



**Submission to:**

Board of Directors

<b>Meeting date:</b>	<b>Agenda item</b>	<b>Lead</b>	<b>For:</b>
February 17, 2021	9.2	N. Chisholm	Information
<b>Subject</b>			
2021 Updated Budget Assumptions			

**Issue Summary**

Negotiations with the Ministry of Health were completed, providing us with more certainty for the AOM budget for the next three years. The following assumptions have been made in creating the draft 2020 budget and were reviewed at the Board meeting in November 2020.

**The assumptions were updated from the previous version presented to the Board. Updates are in bold.**

1. Ministry of Health funding is based on 2020/21 approved grant budget.
2. Conservative estimate of reduction in membership fees based on actual 2020 amounts, which were less than anticipated in the budget, due mainly to leaves.
3. Increase in HIROC investment income and decrease in investment income, both based on averaged actuals. These are projected to offset each other and result in a 1% net increase.
4. Payroll related:
  - Salary increase of 1.3% COLA effective April 1, 2021
  - 5% increase effective July 1, 2021 to move staff along compensation grid
  - Closure of events administrator position (occurred in 2020)
  - New hire of 1.4 Policy Analysts, Indigenous Midwifery (IM)
  - New hire of Manager, Health Equity, Quality and Human Rights (HEQHR)
  - New hire of Policy Analyst, HEQHR
  - Increase in President’s stipend and portion of retro pay amount for previous presidents (2011 to 2020)
5. Professional development costs for staff: \$750 per staff + \$500 per team
6. Rent: \$215,373 annually as of May 1, 2021 to reflect new lease agreement
7. Telephone costs: reduced from current year projection by \$5,000, due to planned change to soft phone midway through year



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8. Membership database: \$17,000 for one-time cost to develop integration with accounting system
9. Estimated HRTO expenses in 2021 have been updated to be similar to 2020 costs: \$1,049,442 (\$860,600 for legal and related costs and 2 - 6 months of time x 5 staff). This update was made because the recent court decision allowing the government's appeal of the HRTO and divisional court decisions to proceed will mean the AOM will be working simultaneously on the appeal and implementation of the remedy. The appeal will likely be scheduled for the fall of 2021. The earlier version of the budget had not anticipated the appeal would be heard in 2021.

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