



**STAFF REPORT  
INFORMATION ONLY**

**Toronto Public Health Operating Budget Variance for the  
Twelve Months ended December 31, 2008**

<b>Date:</b>	March 31, 2009
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

**SUMMARY**

This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the twelve months of operation ending on December 31, 2008.

At year-end, TPH gross expenditures were below budget by \$4,693.4 thousand or 2.2 percent attributable to the underspending of \$3,128.4 thousand in Salaries and Benefits and \$1,565.0 thousand in non-payroll. Revenue was underachieved by \$4,182.0 thousand or 2.5 percent due to under-expenditures in provincial cost shared programs, under-spending in capital projects, lower than planned food handler training registrations and Ontario Works Dental services recoveries.

**Financial Impact**

	<i>As of December 31, 2008</i>			
	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure:				
Payroll	150,763.2	153,891.6	(3,128.4)	(2.0%)
Non Payroll	55,157.2	56,722.2	(1,565.0)	(2.8%)
Total Gross Expenditure	205,920.4	210,613.8	(4,693.4)	(2.2%)
Revenue	163,529.6	167,711.6	(4,182.0)	(2.5%)
<b>NET EXPENDITURE</b>	<b>42,390.8</b>	<b>42,902.2</b>	<b>(511.4)</b>	<b>(1.2%)</b>

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

## **DECISION HISTORY**

This report provides an update to the Board of Health on the Toronto Public Health (TPH) Operating Budget Variance for the twelve months of operation ending on December 31, 2008.

## **COMMENTS**

The Toronto Public Health 2008 Operating Budget is \$210,613.8 thousand gross and \$42,902.2 thousand net.

Expenditures were under budget by \$4,693.4 thousand gross (2.2 percent) and \$511.4 thousand net (1.2 percent) as of December 31, 2008. Explanations of the variances in both gross expenditures and revenues and a summary of corrective actions are outlined below.

### **(1) Gross Expenditures**

Salaries and Benefits were \$3,128.4 thousand or 2.0 percent less than budget. This resulted in an annual gapping rate of 6.3 percent versus a gapping target of 4.3 percent. For the first six months of the year TPH was catching up backlog in hiring for vacancies as a result of the 2007 cost containment measures across all program areas.

The salaries and benefits variance in the last two quarters of 2008 was significantly less than the first and second quarters. In the last two quarters of the year TPH substantially closed the gap in vacancies as the actual gapping rate has steadily declined from 8.6 percent in the first and second quarters to 4.2 percent in the third and fourth quarters.

Non payroll expenditures were \$1,565.0 thousand or 2.8 percent under budget across various provincially cost shared and fully funded programs.

### **(2) Revenue**

Actual revenue was lower than budget by \$4,182.0 thousand or 2.5 percent in the following areas: (i) under-spending in cost shared programs resulting in an unfavourable variance in Provincial revenues recoverable (ii) lower than planned Ontario Works Dental services funded by Social Services through Interdepartmental Recovery (iii) under-spending in capital projects resulting in lower recovery of funds from capital, and (iv) underachievement of registration fees for the mandatory Food Handler Training program.

(3) Corrective Action

The TPH Divisional Management Team continues to monitor the staff complement and provide direction to program managers and HR to identify recruitment and staffing process issues. Monthly detailed salary analysis and review of the complement results are in place to help manage and utilize available resources to meet public health needs. These actions have considerably reduced the variance in salaries and benefits in the third quarter and last quarter of the year.

**CONTACT**

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**SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

**ATTACHMENTS**

Attachment 1 – TPH Operating Variance Submission for the period ended December 31, 2008