



**Board of Health Meeting**  
**MS Teams Electronic Participation**  
**Tuesday, July 6, 2021**  
**8:00am**

AGENDA			
Item	Agenda Item	Lead	Expected Outcome
<b>1.0 CONVENING THE MEETING</b>			
1.1	Call to Order, Recognition of Quorum <ul style="list-style-type: none"> <li>Introduction of Guests, Board of Health Members, and Staff</li> </ul>	Larry Martin	
1.2	Approval of Agenda	Larry Martin	Decision
1.3	Reminder to disclose Pecuniary Interest and the General Nature Thereof when Item Arises including any related to a previous meeting that the member was not in attendance for.	Larry Martin	
1.4	Reminder that Meetings are Recorded for minute-taking purposes	Larry Martin	
<b>2.0 AGENDA ITEMS FOR INFORMATION.DISCUSSION.ACCEPTANCE.DECISION</b>			
2.1	CEO Report	Cynthia St. John	Decision
<b>3.0 FUTURE MEETINGS &amp; EVENTS</b>			
3.1	Thursday, September 9, 2021	Larry Martin	Decision
<b>4.0 ADJOURNMENT</b>			



# CEO REPORT

Open Session

**MEETING DATE:** July 6, 2021

**SUBMITTED BY:** Cynthia St. John, CEO

**SUBMITTED TO:** ☒ Board of Health  
☐ Finance & Facilities Standing Committee  
☐ Governance Standing Committee  
☐ Transition Governance Committee

**PURPOSE:** ☒ Decision  
☐ Discussion  
☐ Receive and File

**AGENDA ITEM #** 2.1

**RESOLUTION #** 2021-BOH-0706-2.1

## **1) Line of Credit Increase (Decision):**

I am recommending another temporary increase to SWPH's current line of credit in order to manage the cashflow issues associated with awaiting the provincial COVID-19 one-time extraordinary funding.

At our April Board meeting, the Board approved increasing SWPH's existing line of credit from \$250,000 to \$800,000 as well as holding back the 2019 operating surplus to manage cash flow concerns should the Ministry of Health not flow additional COVID-19 funding in a timely manner. At the time of writing this report, SWPH has not received any COVID-19 funding from the Ministry. Upon discussion with the Ministry, the Ministry has indicated that funding letters are anticipated to be released in July with the expectation that funding would then flow late July or early August, but again this is an estimation.

Our May 31<sup>st</sup> financial statements are currently showing a \$1.5 million overage from budget. This is entirely due to Covid spending, in particular, on staffing and the setup and running of our mass immunization clinics. In addition to our volunteers, we have hired dozens of non-clinical and clinical staff to support our MIC operations which of course impact our payroll costs. We have currently maximized our line of credit and used \$650,000 that we had in our savings

account from the 2019 operating surplus. It is for this reason that I am recommending that the board approve increasing its existing line of credit temporarily from \$800,000 to \$2,000,000 to manage cash flow concerns provided the bank approves such a request. However, we just received notification from the bank that we have been approved for \$1,800,000 at this time. In the event that the amount is not sufficient, in 30 days we can request the line be increased again. As a reminder, the interest rate on the line of credit is currently prime 2.45% less .25% resulting in a rate of 2.20% and this is an allowable Ministry of Health expense. Without this additional line of credit, SWPH will not be able to pay its bills, nor will it be able to ensure payroll is met.

An increase to the temporary line of credit is, in my opinion, the most efficient way to remedy this matter. It is important though that the Board understands all of the possibilities. Of note, a 1.8M temporary line of credit will only be sufficient if the Ministry flows our additional COVID-19 one-time extraordinary expenses funding in late July or early August. If the temporary increase is not sufficient, the SWPH Board will need to consider requesting some of the municipal reserve funding that was set aside for public health when SWPH returned the reserve funds in December 2019. Of further note, if there is a further delay of the Ministry one-time COVID-19 funding, the Board will again need to consider requesting some of the municipal reserve funding set aside for public health regardless.

Lastly, in addition to my regular communications with the Ministry of Health concerning this matter, I have written to them specifically requesting that they consider flowing whatever COVID-19 monies they have approval for at the earliest possible opportunity.

**MOTION: 2021-BOH-0706-2.1**

That the Board of Health for Southwestern Public Health approve increasing its existing line of credit from \$800,000 to \$1,800,000 to manage cash flow concerns that will arise.