



## STAFF REPORT ACTION REQUIRED

### Toronto Public Health 2011 – 2020 Capital Budget and Plan Request

<b>Date:</b>	December 22, 2010
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### **SUMMARY**

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This report provides an overview of the Toronto Public Health (TPH) 2011 Capital Budget and 2012-2020 Capital Plan for consideration and approval by the Board of Health.

TPH is submitting a 2011 – 2020 Capital Budget and Plan request of \$34.978 million, including a 2011 Capital Budget of \$3.539 million, future year commitments of \$9.625 million and a 2012 – 2020 Capital Plan of \$21.814 million. The Debt Affordability Target provided by the City for TPH is \$4.507 million in 2011, \$3.400 million in 2012 and \$3.400 million in each year from 2013 to 2020 for a total of \$35.107 million.

The 10-Year Capital Budget and Plan request will provide funding for fourteen Information Technology (IT) projects that support improvement of service delivery with the development and enhancement of systems while complying with provincial mandatory reporting requirements. The associated operating impact of these fourteen IT projects at the end of ten years is \$0.222 million gross/\$0.055 million net expenditure that includes two new positions and ongoing costs for service and maintenance.

## RECOMMENDATIONS

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### **The Medical Officer of Health recommends that:**

1. City Council approve a 2011 Capital Budget Request for Toronto Public Health with a total project cost of \$3.375 million and a 2011 cash flow of \$5.791 million and future year commitments of \$9.625 million as detailed in Appendix 1, Table 2 “Toronto Public Health 2011-2020 Capital Budget and Plan Submission”. The 2011 Capital Budget is comprised of the following:
  - a) new cash flow funding for:
    - i) one new sub-project and seven change in scope sub-projects with a 2011 total project cost of \$3.375 million that requires a reduction in cash flow of \$0.305 million in 2011 and future year commitments of \$0.405 million in 2012; \$0.640 million in 2013; \$1.353 million in 2014; and, \$1.282 million in 2015; and
    - ii) seven previously approved sub-projects with a 2011 cash flow of \$3.843 million and future year commitments of \$3.933 million in 2012 and \$2.012 million in 2013.
  - b) 2010 approved cash flow for six previously approved sub-projects with carry forward funding from 2010 into 2011 totaling \$2.253 million;
2. City Council approve the 2012-2020 Capital Plan for Toronto Public Health totaling \$21.814 million in project estimates, comprised of \$0.744 million in 2013, \$2.040 million in 2014, \$2.114 million in 2015, \$3.392 million in 2016, \$3.388 million in 2017, \$3.363 million in 2018, \$3.373 million in 2019, and \$3.400 million in 2020;
3. the net operating impacts in the Toronto Public Health operating budget of \$0.027 million for 2012; and \$0.028 million in 2013 arising from the approval of the 2011 Capital Budget be considered within the 2012 and future year operating budgets; and
4. the Board of Health forward this report including the attachment to the City's Budget Committee for its consideration during the 2011 budget process.

### **Financial Impact**

TPH is submitting a 2011 Capital Budget and 2012 - 2020 Capital Plan request of \$34.978 million, including 2011 cash flow of \$3.539 million (excluding the carry forward funding from 2010) which is entirely financed from debt. The approved annual Debt Affordability Target for TPH is \$4.507 million in 2011, \$3.400 million in 2012, and \$3.400 million in each year from 2013 to 2020. The total requested amount for the 2011 Capital Budget and 9-Year Capital Plan (2012-2020) meets the Debt Affordability Target

of \$35.107 million as shown in Table 1 below. The 2011-2020 Capital Budget and Plan is \$0.129 million under the Debt Affordability Target due to HST savings. The associated operating impact of these capital projects on the TPH Operating Budget at the end of ten years will be \$0.222 million gross and \$0.055 million net that includes two new positions and ongoing costs for service and maintenance.

A shift in cash flow funding from 2011 to 2012 was done with the City's Financial Planning Division. The TPH debt target will be revised in 2012 from \$3.400 million to \$4.338 million to reflect the shift in funding.

Table 1

Toronto Public Health 2011 - 2020 Capital Budget and Plan Request (\$000's)												
	2011 Budget Request	Commitments/ Plan				Total 2011 - 2015	2016-2020 Forecast					Total 2011 - 2020
		2012	2013	2014	2015		2016	2017	2018	2019	2020	
2011 Budget & Future Year Commitments	3,539	4,338	2,652	1,353	1,282	13,164	0	0	0	0	0	13,164
2012 - 2020 Plan and Forecast (Estimates)		0	744	2,040	2,114	4,898	3,392	3,388	3,363	3,373	3,400	21,814
Total Plan and Forecast	3,539	4,338	3,396	3,393	3,396	18,062	3,392	3,388	3,363	3,373	3,400	34,978
Debt Affordability Target	4,507	3,400	3,400	3,400	3,400	18,107	3,400	3,400	3,400	3,400	3,400	35,107
Over/(under) Debt Target	-968	938	-4	-7	-4	-45	-8	-12	-37	-27	0	-129

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 8, 2009, City Council approved a TPH 2010-2014 Capital Budget and Plan for a total of \$15.748 million with a 2010 cash flow of \$5.960 million (including a carry-forward of \$2.272 million from 2009) and future year commitments of \$4.507 million in 2011, \$3.400 million in 2012 and \$1.881 million in 2013. City Council also approved a TPH 2011-2019 Capital Plan totalling \$21.919 million in project estimates, comprised of \$1.519 million in 2013 and \$3.400 million in each year from 2014 to 2019.

At the same meeting, City Council requested Toronto Public Health to review the operating impacts resulting from the approval of the 2010 Recommended Capital Budget and the 2011-2019 Recommended Capital Plan and to identify cost savings from operational benefits /efficiencies associated with the implementation of all IT projects to offset additional operating pressures as part of the 2011 budget process.

<http://www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-12-08-cc44-dd.htm>  
(Item EX38.1 – 112-116)

A memo was issued by the Deputy City Manager and Chief Financial Officer on July 5, 2010 that outlined debt targets for TPH over the next 10 years of \$4.507 million in 2011, and \$3.400 million for each of the years 2012 to 2020. City Divisions and ABCs were instructed to submit a 10 year Capital Budget and Plan (2011-2020) that did not exceed the annual debt targets.

At its meeting of August 25 to 27, 2010, City Council approved the creation of an in-year Capital Project to be added to the Toronto Public Health 2010 Approved Capital Budget for the acquisition of a mobile dental clinic in the amount of \$0.450 million with one-time 100 per cent funding provided by the Ministry of Health and Long Term Care.

At its meeting of October 1, 2010, the Board of Health Budget Sub-Committee considered and received a submission from the Medical Officer of Health entitled "Toronto Public Health 2011-2020 Capital Budget and Plan".

## **COMMENTS**

The TPH report entitled "Toronto Public Health 2011-2020 Capital Budget and Plan Submission" is attached as Appendix 1.

## **CONTACT**

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## **SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

## **ATTACHMENTS**

Appendix 1 - Toronto Public Health 2011-2020 Capital Budget and Plan Submission