



STAFF REPORT ACTION REQUIRED

Toronto Public Health 2017–2026 Capital Budget and Plan Request

Date:	September 14, 2016
To:	Board of Health Board of Health Budget Committee
From:	Acting Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report provides an overview of the Toronto Public Health (TPH) 2017 Capital Budget and 2018-2026 Capital Plan request.

Toronto Public Health is submitting a 2017-2026 Capital Budget and Plan request of \$26.988 million, including a 2017 Capital Budget of \$3.182 million and future year commitments of \$3.580 million; and a 2018-2026 Capital Plan and Forecast of \$20.226 million. The Debt Affordability Target provided by the City for TPH is \$2.217 million in 2017; \$4.233 million in 2018; \$3.373 million in 2019; \$3.400 million in 2020; \$3.000 million in 2021; and \$9.800 million for 2022 to 2026, for a total of \$26.023 million. There will be no additional net operating impact associated with 19 projects included in this request.

Toronto Public Health has submitted a request to the Board of Health (BOH) to increase the 2016-2017 Approved Capital Budget and Plan by \$1.067 million for the Relocation and Expansion of Dental Clinic at Scarborough Civic Centre. Subject to the approval of this request, TPH will require a cash flow of \$0.965 million in 2017 funded from TPH Efficiency Reserve Fund for \$0.397 million and Development Charges for \$0.568 million.

The 10-Year Capital Budget and Plan request will provide funding for 18 Information and Technology (IT) projects and one facility project within the debt funding envelope. In addition to the debt target assigned, TPH requires additional funding of \$6.498 million to implement five IT projects from 2017 to 2025 to improve service delivery and enhance systems that are currently listed as below the line projects.

The Capital Budget and Plan request presented below, outlines a series of projects designed to improve TPH's ability to share required information and improve accountability through effective and timely information, as well as assisting in more effective and efficient delivery of programs and services to the residents of Toronto.

RECOMMENDATIONS

The Acting Medical Officer of Health recommends that the:

1. Board of Health request City Council approve the 2017 Capital Budget Request for Toronto Public Health with a total project cost of \$4.915 million and a 2017 cash flow of \$3.182 million and future year commitments of \$3.580 million. The 2017 Capital Budget is comprised of the following:
 - a) New cash flow funding for:
 - i) Three new sub-projects and one change in scope sub-project with a 2017 total project cost of \$4.915 million that requires cash flow of \$1.335 million in 2017 and future year commitments of \$2.671 million in 2018; and \$0.909 million in 2019 and
 - ii) Two previously approved sub-projects with a 2017 cash flow of \$1.847 million.
 - b) 2016 approved cash flow for one previously approved sub-project with carry forward funding from 2016 to 2017 totalling \$0.263 million;
2. Board of Health request City Council approve the 2018-2026 Capital Plan request for Toronto Public Health totalling \$20.266 million in project estimates, comprised of \$1.562 million in 2018; \$2.464 million in 2019; \$3.400 million in 2020; \$3.000 million in 2021; \$2.500 million in 2022; \$2.200 million in 2023; \$1.700 million in 2024; and \$1.700 million in 2025; \$1.700 million in 2026; and
3. Board of Health request City Council approve additional debt funding request of \$6.498 million to implement five additional IT projects to improve service delivery and enhance systems.
4. The Board of Health forward this report including the attachment to the City's Budget Committee for its consideration during the 2017 budget process.

Financial Impact

Toronto Public Health is submitting a 2017-2026 Capital Budget and Plan request of \$26.988 million, including a 2017 Capital Budget of \$3.182 million and future year commitments of \$3.580 million and a 2018-2026 Capital Plan and Forecast of \$20.226 million. The Debt Affordability Target provided by the City for TPH is \$2.217 million in 2017; \$4.233 million in 2018; \$3.373 million in 2019; \$3.400 million in 2020; \$3.000 million in 2021; and \$9.800 million for 2022 to 2026 for a total of \$26.023 million. Toronto Public Health has submitted a report to BOH requesting funding of \$0.965 million in 2017; \$0.397 million from the TPH Efficiency Reserve Fund; and \$0.568 million in 2017 from Development Charges.

The 10-Year Capital Budget and Plan request will provide funding for eighteen IT projects that support improvement of service delivery with the development and enhancement of systems while complying with provincial mandatory reporting requirements; and one for the Relocation and Expansion of Dental Clinic at Scarborough Civic Centre.

There is no additional net operating impact associated with these nineteen projects. The cost of new systems and the required maintenance and support will be fully absorbed within the existing TPH Operating Budget using program efficiency and service realignment.

The recommendations in this report assume Council will approve the 2016 in-year capital adjustment to fund the new Dental Clinic at Scarborough Civic Centre recommended in the report, "Toronto Public Health 2016-2025 Capital Budget and Plan In Year Adjustment for the Relocation and Expansion of Dental Clinic at Scarborough Civic Centre" submitted to the BOH meeting of September 30, 2016.

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

DECISION HISTORY

At its meeting of February 17, 2016, City Council approved the 2016 Recommended Capital Budget for TPH of \$4.311 million (including \$0.476 million of carry forward funding from 2015 into 2016) and future year commitments of \$0.882 million in 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

A memo was issued by the Deputy City Manager and Chief Financial Officer on June 2, 2016 that outlined debt targets for TPH over the next 10 years of \$2.217 million in 2017, \$4.233 million in 2018, \$3.373 million in 2019, \$3.400 million in 2020, \$3.000 million in 2021, \$2.500 million in 2022, \$2.200 million in 2023, \$1.700 million in 2024, \$1.700 million in 2025 and \$1.700 million in 2026. City Divisions and ABCs were instructed to submit a 10 year Capital Budget and Plan (2017-2026) that did not exceed the annual debt targets.

At its meeting of May 30, 2016 the Board of Health Budget Committee requested the Medical Officer of Health to submit to Corporate Finance a 2017-2026 Capital Budget and Plan that includes all the capital projects identified as priorities from 2017-2026 including the ones that are over the debt targets. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.HU5.1>

COMMENTS

Demands for public health services and the business support for those services continue to grow. Technology is required to extend TPH's capacity to provide service in a timely way while fiscal constraints require human resources to be maintained or reduced. Service metrics and reporting with real time data are an increasing expectation. Professionals also expect to use tools that allow them to provide these services more effectively and enable them to access information, upload data and report on services, costs, performance metrics and other requirements. Toronto Public Health requires the means to monitor various information and metrics to ensure provincial legislated standards are being met within the Accountability Agreement.

The Ontario Public Health Organizational Standards includes the requirement to develop and implement an IT strategy for each public health unit. An IT Strategy for TPH was completed in 2014, which defines the strategic IT priorities from 2014 to 2018.

Toronto Public Health is, in certain cases, required to use specific forms of information technology and certain systems to collect and share information with other jurisdictions through provincially developed systems. As with all health units in Ontario, TPH is also required by law to collect and report critical information related to communicable and reportable diseases within mandated timelines using prescribed formats.

The 10-Year Capital Budget and Plan request will provide funding for one facility project and eighteen Information and Technology (IT) projects that support improvement of service delivery.

Toronto Public Health's 2017-2026 Capital Budget and Plan request of \$26.988 million, including a 2017 Capital Budget of \$3.182 million and future year commitments of \$3.580 million and a 2018-2026 Capital Plan and Forecast of \$20.226 million as shown in Table 1 below.

Table 1: 2017-2026 Capital Budget and Plan Request

Toronto Public Health 2017 - 2026 Capital Budget and Plan Request (\$000s)												
	2017 Budget Request	Commitments/Plan				Total 2017 - 2021	2022-2026 Forecast					Total 2017 - 2026
		2018	2019	2020	2021		2022	2023	2024	2025	2026	
2017 Budget & Future Year Commitments I&T Projects	2,217	2,671	909			5,797						5,797
2017 Budget & Future Year Commitments-Facility Project	965					965						965
2017 Budget & Future Year Commitments -Total	3,182	2,671	909			6,762						6,762
2018 - 2026 Plan and Forecast (Estimates) I&T		1,562	2,464	3,400	3,000	10,426	2,500	2,200	1,700	1,700	1,700	20,226
Total Plan and Forecast	3,182	4,233	3,373	3,400	3,000	17,188	2,500	2,200	1,700	1,700	1,700	26,988
Development Charges (XR2123)*	568					568						568
TPH Efficiency Reserve Fund (XR1108)*	397					397						397
Debt Affordability Target**	2,217	4,233	3,373	3,400	3,000	16,223	2,500	2,200	1,700	1,700	1,700	26,023
Over/(under) Debt Target	-	-	-	-	-	-	-	-	-	-	-	-

* Solely for Relocation and Expansion of the Scarborough Dental Clinic

** As Per City of Toronto 2017 – 2026 Capital Budget and Submission Guidelines

Toronto Public Health requires additional debt funding of \$6.498 million for the period 2017 to 2025 over the assigned debt target to implement five projects to improve service delivery and enhance systems. Details are summarized in Table 2 below.

Table 2: Additional Funding Requirements

Toronto Public Health 2017 - 2026 Capital Budget and Plan Request Additional Funding Requirements (\$000s)											
	2017 Rec. Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	Total
2017-2025 Plan And Forecast (Estimates)											
Community Collaboration Strategy	255										255
Community Collaboration (Implementation)		485	476	610							1,571
Collaboration (Tools)		345	805								1,150
Venue and Agency Scheduling		330	843								1,173
Documents and Records System							673	841	835		2,349
Total	255	1,160	2,124	610			673	841	835		6,498

The TPH report entitled “Toronto Public Health 2017-2026 Capital Budget and Plan Request” is attached as Appendix 1.

CONTACT

Shirley MacPherson
 Director, Finance & Administration
 Toronto Public Health
 Tel: 416-338-7840
 Email: smacphe@toronto.ca

Riyaz Kachra
 Manager, Finance
 Toronto Public Health
 Tel: 416-338-8106
 Email: rkachra@toronto.ca

SIGNATURE

Dr. Barbara Yaffe
 Acting Medical Officer of Health

ATTACHMENTS

Appendix 1 - Toronto Public Health Capital Budget and Plan Request 2017-2026