

TORONTO STAFF REPORT

January 6, 2006

To: Board of Health

From: Dr. David McKeown, Medical Officer of Health

Subject: Update on City Council Approved Toronto Public Health 2006 – 2010 Capital Plan and Budget

Purpose:

This report provides an update on the Toronto Public Health (TPH) 2006 - 2010 Capital Plan and Budget approved at the City Council meeting of December 8 - 9, 2005.

Financial Implications and Impact Statement:

There are no financial implications arising from this report.

Recommendation:

It is recommended that the Medical Officer of Health report to the Board of Health through the Board of Health Budget Subcommittee on a revised 5-year capital plan for Toronto Public Health in the Spring of 2006.

Background:

At its meetings of July 11, 2005 and November 28, 2005, the Board of Health recommended that City Council approve a 2006-2010 Capital Plan and Budget for Toronto Public Health in the amount of \$19,433 thousand with a 2006 cash flow of \$6,565 thousand and future year commitments of \$5,616 thousand for 2007, \$4,075 thousand for 2008, \$2,849 thousand for 2009 and \$328 thousand for 2010. In addition, the Board recommended approval of a carry forward cash flow from 2005 to 2006 totalling \$1,070 thousand for one project.

Subsequent reviews by the Budget Advisory Committee and the Policy and Finance Committee reduced the 2006-2010 TPH Capital Plan and Budget to \$3,251 thousand with 2006 cash flow of \$2,651 thousand and future year commitments of \$297 thousand in 2007 and \$303 thousand in 2008.

Comments:

At its meeting of December 8 and 9, 2005, City Council approved a TPH 2006-2010 Capital Plan and Budget of \$3,251 thousand plus a cash flow carry forward from 2005 to 2006 of \$1,070 thousand for Toronto Community Health Information System (TCHIS). Four new capital projects were approved. Two new capital projects are categorized as Legislated: the Integrated Public Health Information System (iPHIS) is mandated by the Ministry of Health and Long Term Care (MOHLTC) and the Personal Health Information Protection Act (PHIPA) proposal is required to meet the PHIPA legislation passed in November 2004. The other two new capital projects: North York Dental Clinic and Animal Services Online License System are categorized as Service Improvement. These projects will improve and enhance delivery of public health services to the community.

The approval of the 2006 Capital Budget includes future year commitments of \$297 thousand and \$303 thousand in 2007 and 2008 respectively. The associated net operating impact of the approved capital projects on the TPH Operating Budget is \$145 thousand in 2006 and \$127 thousand in 2007.

The financing for the 2006 Capital Budget includes the expected cost-shared funding of \$538 thousand from the province for iPHIS, \$141 thousand from TPH operating savings to offset the cost of the self financed North York Dental Clinic and the Animal Services Online License System, and \$922 thousand from debt financing. The Animal Services Online License System will fully reimburse the City's investment of \$1,071 thousand with repayments of \$21 thousand in 2006 and \$241 thousand in each year from 2007 through 2011. The North York Dental Clinic will be funded by operational savings and debt in 2006 with full debt repayment by TPH of \$180 thousand in 2007. The operating budget proposal to harmonize senior dental services was deferred for consideration until the North York Dental Clinic is fully repaid.

Table 1 outlines the capital projects and their funding sources as approved by City Council.

Table 1
Summary of 2006 - 2010 TPH Capital Plan & Budget Approved by City Council (\$000)

| Description | 2006 - 2010 | 2006 | | | | 2007/08 | |
|--|-----------------|-----------------|--------------------|----------------|--------------|------------|-----------------|
| | Cash Flow Gross | Cash Flow Gross | Provincial Revenue | TPH Efficiency | Other | Debt | Cash Flow Gross |
| New Projects | | | | | | | |
| Legislated | | | | | | | |
| 2006 Integrated Public Health Info System (iPHIS) | 827 | 827 | 538 | | | 289 | |
| Personal Health Info Protection Act (PHIPA) | 1053 | 453 | | | | 453 | 600 |
| <i>Subtotal of Legislated</i> | 1,880 | 1,280 | 538 | | | 742 | 600 |
| Service Improvement | | | | | | | |
| North York Dental Clinic * | 300 | 300 | | 120 | | 180 | |
| Animal Services Online License System * | 1,071 | 1,071 | | 21 | 1,050 | | |
| <i>Subtotal of Service Improvement</i> | 1,371 | 1,371 | | 141 | 1,050 | 180 | |
| Subtotal of New Projects | 3,251 | 2,651 | 538 | 141 | 1,050 | 922 | 600 |
| Carry Forward from 2005 | | | | | | | |
| Toronto Community Health Info System (TCHIS) * | | 1,070 | | | | | |
| City Council Approved 2006-2010 Capital Plan and Budget | 3,251 | 3,721 | 538 | 141 | 1,050 | 922 | 600 |
| *Debt scheduled for full repayment by TPH | | | | | | | |

The Board of Health recommended capital projects not approved within the TPH 2006-2010 Capital Plan and Budget were addressed in various ways as outlined below. The 2006-2010 Facilities State of Good Repair capital projects totalling \$2,022 thousand were transferred to the Facilities and Real Estate Capital Budget with the reduction of \$375 thousand for Emergency Capital Repairs. The 277 Victoria Street Relocation Furniture requirements of \$400 thousand were referred to the General Manager, Facilities and Real Estate for confirmation of relocation dates and a report expected in 2006 from the General Manager, Facilities and Real Estate to the Administration Committee and the Budget Advisory Committee, outlining the total cost of relocation. Three Information Technology projects adding up to \$2,623 thousand in 2006 were transferred for consideration within the TPH 2006 Operating Budget. The 2007 cash flow of \$1,553 thousand for these projects will be submitted within the TPH 2007 Operating Budget for consideration.

Council did not approve the Board of Health recommended cash flow projections for 2006-2010 TPH Capital Projects totalling \$9.6 million (see table 2 below). Council requested the City Manager and Chief Financial Officer in consultation with appropriate staff, to report back to the Budget Advisory Committee in the spring of 2006 on a recommended firm 5-year Capital Plan for TPH within Council’s approved debt affordability limits.

Table 2 summarizes the decision made by City Council for 2006 – 2010 TPH capital budgets.

Table 2
2006 – 2010 TPH Capital Projects – Summary of Decisions (\$000)

| Description | Cash flow - Gross | | | | | |
|--|-------------------|--------------|--------------|--------------|------------|---------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
| <i>City Council Approved</i> | 2,651 | 297 | 303 | 0 | 0 | 3,251 |
| <u>Transferred to Facilities and Real Estate</u> | | | | | | |
| Emergency Capital Repairs | 75 | 75 | 75 | 75 | 75 | 375 |
| Structural Building Envelop | 0 | 132 | 0 | 111 | 0 | 243 |
| Mechanical Electrical | 271 | 68 | 0 | 314 | 0 | 653 |
| Animal Services Facilities SOGR | 308 | 123 | 142 | 0 | 178 | 751 |
| <i>Sub-total</i> | 654 | 398 | 217 | 500 | 253 | 2,022 |
| <i>Reduction in Emergency Capital Repairs</i> | 75 | 75 | 75 | 75 | 75 | 375 |
| <u>Transferred to TPH Operating Budget</u> | | | | | | |
| TPH Web site Enhanced Communication | 606 | 351 | 0 | 0 | 0 | 957 |
| Adaptive Data Capture and Reporting | 1,451 | 545 | 0 | 0 | 0 | 1,996 |
| E-Learning | 566 | 657 | 0 | 0 | 0 | 1,223 |
| <i>Sub-total</i> | 2,623 | 1,553 | 0 | 0 | 0 | 4,176 |
| <u>New Projects Deferred</u> | | | | | | |
| TPH Electronic Communication | 0 | 162 | 100 | 102 | 0 | 364 |
| Nursing and PH Professional Point of Care | 0 | 1,800 | 2,250 | 1,235 | 404 | 5,689 |
| Dental Strategy and Implementation | 0 | 213 | 1,106 | 1,015 | 0 | 2,334 |
| TCHIS/ISCIS Integration | 0 | 0 | 0 | 822 | 0 | 822 |
| 277 Victoria Street Relocation | 0 | 400 | 0 | 0 | 0 | 400 |
| <i>Sub-total</i> | 0 | 2,575 | 3,456 | 3,174 | 404 | 9,609 |
| Total 2006 - 2010 BOH Recommended Capital Budget and Plan | 6,003 | 4,898 | 4,051 | 3,749 | 732 | 19,433 |

Conclusion:

City Council approved a TPH 2006 - 2010 Capital Plan and Budget of \$3,251 thousand with future year commitments of \$297 thousand and \$303 thousand in 2007 and 2008 respectively.

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