

Analyst Briefing Notes

Budget Committee Review

(October 29, 2007)

Page

PART 1: CAPITAL PROGRAM

Executive Summary	2
Recommendations.....	4
2007 Capital Variance Review	5
5-Year Capital Plan (2008 Recommended Budget, 2009-2012 Plan).....	6
5-Year Capital Plan Overview	7
Recommended Changes to the 2007 – 2011 Capital Plan	9
Operating Budget Impact – 5 Year Plan.....	11
Total 2008 Recommended Cash Flow & Future Year Commitments	14

PART II: ISSUES FOR DISCUSSION

2008 Capital Budget Issues	N/A
5-Year Capital Plan Issues	16
Issues Referred to the Budget Process	N/A

APPENDICES

Appendix 1: 2008 Recommended Capital Budget & 2009 to 2017 Revised Program	17 (a) to (b)
Appendix 2: 2008 Recommended Cash Flow & Future Year Commitments	18 (a) to (b)
Appendix 3: 2008 Recommended Capital Projects with Financing Details	19 (a)
Appendix 4: Reserve / Reserve Fund Review	N/A

Contacts: Alan Cohen, Manager, Financial Planning
 Tel: (416) 392- 3740
 Cherry Enriquez, Senior Financial Planning Analyst
 Tel: (416) 397- 4296

October 22, 2007

PART I: CAPITAL PROGRAM**Executive Summary**

- The 2007 Approved Capital Budget of \$4.879 million was 23% spent as at June 30, 2007. Year-end expenditures are projected to be \$4.491 million, or 92% of the 2007 Approved Budget, resulting in projected 2007 cash flow funding of \$0.389 million being carried forward into 2008. The projected year-end spending rate of 92% is an improvement over the 2006 spending rate of 74.8%. This projected under expenditure is mainly due to hiring delays of staff required to develop two projects: the PH Surveillance and Management System project due to the late finalization of the Province' decision on this project (\$0.299 million) and the Dental Strategy and Implementation project (\$0.090 million).
- The 2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Estimates total \$22.603 million of which \$17.677 million is projected for the Program's 5-Year Capital Plan requiring new debt funding of \$17.288 million that meets the debt affordability targets for each of the five years.
- The 5-Year Capital Plan of \$17.677 million requires a cash flow of \$3.879 million in 2008; \$3.499 million in 2009; \$3.499 million in 2010; \$3.400 million in 2011; and \$3.400 million in 2012.
- The recommended twelve I&T projects included in the 5-year plan focus on the integration and replacement of multiple business systems, development of a co-ordinated information environment, establishment of enhanced access channels such as wireless technology and web based systems, and development of emergency preparedness support system, data warehousing and document management system for better planning, managing, monitoring and reporting on services. The associated operating impact of 11 of these projects at the end of five years is \$2.018 million (gross) and \$0.616 million (net) for 12 new positions and ongoing costs for service and maintenance.
- The 2008 Recommended Capital Budget includes:
 - commitments for previously approved projects and new/change in scope projects requiring 2008 cash flow of \$3.490 million. This cash flow combined with carry forward funding of \$0.389 million for 2007 projects bring the total 2008 Recommended Capital Budget to \$3.879 million; and,
 - future year commitments of \$1.885 million in 2009 and \$0.436 million in 2010 for new / change in scope projects

- The 2008 Recommended Capital Budget of \$3.879 is 47% allocated to Legislated projects at \$1.840 million and 53% allocated to Service Improvement projects at \$2.039 million. The recommended cash flow in 2008 will provide funding to:
 - complete two existing projects, Personal Health Information Protection Act (PHIPA) Systems Compliance project (\$0.782 million) that will ensure compliance with new PHIPA regulations and Healthy Families / Healthy Living (HF/HL) Mandatory Management Reporting project (\$1.239 million) that will be used to access and summarize/aggregate information stored in information systems; and,
 - continue with the next phase of two previously approved projects, the Public Health Surveillance and Management System project (\$1.058 million) project that will provide TPH with a reliable system to manage immunization records, assessments and suspensions; provide real time access to medical and health information, etc., and the Dental Strategy and Implementation (\$0.800 million) that will integrate eleven separate systems supporting the dental operations, for completion in 2009 and 2010 respectively.
- Future I&T capital projects have not been identified beyond the current 2008 - 2012 Capital Plan as these requirements are impacted by Provincial initiatives and future strategic plans by TPH to further improve efficiency, effectiveness, and service delivery. However, as future year capital targets are being developed, a longer term review is necessary to determine the cost implications and the timing when TPH will be in a sustainable position with respect to I&T requirements. Thus, it is recommended that the Medical Officer of Health, in conjunction with the Chief Information Officer, report to the Budget Committee prior to the start of the 2009 Capital Budget process on future I&T requirements.
- All capital facility projects were transferred from TPH and consolidated within the Facilities and Real Estate Capital Budget in 2006.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Capital Budget for Public Health with a total project cost of \$1.013 million and a 2008 cash flow of \$3.879 million and future year commitments of \$2.321 million be approved. The 2008 Recommended Capital Budget consists of the following:
 - a) New Cash flow Funding for:
 - i) 2 change in scope sub-projects with a 2008 total project cost of \$1.013 million that requires cash flow of \$1.013 million in 2008; and,
 - ii) 4 previously approved sub-projects with a 2008 cash flow of \$2.477 million and future year commitments of \$1.885 million in 2009 and \$0.436 million in 2010.
 - b) 2007 approved cash flow for 2 previously approved sub-projects, with carry forward funding from 2007 into 2008, totalling \$0.389 million;
2. new debt service costs of \$0.105 million in 2008 and incremental costs of \$0.440 million in 2009, \$0.220 million in 2010, and \$0.048 million in 2011, resulting from the approval of the 2008 Recommended Capital Budget, be approved for inclusion in the 2008 and future year operating budgets;
3. net operating impacts in the Public Health's Operating Budget of \$0.089 million for 2009 and \$0.057 million in 2010 emanating from the approval of the 2008 Recommended Capital Budget be considered within the overall scope of Public Health's 2009 and 2010 operating budget submissions;
4. the 2009-2012 Capital Plan for Public Health totaling \$13.798 million in project commitments and estimates, comprised of \$3.499 million in 2009; \$3.499 million in 2010; \$3.4 million in 2011, and \$3.4 million in 2012 be approved; and,
5. that the Medical Office of Health, in conjunction with the Chief Information Officer, report to the Budget Committee, prior to the start of the 2009 Capital Budget process, on the estimated costs and timeline of any new and existing projects required as a result of provincial initiatives and future TPH strategic plans including operating impact of capital projects beyond 2012.

2007 Capital Variance Review

2007 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2007 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
4,879	1,121	23	4,491	92	388

Comments / Issues:

Toronto Public Health spent \$1.121 million or 23% of its 2007 approved cash flow of \$4.879 million as of June 30, 2007. The year-end capital expenditure is projected to be \$4.491 million or 92% of the 2007 Approved Capital Budget, an improvement over the 74.8% spending rate achieved for 2006.

The projected year-end under-spending of \$0.389 million is mainly attributed to the following projects:

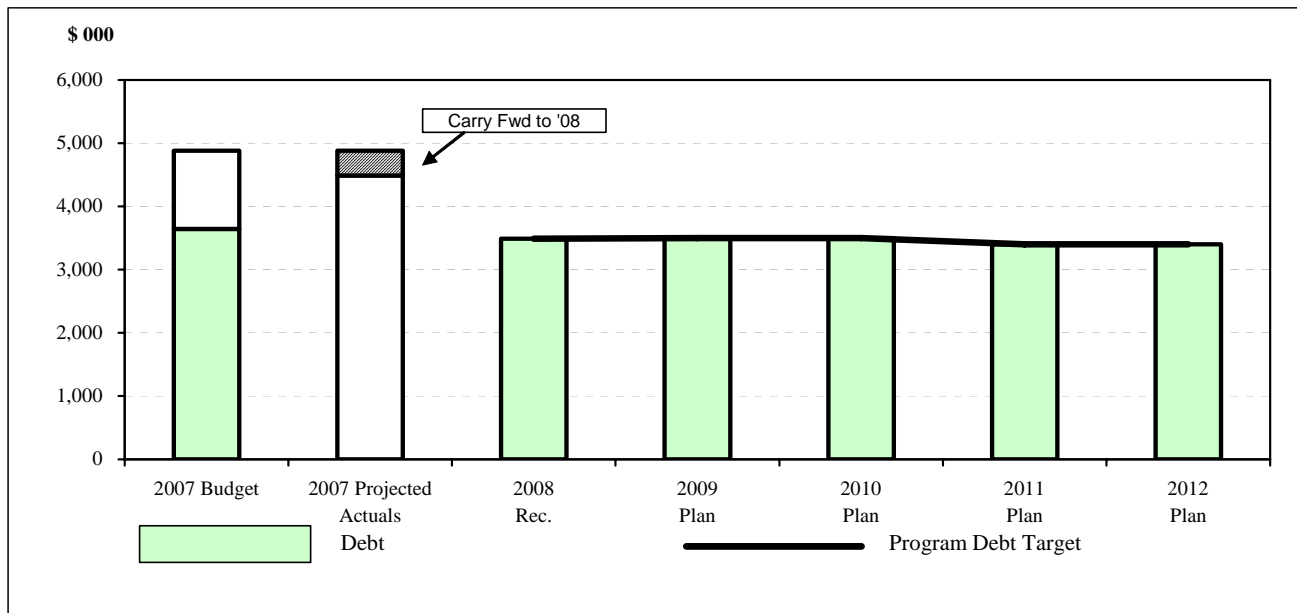
- the implementation of the PH Surveillance and Management System project was delayed by three months due to the late finalization of the Province' decision on this project which led to the delay in hiring of project staff. The project is now underway and \$0.299 million will be carried forward into 2008.
- The Dental Strategy and Implementation project will extend into 2008 also due to the delay in hiring of temporary IT staff. This will result in \$0.090 million being carried forward into 2008.

All other capital projects: Animal Services On-Line Licence, PHIPA System Compliance, North York Clinic and HF/HL Mandatory Management Reporting are on schedule and expected to be fully spent by year-end.

Cost Containment Impact

TPH did not defer or cancel any capital projects due to cost containment.

5-Year Capital Plan (2008-2012)



	2007		5-Year Plan					
	Budget	Projected Actual	2008 Rec	2009	2010	2011	2012	2008-2012
Gross Expenditures:								
2007 Capital Budget & Future Year Commitments	4,879	4,490	2,797	1,436	564			4,797
Recommended Changes to Commitments			(320)	448	(128)			0
2008 New/Change in Scope and Future Year Commitments			1,013					1,013
2009 - 2012 Plan Estimates				1,615	3,063	3,400	3,400	11,478
1-Year Carry Forward to 2008		389						
Total Gross Annual Expenditures & Plan	4,879	4,879	3,490	3,499	3,499	3,400	3,400	17,288
Program Debt Target			3,490	3,499	3,499	3,400	3,400	17,288
Financing:								
Recommended Debt	3,643	3,643	3,490	3,499	3,499	3,400	3,400	17,288
Other Financing Sources:								
Reserves/Reserve Funds								
Development Charges								
Federal								
Provincial								
Other Revenue	1,236	1,236						
Total Financing	4,879	4,879	3,490	3,499	3,499	3,400	3,400	17,288
By Category:								
Health & Safety								
Legislated	1,830		1,541	954				2,495
SOG								0
Service Improvement	3,049		1,949	2,545	3,499	3,400	3,400	14,793
Growth Related								
Total By Category	4,879		3,490	3,499	3,499	3,400	3,400	17,288
Yearly SOGR Backlog Estimate (not addressed by current plan)			N/A					
Accumulated Backlog Estimate (end of year)								
Operating Impact on Program Costs			88	57	0	0	146	
Debt Service Costs			105	440	220	48	0	814

* Note that the 1-Year Carry Forward reflects the latest estimate as used in the 2007 2nd Quarter Capital Variance Report.

5-Year Capital Plan Overview

Overview

Toronto Public Health's (TPH) 5-Year Capital Plan was developed to support its strategic vision to invest in technology to improve efficiency and service delivery. The Capital Plan incorporates changes in legislation and framed in a way to leverage both provincial and federal resources, as well as other City of Toronto initiatives, to reduce development costs.

TPH's strategic vision includes the establishment of the following:

- a) enhanced access channels including the web, wireless, virtual private networks, telephony, kiosks, and access channel integration technologies;
- b) six core integrated business systems replacing over 100 systems to support inspections, animal control and licensing, communicable disease surveillance and outbreak management, immunization management and vaccine control, Healthy Babies Healthy Children case management, Healthy Families and Healthy Living case management, and dental treatment; and,
- c) data warehouses and reporting databases to consolidate and integrate information across all TPH programs and services for better planning, monitoring and reporting.

The 5-Year Capital Plan consists of 12 IT projects, with four previously approved (two with a change in scope) and eight future projects planned for 2009 - 2012.

- Previously Approved Projects:

- *Public Health Surveillance and Management System project (2008 – 2009) - \$1.713 million.* In conjunction with the new national public health information system, this project will provide TPH with a reliable system to manage immunization records, assessments and suspensions; provide real time access to medical and health information, improve accountability for publicly funded vaccines; and, integrate provider information with client information.
- *Personal Health Information Protection Act (PHIPA) Systems Compliance project (2008) - \$0.782 million.* This project will ensure that existing Public Health information systems that contain personal health information are compliant with the Personal Health Information Protection Act. Completion of this project is planned for 2008. A change in scope request of \$0.697 million (in addition to a previously approved commitment of \$0.085 million) will fund the development of additional security standards and the ability to support identity management and user authentication.
- *Dental Strategy and Implementation project (2009-2010) - \$2.077 million.* This project supports the Dental Program that is 100% City-funded and will establish an integrated information environment, capture and maintain patient charting and x-rays and create a seamless and integrated communications environment between dental clinics for mobile screening and dental work teams.
- *Healthy Families / Healthy Living (HF/HL) Mandatory Management Reporting project (2008) - \$1.239 million.* This project, expected to be completed in 2008, will provide TPH the capability to create, generate and modify management data into reports to meet mandatory reporting requirements according to City standard. A change in scope request of \$0.316 million (in addition to a previously approved commitment of \$0.923 million) is required to

fund technical training of staff, the Privacy Impact Assessment (PIA) and higher software costs.

- Future Projects (2009 – 2012):

- *HF/HL Point of Care project (2010 - 2012) - \$2.535 million.* This project will allow secure mobile and wireless connectivity for nurses and PH professionals in order to access the Toronto Community Health Information System (TCHIS) application at the point of care when providing service (such as accessing customer information), as well as synchronization of data between the mobile units and the TCHIS database.
- *Document and Records Management System project (2009 - 2012) - \$1.920 million.* This project will allow TPH to organize information and records stored in electronic documents, so that data can be efficiently retrieved, found, shared, revised and restored. The City piloted a document/information management system in 2006 in several divisions with the Information and Technology Division and City Clerk's Office / Records Management providing leadership and support.
- *Healthy Environment (HE) Reporting project (2009 - 2010) - \$0.828 million.* This project supports the implementation of a Healthy Environments reporting database and electronic connection to the Toronto Healthy Environments Information System (THEIS) database, the conversion of existing reports to the corporate reporting tool standard and the creation of management reports, thereby improving information access and management of data. This project will substantially reduce the effort required to create new reports and provide TPH the ability to create ad hoc reports in a timely manner to respond to Freedom of Information (FOI) requests and media requests.
- *Animal Services Enhanced Electronic Communications project (2009 - 2010) - \$0.820 million.* This project will enable Animal Control Officers to use wireless devices in the field, to more efficiently provide intake/discharge services, directly access information required, and maintain inventory of animals. This project will also implement Global Positioning System (GPS) functionality to enhance dispatch operations, particularly for emergency or quick response priority calls.
- *HF/HL Systems Integration (formerly TCHIS ISCIS Integration) project (2010 - 2012) - \$2.289 million.* This project will establish an electronic link between two core Public Health systems, the Integrated Services for Children Information System (ISCIS) and the Toronto Community Health Information System (TCHIS) that will eliminate duplicate data entry, reduce the need for staff to use both systems and will make reporting and access to information easier.
- *Health Emergency Information System (2010 - 2011) - \$0.656 million.* This project will provide funding to implement a system that will enhance TPH's ability to manage and organize the scheduling assignment of staff in continued service delivery during an emergency situation.
- *Healthy Environment (HE) Inspection System (2010 - 2012) - \$0.700 million.* This project will allow TPH to participate in the development and implementation of a Provincial initiative to enhance the Public Health Inspection Information system (IPHIS) that will result in a single provincial database with client and inspection information that will meet both the requirements of TPH and MOHLTC.
- *Health e-Services (2009 - 2011) - \$0.814 million.* This project will enhance three current applications (websites) that will facilitate the delivery of health related services; allow secure payment services for the Food Handler Certification program; and bulk payments for animal licence registrations and renewals.

Multi-Year Debt Affordability Target

The 5-Year Capital Plan of \$17.288 million, fully funded from debt, has met the Council approved debt affordability targets for each of the five years. The 2008-2012 Capital Plan includes changes to future year cash flow commitments previously approved by Council and a re-allocation of funding between projects. There is no change to the overall debt requirements as changes have been accommodated within the debt targets.

Recommended Changes to the 2007 – 2011 Capital Plan

The changes to the 5-Year Capital Plan are as follows:

Changes to the 2007 - 2011 Capital Plan Debt Affordability Targets							Comments:
	2008	2009	2010	2011	2012	Total	
Previously Approved Commitments:							
PH Surveillance and Mgmt System	(264.0)	264.0				0.0	Deferred due to change in the provincial project timeline.
Dental Strategy and Implementation	(56.0)	185.0	(129.0)			0.0	Revised to accommodated debt target
PHIPA	697.0					697.0	Development of additional security standards to conform with security best practices.
HF / HL Mandatory Mgmt Reporting	316.0					316.0	Additional funding required for technical training, threat risk, privacy impact assessments and increased software costs
Sub-total	693.0	449.0	(129.0)	0.0	0.0	1,013.0	
Future Plan Projects:							
Dental Strategy and Implementation			56.0	469.0	391.0	916.0	Funds required for the acquisition and rollout of digital x-ray equipment in dental clinics.
Animal Services Electronic Communications		607.0	(107.0)	(159.0)		341.0	Accelerated the project as recommended by the Board of Health. Project completion originally planned past 2012.
Document and Records Management	(259.0)	(422.0)	(548.0)	397.0	602.0	(230.0)	Change in the Corporate Enterprise Document Management System project timeline.
Health e-Services		222.0	438.0	154.0		814.0	New Project
Healthy Environment (HE) Reporting	(434.0)	239.0	298.0			103.0	Dependent on the completion of the HF/HL Mandatory Management Reporting project. Costs based on current cost estimates
Health Emergency Information System			310.0	346.0		656.0	New Project
Healthy Environment (HE) Inspection System			25.0	315.0	360.0	700.0	New Project
HF / HL Point of Care		(1,095.0)	(686.0)	(1,331.0)	899.0	(2,213.0)	Deferred to accommodate debt targets. Project will extend to 2014.
HF / HL System Integration (ISCIS TCHIS)	0.0	0.0	343.0	(191.0)	1,148.0	1,300.0	Increase costs based on additional enhancements identified by users.
Sub-total	(693.0)	(449.0)	129.0	0.0	3,400.0	2,387.0	
TOTAL CHANGE	0.0	0.0	0.0	0.0	3,400.0	3,400.0	

Program Capacity and Readiness to Proceed

TPH's spending rate continues to improve with 73.6% achieved in 2005, 74.8% in 2006 and a projected 92% to be achieved in 2007.

All IT projects planned for 2008 are previously approved projects and with full IT staff complement in place, these projects are projected to be completed as planned.

The eight future IT projects included in the 2009-2012 Capital Plan have been reviewed and signed off by I&T Division. TPH plans to utilize staff currently developing projects for completion in 2008 for future projects, thus eliminating the delay resulting from the hiring process that has been the primary reason for project delays for TPH.

Backlog of Projects – Unmet Needs

TPH does not have a state of good repair (SOGR) backlog. During the 2006 Capital Budget, the SOGR maintenance budget was transferred and consolidated within the Facilities and Real Estate Capital Budget, to promote consistency in maintenance standards applied throughout City facilities, thus capital repairs for city-owned facilities occupied by TPH are funded in F&RE Capital Budget.

Capital Project Highlights**Strategic Priorities:**

Service delivery continues to be a TPH priority especially with service demands continuing to increase in volume and complexity. TPH has committed 100% of its capital debt funding in the next five years in the development of information technology systems to support its strategic vision to improve efficiency, effectiveness and service delivery.

TPH's capital long term strategic plan is to develop six core integrated business information systems, (from 225 information systems in 1998 to the current 100 systems) to support its public health programs and services.

Summary of Major Capital Initiatives

	\$000s						
	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 -2012	Total 2013 -2017
Facilities Projects: New and Expanded	N/A						
IT Projects	3,490	3,499	3,499	3,400	3,400	17,288	4,926
Total	3,490	3,499	3,499	3,400	3,400	17,288	4,926
Other Major City Initiatives: N/A							

The 2008-2012 Capital Plan is comprised entirely of Information Technology (IT) projects which are financed by debt and addresses legislated requirements and service improvement through the development of information technology systems.

The recommended twelve I&T projects included in the 5-year plan focus on the integration and replacement of multiple business systems, development of a co-ordinated information environment, establishment of enhanced access channels such as wireless technology and web based systems, and development of emergency preparedness support system, data warehousing and document management system for better planning, managing, monitoring of information and an overall service objective of improving service delivery of various public health programs. Of the twelve IT projects included in the 5-Year Capital Plan, nine are projected to be completed by 2012, and three by 2014.

Operating Budget Impact – 5-Year Plan

Incremental Operating Impact Summary

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
2008 Recommended Capital Budget					
Program Costs (net) (\$000s)		88.5	57.2		
Approved Positions		2.0	2.0		
Debt Service Charges (\$000s)	104.7	440.5	220.4	48.0	
Recommended 2009 - 2012 Capital Plan					
Program Costs (net) (\$000s)			117.6	255.4	97.5
Approved Positions			1.6	5.4	1.0
Debt Service Charges (\$000s)	0.0	48.4	269.4	438.9	476.0
Total					
Program Costs (net) (\$000s)		88.5	174.8	255.4	97.5
Approved Positions		2.0	3.6	5.4	1.0
Debt Service Charges (\$000s)	104.7	488.9	489.9	486.9	476.0
<i>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.</i>					

Program Operating Impacts

The 2008-2012 Capital Plan will increase future year Operating Budgets by a total of \$2.018 million gross and \$0.616 million net and an additional 12 positions over the five-year period.

The Operating Budget net impacts are the result of 11 projects listed below:

Project Name	2008		2009		2010		2011		2012		TOTAL			
	Net \$000's	Position	Net \$000's	Position	Net \$000's	Position	Net \$000's	Position	Net \$000's	Position	Net \$000's	Position		Gross \$000's
Previously Approved Projects														
PH Surveillance and Mgmt System					56.9	2.0					56.9	2.0		227.6
PHIPA System Compliance			51.9	2.0							51.9	2.0		207.4
HF/HL Mandatory Management Reporting			36.6								36.6	0.0		146.5
Dental Strategy and Implementation					0.3						0.3	0.0		0.3
Sub-total	0.0	0.0	88.5	2.0	57.2	2.0	0.0	0.0	0.0	0.0	145.7	4.0		581.8
2009 - 2012 Capital Projects														
HF/HL Point of Care					29.5	1.0	141.1	5.0	37.6		208.2	6.0		833.1
Document and Records Management							19.1		59.9	1.0	79.0	1.0		315.9
HF/HL Systems Integration							8.1				8.1	0.0		32.4
HE Reporting					15.1						15.1	0.0		60.5
Health Emergency Information System							9.5				9.5	0.0		37.8
Health e-Services							1.9				1.9	0.0		7.6
Animal Services Electronic Communications					73.0	0.6	75.7	0.4			148.7	1.0		148.7
Sub-total	0.0	0.0	0.0	0.0	117.6	1.6	255.4	5.4	97.5	1.0	470.5	8.0		1,436.0
Total Request (Net)	0.0	0.0	88.5	2.0	174.8	3.6	255.4	5.4	97.5	1.0	616.2	12.0		2,017.8

The operating budget impacts of nine of these capital projects are eligible for provincial subsidy of 75% while two projects, the Dental Strategy and Implementation and Animal Services Electronic Communications projects are 100% City funded projects.

The incremental net operating costs outlined above include the following:

Provincially funded at 75%:

- PH Surveillance and Management System project will be completed in 2010 and the Program has estimated an operating impact of \$0.228 million gross and \$0.057 million net in 2010 for two new positions, one Manager of Infection Control & Infectious Diseases (responsible for the resolution of application issues with the Province, overall registration of uses, system training, data quality assurance, etc) and one Public Health Nurse (responsible for all aspects of the immunization registry and immunization management).
- Personal Health Information Protection Act (PHIPA) System Compliance is scheduled for completion in 2008 and requires funding of \$0.207 million gross and \$0.052 million net for two new Security / Programmer Analyst positions (to maintain the system) and ongoing service and maintenance costs.
- Healthy Family / Health Living Mandatory Management Reporting is expected to be completed in 2008 and the Program has identified an operating impact of \$0.147 million gross and \$0.037 million net for ongoing service and maintenance costs.

- Healthy Family / Health Living Point of Care - \$0.833 million gross and \$0.208 million net is required for 6 Application and Technical Support positions to implement the rollout of additional computer mobile devices to Public Health nurses and professionals and ongoing monthly air time costs to send/receive data.
- Document and Records Management - \$0.316 million gross and \$0.079 million net for one Application and Technical Support position required to support the system and ongoing service and maintenance costs.
- Healthy Family / Health Living Systems Integration - \$32,000 gross and \$8,000 net is required for ongoing service and maintenance costs.
- Health Environment (HE) Reporting - \$0.061 million gross and \$0.015 million net is necessary for ongoing service and maintenance costs.
- Health Emergency Information System - \$0.038 million gross and \$0.010 million net is required for ongoing services and maintenance costs.
- Health e-Services - \$7,600 gross and \$2,000 net is necessary for ongoing services and maintenance costs.

City Funded at 100%:

- Dental Strategy and Implementation - \$3,000 gross and net is required to fund ongoing costs for service and maintenance costs.
- Animal Services Electronic Communications - \$0.149 million gross and net for one Application and Technical Support position required to maintain the system and ongoing costs for service and maintenance.

In view of the City's financial pressures, TPH will continue to review and revise the operating impacts in salaries and benefits identified in the 5-Year Capital Plan arising from the additional 12 positions.

Total 2008 Recommended Cash Flow & Future Year Commitments (\$000s)

	2006 & Prior Year Carry Forwards	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forwards	Total 2008 Cash Flow (Incl 2007 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
Expenditures													
Previously Approved		2,477		2,477		389	2,866	1,885	436				5,187
Change in Scope			1,013	1,013			1,013						1,013
New													
New w/Future Year													
Total Expenditure	0	2,477	1,013	3,490		389	3,879	1,885	436	0	0	0	6,200
Financing													
Debt		2,477	1,013	3,490	3,490		3,490	1,885	436				5,811
Subsidy (SCPI)													
Prov. Subsidy/Grant													
Development Charges													
Other						389	389						389
Federal Grants													
Reserves/Res Funds													
Total Financing	0	2,477	1,013	3,490		389	3,879	1,885	436	0	0	0	6,200

Comments / Issues:

- The 2008 Recommended Capital Budget is \$3.879 million and includes \$2.477 million in funding for previously approved project commitments; \$1.013 million for new/change in scope projects and \$0.389 million for 2007 projects with funding carried forward from 2007 to 2008.
- The 2007 carry forward funding to 2008 of \$0.389 million is required for two projects: the implementation of the PH Surveillance and Management System project and the Dental Strategy and Implementation project.
- Approval of the 2008 Recommended Capital Budget will result in future year cash flow commitments for two projects, the Dental Strategy and Implementation and PH Surveillance and Management System projects totalling \$1.885 million in 2009; and \$0.436 million in 2010.
- The 2008 capital financing is comprised of new debt funding of \$3.490 million and capital from current financing of \$0.389 million for 2007 projects with funding carried forward from 2007 to 2008.

2008 Recommended Capital Budget

2008 Recommended Capital Budget versus Debt Target

Toronto Public Health's 2008 Recommended Capital Budget of \$3.490 million is fully funded from debt and meets the debt affordability target for 2008. The Program has allocated 71% of debt funding towards previously approved project commitments and 29% to two projects with a change in scope.

Recommended Capital Budget by Category

The 2008 recommended cash flow of \$3.490 million will provide funding for the two legislated projects (44% or \$1.541 million) and two Service Improvement projects (56% or \$1.949 million).

- The two legislated projects include the Personal Health Information Protection Act (PHIPA) System project (\$0.782 million) and the PH Surveillance and Management System project (\$0.759 million).
- The two Service Improvement projects include the Dental Strategy and Implementation (\$0.710 million) project and the Healthy Families / Healthy Living Mandatory Management Reporting project (\$1.239 million).

PART II: ISSUES FOR DISCUSSION**5-Year Capital Plan Issues****Future Year Targets**

Toronto Public Health's (TPH) service demands have continued to increase in volume and complexity. Responding to such demands requires significant investment in the development of information technology systems. Many systems are obsolete and cannot support the current service demands placed on TPH. In 1998, at amalgamation, there were 225 separate information technology systems, and currently TPH has reduced the number to 100 systems.

The TPH capital long term strategic plan will result in six core integrated business information systems to support programs and services of Dental and Oral Health, Healthy Living/Healthy Families, Healthy Babies Healthy Children, Animal Care and Control, Healthy Environments, and Communicable Disease and Control. The strategic plan will also result in the implementation of: enhanced access channels to the business information systems and health information (through the web and via wireless technologies); an integrated information environment to support health information access, use, and reporting (through the implementation of document management, reporting, and data warehouse environments); and systems that are compliant with privacy legislation (i.e. PHIPA).

The 5-Year Capital Plan was developed to support the TPH strategic vision to invest in technology to improve efficiency, effectiveness, and service delivery. The strategic vision requires a significant investment in I&T infrastructure. From 2004 - 2012, the City has committed to fund \$22.412 million in I&T projects. The program has not identified future new I&T capital projects beyond the current 2008 - 2012 Capital Plan as these requirements are impacted by Provincial initiatives and future strategic plans by TPH to further improve efficiency, effectiveness, and service delivery. However, as future year capital targets are being developed, a longer term review is necessary to determine the cost implications and the timing when TPH will be in a sustainable position with respect to I&T requirements.

Thus, it is recommended that the Medical Office of Health, in conjunction with the Chief Information Officer, report to the Budget Committee prior to the start of the 2009 Capital Budget process on the estimated costs and timeline of any new and existing projects required as a result of provincial initiatives and future TPH strategic plans including operating impact of capital projects beyond 2012.

Appendix 1

2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Estimates

Appendix 2

**2008 Recommended Cash Flow
and Future Year Commitments**

Appendix 3
2008 Recommended Capital Projects
with Financing Details