION	#	PHYSICIANS DEPARTED
2010/11	14	Family Medicine (9) FM/Dermatology Anesthesiology Orthopedic Surgery FM/Anesthesia/Emergency Medicine Diagnostic Radiology	SAH 6 GHC 4 OTH 4	7	Family Medicine Pediatrics Orthopedics Child Psychiatry* GP/Psychiatry Medical Oncology
2011/12	5	Family Medicine FM/Emergency Medicine Diagnostic Radiology Critical Care Pediatrics	SAH 3 GHC 2	4	Emergency Medicine* Internal Medicine Family Medicine Anaesthesia
2012/13	12	Family Medicine (4) FM - Hospitalist FM/Emergency Medicine (2) Hematology/Oncology Pathology Obstetrics/Gynecology (2) Psychiatry	SAH 7 GHC 4 OTH 1	5	Medical Oncology* Cardiology (2) Pediatrics Orthopedics
2013/14	13	Psychiatry (3) Neurology Gastroenterology Medical Oncology (2) Ophthalmology Family Medicine Hospitalist (2) Otolaryngology GP/Emergency Medicine	SAH 8 GHC 2 OTH 3	3	Emergency Medicine Ophthalmology Endocrinology
2014/15	11	FM/Anesthesia Family Medicine (7) FM/Emergency Medicine Anaesthesia Orthopedic Surgery	SAH 3 GHC 6 OTH 2	10	Family Medicine (4) GP/Emergency Medicine (3) Internal Medicine Ob/Gyn Hospitalist
2015/16	11	Family Medicine (2) General Surgery Orthopedic Surgery Endocrinology FM/Psychiatry Pathology Critical Care/IM FM/Hospitalist Psychiatry FM/Palliative	SAH 5 GHC 3 OTH 3	6	General Surgery Family Medicine (2) FM/Dermatology Orthopedics Urology FM/Psychiatry

Summary of Physicians Recruited and Departed 2002 to January 16, 2019

	#	PHYSICIANS RECRUITED	PRACTICE LOCATION	#	PHYSICIANS DEPARTED
2016/17	13	General Internal Medicine FM/Emergency Medicine (3) Obstetrics/Gynecology Family Medicine (3) Critical Care/IM Psychiatry General Internal Medicine Neurology Infectious Disease	SAH 9 GHC 3 OTH 1	8	Family Medicine (8)
2017/18	8	Family Medicine (4) Gastroenterology Urology Geriatrics General Internal Medicine	SAH 3 GHC 2 OTH 3	6	Cardiology Obstetrics/Gynecology General Internal Medicine Psychiatry Otolaryngology Gastroenterology
2018/2019	11	Rheumatology Psychiatry Family Medicine (4) FM/Emergency Medicine Cardiology Diagnostic Radiology Otolaryngology Pediatrics	SAH 2 GHC 5 OTH 4	13	Family Medicine (6) Neurology Urology Hospitalist Psychiatry FM/Psychiatry Child & Adolescent Psychiatry Anaesthesia
	151			97	
Summary					
		Number of physicians recruited	151		
		Number of physicians departed	97	* 12 physicians departed prior to the completion	
		Reasons for departure			
		Deceased (D)	5		
		Retired (R)	46		
		Practice elsewhere (PE)	37		
		Other (O)	9		
			97		
Recruited to:		Sault Area Hospital (SAH)	76		
		Group Health Centre (GHC)	46		
		Other (OTH)	29		
			151		

INFORMATION ITEMS

Trading concrete for community

Sault pathologist enjoys quality of life

BY NADINE ROBINSON

Life is good in Sault Ste. Marie for Dr. Christa Cassalman and her family.

A Woody Boat is docked in the water of their riverfront home and an Airstream travel trailer is parked in the driveway. A sunset cruise is slated for later that evening, and the family is recalling fond memories of their recent camping trip to Pancake Bay Provincial Park while planning to do the circle tour around Lake Superior next summer.

"In life, you envision having a house on the water when you retire," said Cassalman. "We have it now. Friends have to take time off to go to the Muskokas to boat or relax on the water, and we do it now, every day."

Cassalman, who grew up in Bancroft, had just recently finished her pathology subspecialty fellowship in Boston at Harvard's Beth Israel Deaconess Medical Center, after completing medical school overseas at the Medical University of Lodz in Poland, followed by a residency in anatomic and clinical pathology at Tufts Medical Centre in Boston, when she was recruited to Sault Ste. Marie in January 2016. She was looking for a medium-sized community to raise a family and wanted to trade in concrete for community.

"My family and I are happy here," said Cassalman. "My son is in a Montessori program here at half the price I was paying for regular daycare; my husband, Gilberto, travels a lot on business, and the affordable flights to Toronto work well for him. I have a comfortable quality of life and a great work environment."

Cassalman loves the accessibility of activities in the Sault for everyone in the family, from swim lessons to snowboarding.

"We enjoy boating, hiking, camping, snowshoeing, skiing, and snowboarding," said Cassalman. "It's wonderful how close to home all of these activities are in the Sault... it's a short drive, and there are no line-ups."

Traffic ruled their lives in Boston. "It was a nightmare, trying to get around with a stroller, toddler, and a German shepherd," Cassalman said. "If you have access to everything you'd ever want to do but you can't get there, or you can't afford it, it's booked or too crowded, what's the point of living in a large urban centre?"

Trading in the subway and bus stops during snowstorms for a seven-minute drive in her own car to get to work at the Sault Area Hospital (SAH) has been a wonderful change for the general pathologist.

Cassalman joined the SAH pathology department when she realized that their philosophy for maintaining a work-life balance



Dr. Christa Cassalman was looking for a medium-sized community like Sault Ste. Marie to raise a family.

was in line with hers.

She was also thrilled with how approachable everyone was and how much support they provided her.

"Sault Area Hospital has great facilities and I have many experienced colleagues to learn from who make me feel at home," said Cassalman. "We have access to state-of-the-art diagnostic procedures that allow us to see a mix of complex and challenging cases from a large catchment area with a diverse patient population. We have a lot of volume and variety from benign to inflammatory to malignant cases... we see it all."

The doctor is happy to be back in Ontario, and doesn't regret turning down other offers in the United States and across Canada.

"You only have one life," said Cassalman. "I didn't want to fritter my life away, annoyed at my commute, stuck in my office long hours and not with my family. I want to be happy and healthy and with my son and husband, right now... and I can do that in the Sault. We all work very hard here, but there's greater flexibility for scheduling my work and home responsibilities. The commute is easy, it's a beautiful surrounding, and I feel it was serendipitous I was recruited here...truly, it's been phenomenal." ■

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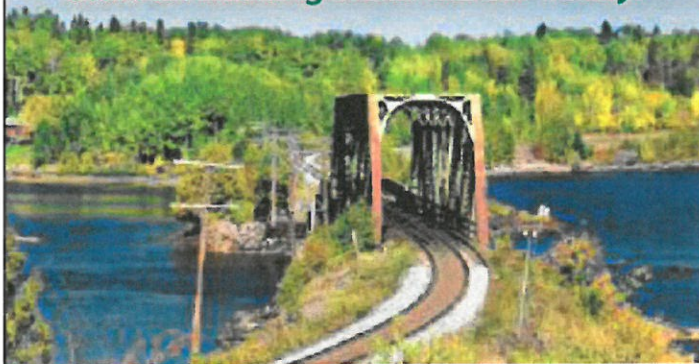
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Demand doubles for care at Algoma Geriatric Clinic

BY NADINE ROBINSON

The Algoma Geriatric Clinic (AGC), which celebrated its fourth anniversary in November, is celebrating another significant milestone, the addition of a geriatrician to the clinic. The team offering specialized assessments to extend elderly patients' independence and improve quality of life, welcomes Dr. Katriina Hopper to Sault Area Hospital.

Previously, the closest geriatrician was at the North East Specialized Geriatric Centre in Sudbury.

"Having Dr. Hopper on our team is a real win for our patients and the hospital," said Amanda Luther, manager of geriatric services. "She brings a wealth of expertise in geriatrics to the clinic."

Hopper joins the established multidisciplinary team of health-care professionals, which includes a registered nurse, nurse practitioner, physiotherapist, occupational therapist, social worker, and two other physicians, who as a team have gained a reputation for their holistic care of the elderly in the region.

"What sets us apart is the amount of time we give a patient," said Luther. "Most primary care practitioners don't have two hours to spend with one patient. For our comprehensive geriatric assessment (CGA), we do, and then they see a physician for an additional 1.5 hours. Our team focuses on all of the geriatric symptoms, social history, nutrition, cognition, medical/surgery history, medication, mood/mental health, function, falls, sleep, pain, continence and a physical assessment... it's very comprehensive."

According to Luther, the assessments often include a care-partner, friend, or family member—someone who knows the patient well enough to identify issues that they themselves may not be aware of.

After the assessments, the clinic team puts together an extensive list of recommendations for the patient's primary care practitioner, including referrals to long-term resources, working collaboratively with the LHIN's Home and Community Care service.

The team may also initiate other supports. An occupational therapist can follow



Dr. Katriina Hopper has joined the multi-disciplinary Algoma Geriatric Clinic team at Sault Area Hospital, "a win for patients and the hospital."

up on issues at home; the social worker can provide family and patient support (including talking to the family about power of attorney); the nurse practitioner may call to follow up on the new medication; and/or the patient may be referred to the physiotherapist for the Frail to Fit exercise program.

"Basically, everyone does their part to lift the patient up," said Luther.

Libia Salomon, age 78, was referred to the clinic and now participates in the Frail to Fit program.

"First we learn in the classroom about different things...sleeping, medication, caring for our feet..." said Salomon. "We're old and we don't move as much as we should, and the caring staff make you do it. We have fun and laugh, and there is applause at the end of the class... I am happy there. Truly, I can only say good things, the people are excellent, very dedicated, and I feel treated with respect."

As the clinic is known for their friendly customer service and holistic care, demand for the clinic's services has doubled in the past year.

"Last October, we had 28 patients referred to us by physicians or nurse practitioners from across the district, and we're at 57 this October," said Luther. "With our aging population, we expect to see that trend continue."

"We help patients navigate the system so that they can stay in their homes longer and have the independence and quality of life they deserve..."

— Amanda Luther, Manager of Geriatric Services, Sault Area Hospital

cialized geriatric care towards increasing functional ability, independence and quality of life for seniors and their care partners," said Luther.

"Our team of specialists understand the needs of geriatric patients are very different from the needs of the general population."

"Even if the service a patient's needs isn't provided by the Algoma Geriatric Clinic itself, by referring them here, we can get them to where they can be helped, such as through Behavioural Supports Ontario, Seniors' Mental Health, or Geriatric Emergency Management, among others," said Luther.

"We help patients navigate the system so they can stay in their homes longer and have the independence and quality of life they deserve." ■

Demand is also up in the region. "We have now initiated outreach to Wawa and have trained an assessor there," said Luther.

"We can use the Ontario Telemedicine Network to do appointments as travel from Wawa to the Sault can be difficult for our patients."

The clinic has also begun outreach to local retirement homes, including Collegiate Heights, and hopes to expand to more in the near future.

"The clinic takes pride in providing spe-

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Quality of life key for Sault doctors

BY NADINE ROBINSON

The barbecue is on medium-high heat preheating the pizza stone, while the dough has finished doubling and is ready to roll out and top. It's another perfect summer evening for a back deck barbecue for the Baath family in Sault Ste. Marie.

"I have found a passion for outdoor living and barbecuing," said Dr. Raj Baath. "Stone-grilled pizza, burgers, and tandoori chicken are our favourites."

Their deck overlooks an expansive yard with a play structure that would be the envy of any park. It was one of the reasons they choose the house when they moved to the Sault to practise medicine in the fall of 2017.

"The recruiters were so helpful, quickly finding us a great real estate agent and providing us daycare information," added Dr. Sherry Baath, Raj's wife. "We felt well supported moving our family here, so it's been a relatively easy transition."

The Baaths have two children. Their son, Himmat, is 3 years old, and their daughter, Amreen, is 18 months old. "The kids loved their first winter here, playing in the snow."

Raj, a gastroenterologist, completed his medical school at the University of Saskatchewan in 2006, did his residency training at McMaster University, including a post grad in internal medicine, and a fellow-



Raj and Sherry Baath with their children, Himmat and Amreen.

ship in gastroenterology, finishing in 2011.

He'd opened his an endoscopy clinic in Brampton, but the work became routine and he knew it wasn't what he wanted to do long term.

"At the Sault Area Hospital, I get more

variety, more challenging and interesting work, not just chronic care follow ups," said Raj.

"The social aspect of being at the hospital... able to consult with colleagues is great. I feel like a part of the medical

community here, instead of only knowing physicians by names on referral pads. I also like working in the bright, new, well-

See Page 11 ▶

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Raj: I feel I am doing what I was trained for

► From Page 9

equipped facility."

Raj was impressed the SAH has endoscopic ultrasound, and is happy to learn they are currently recruiting for an additional gastroenterologist who can utilize the ultrasound and advance endoscopic retrograde cholangiopancreatography (ERCP).

He also has a private practice that provides a change of pace and less acute cases.

"My work in the Sault is more rewarding... with a wider scope of practice, which gives me more perspective," said Raj. "This is how I envisaged myself working as a physician. I feel I am doing what I was trained for."

Sherry is a family physician. She went to medical school in Amritsar, India, at the well-reputed Government Medical College, finishing in 2008. Then she

moved to Canada in 2011, after her marriage to Raj, and completed her residency at McMaster University in 2014.

Sherry was working in Orangeville in a family health team, before the move. Now at the Group Health Centre, she has taken over a retired physician's practice, plus rotates one week a month at the hospital.

"It's a good balance for me, with a combination of both in and outpatient weeks," said Sherry. "Any nerves I had went away quickly with the support of my new colleagues."

It was a leap of faith for the Baaths moving north, knowing no one in the community. "It's not seven hours to Toronto, it's only 1.5 hours away... we're well connected with flights," said Raj.

"We don't feel isolated at all here, we also have the bridge to the USA, and look forward to taking advantage of more travel opportunities this year, including trips to Mackinac Island and more."

Sherry added: "There are a lot of young physicians with young families here, which is great... and the physicians reach out to you. I got messages and emails when we arrived, to welcome us and connect socially."

Quality of life was the driver behind the Baath's move. "We not only wanted good work opportunities, but the ability to raise our children in a smaller community, with easy access to the outdoors and activities

"Coming to the Sault has been good career-wise and has also been great for me as a parent. I have a four minute commute to the daycare, and another four minutes to get to work. Now the time I used to spend driving, I can spend with the kids."

— Dr. Sherry Baath

for them," said Raj, who lived in Saskatoon at one point while growing up. "Soon our son will replace his swim lessons with ski lessons and, of course, hockey." (Raj is a huge Leaf's fan).

"I was spending one to two hours getting to and from activities for our children in the GTA," said Sherry. "Coming to the Sault has been good career-wise and has also been great for me as a parent. I have a four minute commute to the day care, and another four minutes to get to work. Now the time I used to spend driving, I can spend with the kids." ■

The Sault Ste. Marie area has a population of more than 125,000.

The average price of a single family home is \$170,155 (2016). When you combine this with relatively low property taxes, living in the community is even more affordable.

The Algoma Conservatory of Music has blossomed to become one of the largest and most recognized music schools in the province.

Sault Ste. Marie is also home of the Essar Centre, Northern Ontario's most modern sports and entertainment complex. In recent years, the venue has hosted a number of major acts, including Elton John, KISS, Jerry Seinfeld, Sheryl Crow, Blue Man Group, the Backstreet Boys, Brad Paisley and Blue Rodeo.

The community is also home to the Northern Ontario Country Music Hall of Fame.

Sault Ste. Marie is one of only six Canadian communities designated as an international safe community by World Health Organization.

"I have found a passion for outdoor living and barbecuing."

— Dr. Raj Baath

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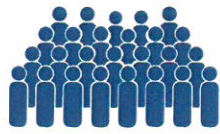
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The cost of running a practice is referred to as **overhead**.

30%

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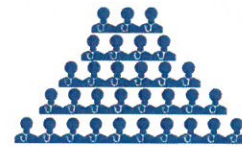
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Contribution of



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physician

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physicians



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in their community



96,000 full-time jobs
created in
Ontario

\$205,000 in GDP for
Ontario's
economy



\$5.5 billion in GDP for
Ontario's
economy

\$50K in tax revenues for
municipal, provincial,
and federal
governments.



\$1.4 billion in total tax revenue
+
\$472 million for the provincial
government

Source: B. Kralj, OMA Economics Department and E. Mansfield, MNP LLP. "Impact of physician practice overhead spending on the Ontario economy". Ontario Medical Review (May 2013)

Pagnucco, Christine

From: Roger Strasser <strasser@nosm.ca>
Sent: Monday, January 21, 2019 6:00 AM
To: Roger Strasser
Subject: From the Dean's Desk - Bring a Doctor Home

Sault Ste. Marie has been the site for many "firsts" for NOSM from the very beginning. The first public event of the School was the Curriculum Workshop, *Getting Started in the North*, held in January 2003 in Sault Ste. Marie that involved over 300 participants from across Northern Ontario. In 2004, the first NOSM Board of Directors retreat took place in Sault Ste. Marie, and in 2005, the first Local NOSM Group was established in Sault Ste. Marie to provide the mechanism by which the School is a part of the community and the community is a part of the School. Algoma University in Sault Ste. Marie was the site of the first Northern Health Research Conference in 2006. Also in 2006, a group of steelworkers at the Algoma Steel held the first annual *Bring a Doctor Home Hockey Tournament* to raise money for bursaries to assist NOSM medical students from Sault Ste. Marie.

It was a great honour and special privilege for me to attend the awards dinner on Thursday last (January 17) for this year's *Algoma Steel Bring a Doctor Home Hockey Tournament*. The tournament has grown and developed over the years with many more teams competing on the ice, including women's teams, and many volunteers involved in organising the event and as fundraisers. It was wonderful that all six NOSM third year medical students currently undertaking the Comprehensive Community Clerkship in Sault Ste Marie were present to meet and say thank you to everyone who contributed to the success of this event. In 2018, a total of \$29,500 was raised which brings the total since 2006 to over \$385,000. These funds support two bursaries each year, financial aid which allows our students to focus on their studies rather than their financial situation. Congratulations, thank you and well done to this inspiring group of Sault Ste. Marie community members who are contributing not only to the success of our students, but also the School's vision of *Innovative Education and Research for a Healthier North*.

Dr Roger Strasser AM
Professor of Rural Health
CEO and Dean
Northern Ontario School of Medicine

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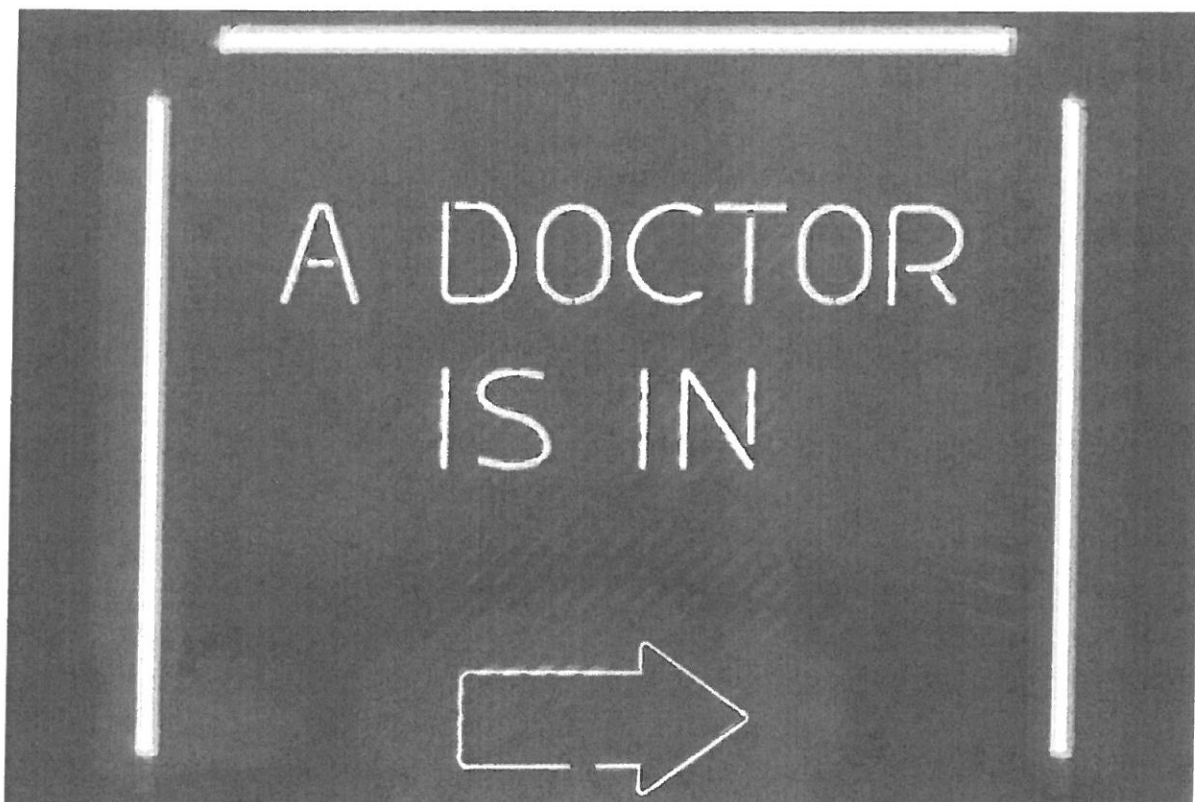
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Spurred By Convenience, Millennials Often Spurn The 'Family Doctor' Model

By **Sandra G. Boodman** • OCTOBER 9, 2018



(iStock/The Washington Post illustration)

Calvin Brown doesn't have a primary care doctor — and the peripatetic 23-year-old doesn't want one.

Since his graduation last year from the University of San Diego, Brown has held a series of jobs that have taken him to several California cities. "As a young person in a nomadic state," Brown said, he prefers finding a walk-in clinic on the rare occasions when he's sick.

"The whole 'going to the doctor' phenomenon is something that's fading away from our generation," said Brown, who now lives in Daly City outside San Francisco. "It means getting in a car [and] going to a waiting room." In his view, urgent care, which costs him about \$40 per visit, is more convenient — "like speed dating. Services are rendered in a quick manner."

Brown's views appear to be shared by many millennials, the 83 million Americans born between 1981 and 1996 who constitute the nation's biggest generation. Their preferences — for convenience, fast service, connectivity and price transparency — are upending the time-honored model of office-based primary care.

Many young adults are turning to a fast-growing constellation of alternatives: retail clinics carved out of drugstores or big-box retail outlets, free-standing urgent care centers that tout evening and weekend hours, and online telemedicine sites that offer virtual visits without having to leave home. Unlike doctors' offices, where charges are often opaque and disclosed only after services are rendered, many clinics and telemedicine sites post their prices.

A national poll of 1,200 randomly selected adults conducted in July by the Kaiser Family Foundation for this story found that 26 percent said they did not have a primary care provider. There was a pronounced difference among age groups: 45 percent of 18- to 29-year-olds had no primary care provider, compared with 28 percent of those 30 to 49, 18 percent of those 50 to 64 and 12 percent age 65 and older. (Kaiser Health News is an editorially independent program of the foundation.)

A 2017 survey by the Employee Benefit Research Institute, a Washington think tank, and Greenwald and Associates yielded similar results: 33 percent of millennials did not have a regular doctor, compared with 15 percent of those age 50 to 64.

"There is a generational shift," said Dr. Ateev Mehrotra, an internist and associate professor in the Department of Health Care Policy at Harvard Medical School. "These trends are more evident among millennials, but not unique to them. I think people's expectations have changed. Convenience [is prized] in almost every aspect of our lives," from shopping to online banking.

So is speed. Younger patients, Mehrotra noted, are unwilling to wait a few days to see a doctor for an acute problem, a situation that used to be routine. "Now," Mehrotra said, "people say, 'That's crazy, why would I wait that long?'"

Until recently, the after-hours alternative to a doctor's office for treatment of a strep throat or other acute problem was a hospital emergency room, which usually meant a long wait and a big bill.

Luring Millennials

For decades, primary care physicians have been the doctors with whom patients had the closest relationship, a bond that can last years. An internist, family physician, geriatrician or general practitioner traditionally served as a trusted adviser who coordinated care, ordered tests, helped sort out treatment options and made referrals to specialists.

But some experts warn that moving away from a one-on-one relationship may be driving up costs and worsening the problem of fragmented or unnecessary care, including the misuse of antibiotics.

A recent report in JAMA Internal Medicine found that nearly half of patients who sought treatment at an urgent care clinic for a cold, the flu or a similar respiratory ailment left with an unnecessary and potentially harmful prescription for antibiotics, compared with 17 percent of those seen in a doctor's office. Antibiotics are useless against viruses and may expose patients to severe side effects with just a single dose.

"I've seen many people who go to five different places to be treated for a UTI [urinary tract infection] who don't have a UTI," said Dr. Janis Orlowski, a nephrologist who is chief health care officer at the Association of American Medical Colleges, or AAMC. "That's where I see the problem of not having some kind of continuous care."

"We all need care that is coordinated and longitudinal," said Dr. Michael Munger, president of the American Academy of Family Physicians, who practices in Overland Park, Kan. "Regardless of how healthy you are, you need someone who knows you." The best time to find that person, Munger and others say, is before a health crisis, not during one.

And that may mean waiting weeks. A 2017 survey by physician search firm Merritt Hawkins found that the average wait time for a new-patient appointment with a primary care doctor in 15 large metropolitan areas is 24 days, up from 18.5 days in 2014.

While wait times for new patients may reflect a shortage of primary care physicians — in the view of the AAMC — or a maldistribution of doctors, as other experts argue, there is no dispute that primary care alternatives have exploded. There are now more than 2,700 retail clinics in the United States, most in the South and Midwest, according to Rand Corp. researchers.

Connecting With Care

To attract and retain patients, especially young adults, primary care practices are embracing new ways of doing business.

Many are hiring additional physicians and nurse practitioners to see patients more quickly. They have rolled out patient portals and other digital tools that enable people to communicate with their doctors and make appointments via their smartphones. Some are exploring the use of video visits.

Mott Blair, a family physician in Wallace, N.C., a rural community 35 miles north of Wilmington, said he and his partners have made changes to accommodate millennials, who make up a third of their practice.

"We do far more messaging and interaction through electronic interface," he said. "I think millennials expect that kind of connectivity." Blair said his practice has also added same-day appointments.

Although walk-in clinics may be fine as an option for some illnesses, few are equipped to provide holistic care, offer knowledgeable referrals to specialists or help patients decide whether they really need, say, knee surgery, he noted. Primary care doctors "treat the whole patient. We're tracking things like: Did you get your mammogram? Flu shot? Pap smear? Eye exam?"

Dr. Nitin Damle, an internist and past president of the American College of Physicians, said that young people develop diabetes, hypertension and other problems "that require more than one visit."

"We know who the best and most appropriate specialists in the area are," said Damle, an associate clinical professor of medicine at Brown University in Providence, R.I. "We know who to go to for asthma, allergies, inflammatory bowel disease."

Marquenttha Purvis, 38, said her primary care doctor was instrumental in helping arrange treatment for her stage 2 breast cancer last year. "It was important because I wouldn't have been able to get the care I needed" without him, said Purvis, who lives in Richmond, Va.

Sometimes the fragmented care that can result from not having a doctor has serious consequences.

Orlowski cites the case of a relative, a 40-year-old corporate executive with excellent medical insurance. The man had always been healthy and didn't think he needed a primary care physician.

"Between treating himself and then going to outpatient clinics," he spent nearly a year battling a sore throat that turned out to be advanced throat cancer, she said.

For patients without symptoms or a chronic condition such as asthma or high blood pressure, a yearly visit to a primary care doctor may not be necessary. Experts no longer recommend the once-sacrosanct annual physical for people of all ages.

"Not all access has to be with you sitting on an exam table," Munger said. "And I may not need to see you more than every three years. But I should be that first point of contact."

Convenience Is Paramount

Caitlin Jozefcyk, 30, a high school history teacher in Sparta, N.J., uses urgent care when she's sick. She dumped her primary care doctor seven years ago because "getting an appointment was so difficult" and he routinely ran 45 minutes behind schedule. During her recent pregnancy, she saw her obstetrician.

Jozefcyk knows she's not building a relationship with a physician — she sees different doctors at the center — but "really likes the convenience" and extended hours.

Digital access is also important to her. "I can make appointments directly through an app, and prescriptions are sent directly to the pharmacy," she said.

After years of going to an urgent care center or, when necessary, an emergency room, Jessica Luoma, a 29-year-old stay-at-home mother in San Francisco, recently decided to find a primary care doctor.

"I'm very healthy, very active," said Luoma, who has been treated for a kidney infection and a miscarriage.

Luoma said her husband pushed her to find a doctor after the insurance offered by his new employer kicked in.

"He's a little more 'safety first' than me," she said. "I figured, 'Why not?' — just in case."

How underserviced rural communities approach physician recruitment: changes following the opening of a socially accountable medical school in northern Ontario

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This article has been peer reviewed.

Introduction: The Northern Ontario School of Medicine (NOSM) opened in 2005 with a social accountability mandate to address a long history of physician shortages in northern Ontario. The objective of this qualitative study was to understand the school's effect on recruitment of family physicians into medically underserved rural communities of northern Ontario.

Methods: We conducted a multiple case study of 8 small rural communities in northern Ontario that were considered medically underserved by the provincial ministry of health and had successfully recruited NOSM-trained physicians. We interviewed 10 people responsible for physician recruitment in these communities. Interview transcripts were analyzed by means of an inductive and iterative thematic method.

Results: All 8 communities were NOSM medical education sites with populations of 1600–16 000. Positive changes, linked to collaboration with NOSM, included achieving a full complement of physicians in 5 communities with previous chronic shortages of 30%–50% of the physician supply, substantial reduction in recruitment expenditures, decreased reliance on locums and a shift from crisis management to long-term planning in recruitment activities. The magnitude of positive changes varied across communities, with individual leadership and communities' active engagement being key factors in successful physician recruitment.

Conclusion: Locating medical education sites in underserved rural communities in northern Ontario and engaging these communities in training rural physicians showed great potential to improve the ability of small rural communities to recruit family physicians and alleviate physician shortages in the region.

Introduction : L'École de médecine du Nord de l'Ontario (EMNO), qui a ouvert ses portes en 2005, a pour mandat social de combler la pénurie d'effectifs médicaux qui sévit depuis longtemps dans le Nord de l'Ontario. L'objectif de cette étude qualitative était d'étudier l'effet qu'a eu l'école sur le recrutement des médecins de famille dans des communautés rurales mal desservies dans cette région de la province.

Méthodes : Nous avons procédé à une étude de cas multiples auprès de 8 petites communautés rurales du Nord de l'Ontario considérées comme mal desservies par le ministère de la Santé provincial sur le plan des effectifs médicaux et ayant réussi à recruter des médecins formés à l'EMNO. Nous avons interrogé 10 personnes responsables du recrutement des médecins dans ces communautés. La transcription des entrevues a été analysée au moyen d'une méthode thématique inductive et itérative.

Résultats : La formation médicale de l'EMNO était offerte dans les 8 communautés, dont la population variait de 1600 à 16 000 habitants. Parmi les améliorations liées à la collaboration avec l'EMNO, mentionnons : le recrutement de médecins dans 5 communautés où sévissaient auparavant des pénuries chroniques de l'ordre de 30 % à 50 %, une réduction substantielle des dépenses liées au recrutement, une diminution

du recours à des remplaçants et la transition des activités de recrutement pour passer d'une situation de gestion de crise à une situation de planification à long terme. L'ampleur des améliorations a varié selon les communautés; le leadership individuel et la participation active des communautés ont été des facteurs clés de la réussite du recrutement des médecins.

Conclusion : La prestation d'une formation dans de petites communautés rurales mal desservies du Nord de l'Ontario et la mobilisation des communautés visées à l'endroit de la formation des médecins en milieu rural ont révélé leur fort potentiel d'amélioration de la capacité de recruter des médecins de famille et de corriger les pénuries d'effectifs médicaux dans la région.

INTRODUCTION

There is a persistent shortage of physicians in northern Ontario,¹⁻⁵ a vast area of roughly 800 000 km² with a scattered population of about 800 000.⁴ As one of several Ontario government strategies designed to improve access to health care in northern areas,⁵ the Northern Ontario School of Medicine (NOSM) opened in 2005, with a social accountability mandate to be responsive to the "needs of the people and communities of the region with a focus on improving their health."⁶ NOSM's commitment to social accountability starts with preadmission programs and continues with selection of students who are representative of northern Ontario with respect to rural, northern, Indigenous or francophone backgrounds. NOSM facilitates medical education, accepting 64 undergraduate and about 60 postgraduate⁷ learners each year, as well as the education of other health care professionals (e.g., dietitians, physician assistants and therapists) in over 90 communities located primarily in northern Ontario.⁸

NOSM undergraduate students spend a mandatory 4 weeks in Indigenous communities at the end of their first year and two 4-week placements in small (< 5000 people) rural and remote communities during their second year. The full 8 months of the third year is spent in 1 of 15 small urban or large rural communities (5000–70 000 people). Students may also take rural electives in their fourth year. NOSM postgraduate residents spend 3–9 months per year in small cities and small or large towns, with family medicine residents in the rural stream spending the most time in these small northern Ontario communities.⁸ With individual communities hosting NOSM learners for 1–9 months, the communities' active contributions to learning are a key feature of NOSM's distributed community-engaged learning model, consistent with the school's social accountability mandate.⁸

The first 3 cohorts of family physicians ($n = 131$), who completed undergraduate ($n = 49$), postgraduate ($n = 31$) or both ($n = 51$) medical education programs at NOSM, started full practice in 2011–2013.

In 2014, 79 (60.3%) of these physicians had set up practice in northern Ontario, with 21 (16.0%) in rural communities.⁹ Based on research that documented the potential benefits of rural medical education to physician recruitment into rural communities,¹⁰⁻¹⁶ and with earlier assessment of NOSM's socioeconomic impact on rural communities,¹⁷ it was expected that the presence of NOSM in the region would help to alleviate physician shortages in northern Ontario. In this qualitative study, we investigated NOSM's impact on physician recruitment in selected medically underserved rural communities of northern Ontario using first-hand accounts of people responsible for physician recruitment.

METHODS

We used a multiple case study design.¹⁸ We chose communities that 1) were rural and medically underserved, based on the Rurality Index for Ontario used by the Ministry of Health and Long-Term Care to determine eligibility for the Underserved Area Program,¹⁹ and 2) had recruited NOSM graduates as family physicians.

We identified people responsible for physician recruitment in selected communities, contacted them by telephone to introduce our study and asked their permission to send out a study package, including an invitation letter signed by the NOSM's dean, a consent form and an interview guide. No participation incentives were offered. Key informants were interviewed by telephone in the fall of 2014.

The semistructured interviews contained questions about the interviewees' role in the community's physician recruitment process, past and current physician recruitment activities in the community, and the interviewees' experience of collaboration with NOSM. Interviews were conducted by a team of 2 or 3 researchers and lasted about 30 (range 20–50) minutes. In addition to answering the structured questions, participants were invited to elaborate on points that interviewers thought to be unclear or particularly relevant for the study. After each inter-

view, researchers had a brief discussion of the interview and of any questions regarding interpretation.

All interviews were recorded and transcribed verbatim by professional transcribers. The transcripts were reviewed by 2 researchers for accuracy and were uploaded to NVivo 10 for Windows (QSR International), which was used for coding transcripts and applying an inductive and iterative thematic analytic method.²⁰ Most of the themes were predefined by the structured interview questions. Other common themes were identified by the comparison-and-contrasting method. The cross-case data synthesis examined differences and similarities between the communities.²¹ Key informants were contacted to verify their responses and to obtain permission to use quotes.

Ethics approval

Laurentian University's Research Ethics Board granted ethical approval.

RESULTS

Communities and key informants

Twelve communities in northern Ontario met our case definition at the time of the study (fall 2014): Bracebridge, Chapleau, Dryden, Elliott Lake, Espanola, Hearst, Kenora, Little Current, Marathon, New Liskeard, Nipigon and Sioux Lookout (Fig. 1). Fifteen potential interviewees were identified who were responsible for physician recruitment in the 12 communities. Of the 15, 3 did not answer the telephone or respond to our voice messages (up to 3 attempts were made), and 2 received the study invitation but did not return a consent to participate in the study. The remaining 10 people consented to participate in the study as key informants and were interviewed.

Four key informants were employed as physician recruiters; 2 of the 4 also worked as NOSM site administrative coordinators for the educational programs in their community. The other 6 key informants were senior executives or managers at local hospitals, family health teams or physician groups and were responsible for physician recruitment in their organizations. Key informants had worked in their positions for 1.5–16 years.

The key informants represented 8 communities with populations ranging from 1600 to 16 000 people, located 70–600 km from the major cities of Sudbury or Thunder Bay, and serving catchment areas with populations up to 35 000 (as estimated by key

informants) (Fig. 1). Five communities were located 300 km or more from either Sudbury or Thunder Bay. One community had a predominantly franco-phone population, and another had a substantial proportion of Indigenous people. All communities were NOSM education sites, accommodating 3–6 undergraduate and postgraduate placements with at least 2 learners per placement.^{22,23}

Changes to physician recruitment

Fewer physician shortages

According to key informants, 6 of 8 communities had experienced a shortage of family physicians in the previous 5–10 years that ranged from 30% to 50% of the required supply. At the time of the study, 5 had achieved a full or almost full complement of family doctors. In these communities, based on key informants' estimates, the need for family physicians decreased from about 30 full-time physician vacancies to only 1 full-time physician vacancy. Dependency on locum doctors was also reported to have declined. Key informants expressed relief from the chronic stress of physician shortages:

It's nice to be out of crisis mode. (KI-1)

So we're at a point now of almost turning people away because we're getting full. I'm not out beating the ground anymore. It's a little more relaxing right now. (KI-2)

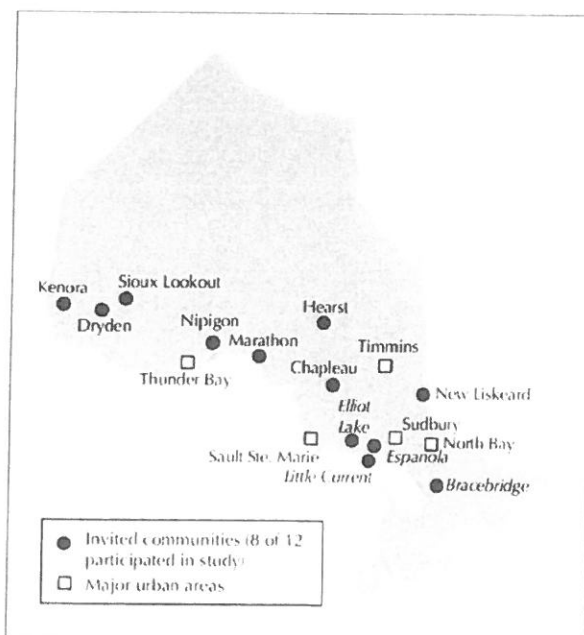


Fig. 1. Northern Ontario communities selected for invitation to the study.

One community, however, continued to struggle with the physician shortage, needing to fill about 30% of the positions and still relying heavily on locum doctors. The remaining 2 communities had not had problems with physician shortages in the past, but key informants reported that this problem could arise with future retirements of their permanent doctors.

New recruitment strategies

NOSM's presence in the communities and the region changed communities' reliance on traditional recruitment strategies (Table 1). Key informants agreed that NOSM graduates who were exposed to rural and northern communities during their undergraduate or postgraduate training were easier to recruit than physicians who trained in southern Ontario or internationally. Regardless of how physician recruitment was organized within communities, key informants recognized NOSM as a major source for new physicians. As 1 key informant noted:

Most of our new doctors in the community are associated with NOSM. So for us, it's probably the single biggest source of current and future doctors. (KI-2)

Table 1: Changes in physician recruitment strategies in 8 communities

Previous 5–10 yr	Current
Attended conferences (e.g., Family Medicine Forum, Society of Rural Physicians, HealthForceOntario, Professional Association of Residents of Ontario)	Visiting medical schools, including NOSM
Attended job fairs/conferences (travelled "all over the place"), used financial incentives, recruited international medical graduates	Focusing on NOSM learners, involving less travel and fewer financial incentives
Attended job fairs/conferences (recruited mostly locums)	Focusing on NOSM learners
Attended job fairs/conferences	Focusing on NOSM learners, accommodating interests and practice styles of new physicians, using financial incentives
Attended job fairs/conferences	Community funding, hiring physician recruiter to work with NOSM
Recruitment done by physicians, not supported by community	Having physician recruiter paid by physicians, collaborating with NOSM
Attended HealthForceOntario recruitment tours	Investing in material infrastructure, collaborating with NOSM
Attended HealthForceOntario recruitment tours and recruitment job fairs (recruited mostly locums)	Being involved with medical schools, including NOSM

NOSM = Northern Ontario School of Medicine.

Four communities hosted NOSM's 8-month Community Comprehensive Clerkship (longitudinal integrated clerkship for the third-year students). One key informant explained how a prolonged stay of medical learners in the community facilitates recruitment:

[NOSM] students live here for 8 months, so in the long run, after their fourth year and 2 years' residence, if they want to settle somewhere, well, they have stayed here for 8 months so they know the role, they know the activities, they know the communities, so it's a big investment in recruiting, being a Comprehensive Community Clerkship community. (KI-3)

Hiring NOSM graduates who were raised in the communities was a common practice:

We've had a couple of local kids go through the NOSM program and come back here. We currently have 2 [Comprehensive Community Clerkships], third-year clerks who are local kids. That's really important. Half a dozen local kids are [now] in the NOSM stream. And that's part of our longer-term planning. (KI-2)

Key informants from communities that achieved a full complement of physicians noted a shift in recruitment focus. For example, 6 communities were expecting more than half of their physicians to retire in the next 3–7 years, and, thus, the need for succession planning emerged. Beyond the numbers, key informants identified a need for physicians with certain skills:

We need to recruit more physicians [who] will, as part of their practice, go to First Nations communities. (KI-4)

We have trouble recruiting a general surgeon. I'm honest with you that the new graduating surgeons don't fit the rural model. (KI-5)

Some informants also identified the need for physician retention but were not as far along in this regard as they would have liked.

Decreased recruitment expenditures

Annual recruitment budgets estimated by key informants ranged from \$4000 to more than \$200 000. These budgets paid for recruitment trips, physician incentives and, in some communities, the salary of the physician recruiter. Funding sources for recruitment activities included large-scale fundraising events, fixed portions of hospitals' and other health care organizations' budgets, and local physicians' "out-of-pocket" support.

According to key informants, trips to job fairs in larger urban areas of southern Ontario were costly

and tended to recruit locum physicians rather than permanent doctors. Travel to job fairs and associated costs decreased in communities that were successful in recruiting NOSM graduates as family physicians.

Physician incentives included return-of-service payments, housing and lifestyle inducements such as free memberships to local recreational facilities. Communities differed in their ability and approach to using physician incentives. For example, some communities' budgets were too small for return-of-service contracts; other communities, in the words of the key informants, were explicitly opposed to cash incentives and invested resources exclusively into building new or upgrading existing physician clinics. Having NOSM as a new source for physician recruitment permitted communities to decrease financial incentives offered to doctors. In the words of 1 key informant:

We've pared that down, I guess, to reflect our decreasing desperation. And it's gone from \$200 000 to \$100 000 to \$80 000, and we've pared it down to \$50 [thousand for 4 years]. (K1-1)

Varying benefits from presence of NOSM

Physician recruitment outcomes varied across communities (Fig. 2). On one side of the continuum were the more successful communities, those that were "making strides." These communities had achieved the full complement of family physicians and were in a synergistic relation with NOSM that encompassed medical education and physician recruitment. In the words of 1 key informant:

Initially, we did not see a lot of resident traffic here. But, certainly, we've made strides to raise the profile of our community [at NOSM]. We participate in the interview process; we provide staff that go down there for a weekend and sit in on both days of the interview for the incoming class. ... And then we've got some [NOSM] faculty members who are involved with the postgrad curriculum and deliver a lot of learning and training sessions. We've appointed a designate to sit on the strategic planning committee for NOSM for 2015–2020. We proctor exams here. (K1-1)

On the other side of the continuum were the communities that continued to deal with physician shortages. NOSM's impact on these communities was not perceived as substantial:

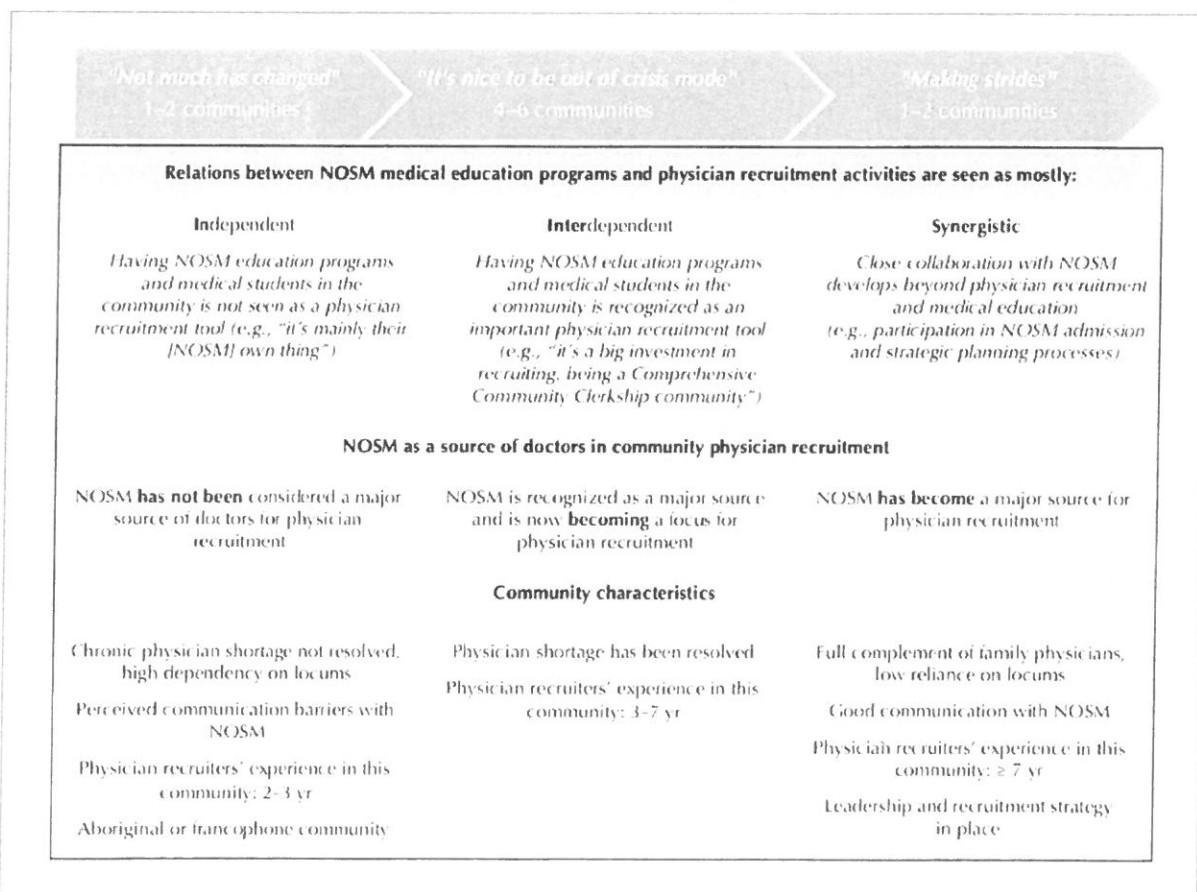


Fig. 2. Summary of key informants' perceptions of the impact of the Northern Ontario School of Medicine (NOSM) on physician recruitment in 8 rural communities that recruited NOSM graduates.

As soon as we get this recruiter hired, the main focus is going to be establishing a relationship with the Northern Ontario School of Medicine. Right now we can't say that we feel like we've benefited [from NOSM's presence in the community]. (K1-2)

Most key informants emphasized that hosting NOSM's educational programs in the communities worked well for physician recruitment in combination with other factors (Fig. 2). The whole community's support, for example, was important to overcome physician shortages but varied among communities. Another factor was the leadership of individual physician recruiters, who, in collaboration with NOSM and other community stakeholders, aligned their internal recruitment strategy with external factors. For instance, key informants talked about physician workforce practice interests or broader health care reforms:

What's changed drastically is our approach. We've changed our strategy to not force doctors or make them feel compelled that they have to work in areas that they're uncomfortable with. (K1-5)

Part of the key was a combination of things, moving from fee-for-service to blended capitation, rostering patients, family health team and the huge presence of NOSM. (K1-5)

Balancing community recruitment and medical education

Interviewees shared a common perception that NOSM sought to protect learners from undue recruitment efforts by communities. This perception was to some extent in conflict with communities' interests in seeing learners as potential recruits. Communities resolved this conflict by prioritizing medical education in the community and leaving physician recruitment to "naturally" stem from the students' experiences. Two key informants described this approach:

When we take on students and residents, we don't do it for the sole purpose of, you know, we're going to try to recruit them. I think first and foremost you have to do this because you're a teaching site and you've got to feel good and honour that you're part of that process. ... So we try to make the students feel very comfortable, we don't make them feel like as if we're trying to recruit them. ... If you do all that, well, they'll take a natural liking to your community, and I think that's important. (K1-5)

We try and provide the best learning and living experiences we can for the learners. And then they, quite often, will come back for follow-up electives and rotations. And then the conversation just grows from there ... it sort of happens organically from there. There are no greasy sales. I mean, they see it for ... what it really is here. (K1-1)

Key informants suggested that better communication between NOSM and the community contributed to better recruitment success. Regardless of perceived adequacy of communication, most key informants noted communication with NOSM as an area for improvement. Informants mentioned the need for better liaison with the school, community visits by school representatives and communities' ability to contact medical learners.

DISCUSSION

In this study, we sought to understand how NOSM, a socially accountable school with the distributed community-engaged learning model, influences physician recruitment into underserved rural communities of northern Ontario. As of fall 2014, 5 of the 8 communities studied had achieved a full, or almost full, complement of family physicians, which was attributed in large part to NOSM's presence in the region. Communities' increased engagement in NOSM's medical education programs was 1 of the key factors in successful recruitment, allowing for reductions in recruitment budgets, including decreased financial incentives offered to doctors. Other positive outcomes were decreased reliance on locum doctors and increased possibilities for physician workforce planning in regard to skill sets and succession.

Benefits of community-engaged medical education, particularly of longitudinal integrated clerkships, to learners and medical education outcomes are well reported in the literature.^{22,24,25} Less is known about benefits of community-medical school relations for the participating communities.^{26,27} Our study contributes to this knowledge. Based on the accounts of key informants with first-hand responsibility for physician recruitment to the small rural communities, NOSM is a major (and sometimes the only) source of physicians for these communities. This has implications for communities' traditional recruitment strategies,²⁸ which were changing from participation at conferences and job fairs to a more "natural" approach of "recruitment without recruiting" through the communities' proactive participation in medical education. Most key informants in our study mentioned the costliness and ineffectiveness of the traditional travel to job fairs for recruiting permanent physicians.

Consistent with other studies,^{24,26} our study showed that communities' participation in medical programs requires significant effort and resources. All communities studied were participating in NOSM medical programs, but physician recruit-

ment outcomes and the communities' capacity to be engaged in medical education varied. Not all key informants had full community support, sufficient funds or strong leadership to fully capitalize on the presence of the medical school, as informants in the more successful communities did. This variability may be related to the diversity of problems facing small rural communities, different priorities for allocating human and financial resources, variability in "the nature of social contract" within communities and health care organizations²⁹ and the complexity of medical school-community relations.²⁴ Differences in the duration of relations between NOSM and the community, which may have been reflected in the duration and nature of the key informants' work experience, may also be a contributing factor.

The need for physicians with skills to work in Indigenous communities was voiced by key informants in our study. Indigenous peoples experience poor access to medical care³⁰ and have poorer health status relative to their non-Indigenous neighbours.³¹ Francophone people in Ontario also have poorer health status than the general population in the province,³² and there is a shortage of French-speaking doctors in rural communities in northern Ontario.³³ This may help explain the continuum of NOSM's impact on physician recruitment outcomes in this study: the 2 "least successful" communities were the Indigenous and francophone communities. Cultural variations may represent challenges for community engagement in medical education.²⁹ A recent study showed that NOSM learners had superior baseline knowledge on the historical, political and geographical issues affecting rural areas, including Indigenous communities.³⁴ Indigenous health curriculum,³⁵ mandatory community clerkship in Indigenous communities⁸ and support of Indigenous and francophone applicants³⁶ at NOSM may contribute over the long term toward meeting the need for more physicians for Indigenous and francophone communities. In addition to potential language and cultural barriers, the 2 communities were also among the farthest from NOSM's main campuses. The combination of remoteness and cultural barriers may pose additional communication challenges and intensify problems that all underserved rural communities face (e.g., spousal employment).^{37,38} Additional research is needed to explore possible reasons for lower recruitment success in these communities.

Key informants realized the need for long-term planning of physician recruitment. They also emphasized the importance of having medical learners in their communities, including "local kids" who

grew up in the area. This thinking is consistent with a "rural pipeline" approach to recruitment of physicians that involves encouraging rural youth to enter the medical profession and providing rural exposure during medical education.^{39,40} NOSM supports all stages of this approach by providing rural exposure during medical training,¹² preadmission contact between rural secondary schools and the medical profession⁴¹ and admission processes to select students with rural, northern, Indigenous and francophone backgrounds.²⁵ According to most interviewees, physician retention is important but was not yet a priority in their plans, as recruitment had only recently been resolved in their communities. The recent success in physician recruitment suggests the potential for a positive impact of NOSM on physician retention. However, future research is needed to assess the actual effect.

NOSM's impact extends beyond supplying rural doctors and helping small rural communities to overcome physician shortages. Key informants in the communities with a full complement of physicians expressed a strong sense of pride and empowerment from engagement in medical programs. This finding is in line with previous research.²⁶ At the same time, awareness of the power differential between small rural communities and medical institutions is important for the full positive impact of the socially accountable medical school on the health of the communities. Consistent with previous research,¹⁷ communication with the medical school was challenging for some communities in our study. Our findings provide material for a positive critique and, accordingly, improvements of the relations between NOSM and the communities that are currently engaged with or are planning to become engaged with the medical school, so as to better achieve NOSM's social accountability mandate.

Strengths and limitations

Using the first-hand accounts of key informants who were responsible for physician recruitment was a strength of our study. It should be kept in mind that their views may differ from those of other community members, medical school administrators or students, and physicians and thus may not capture all factors contributing to the impact of NOSM on recruitment in northern Ontario communities. Studying 8 of the 12 community cases initially selected was a limitation. However, the data collected allowed for better understanding of NOSM's impact on physician recruitment and supported

general analytical inferences, including evidence regarding common changes in recruitment approaches and a diversity in outcomes across communities. Most likely, including the other 4 communities would not have had a substantial effect on our results, although it might have enhanced the results with different perspectives (e.g., from physicians in the role of physician recruiters). The study results may be transferrable to other communities participating in medical education with NOSM or other medical schools with a similar social accountability mandate and distributed medical education model.

CONCLUSION

Locating medical educational sites in underserved rural communities in northern Ontario and engaging these communities in training rural physicians shows great potential to improve the ability of small rural communities to recruit family physicians and alleviate physician shortages in the region. Future studies could extend our findings about the effect of a socially accountable medical education and community-engaged learning model on physician recruitment into underserved rural communities across Canada and around the world. Other underserved rural communities that are NOSM educational sites and have not been successful in recruiting NOSM graduates, or communities that are not NOSM educational sites should be studied to better understand the full impact of NOSM on physician recruitment in the region. Additional Indigenous, francophone and remote communities should be studied to understand possible factors affecting lower recruitment. In addition, ongoing studies are needed to assess the impact of NOSM on skill set mix, retention and sustainability of the physician workforce in northern Ontario.

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Competing interests: Roger Strasser is the Dean of the Northern Ontario School of Medicine (NOSM), and John Hogenbirk works part-time as a research tutor in NOSM's Family Medicine program. No other competing interests were declared.



**Presentation to City Council
Soo Arena Association
February 28, 2018**

Request

- **Continue practice of refunding annual city taxes (past year totalling \$12,439.44)**
- **This money is used to purchase equipment that reduces operating costs**
- **Examples: Dehumidification, energy efficient lighting, boiler, water recycling system to name a few**

Benefits to Our City

- **1060 children of the SPWHL and their families enjoy and depend on the arena for a place to play hockey**
- **Eliminate the need for our city to operate another community arena**
- **Employs two full-time and 7 part-time**
- **Brings tourism dollars to our city (e.g. tournaments with out of town teams, CARHA, Little NHL, MNR)**
- **A commitment to maintain the Arena to last another 50 years**

Commitment to Self-Sufficiency

- **Run as a separate legal entity (not for profit charity) from any league**
- **Private donations**
- **Corporate Donations**
- **50/50 draws (past)**
- **Fall Fair (past)**
- **Annual Campbell's Midway**
- **Apply for own government grants**
- **Memorial/Benefactor Wall**
- **Annual Pub on Arena Floor "Drink in the Rink" (four years)**
- **Building Naming Rights**



History

- **Part of our community for 51 years,**
- **Since 1967 has been home to over forty thousand children playing minor hockey.**
- **The construction of the Pee Wee Arena in the mid-1960s was a significant community undertaking.**
- **Countless volunteers and donors contributed their time, money and sweat to ensure that the arena was built.**

History

- **Since the building opened, operations have been directed by a volunteer Board**
- **Generations of Sault kids have learned to skate and play hockey at the Pee Wee Arena**
- **Some like Ron Francis and Marty Turco, went on to star in the NHL.**
- **Safe to say most families in Sault Ste. Marie have fond memories of the Pee Wee Arena**

Financials

- **Latest financials attached**

Financial Summary

Soo Arena Association

O/A Soo Pee Wee

	2018	2017
Excess of revenues over expenditures	12,576	(8,097)

Board of Directors

- **Colin Kirkwood: Chair**
- **Jim McMillan: Secretary**
- **Lorne Jarrett: Vice Chair**
- **Kevin Thibeault: Treasurer**
- **Emerson Bentley (50 years)**
- **Dave Watson**
- **Travis King**
- **George Parsons**
- **Trevor Rising**
- **Robert Paciocco**

Summary

- **Continue practice of refunding a portion of annual city taxes**
- **Past year totalling \$13,842.00**
- **1050 children and their families enjoy and depend on the arena for a place to play hockey**
- **A commitment to maintain the Arena to last another 50 years**



2018/2019

EXPENSES

Caretaker	\$	107,000.00
Canteen	\$	-
Office	\$	70,000.00
Remit	\$	30,000.00
Repairs & Maint.	\$	55,000.00
Zamboni Fuel	\$	5,000.00
Zamboni Repairs	\$	6,500.00
Green For Life	\$	3,250.00
Ice Plant	\$	25,000.00
Snow Rem.	\$	17,000.00
Cleaning Supplies	\$	4,000.00
Utilities	\$	135,000.00
Canteen Product	\$	-
General	\$	7,000.00
Interest/Bank	\$	500.00
Loan - Principle & Interest	\$	16,800.00
Office Supplies	\$	4,000.00
Pro. Services	\$	6,500.00
Communications	\$	3,000.00
Prof. Development	\$	1,000.00
Advertising	\$	2,000.00
Taxes	\$	17,810.00
Insurance	\$	25,000.00
Contingency	\$	15,000.00
	\$	556,360.00

REVENUE

Ice Rental	\$	458,000.00
Canteen	\$	8,000.00
Centre Ice	\$	32,000.00
City Grant	\$	14,248.00
Pro Shop	\$	10,600.00
SPWHL Lease	\$	16,099.80
Soo Major Lease	\$	500.00
Advertising	\$	12,000.00
Bank Machine	\$	1,500.00
Lottery	\$	500.00
	\$	553,447.80

SOO ARENA ASSOCIATION
STATEMENT OF FINANCIAL POSITION
May 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 219,475	\$ 178,073
Receivable from City of Sault Ste. Marie	6,832	5,768
Government sales tax receivable	4,806	-
Prepaid expenses and deposits	8,475	8,475
	<u>239,588</u>	<u>192,316</u>
 PROPERTY, PLANT AND EQUIPMENT - note 3		
Cost	2,123,567	2,123,567
Less: Accumulated amortization	<u>1,472,881</u>	<u>1,422,493</u>
	<u>650,686</u>	<u>701,074</u>
	<u>\$ 890,274</u>	<u>\$ 893,390</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 27,883	\$ 29,073
Government remittances payable	4,564	1,871
Deferred revenue	12,500	6,000
Payable to Soo Pee Wee Hockey League Inc.	-	23,695
	<u>44,947</u>	<u>60,639</u>
 NET ASSETS	 <u>845,327</u>	 <u>832,751</u>
	<u>\$ 890,274</u>	<u>\$ 893,390</u>

On Behalf Of The Board:

_____ Director

_____ Director

SOO ARENA ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MAY 31, 2018

	2018	2017
REVENUES		
Ice rentals	\$ 426,201	\$ 428,321
Rent	67,473	68,895
Municipal tax grant	14,906	11,554
Advertising	28,850	28,250
Shows and attractions	55,800	49,599
Donations and fundraising	1,560	24,588
Miscellaneous	3,416	31,220
	<u>598,206</u>	<u>642,427</u>
EXPENSES		
Administrative		
Salaries and benefits	81,766	79,209
Office supplies	2,356	4,506
Telephone and internet	3,647	3,001
Professional fees	7,207	8,337
Interest and bank charges	1,508	6,532
Advertising	383	5,281
General	10,397	39,015
Building Operations		
Wages and benefits	119,016	116,683
Utilities	136,413	143,873
Repairs and maintenance	116,433	129,006
Zamboni operation expense	9,397	8,175
Municipal taxes	16,944	15,352
Insurance	24,018	24,017
Amortization	50,388	59,661
Shows and attractions	5,757	7,871
	<u>585,630</u>	<u>650,519</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	12,576	(8,092)
NET ASSETS, beginning of year	<u>832,751</u>	<u>840,843</u>
NET ASSETS, end of year	<u>\$ 845,327</u>	<u>\$ 832,751</u>

SOO ARENA ASSOCIATION
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2018

	2018	2017
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (Deficiency) of revenues over expenses	\$ 12,576	\$ (8,092)
Item not involving cash		
Amortization	<u>50,388</u>	<u>59,661</u>
	62,964	51,569
Changes in non-cash working capital		
Receivable from City of Sault Ste. Marie	(1,064)	444
Government sales tax receivable	(4,806)	2,460
Prepaid expenses and deposits	-	1,305
Accounts payable and accrued liabilities	(1,190)	(2,559)
Government remittances payable	2,693	(6,861)
Deferred revenue	6,500	(3,000)
Payable to Soo Pee Wee Hockey League Inc.	<u>(23,695)</u>	<u>(23,875)</u>
INCREASE IN CASH	41,402	19,483
CASH, beginning of year	<u>178,073</u>	<u>158,590</u>
CASH, end of year	<u>\$ 219,475</u>	<u>\$ 178,073</u>

Canadian Bushplane Heritage Centre

2018 Update

Presented to City Council

January 28, 2019



2018 Trip Advisor Hall of Fame



**The Canadian Bushplane Museum
had 94% of guest reviews with
rating of excellent or very good**

Volunteers



Volunteers donated 3187 hours to the Bushplane museum in 2018, restoring planes, providing maintenance, guiding tours, working special events and other daily activities.

Bushplane Days Great Success



Partnerships part of the fabric



New Maple Syrup Exhibit launched in December made possible through various partnering agencies. More exhibits will be built for the ecology space in 2019.

The CBHC and ADSB renewed the 5 year agreement in 2018 to continue housing the White Pines Field School in the Bushplane Museum. A great learning opportunity for the students as well as the staff and volunteers.



Our ability to self-generate 67% of our gross revenue is seldom seen in the museum business.





How we used of funds from city in 2018

- Helped offset our two biggest areas of expense, wages and operating expenses.
- Allow us to maintain a balanced budget.



Our 2019 Request

- \$175,000 annual support