TORONTO

ATTACHMENT 1

OPERATING VARIANCE SUBMISSION
FOR THE FOUR MONTHS ENDED APRIL 30, 2019

OVERVIEW

TORONTO PUBLIC HEALTH

YEAR TO DATE AT APRIL 30, 2019

	BUDGET	ACTUAL	VARIANCE OVER/(UNDER)	
	($000s)	($000s)	($000s)	%
Gross Expenditure:				
Consulting Costs	0.0	18.4	18.4	0.0%
Utility Costs	39.0	42.8	3.9	9.9%
Other Expenditures	66,278.4	65,515.9	(762.6)	(1.2%)
Total Gross Expenditure	66,317.4	65,577.1	(740.3)	(1.1%)
Revenue	52,980.9	50,925.2	(2,055.7)	(3.9%)
NET EXPENDITURE	**13,336.5**	**14,651.9**	**1,315.4**	9.9%

APPROVED COMPLEMENT

	APPROVED COMPLEMENT			
	COMPLEMENT	STRENGTH	VARIANCE OVER/(UNDER)	
	No.	No.	No.	%
Operating Positions	1,858.2	1,778.5	79.6	4.3%
Capital Positions	23.0	13.0	10.0	43.5%
Total Positions	**1,881.2**	**1,791.5**	**89.6**	**4.8%**

Budgeted Gapping %	5.0%
Operating Vacancy After Gapping Target %	**0.0%**

PROJECTIONS TO YEAR-END

	BUDGET	PROJECTION	VARIANCE OVER/(UNDER)	
Gross Expenditure:				
Consulting Costs	0.0	18.4	18.4	0.0%
Utility Costs	205.7	209.6	3.9	1.9%
Other Expenditures	255,073.5	251,994.4	(3,079.1)	(1.2%)
Total Gross Expenditure	255,279.2	252,222.4	(3,056.8)	(1.2%)
Revenue	190,780.4	162,437.8	(28,342.6)	(14.9%)
NET EXPENDITURE	**64,498.8**	**89,784.6**	**25,285.8**	39.2%

APPROVED COMPLEMENT

	APPROVED COMPLEMENT			
	COMPLEMENT	STRENGTH	VARIANCE OVER/(UNDER)	
	No.	No.	No.	%
Operating Positions	1,858.2	1,773.5	84.6	4.6%
Capital Positions	23.0	18.0	5.0	21.7%
Total Positions	**1,881.2**	**1,791.5**	**89.6**	**4.8%**

Budgeted Gapping %	5.0%
Operating Vacancy After Gapping Target %	**0.0%**

Signature – Head of Program/Agency/Board/Commission

OPERATING VARIANCE SUBMISSION
FOR THE FOUR MONTHS ENDED APRIL 30, 2019

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH

YEAR TO DATE AT APRIL 30, 2019

I. Consulting Costs

Consulting costs were $18.4 thousand over budget mainly due to the completion of two projects: Toronto Public Health's (TPH's) organization review ($9.0 thousand) and Healthy Environment's directorate strategic plan ($9.4 thousand).
Spending in consulting costs will be offset by underspending in other budget line items.

II. Utility Costs

Utility costs were $3.9 thousand (9.9 percent) more than budgeted mainly due to higher than expected hydro costs.

III. Other Expenditures

There is a favourable variance of $762.6 thousand gross (1.2 percent) in Other Expenditures attributed to Salaries and Benefits ($87.7 thousand) and non-payroll expenditures ($674.9 thousand).

The favourable variance of $762.6 (1.2 percent) is mainly due to the cost containment measures that have been implemented in response to the Province's change to the provincial-municipal cost-sharing funding formula for Ministry of Health and Long-Term Care (MOHLTC) programs and services.

Toronto Public Health's total gross expenditure variance, including consulting and utility costs of $740.3 thousand (1.1 percent), is comprised of overspending of $62.6 thousand in cost shared and City-funded programs, and underspending of $802.9 thousand in programs funded by the Province and other sources.

IV. Revenue

Actual revenue was under budget by $2,055.7 thousand (3.9 percent) mainly due to the proposed changes in the provincial budget with respect to the new provincial-municipal cost-shared funding formula. Programs originally funded by the MOHLTC at 75 percent and 100 percent will all be funded at 60 percent by the Province and 40 percent by the City effective April 1, 2019.

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH

V. Complement and Strength

A total of 1,881.2 positions were approved in TPH's budget, of which 1,791.5 positions were filled, resulting in 89.7 vacant positions. Toronto Public Health met its gapping target of 5.0%.

B. Concise Summary for Inclusion in the Consolidated Corporate Report

As of April 30, 2019, TPH's gross expenditure was underspent by $740.3 thousand (1.1 percent) and revenues lower than budgeted for by $2,055.7 thousand (3.9 percent) resulting in a net unfavourable variance of $1,315.4 thousand (9.9 percent).

AT YEAR END DECEMBER 31,2019

At year end, TPH expects to be $25,285.8 thousand net (39.2 percent) over budget.

The projected deficit at year end is due to the impact of changes in the provincial-municipal cost-sharing funding formula. Effective April 1, 2019 all cost shared programs funded at 75% /25% and all 100% provincially funded programs by the MOHLTC will be funded 60% by the Province and 40% by the City.

In order to maintain TPH's 2019 Council Approved Operating Budget, the City of Toronto's contribution to public health programs and services will have to increase by $25,285.8 thousand (58 percent) to offset the $65 million loss in provincial funding.

C. Impact of Variances

The loss in provincial funding places all TPH programs and services at risk.

D. Corrective Action

Toronto Public Health has started a preliminary review of all its programs and services towards determining how best to respond to the unexpected and unprecedented financial pressure presented by the Province's 2019 Budget. Toronto Public Health cannot provide a definitive plan of action or response without more specific details from the MOHLTC on:
- their budget planning assumptions,
- the application process for and the availability of the mitigation actions noted above, and
- any potential changes to the Ontario Public Health Standards and Protocols, which govern the majority of the programs and services delivered by TPH.

Notwithstanding the programs and services review, TPH has implemented some cost

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH

containment measures as an initial step towards addressing the loss of provincial funding.