

TORONTO STAFF REPORT

April 28, 2003

To: Board of Health
From: Dr. Sheela V. Basrur, Medical Officer of Health
Subject: Toronto Public Health - 2002 Year-End and 2003 Capital Budget Variance Report

Purpose:

To inform the Board of Health of Toronto Public Health's capital budget variance as at December 31, 2002 and first quarter of 2003.

Financial Implications and Impact Statement:

There are no financial implications arising from this report

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendation:

It is recommended that this report be received for information.

Background:

Public Health's approved capital budget in 2002 is \$4.7 million consisting of seven projects.

The 2003 approved capital budget is \$7.3 million consisting of eight projects including two new projects. The two new projects are Communicable Disease Control Information System for \$424 thousand and Facilities – State of Good Repair for \$902 thousand. The budget represents an increase of 55% over last year. The approved budget amount however includes a carry forward in the amount of \$2.6 million from 2002.

Details of the projects are found in the attached Capital Budget Variance Reports for Year End 2002 and 2003 Q1.

Comments:

(1) Status of Capital Spending

The 2002 Capital Budget is under-spent at year end by 55.2% for the following reasons:

- (a) Delay in the project start-up of the Toronto Community Health Information System (TCHIS), formerly known as Community Nursing Customer Management System (CNCMS).
- (b) Change of contractor for the South Regional Animal Centre.
- (c) Contingency of project implementation on completion of corporate initiatives for Toronto Healthy Environment Information System (THEIS) and Coordinated Access which is formerly known as Health-Intake System Coordination. In the case of THEIS, implementation is dependent on the implementation of the Corporate Technical Infrastructure. Coordinated Access, on the other hand, is contingent on the Corporate I&T acquisition process and the planned changes in the Corporate telecommunications environment.

The 2003 Capital Budget is 12% utilized as of March 31, 2003. Project planning for all new projects have commenced and are expected to begin implementation in April. For existing projects, most are expected to be on schedule. Funds made available to all projects in 2003 are expected to be fully utilized by year end.

(2) Carry Forwards

Unused funds in 2002 have been carried forward in 2003. Given the new corporate policy that capital funds can only be carried forward for two years, Public Health is closely monitoring project status to ensure that funds are utilized within this timeline.

(3) Payback Schedule

Public Health is committed to payback the cost of borrowed funds through efficiencies generated from implementation of TCHIS and the establishment of the Animal South Shelter. In 2003, Public Health reduced two Public Health nurse positions and increased revenue estimates in Animal Service to make contribution to capital as per the approved payback schedule.

(4) Revenues

The Ministry of Health and Long-Term Care approved \$1.47 million for its share of 50% of Public Health's 2002 Capital Budget. Public Health has submitted a request of \$1.45 million for

2003 cost-shared capital program. Response from the Ministry is expected in the 4th quarter of 2003.

Conclusions:

Unspent 2002 capital funds have been carried forward in 2003. Unspent 2003 capital funds is 88% as at March 31, 2003 but are expected to be fully utilized by year end.

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Dr. Sheela V. Basrur
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List of Attachments:

Attachment 1: 2002 Year End Capital Variance Report
Attachment 2: 2003 Q1 Capital Variance Report