



STAFF REPORT ACTION REQUIRED

Toronto Public Health's 2009 – 2018 Capital Plan and Forecast Submission

Date:	September 3, 2008
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides an overview of the Toronto Public Health's (TPH) 2009 Capital Budget, 5-Year Capital Plan (2009-2013) and 5-Year Capital Forecast (2014-2018) Submission for approval.

TPH is submitting a 2009 – 2018 Capital Plan and Forecast request of \$34.198 million, including a 2009 Capital Budget of \$10.455 million and a 2010 – 2018 Capital Plan and Forecast of \$23.743 million. The Debt Affordability Target provided by the City for TPH is \$3.499 million in 2009, \$3.499 million in 2010 and, \$3.400 million in each year from 2011 to 2018 for a total of \$34.198 million.

The 10-Year Capital Plan and Forecast request will provide funding for twelve Information and Technology (IT) projects that support improvement of service delivery with the development and enhancement of systems while complying with provincial mandatory reporting system requirements. The associated operating impact of these twelve IT projects at the end of ten years is \$3.021 million gross and \$.919 million net for thirteen new positions and ongoing costs for service and maintenance.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. City Council approve a 2009 Capital Budget with a total project cost of \$8.133 million and a 2009 cash flow of \$1.614 million and future year commitments of \$6.520 million as detailed in Appendix 3, “Toronto Public Health’s 2009 Capital Budget”. The 2009 Capital Budget Submission consists of the following:
 - a. new cash flow funding for:
 - i. three new sub-projects and two changes in scope sub-projects with a 2009 total project cost of \$8.133 million that requires cash flow of \$1.614 million in 2009, and future year commitments of \$3.062 million in 2010, \$2.861 million in 2011, and \$0.596 million in 2012; and
 - ii. two previously approved sub-projects with a 2009 cash flow of \$1.885 million and future year commitments of \$0.437 million in 2010.
 - b. 2008 approved cash flow for four previously approved sub-projects, with carry-forward funding from 2008 into 2009, totalling \$1.611 million;
2. City Council approve a 2010-2013 Capital Plan of \$6.743 million with future years estimates of \$0.539 million in 2011, \$2.804 million in 2012 and \$3.400 million in 2013; as outlined in Appendix 1 – Toronto Public Health 2009 Capital Budget and 2010-2018 Capital Plan;
3. the net operating impacts of \$0.060 million for 2010, \$0.195 million for 2011, \$0.131 million for 2012, \$0.041 million for 2013 emanating from the approval of the 2009 Capital Budget as detailed in Appendix 2, “Toronto Public Health 2010-2018 Operating Budget Impact of Capital” be considered within the future years’ Toronto Public Health Operating Budget submissions; and,
4. the Board of Health forward this report to the Budget Committee for its consideration during the 2009 budget process.

Financial Impact

TPH is submitting a 2009 Capital Budget and 2010 - 2018 Capital Plan and Forecast request of \$34.198 million, including 2009 cash flow of \$3.499 million (excluding the carry forward funding from 2008), which is entirely financed from debt. The approved annual Debt Affordability Target for TPH is \$3.499 million in 2009, \$3.499 million in 2010, and \$3.400 million in each year from 2011 to 2018. The total requested amount for the 2009 Capital Budget, 5-Year Capital Plan (2009- 2013) and 5-Year Capital Forecast (2014-2018) meets the Debt Affordability Target of \$34.198 million as shown in the Table 1 below. The associated operating impact of these capital projects on the TPH Operating Budget at the end of ten years will be

\$3.021 million gross and \$.919 million net for thirteen new positions and ongoing costs for service and maintenance.

Table 1 Toronto Public Health 2009 - 2018 Capital Plan and Forecast Request by Funding Source (\$000's)												
	2009 Budget Request	Commitments/Plan				Total 2009 - 2013	2014-2018 Forecast					Total 2009 - 2018
		2010	2011	2012	2013		2014	2015	2016	2017	2018	
2009 Budget & Future Year Commitments	3,499.0	3,499.0	2,861.0	596.1	0.0	10,455.1	0.0	0.0	0.0	0.0	0.0	10,455.1
2010 - 2018 Plan and Forecast (Estimates)		0.0	539.0	2,803.9	3,400.0	6,742.9	3,400.0	3,400.0	3,400.0	3,400.0	3,400.0	23,742.9
Total Plan and Forecast	3,499.0	3,499.0	3,400.0	3,400.0	3,400.0	17,198.0	3,400.0	3,400.0	3,400.0	3,400.0	3,400.0	34,198.0
Debt Affordability Target	3,499.0	3,499.0	3,400.0	3,400.0	3,400.0	17,198.0	3,400.0	3,400.0	3,400.0	3,400.0	3,400.0	34,198.0
Over/(under) Debt Target	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of December 11-13, 2007, City Council approved a Toronto Public Health 2008 - 2012 Capital Budget and Plan for a total of \$18.422 million with a 2008 cash flow of \$4.624 million (including a carry-forward of \$1.134 million from 2007). The future year commitments and plan estimates are comprised of \$3.499 million for 2009, \$3.499 million for 2010, \$3.400 million for 2011 and \$3.400 million for 2012, totalling \$13.798 million.

At the same meeting, City Council requested the Medical Officer of Health, in conjunction with the Chief Information Officer to report to the Budget Committee, prior to the start of the 2009 Capital Budget process, on the estimated costs and timeline of any new and existing projects required because of provincial initiatives and future TPH strategic plans, including the operating budget impact of capital projects beyond 2012.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

(Item EX15.1 - #145, 148 and 149)

A memo was issued by the Deputy City Manager and Chief Financial Officer on July 14, 2008 that outlined debt targets for TPH for the next 10 years of \$3.499 million in 2009 and 2010 and \$3.400 million for each of the years 2011 to 2018. City Programs and ABCs were instructed to submit a 10 year Capital Plan (2009-2013) and 5 year Capital Forecast (2014-2018) that did not exceed the annual debt targets.

At its meeting of July 21, 2008, the Board of Health Budget Sub-Committee considered a submission from the Medical Officer of Health entitled "Toronto Public Health 2009-2018 Capital Budget and Plan". The Budget Sub-Committee received for information the 2009 Preliminary Public Health Capital Budget submitted by the Medical Officer of Health.

COMMENTS

Provincial Initiatives and Future TPH Strategic Plans:

In response to City Council's request for the estimated costs and timeline of any new and existing projects required because of provincial initiatives and future TPH strategic plans, the Medical Officer of Health, in conjunction with the Chief Information Officer wishes to inform City Council of the following:

1. Within the context of Toronto Public Health's service delivery, it is recognized that our public service mandate is impacted by the provincial decisions, mandate, and strategic directions and goals. In any submission for funding, including capital funding, it is essential that TPH incorporates and includes all existing and planned provincial initiatives in order to ensure effective project and system integration, and public service collaboration. The Ministry of Health and Long-Term Care (MOHLTC) provides regular communications to all health units, including TPH, concerning their initiatives. These communications and discussions have benefited both organizations in terms of reducing IT project development and operating costs, improving service delivery and quality of implemented IT solutions, and leveraging provincial IT investments. As with other organizations and divisions, investments in IT will continue as business and service requirements evolve and advances in technology provide opportunities for improvements in service delivery and information management.
2. Recent communications from the MOHLTC and discussions between TPH and MOHLTC officials concerning existing and new initiatives have been taken into account during the preparation of TPH's 2009 to 2018 Capital Plan Submission and the various projects contained within. The scope, funding commitments, and projected timeline of these existing and new provincial initiatives have impacted, in varying degrees, the following TPH projects: the Public Health Surveillance and Management System (PHSMS) project; the Dental Strategy and Implementation project; the Healthy Environments Inspection System project; and Healthy Families and Healthy Living Systems Integration project. Specifically the PHSMS project involves the implementation of Panorama, a pan-Canadian solution, being implemented throughout Ontario by the MOHLTC. The Dental Strategy and Implementation project includes, in part, the implementation of a new provincial dental reporting system (Oral Health Information Support System) and integration between this system and TPH's dental system. The Healthy Environments Inspection System includes the integration between TPH's inspection system (i.e. Toronto Healthy Environments Information System) with the provincial reporting system.
3. All projects included within TPH's 2009 to 2018 Capital Plan Submission have originated from TPH 2005 to 2009 Strategic Plan and have taken into account the Mayor's and Council priorities, and the eCity strategic goals.

2009 – 2018 Capital Plan and Forecast

The 2009 Capital Budget process requires City Programs and ABCs to submit a 10-Year Capital Plan and Forecast. The 10-year planning horizon is comprised of a five-year capital plan representing the first five years, plus a five-year capital forecast for years six through ten. Beginning in 2009, affordability debt and capital targets have been established for each of the 10 years. City Programs and ABCs must develop their 10-Year Capital Plan and Forecast based on these debt targets.

The TPH 2009 Capital Budget and 2010 - 2018 Capital Plan and Forecast request of \$34.198 million is comprised of a 2009 Capital Budget of \$3.499 million and future year commitments of \$6.956 million and a 2010 - 2018 Capital Plan and Forecast of \$23.743 million. The 2009 -2013 Capital Budget and Plan request includes two previously approved projects with a change in scope and seven new IT projects. The 2014 – 2018 Capital Forecast includes three new IT projects that were not previously included in TPH's 5-Year Capital Plan (2008-2013).

The City's Debt Affordability Target to fund capital projects for TPH is \$3.499 million in 2009 and 2010, and \$3.400 million in each year from 2011 to 2018 for a ten-year funding target of \$34.198 million. This capital project request fully utilizes the available funding.

As of June 30, 2008, TPH spent \$1.652 million or 23 percent of the 2008 approved cash flow of \$5.362 million for capital projects. The year-end capital expenditure is projected to be \$3.751 million or 70 percent of the approved cash flow. The projected under expenditure of \$1.611 million requires a cash flow carry-forward into 2009 for the Dental Strategy and Implementation project (\$0.275 million), the PH Surveillance and Management System project (\$0.184 million), the HF/HL Mandatory Management Reporting project (\$0.781 million) and the Personal Health Information Protection Act (PHIPA) System Compliance project (\$0.371 million).

TPH is submitting the following two previously approved projects with changes in scope and three new projects for the 2009 Capital Budget described in Appendix 1 and Appendix 3 attached to this report.

2009 Capital Budget & Future Year Commitments:

Change in Scope for IT Projects:

1. *Dental Strategy and Implementation* project (\$2.873 million) -
This project requires a change in scope of \$1.958 million. The scope of this project had to be changed to include: i) the support of claims processing since the province has indicated that this functionality cannot be provided by the Provincial system as previously assumed; ii) the enhancement of SAP to support Dental Equipment maintenance; and iii) the enhancement of the technical infrastructure to allow for acceptable network response times in the dental clinics and a better configuration of computer equipment in the dental operatories. The scope of this project has also been increased by \$0.915 million to include the acquisition and rollout of digital x-ray equipment in dental clinics from 2010 to 2012.

2. *Public Health Surveillance and Management System* project (\$0.343 million) -
This project, started in 2007, requires a change in scope in 2009 to 2011 (addition of \$0.343 million) and change in the completion date from 2009 to 2011. This project involves the implementation by the province of a new surveillance and management system. The province has revised the project time line and changed the project completion date to 2011.

New Projects beginning in 2009

3. *Healthy Environment (HE) Inspection System* - 2009 to 2011 (\$2.743 million) -
The Toronto Healthy Environments Information System (THEIS) used by the Healthy Environments (HE) program since 2001 requires upgrading and enhancement to address business needs and leverage the opportunities provided by the current version of CSDC's Amanda software on which THEIS is based. The implementation of new modules will enhance over all system functionality that will satisfy ongoing business requirements including: i) allowing inspection data to be input and printed at the inspection site thereby reducing travel time required to return to the office and reducing the need to enter data in the office; ii) reducing the overall time to perform inspections; iii) eliminating duplicate data entry by HE clerical staff and Toronto Health Connections; iv) reducing the time to produce and distribute standard reports by automatically generating and delivering reports on a predefined schedule; v) achieving currency with the latest version of Amanda software and benefiting from its overall improvements in functionality including the ability to customize user interfaces; and vi) improving address data quality.

The project cost is \$2.743 million with an operating impact of \$0.231 million gross and \$0.058 million net in 2012.

4. *Healthy Environment (HE) Reporting* project - 2009 to 2011 (\$1.372 million) -
The purpose of this project is to reduce the time required to create new reports for Healthy Environment clients. Healthy Environments needs the ability to create ad hoc reports in a timely manner to respond to Freedom of Information (FOI) requests and media requests. They also need the ability to access issue specific data in a timely manner to track activities and trends on various health issues. There is currently no facility to effectively report on the information in the Toronto Healthy Environments Information System (THEIS) that will geographically identify clusters of like incidents around specific vicinities.

The project cost is \$1.372 million with an operating impact of \$0.164 million gross and \$0.041 million net in 2012.

5. *Health e-Services* - 2009 to 2011 (\$0.803 million) -
This project involves enhancing City web site systems that support: i) the posting of beaches water quality test results and the notification of beach closures; and ii) the registration and payment processing by restaurant owners for their staff to attend mandatory food handler training and certification sessions. The implementation of this project is to mitigate identified inefficiencies and inconsistencies in the delivery of health related services and information to the public. The enhancements proposed will facilitate the dissemination of daily beach water quality information and allow secure payment services for the Food Handler Certification program.

The project cost is \$0.803 million with an operating impact of \$0.022 million gross and \$0.006 net in 2011.

A Capital Forecast for an additional 5 years, from 2014 – 2018, has been included in the 2009-2018 Capital Plan and Forecast submission. The Forecast includes three projects that extend beyond the 2009-2013 Capital Plan and three new projects that are expected to begin work in 2016 and 2017.

New Projects Included in the 2014 – 2018 Capital Forecast

1. *Internet and Intranet Strategy Implementation* project – 2016 to 2018 (\$3.897 million) -
TPH has developed a three year Internet and Intranet Strategy (2008-2010). During the implementation of this strategy, a number of internet and intranet applications/solutions will be identified to meet TPH's business needs. These applications/solutions will improve the efficiency and effectiveness of TPH program delivery and service to the public as well as support the eCity/eService strategic goals.
2. *Communicable Disease Control Wireless Rollout* project – 2017 to 2018 (\$2.4 million) -
This project will implement wireless laptops/tablets for use by the Communicable Disease Control (CDC) program, specifically the Control of Infectious Diseases/Infection Control (CID/IC) and Vaccine Preventable Disease (VPD) staff who do inspections and TB staff who do Directly Observed Therapy. This project will support the capture and viewing of information by staff while in the field delivering services thus reducing the need for staff to return to the office and to record information multiple times.
3. *Datamart/Data Warehouse* project – 2016 to 2018 (\$3.376 million) -
This project will develop and implement a Datamart/Data Warehouse, building on the TPH HF/HL Mandatory Management Reporting and Healthy Environments Reporting projects as well as other Datamarts/Data Warehouses developed throughout the City of Toronto (including within the Social Development Division). This project will support improved reporting across all TPH programs.

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SIGNATURE

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ATTACHMENTS

Appendix 1 – Toronto Public Health 2009 Capital Budget and 2009-2018 Capital Plan and Forecast
Appendix 2 – Toronto Public Health 2010-2018 Operating Impact of Capital
Appendix 3 – Toronto Public Health 2009 Capital Budget (Including Change in Scope and 2008 Carry-Forward projects)