



**STAFF REPORT
INFORMATION ONLY**

**Toronto Public Health Operating Budget Variance
Report for the Twelve Months ended December 31, 2009**

Date:	March 4, 2010
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides information to the Board of Health on the Toronto Public Health (TPH) Operating Budget Variance for the twelve months of operation ending on December 31, 2009.

At year-end, TPH gross expenditures were below budget by \$7,021.0 thousand or 3.2 percent attributable to underspending of \$732.1 thousand in Salaries and Benefits and \$6,288.9 thousand in non-payroll. Revenue was underachieved by \$6,289.5 thousand or 3.5 percent due to under-expenditures in provincial cost shared programs and fully funded programs, including the Children in Need of Dental Treatment (CINOT) Expansion.

Financial Impact

TPH Operating Budget Variance as of December 31, 2009				
	Actual	Budget	Variance Over/(Under)	
	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	215,855.1	222,876.1	(7,021.0)	(3.2)
Revenue	172,767.4	179,056.9	(6,289.5)	(3.5)
Net Expenditure	43,087.7	43,819.2	(731.5)	(1.7)

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

COMMENTS

The TPH 2009 Operating Budget is \$222,876.1 thousand gross and \$43,819.2 thousand net.

Gross and net expenditures for the year were under budget by \$7,021.0 thousand gross (3.2 percent) and \$731.5 thousand net (1.7 percent) respectively as of December 31, 2009. Explanations of the budget variances in both gross expenditures and revenues are outlined below.

(1) Gross Expenditures

Salaries and Benefits were \$732.1 thousand or 0.5 percent less than budget. The 100 percent provincial and fully funded programs were under spent by \$3,240.6 thousand due to savings achieved during the labour disruption. Salaries and Benefits funded by capital projects were under spent by \$1,238.5 thousand. Savings in the cost shared and 100 percent City funded programs due to labour disruption were recovered by the City.

This under spending was offset by \$3,427.7 thousand of overtime expenses incurred during the H1N1 Outbreak Response in the 3rd and 4th quarters. Actual position gapping of 4.1 percent versus a target of 4.3 percent resulted in \$319.3 thousand of additional costs.

Non-payroll expenditures were \$6,288.9 thousand or 10.0 percent under budget. The under spending was attributable to labour disruption, H1N1 Outbreak Response and a delay in implementation of the CINOT Expansion program.

(2) Revenue

Actual revenue was lower than budget by \$6,289.5 thousand or 3.5 percent in the following areas: (i) under spending in cost shared and fully funded programs resulting in an unfavourable variance in Provincial revenue (ii) delay in implementing the CINOT Expansion, and (iii) under spending in capital projects resulting in an unfavourable variance of transfer funds from capital.

(3) H1N1 Outbreak Response

The H1N1 Outbreak Response costs at year-end totalled \$6,834.8 thousand. These costs were partially offset by \$2,100.0 thousand that the Province funded at \$10.00 per dose for approximately 210,000 H1N1 vaccines administered in 2009. The balance of \$4,734.8 thousand was funded at 75 percent or \$3,551.1 thousand by the Province and 25 percent or \$1,183.7 thousand by the City as part of the TPH 2009 approved budget for public

health services. The Ontario Ministry of Health and Long Term Care directed public health units to take all necessary measures to respond to H1N1. The Ministry committed to reimburse public health units for extraordinary costs incurred over and above their mandatory program funding. For TPH, all costs incurred for the H1N1 response were contained within the per-dose funding and the approved 2009 cost-shared mandatory program funding.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the period ended December 31, 2009