

Analyst Briefing Notes
Budget Advisory Committee Review
November 10, 2005

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Contacts: Alan Cohen, Manager
Tel: (416) 392-3740

Susan Bury, Senior Financial Analyst
Tel: (416) 397-4225

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PART I: CAPITAL PROGRAM**Executive Summary**

- Public Health is projecting to spend 74% of their 2005 Approved Budget of \$4.156 million, due to delays in the TCHIS project. The 2005 funding of \$1.1 million for the TCHIS project will be carried-forward into 2006.
- Public Health's 2006-2010 Revised Capital Plan totals \$13.1 million, with cashflows of \$2.7 million in 2006, \$3.1 million in 2007, \$3.8 million in 2008, \$3.2 million in 2009 and \$0.4 million in 2010.
- The 2006 Proposed Capital Budget, requires 2006 cashflow of \$2.7 million and includes new debt financing of \$0.9 million. This funding will allow for two existing projects to be completed, implementation of the Personal Health Information Protection Act System Compliance to meet legislated requirements, and establishment of a dental clinic in the North York Civic Centre.
- The 2006 Proposed Capital Budget of \$1.6 million, includes \$1.3 million in Information and Technology projects which are legislated and \$0.3 million in Facilities related to service improvement. There is no projected SOGR backlog.
- Given the affordability level, program capacity, and two major IT projects to be completed during 2006, future I&T projects have been either deferred or transferred to the operating budget, except for the Implementation of PHIPA System Compliance which ensures compliance with new regulations passed November 2004.

Recommendations

It is recommended that:

1. The 2006-2015 Public Health capital program request with a total 10 year project cost of \$21.7 million be received;
2. The 2006 Proposed Capital Budget for Public Health with a total project cost of \$13.1 million and a 2006 cashflow of \$2.7 million and future year commitments totalling \$10.4 million be approved. The Proposed 2006 Capital Budgets consists of the following:
 - a) New Cashflow Funding for two information and technology sub-projects and one SOGR sub-project with a 2006 total project cost of \$2.180 million, that requires 2006 cashflow of \$1.580 million and a future year commitment of \$0.300 million in both 2007 and 2008; and
 - b) 2006 Approved cashflow for one previously approved sub-project, with carry forward funding from 2005 into 2006, totalling \$1.1 million;
3. Operating impacts in the Public Health Operating Budget of \$0.145 million net for 2006 and \$0.127 million net for 2007 emanating from the approval of the 2006 Capital Budget be considered within the overall scope of Public Health's 2006 and future years' operating budget submissions;
4. New debt service costs of \$0.028 million in 2006 and incremental costs of \$0.110 million in 2007, \$0.042 million in 2008 and \$0.033 million in 2010, resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
6. The revised cashflow projections of \$3.1 million in 2007; \$3.7 million in 2008; \$3.2 million in 2009 and \$0.4 million in 2010 for Public Health, be deferred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within Council's approved debt affordability limits;
7. The North York Civic Centre Dental Project be approved, and that annual operating savings of \$0.270 million be first applied to debt repayment and that the harmonization of senior dental services be deferred one year, until the project is fully repaid;.
8. The Animal Services On-Line License Renewal System be deferred to 2007 with the possibility of transferring to the operating budget, pending a report on projected animal licensing revenues and the implementation plan with financial implications, to the Board of Health and the Budget Advisory Committee during the 2006 Operating Budget Process; and

2005 Capital Variance Review

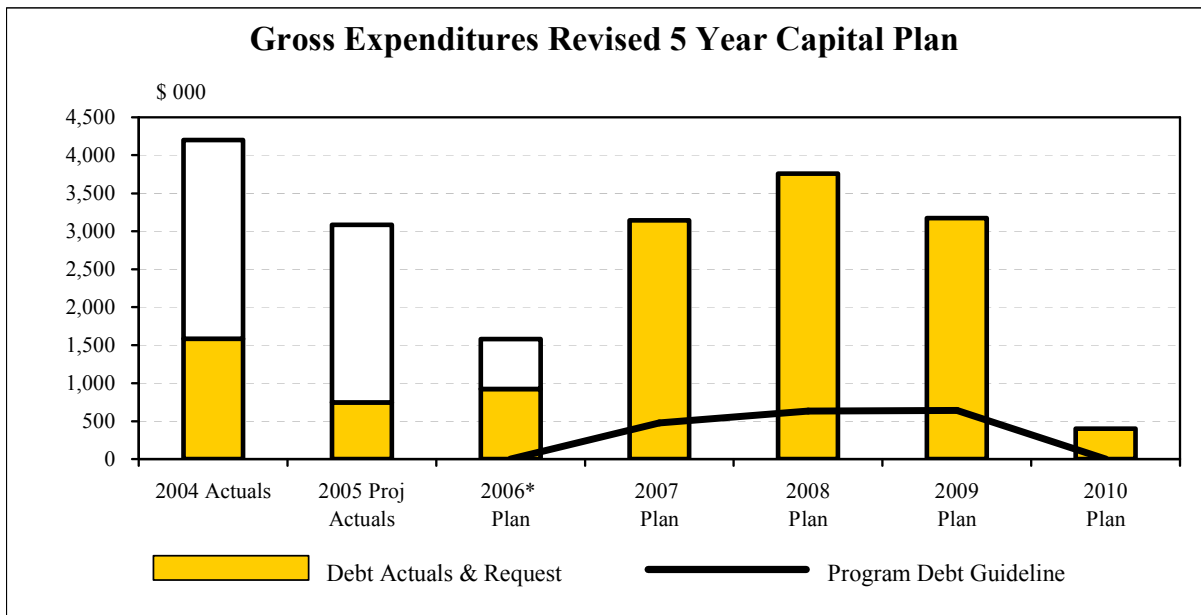
2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved Revised*	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
4,156	1,604	39	3,086	74	1,070

*Revised March 2005 (reduced for \$0.35 million in carry-forwards)

Comments / Issues:

- As of September 30, 2005, Public Health is projecting a year-end spending rate of 74% or \$3.086 million for the 2005 approved projects, due to delays of the TCHIS project. This spending rate reflects a decrease from the 2004 spending rate of 80%. Public Health reviews projection estimates monthly and will report to the Board of Health on any future revision to the variance.
- The Toronto Communicable Health Information System (TCHIS) project will have \$1.070 million of 2005 funding carried-forward into 2006. The remaining \$1.482 million unspent 2005 cashflow as of September 30, 2005, is anticipated to be fully spent by year-end.
- To-date, the Sitework and Structural Building projects are under-spent by \$326.6 thousand budget or 97%. Public Health anticipates spending the total budget by year-end.

5-Year Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (Excluding 1-Yr. Carry/Fwd)	3,201	2,182	1,580	3,143	3,759	3,174	404	12,060
1-Yr Carry/Fwd Gross (Reference only)	2,079	1,973	1,070					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	5,280	4,155	2,650					
Actuals	4,202	3,086						
Financing:								
Debt	2,582	747	922	3,143	3,759	3,174	404	11,402
Debt Actuals (including 1-Yr Carry/Fwd)	1,587	747						
Program Debt Target			0	474	634	639	0	1,747
Other Financing Sources:								
Reserves/Reserve Funds								0
Development Charges								0
Federal								0
Provincial			538					538
Other Revenue			120					120
By Category:								
Health & Safety			0	0	0	0	0	0
Legislative			1,280	297	303	0	0	1,880
SOGR			0	0	0	0	0	0
Service Improvement			300	2,846	3,456	3,174	404	10,180
Growth Related			0	0	0	0	0	0
Yearly SOGR Backlog Estimate (not addressed by current year projects)	0	0	0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)	0	0	0	0	0	0	0	0

*Note: 2006 Debt excludes 1-year carry forward.

- Public Health’s 2006 Proposed Capital Budget of \$1.6 million is comprised of two information system projects totalling \$1.3 million and one project to fund facility requirements totalling \$0.3 million. The corresponding proposed expenditures require \$0.9 million of new debt. The TCHIS project’s, 2005 funding will be carried-forward into 2006.

- Two previously approved IT projects, the Toronto Community Health Information System (TCHIS) and the Integrated Public Health Information System (iPHIS) will be completed during 2006.
- The phased iPHIS project and one new IT project, the Personal Health Information Protection Act (PHIPA) Compliance System, are identified as legislated. Only the iPHIS project carries provincial support, totalling \$0.5 million for 2006.
- The SOGR audits are current and all needs have been addressed to date. No project backlog currently exists. The proposed budget recommends that \$0.7 million in SOGR projects be transferred to the Facilities and Real Estate Capital Budget.
- As shown in the graph, the Revised 5 Year Plan clearly is outside of the current affordability guideline; exceeding the targeted levels by \$0.9 million in 2006, \$2.7 million in 2007, \$3.1 million in 2008, \$2.5 million in 2009 and \$0.4 million in 2010. Expenditures are being driven by multiple IT project costs.

2006 Capital Budget Submission Summary
(\$000)

2006 Capital Projects		Total Project Cost		2004 Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carryforwards:															
PH I&T Plan - Toronto Community Health Information System (TCHIS)	4	7,500	7,500			1,070	1,070					1,070	1,070	1,070	1,070
Sub-Total				0	0	1,070	1,070	0	0	0	0	1,070	1,070	1,070	1,070
Previously Approved:															
Sub Total				0	0	0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects															
										0	0			0	0
PH SOGR - 2006 Emergency Capital Repairs	3	150	150					150	150	150	150			150	150
PH SOGR - 2006 Mechanical / Electrical	3	271	271					271	271	271	271			271	271
PH SOGR - 2006 Animal Services	3	308	308					308	308	308	308			308	308
PH SOGR - Dental	4	300	300					300	300	300	300			300	300
PH SOGR - 277 Relocation Furniture Requiremetns	4	400	400					400	400	400	400			400	400
PH I I&T Plan - 2006 Integrated Public Health Info System (iPHIS)	2	827	289					827	289	827	289			827	289
PH I &T Plan - TPH Electronic Communications	4	162	162					162	162	162	162			162	162
PH I &T Plan - TPH Web Site Enhanced Communication	4	606	606					606	606	606	606			606	606
PH I&T plan - Animal Services On-Line License Renewal	4	671	671					671	671	671	671			671	671
PH I&T Plan - PHIPA System Compliane	2	453	453					453	453	453	453			453	453
PH I&T Plan - Adaptive Data Capture and Reporting	4	1,451	1,451					1,451	1,451	1,451	1,451			1,451	1,451
PH I&T Plan - E-Learning	4	566	198					566	198	566	198			566	198
										0	0			0	0
										0	0			0	0
										0	0			0	0
										0	0			0	0
Sub Total		6,165	5,259	0	0	0	0	6,165	5,259	6,165	5,259	0	0	6,165	5,259
Total 2006		6,165	5,259	0	0	1,070	1,070	6,165	5,259	6,165	5,259	1,070	1,070	7,235	6,329

*Category Index: (1) Health & Safety; (2) Legislated/ City Policy, (3) SOGR, (4) Service Improvement/Enhancement, (5) Growth Related

Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Proposed Changes			2006 Proposed Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards								
PH I&T Plan - Toronto Community Health Information System (TCHIS)		1,070	1,070				1,070	1,070
Sub Total		1,070	1,070	0	0		1,070	1,070
2004 Carryforwards Not applicable								
Sub Total		0	0	0	0		0	0
2006 Previously Approved Commitments Not Applicable								
Sub Total		0	0	0	0		-	-
New Projects								
PH SOGR - 2006 Emergency Capital Repairs	3	150	150	(150)	(150)	Transfer to Facilities Budget	0	0
PH SOGR - 2006 Mechanical / Electrical	3	271	271	(271)	(271)	Transfer to Facilities Budget	0	0
PH SOGR - 2006 Animal Services	3	308	308	(308)	(308)	Transfer to Facilities Budget	0	0
PH SOGR - Dental	4	300	300		(120)	Operating savings as contribution to capital	300	180
PH SOGR - 277 Relocation Furniture Requirements	4	400	400	(400)	(400)	Facilities & Real Estate Capital Budget to fund	0	0
PH I&T Plan - 2006 Integrated Public Health Info System (iPHIS)	2	827	289				827	289
PH I&T Plan - TPH Electronic Communications	4	162	162	(162)	(162)	Deferred to meet corporate affordability guidelines	0	0
PH I&T Plan - TPH Web Site Enhanced Communication	4	606	606	(606)	(606)	Transfer to PH Operating Budget	0	0
PH I&T plan - Animal Services On-Line License Renewal	4	671	671	(671)	(671)	Deferred pending revenue forecasts / report	0	0
PH I&T Plan - PHIPA System Compliance	2	453	453				453	453
PH I&T Plan - Adaptive Data Capture and Reporting	4	1,451	1,451	(1,451)	(1,451)	Transfer to PH Operating Budget	0	0
PH I&T Plan - E-Learning	5	566	198	(566)	(198)	Transfer to PH Operating Budget	0	0
Sub Total New Projects		6,165	5,259	(4,585)	(4,337)		1,580	922
Total 2006 Proposed (Incl. 2005 C/Fwd)		7,235	6,329	(4,585)	(4,337)		2,650	1,992
Less 2005 Carry Forwards		(1,070)	(1,070)	0	0		(1,070)	(1,070)
Total 2006 Proposed (Excl. 2005 C/Fwd)		6,165	5,259	(4,585)	(4,337)		1,580	922

**Total 2006 Proposed Cash Flow & Future Year Commitments
(\$000s)**

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
Expenditures													
Previously Approved						1,070	1,070						1,070
Change in Scope													0
New			1,580	1,580	0		1,580	297	303				2,180
New w/Future Year													0
Total Expenditure	0	0	1,580	1,580	0	1,070	2,650	297	303	0	0	0	3,250
Financing													
Debt			922	922	0	1,070	1,992	297	303				2,592
Subsidy (SCPI)													0
Prov. Subsidy/Grant			538	538			538						538
Development Charges													0
Other - Capital from Current			120	120									0
Federal Grants													0
Reserves/Res Funds													0
Total Financing	0	0	1,580	1,580	0	1,070	2,650	297	303	0	0	0	3,250

Comments / Issues:

- The 2006 Proposed Capital Budget is \$1.6 million gross, \$0.9 million debt and provides for the completion of two phased projects, a legislated IT project and one SOGR project, the North York Dental Clinic to be implemented.
- The Integrated Public Health Information System (iPHIS) sub-project will receive 65% cost-sharing or \$0.538 million funding from the Province. The North York Dental Clinic sub-project will have capital from current financing of \$0.120 million, due to operational savings resulting from the implementation.
- The 2006 Proposed Capital Budget is \$0.9 million over Public Health's 2006 program debt target guideline of zero.
- Approval of the 2006 Proposed Capital Budget will result in future year commitments of: \$0.3 million in 2007 and \$0.3 million in 2008. Both of these amounts are fully within the target levels for their respective years.

Operating Budget Impact

Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s)	145.000	127.000			
Debt Service Charges (\$000s)	27.7	110.3	41.8	33.3	0.0
Approved Positions	12.000				

Program Incremental Operating Costs

The 2006 Proposed Capital Budget will increase the Program's Operating Budget, with incremental impacts in 2006 and future years, as a result of the following capital projects/sub-projects:

2006 Capital Projects/Sub-Projects	2006 (\$000s Net)	2006 approved position change	2007 (\$000s Net)
PH I & T - 2006 Integrated Public Health Information System (iPHIS)	145.000	12	108.000
PH I & T - PHIPA System Compliance	0.000	0	19.000
TOTAL	145.000	12	127.000

- The program has identified twelve new positions for the final phase of iPHIS implementation. Total salary/benefit costs for these positions would be \$0.414 million in 2006, with 65% cost sharing expected from the Province, for a net operating impact of \$0.145 million. In 2007, there will be annualization costs of \$0.108 million net.
- The PHIPA System Compliance Project will have an associated operating costs of \$0.077 million gross in 2007, with anticipated provincial cost sharing of 75%, for a net operating impact of \$19,000. For 2008 and future years, the incremental increase is significantly reduced to \$2,000 per year.

Debt Service Cost

- The Proposed Public Health Capital Budget will result in new debt service costs of \$0.028 million in 2006 and an incremental increase of \$0.110 million in 2007, \$0.042 million in 2008, \$0.033 million in 2009 and zero in 2010.

Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1 and 14% for subsequent years.

PART II: ISSUES FOR DISCUSSION**2006 Issues****2006 Recommended Capital Budget versus Guideline**

The 2006 debt affordability guideline for Public Health was set at zero, based upon 2005 debt load and future commitments, as forecasted in the 2005 Approved Capital Budget, with operating savings allocated to reduce outstanding new debt. As approved by Council during the 2005 budget process, the operating savings are now being applied to payback the original debt on two projects, the South Regional Animal Centre Capital project and the Toronto Community Health Information System (TCHIS).

The 2006 Proposed Capital Budget of \$1.6 million reflects a reduction of \$0.7 million from the 2005 Approved Capital Budget, and requires \$0.9 million in new debt financing.

The Proposed level of funding for 2006 will allow:

1. Two existing approved, phased projects, the Toronto Community Health Information System (TCHIS) and the Integrated Public Health System (iPHIS) to be completed during 2006 (\$1.9 million, including \$1.1 million carry-forward);
2. Implementation of the Personal Health Information Protection Act (PHIPA) System Compliance, to ensure compliance with new PHIPA regulations, passed November 2004 (\$0.5 million); and
3. Establishment of a dental clinic in the North York Civic Centre, to replace the North York mobile dental school program. (\$0.3 million). This project will generate savings, to be used to offset the costs.

5 Year Capital Plan Overview

Public Health's capital plan was developed based on asset audits and the on-going implementation of the information and technology strategic vision. This strategic vision includes the establishment of enhanced access channels and the integration of business systems and data warehouses to better support, plan, manage, monitor and report on services. In addition, the capital plan was framed within changes in legislation and with the intent to leverage both Provincial and Federal resources in the development of systems.

Service delivery improvements continue to be a Public Health priority, hence the reason for multiple new I&T projects. While the backbone of the integrated systems will be completed in 2006, the Revised Five-Year Capital Plan outlines extensions to maximize the usage of these newly implemented systems. In some instances, Provincial support may apply to some of the I&T projects, however, for future year planning purposes, the Province generally does not commit to these projects in advance. As a result, most of these projects require full debt financing, thereby resulting in Public Health's new debt requirements being outside of the affordability targets.

The Revised 5-Year Capital Plan, provides for two, but no more than three, major IT projects to be proceeding at a given time . For 2006, this includes project completion of TCHIS and iPHIS implementations and initiation of the PHIPA system compliance project. After review, prioritization and re-distribution of future year cashflow for a smoother, more affordable and achievable funding stream, five information technology projects are proposed for future year funding, fully debt financed.

Two projects build upon the infrastructure established for TCHIS. They are:

1. Nursing and PH Professionals Point of Care System – Involves the purchase and implementation of mobile devices and secure connectivity infrastructure, to allow 550 nurses and Public Health professionals to access TCHIS information while in the field, at point of care. The projected 2007 cashflow is \$1.8 million, with additional funding during 2008 through 2010 totalling \$3.9 million.
2. TCHIS ISCIS Integration – Involves establishing an electronic link between the Integrated Services for Children Information System (ISCIS) developed by the province and TCHIS, thereby eliminating duplication of data entry. The projected 2009 cashflow and full project cost is \$0.8 million.

Beginning in 2007 and continuing into 2009, the Dental Strategy and Implementation project will integrate eleven separate systems supporting the dental operations, at a cost of \$0.2 million in 2007, \$1.1 million in 2008 and \$1.0 million in 2009. This project would be particularly beneficial, with the harmonization -of dental services across the City, which is Proposed for 2007 funding, through the savings achieved from the implementation of the Dental Clinic in the North York Civic Centre (page 15).

Also, during the 2007-2009 period, the TPH Electronic Communications project will implement video conferencing at four TPH offices (Main Office, Etobicoke Civic Centre, North York Civic Centre and Scarborough Civic Centre), as part of the provincial roll-out of video conferencing technology. This technology will be used in the event of an emergency, to connect staff within the four regions to provincial authorities and the Centre for Disease Control in Atlanta, Georgia, U.S. It will also improve the emergency response to the public via TPH's website.

The fifth project proposed is the Animal Services On-Line Renewal System, which is discussed on page.

Another cycle of full Building Condition Assessments are scheduled for 2007. This audit will provide a source for identifying the physical conditions of facilities and maintenance deficiencies with respect to the building structure, mechanical, and electrical envelopes, and the HVAC system. It is estimated that the average amount for Facilities – SOGR be in the \$.8 million range per year. As proposed, the SOGR items will be transferred to the Facilities and Real Estate Capital Budget.

The Revised 5 Year Capital Plan estimates exceed the current affordability guidelines by \$2.7 million in 2007, \$3.1 million in 2008, \$2.5 million in 2009 and \$0.4 million in 2010. The five year plan will be reviewed and updated in spring 2006, with any revisions to the corporate debt affordability limits.

5-Year Plan Revision (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		Gross 1	Debt/ Internal Sources 2	Gross 3	Debt/ Internal Sources 4	Gross 5	Debt/ Internal Sources 6	Gross 7	Debt/ Internal Sources 8	Gross 9	Debt/ Internal Sources 10	Gross 11	Debt/ Internal Sources 12	
PROGRAM REQUEST		7,235	6,329	5,615	5,122	4,076	4,076	2,849	2,849	328	328	0	0	
Proposed 2006 Changes (see Table 4)		(4,585)	(4,337)											
Deferred from 2006 Budget:														
PH I&T - TPH Electronic Communications	4			62	62	(2)	(2)	102	102					Deferred from 2006 due to affordability
PH I&T - Animal Services On-Line Renewal	4			671	671									Deferred from 2006 pending revenue forecast/report
CHANGES:														
2004 Carry Forwards:														
Previously Approved:														
New:														
PH SOGR - 2006 Emergency Capital Repair	3			(150)	(150)	(150)	(150)	(150)	(150)	(150)	(150)			Transfer to Facilities budget
PH SOGR - 2006 Structural/ Building Envelope	3			(132)	(132)			(111)	(111)					Transfer to Facilities budget
PH SOGR - 2006 Mechanical / Electrical	3			(68)	(68)			(314)	(314)					Transfer to Facilities budget
PH SOGR - Animal Services	3			(123)	(123)	(142)	(142)			(178)	(178)			Transfer to Facilities budget
PH SOGR - Dental	4													
PH SOGR - Relocation Furniture Requirements	4													
PH I&T - 2006 Integ. PH Inf. System (iPHIS)	2													
PH I&T - Web Site Enhanced Communications	4			(351)	(351)									Transferred to PH Operating budget
PH I&T - PHIPA System Compliance	2													
PH I&T - Adaptive Data Capture and Reporting	4			(545)	(545)									Transfer to PH Operating budget
PH I&T - Nursing & PH Prof. Point of Care	4			(357)	(357)	(23)	(23)	(24)	(24)	404	404			Cashflow smoothed in years 2007-2010
PH I&T - Dental Strategy & Implementation	4													
PH I&T - ISCIS Integration	4			(822)	(822)			822	822					Deferred to 2009
	4			(657)	(164)									Transfer to PH Operating budget
Sub-Total Proposed Changes		(4,585)	(4,337)	(2,472)	(1,979)	(317)	(317)	325	325	76	76	0	0	
Revised 5 Year Cash Flow		2,650	1,992	3,143	3,143	3,759	3,759	3,174	3,174	404	404	0	0	
Debt Guideline			0		474		634		639		0			
Variance To Debt Guideline			1,992		2,669		3,125		2,535		404			

Capacity

The 2005 Approved Capital Budget included \$2.2 million carry-forward funding from previous years, due to delays as a result of coordinating multi-location contracts for SOGR projects and under-spending in 2004 on TCHIS. The 2004 spending rate was 79.6%.

During 2005, all I&T projects are proceeding on schedule, except for the Toronto Community Health Information System (TCHIS) that, as identified in the 2005 first quarter variance report, was able to defer \$1.1 million spending during 2005 into 2006. The projected spending rate for year-end 2005, based on the third quarter variance, is 74.3%.

Given the limited corporate affordability and capacity to deliver two major IT projects for completion during 2006, it does not seem realistic to consider starting many new projects, except for implementation of the PHIPA System Compliance which meets Council priorities of meeting legislative requirements. This project will assess, develop and implement a strategy to ensure compliance of 16 existing systems with the new PHIPA regulations, passed November 2004.

The SOGR projects are reportedly on schedule and expected to be completed by end of the year. Two new projects seem reasonable, however, confirmation of a move date for 277 Victoria street should be obtained before funds are committed.

Backlog of Projects – Unmet Needs

The Facilities 2006 State of Good Repair study for Public Health identifies 2006 SOGR needs totalling \$1.3 million. Public Health has requested \$0.729 million in the capital submission and \$0.6 million in the forthcoming 2006 Operating Budget. It is proposed that the \$0.7 million SOGR capital request, be transferred to the Facilities and Real Estate Capital Budget. No SOGR backlog will be created for 2006.

Development Charge Funding

Not applicable.

IT Capital Budget Requests Transferred to Public Health Operating

The I&T projects were reviewed and it was deemed that three projects were more suitably funded in the operating budget, given their nature and scope. These projects are summarized below:

Capital Project	Requested Capital Cashflow						Operating Budget Business Case
	2006	2007	2008	2009	2010	Total	
TPH Web Site Enhanced Communication	606	351	0	0	0	957	Mgmt. of Web Based Health Information
Adaptive Data Capture and Reporting	1,451	545	0	0	0	1,996	Mgmt. Tools for Reporting
E-Learning	566	657	0	0	0	1,223	Timely Information for Prof. Practice
Total	2,623	1,553	0	0	0	4,176	

SOGR Capital Budget Requests Transferred to Facilities and Real Estate

Since amalgamation, each year the Facilities and Real Estate staff perform an audit on Public Health buildings and provide the program with a SOGR Budget Submission. These projects are then incorporated into the Public Health Capital submission, requiring coordination between Programs for implementation and payment processing. Upon further review, it is proposed that the Public Health SOGR maintenance budgets be transferred and consolidated within the Facilities and Real Estate Capital Budget, as follows:

Transfers to Facilities and Real Estate Capital Program

SOGR Capital Project	Requested Capital Cashflow					
	2006	2007	2008	2009	2010	Total
2006 Emergency Capital Repairs	75	75	75	75	75	375
2006 Structural / Building Envelope	0	132	0	111	0	243
2006 Mechanical / Electrical	271	68	0	314	0	653
2006 Animal Services	308	123	142	0	178	751
Total Transfer to Facilities and Real Estate	654	398	217	500	253	2,022

This transfer will result in:

- Consistent maintenance standards applied throughout the city’s facilities;
- Benefit of economies of scale achieved within Facilities and Real Estate Program;
- Improved efficiencies and avoidance of duplication of effort between programs; and
- Streamlined payment processing and centralized management control.

Facilities - Dental Clinic in the North York Civic Centre

At the June 27, 2005 Board of Health meeting, it was recommended that a dental clinic be established in the North York Civic Centre to replace the North York mobile dental school program, and to address the harmonization and equitable access of dental services to eligible non-school aged children and seniors. This BOH recommendation was incorporated into the 2006 Capital Budget submission, with a funding request of \$0.3 million, fully debt funded, to provide for the associated North York Civic Centre renovation costs to accommodate the clinic. It is anticipated that \$0.27 million in annual operating savings would result from this change in service delivery.

The table which follows, summarizes the Board of Health’s and Financial Planning’s recommendations for the application of these annual operating savings.

Dental Clinic at North York Civic Centre

Application of Operating Savings	Board of Health's Recommendations		Proposed Recommendations	
	2006	2007	2006	2007
One-time purchase of required dental equipment	130.0		130.0	
On-going maintenance costs	20.0		20.0	
Contribution to capital costs (\$300.0)			120.0	180.0
Harmonization of city-wide dental services for seniors in long-term care facilities	120.0	270.0		90.0
Total annual operating savings	270.0	270.0	270.0	270.0

As identified, through application of the operating savings to a contribution to capital, this project could be self-funded over the course of two years.

It is therefore recommended that the North York Civic Centre Dental Project be approved, and that annual operating savings of \$0.270 million be first applied to debt repayment and that the harmonization of senior dental services be deferred one year, until the project is fully repaid.

Facilities - 277 Victoria Street Furniture Relocation

As of August 2005, Public Health's building at 277 Victoria Street is under consideration to be declared surplus property by Facilities and Real Estate. As a result, the property would be put up for sale and existing offices relocated. A proposed site for relocation is currently under negotiation. In order to accommodate growing staff levels, additional space may be required.

As identified in the Accommodation Study, new furnishings will need to be purchased to utilize space efficiently and to ensure appropriate accommodation requirements are met. Public Health has submitted a request for \$0.4 million within their 2006 Capital Budget.

The exact time and location have yet to be identified for the relocation. However, once these are finalized, the relocation costs will be funded within the Facilities and Real Estate Capital Budget.

Issues Referred to 2006 Capital Budget**I & T - Animal Services On-Line License Renewal System**

This 2006 new project has the potential for full repayment of the debt investment through revenue generation over the course of five years.

It is estimated that over 220,000 dogs and a greater number of cats, reside within the City of Toronto, requiring registration or licensing. At present, only about 28,000 or 12.7% of animals within the City, actually have valid licenses. This project could encourage voluntary compliance with animal-related

by-laws by promoting ease of registration and renewal through on-line service. In order to recognize increased revenues, the issue of registration and licensing enforcement would need to be addressed.

During the 2005 budget process, it was recommended that:

- Animal Services be requested to review its licensing fees and collection rate prior to the 2006 budget process with a view to Animal Services raising enough revenue to be able to sustain and expand Animal Services without using the tax base and that such review include coordination with the Veterinarians and Veterinarian Clinics across the City to communicate to residents that dog licenses are required; and
- The Medical Officer of Health provide a preliminary report to the Board of Health Budget Sub-Committee as part of the Toronto Public Health Budget request for Animal Services, on avenues for revenue generation within Animal Services, using the Calgary Animal Service as a point of reference.

The report on projected animal licensing revenue and the implementation plan with financial implications, will be presented to the Board of Health and the Budget Advisory Committee for consideration during the 2006 Budget process.

Outstanding Issues from Prior Years

None.

Appendix 1
Proposed 2006 Capital Budget
and 2007 to 2015 Revised Program

Appendix 2
2006 Proposed Capital Budget
& Future Years Commitments

Appendix 3
2006 Proposed Capital Projects
with Financing Details

Appendix 4
Reserve / Reserve Fund Review
 (\$ in 000's)

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Balance as of Sept 30	Proposed Withdrawals			
			2006	2007	2008	2009 & Beyond
XR1108 Public Health Efficiency Reser	PH - South Regional Animal Centre TPH906172 PH - Toronto Community Health Information System (TCHIS) TPH906004	\$519	\$155	\$155	\$155	\$712
Total Reserve / Reserve Fund		\$519	\$155	\$155	\$155	\$712