

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Budget Advisory Committee

Meeting No. 6

Wednesday, February 23, 2000

The Budget Advisory Committee met on Wednesday, February 23, 2000, in Committee Room No. 1, 2nd Floor, City Hall, Toronto, commencing at 9:15 a.m.

Attendance

Members were present for some or all of the time period indicated.

	9:15 a.m. to 12:35 p.m.	1:35 p.m. to 4:00 p.m.
Councillor Tom Jakobek, Chair	X	X
Councillor Bas Balkissoon	X	X
Councillor Gordon Chong	X	X
Councillor Olivia Chow	X	X
Councillor Blake F. Kinahan	X	X
Councillor Jane Pitfield	X	X
Councillor David Shiner	X	X

Also Present:

Councillor Brian Ashton	Councillor Peter Li Preti
Councillor Doug Holyday	Councillor Michael Prue
Councillor Anne Johnston	Councillor Kyle Rae
Councillor Norman Kelly	

6.1 2000 Operating Budget – Preliminary Review

The Budget Advisory Committee continued its preliminary review of the 2000 Operating Budget and directed that it be forwarded to all Standing Committees for review and comment, to report back to the Budget Advisory Committee prior to the commencement of the ‘wrap-up’ meetings on April 3, 2000.

(Standing Committees; c. Chief Administrative Officer; Chief Financial Officer and Treasurer; All Interested Parties – March 6, 2000)

Corporate Services

Ms. Brenda Glover, Executive Director of Human Resources, appeared before the Budget Advisory Committee in connection with the following 2000 Operating Budgets and answered Members’ questions in that regard.

Councillor Jakobek appointed Councillor Pitfield Acting Chair and vacated the Chair.

- A. Councillor Jakobek moved that the Chief Financial Officer and Treasurer be requested to report on any Programs that are over the 1999 actuals and/or budget levels and re-prioritize the activities in order to meet 1999 levels, i.e., provide a prioritized list of activities for the 2000 Operating Budget ‘wrap-up’, exclusive of revenue increases and including recovery costs from other departments.

(Carried)

Councillor Jakobek resumed the Chair.

- B. Councillor Shiner moved that all Departments provide a breakdown by FTEs for 1998, 1999 and 2000, including filled positions, vacant positions, total positions, additional line for transfers in and an additional line for transfers out, how many transfers were filled and how many were vacant for the 2000 Operating Budget ‘wrap-up’ meetings.

(Carried)

- C. Councillor Pitfield moved that:

- (1) as part of the year 2000 budget process, all programs be required to provide:

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- (i) an estimate of potential savings from the adoption of ASD, i.e., options on the basis that there are no constraints in adopting ASD; and
 - (ii) an implementation by June 2000 on the realization of all such savings in the budget years 2002-2003;
- (2) the Chief Administrative Officer be requested to immediately establish a framework, the said framework to be in place by September 2000 for the implementation of ASD initiatives in the City;
 - (3) the Chief Financial Officer and Treasurer be requested to ensure that by September 2000 all potential ASD savings identified in relation to each program are shown as a separate activity to be reduced to zero budget after the year 2003;
 - (4) the Commissioner of Corporate Services be requested to provide a plan by September 2000 to enable programs to address all ASD related issues immediately upon the expiry of existing labour contracts with a view to full ASD implementation by the year 2003; and
 - (5) any program that does not report potential savings from adoption of ASD options must report back, as part of the year 2000 budget process, on the process that has been followed to determine that no potential exists from savings from ASD.

(Carried)

City Clerk's

The Budget Advisory Committee had before it the 2000 Operating Budget for the City Clerk's Division.

Ms. Novina Wong, City Clerk, gave an overview presentation and answered Members' questions.

Councillor Jakobek appointed Councillor Chong Acting Chair and vacated the Chair.

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- A. Councillor Jakobek moved that the Commissioner of Corporate Services, in consultation with the City Clerk, be requested to report back to the Budget Advisory Committee by March 21, 2000, providing a prioritized list of reductions up to \$100,000.00 to flatline gross expenditures.

(Carried)

Councillor Jakobek resumed the Chair.

- B. Councillor Balkissoon moved that the Commissioner of Corporate Services be requested to find a solution to the printing problems revolving around the reproduction of council agendas, certificates of amendments, etc.

(Carried)

Corporate Communications

The Budget Advisory Committee had before it the 2000 Operating Budget for the Corporate Communications Division.

Ms. Valerie Chavossy, Director, Corporate Communications, gave an overview presentation and answered Members' questions.

- A. Councillor Balkissoon moved that the Commissioner of Corporate Services, in consultation with the Chief Financial Officer and Treasurer, be requested report back to the Budget Advisory Committee by March 21, 2000, providing a detailed line by line analysis (activities) of Corporate Communications and a general overview of the Division, i.e., performance indicators for the last two years as to whether this Division should be downsized, how many calls the Call Centre handles, the success rate of the said calls, other Call Centre activities, staff hours, etc.

(Carried)

- B. Councillor Pitfield moved that the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:

- (1) providing updated statistics with regard to the City's website, i.e., how many hits, information provided, etc.; and

- (2) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 10 percent.

(Carried)

Human Resources

The Budget Advisory Committee had before it the 2000 Operating Budget for the Human Resources Division.

Ms. Brenda Glover, Executive Director, Human Resources Division, gave an overview presentation and answered Members' questions.

- A. Councillor Shiner moved that the Commissioner of Corporate Services be requested to include in the forthcoming report on the Construction Sector Agreements the implementation of such agreements by the City, including the financial cost and the availability of the trades to carry out work requested by the City.

(Carried)

- B. Councillor Balkissoon moved that the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000, on the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

Information and Technology

The Budget Advisory Committee had before it the 2000 Operating Budget for the Information and Technology Division.

Mr. Jim Andrew, Executive Director, Information and Technology Division, gave an overview presentation and answered Members' questions.

Councillor Jakobek appointed Councillor Pitfield Acting Chair and vacated the Chair.

- A. Councillor Jakobek moved that the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:
- (1) the compensation strategies issue of retention of information and technology staff;

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- (2) what the City is doing to keep up with technology;
- (3) the status of Y2K staff, i.e., how many are still involved in this program, etc.;
- (4) the expected savings in 2000 and 2001 with respect to Y2K; and
- (5) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

Councillor Jakobek resumed the Chair.

- B. Councillor Chow moved that the Chief Financial Officer and Treasurer be requested to report back to the Budget Advisory Committee by March 21, 2000, on the background and status of the Corporate Administrative Workplan Initiatives Reserve.

(Carried)

Legal

The Budget Advisory Committee had before it the 2000 Operating Budget for the Legal Services Division.

Mr. H.W.O. Doyle, City Solicitor, gave an overview presentation and answered Members' questions.

- A. Councillor Chow moved that the City Solicitor be requested to report back to the Budget Advisory Committee by March 21, 2000, on the implications of not hiring eight new staff and if new positions are approved can such hiring be carried out on a temporary basis, i.e., contract.

(Carried)

- B. Councillor Shiner moved that the City Solicitor be requested to report back to the Budget Advisory Committee on March 21, 2000, on the cost for outside planners and legal staff attending hearings on behalf of the City for legal challenges on projects that Council has approved, i.e., historically and the projection for future challenges; and further address as to how the Oak Ridges Moraine fits into that scenario.

(Carried)

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- C. Councillor Balkissoon moved that:
- (1) the City Auditor be requested to perform an audit with regard to membership fees paid by the City and conferences and seminars provided in each department; and
 - (2) the Policy and Finance Committee be requested to direct the Commissioner of Corporate Services to report on a policy with regard to staff complements in each program in order that such staff complements are included in the Operating Budget, and further that the said report be forwarded to the Administration Committee and Council prior to September 30, 2000.

(Carried)

- D. Councillor Pitfield moved that the City Solicitor be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:
- (1) the difference between out of house billing hours and in house legal costs, to include savings achieved by having in-house staff looking after the City's legal affairs;
 - (2) whether it is necessary to have legal staff in attendance at Council and in that regard provide options as to ways this can be accomplished without being physically present; and
 - (3) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

Service Integration and Support

The Budget Advisory Committee had before it the 2000 Operating Budget for the Service Integration and Support Division.

Mr. Glenn Kippen, Director, Service Integration and Support Division, gave an overview presentation and answered Members' questions.

On motion by Councillor Balkissoon, the Budget Advisory Committee:

- (1) requested the Chief Financial Officer and Treasurer to report back to the Budget Advisory Committee by March 21, 2000, providing an analysis of the administration function in each department, including the corporate administrative functions and how it can be incorporated into the 2001 Operating Budget; and
- (2) requested the Commissioner of Corporate Services to report back to the Budget Advisory Committee by March 21, 2000 on the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

Facilities and Real Estate

The Budget Advisory Committee had before it the 2000 Operating Budget for the Facilities and Real Estate Division.

Ms. Susanne Borup, Executive Director, Facilities and Real Estate Division, gave an overview presentation and answered Members' questions.

- A. Councillor Pitfield moved that the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:
 - (1) providing a list of the remaining surplus properties that the City has not yet disposed of;
 - (2) providing a detailed inventory of buildings by usage by program; and
 - (3) on the project management cost recovery from capital projects and adjustments that can be made to reduce the budget by \$3.7 million to compensate.

(Carried)

- B. Councillor Balkissoon moved that the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:

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- (1) adjustments that can be made to the budget internally in the amount of \$3.7 million; and
- (2) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

- C. Councillor Shiner moved that the Chief Administrative Officer be requested to report back to the Budget Advisory Committee by March 21, 2000, providing detailed costs for maintaining the Councillors' office areas at the Civic Centres, including staffing, supplies, etc.; and further providing an estimated cost for such offices across the City.

(Carried)

Fleet Management

The Budget Advisory Committee had before it the 2000 Operating Budget for the Fleet Management Division.

Mr. Stan Burrows, Director, Fleet Management Services, gave an overview presentation and answered Members' questions.

On motion by Councillor Pitfield, the Budget Advisory Committee requested:

- (1) the Chief Financial Officer and Treasurer to report back to the Budget Advisory Committee by March 21, 2000, on the reconciliation of the two estimates, the budget being reduced by \$2.6 million (leaving a balance of \$3.3 million) and the Chief Administrative Officer accomplishment showing \$3.7 million;
- (2) the Commissioner of Corporate Services to report back to the Budget Advisory Committee by March 21, 2000 on the following:
 - (i) schedule of savings to be realized - \$3.3 million and \$1.2 million (Etobicoke) equals \$4.5 million;
 - (ii) the established standards in relation to fleet maintenance jobs, i.e., users standard labour hours for fleet maintenance, flat rate job rates, hourly garage rates consistent with industry standards and full cost recovery;

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- (iii) update on the zero based review;
 - (iv) the number of staff currently in garages and if the number is greater than 141 explain the variance and how these resources are being utilized; and
 - (v) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent; and
- (3) the Chief Administrative Officer to report back to the Budget Advisory Committee by March 21, 2000, on the status of the Yard Rationalization Study, including savings to date.

Audit

The Budget Advisory Committee had before it the 2000 Operating Budget for Audit Services.

Mr. Jeffrey Griffiths, City Auditor, gave an overview presentation and answered Members' questions.

On motion by Councillor Pitfield, the Budget Advisory Committee requested that:

- (1) the Chief Financial Officer and Treasurer report back on what the dollar amount of the number of discounts on payments realized plus the amount for penalties paid, in relation to vendor invoices, the said report to be submitted to the Budget Advisory Committee in two months' time; and
- (2) the City Auditor report back to the Budget Advisory Committee by March 21, 2000, on the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

Chief Administrator's Office

The Budget Advisory Committee had before it the 2000 Operating Budget for the Chief Administrator's Office.

Mr. Michael Garrett, Chief Administrative Officer, appeared before the Budget Advisory Committee and answered Members' questions in that regard.

On motion by Councillor Balkissoon, the Budget Advisory Committee requested the Chief Administrative Officer to report back to the Budget Advisory Committee

by March 21, 2000 on the following:

- (1) the implications of continuing to provide secretarial support for former municipal Race Relations Committees in the year 2000; and
- (2) the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

Corporate Services

Council

The Budget Advisory Committee had before it the 2000 Operating Budget for Council.

Mr. Jim Hart, Director, Council and Support Division, gave an overview presentation and answered Members' questions.

Councillor Balkissoon and Councillor Shiner declared conflicts of interest insofar as members of their families work in the Council section.

- A. Councillor Shiner moved that the City Solicitor, in consultation with the City Auditor, be requested to report back on the establishment of a policy for Councillors receiving legal advice with regard to matters relating to City business and whether such advice should be paid by the City or Councillors.

(Carried)

Councillor Jakobek appointed Councillor Chong Acting Chair and vacated the Chair.

- B. Councillor Jakobek moved that:
 - (1) the Chief Financial Officer and Treasurer be requested to provide a breakdown of Councillors' business travel trips that were taken, the cost of same and the number of reports that were filed for such trips.

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- (2) the Chief Administrative Officer be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:
 - (i) the organizations the City belongs to, including the organizations which currently permit Councillors to attend meetings/conferences in accordance with the Business Travel Policy; and
 - (ii) membership fees paid by the City; and
- (3) the Commissioner of Corporate Services be requested to report back to the Budget Advisory Committee by March 21, 2000 on the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

Councillor Jakobek resumed the Chair.

Mayor's Office

The Budget Advisory Committee had before it the 2000 Operating Budget for the Mayor's Office.

On motion by Councillor Pitfield, the Budget Advisory Committee deferred consideration of this matter until its 'wrap-up' meetings.

Finance

The Budget Advisory Committee had before it the 2000 Operating Budget for the Finance Department.

Ms. Wanda Liczyk, Chief Financial Officer and Treasurer, gave an overview presentation and answered Members' questions.

- A. Councillor Pitfield moved that the Chief Financial Officer and Treasurer be requested to report back to the Budget Advisory Committee by March 21, 2000 on the following:
 - (1) all the policy changes between 1999 and 2000 in relation to regrouping or restatement of 1999 budgets, mapping or other adjustments to the 1999 base budget and all policy changes which have the impact of altering either gross expenditures or revenues;

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- (2) Reserve Accounts – as part of the 2000 budget:
 - (i) all planned movements in all the City's reserve and reserve fund accounts with comparable figures for 1999; and
 - (ii) all planned purchase and sale of all City assets along with the statement of source and application of funds;
- (3) the dollar cost of collection per invoice issued (provided form and requested the information be filled out in said form); and
- (4) Water and Wastewater:
 - (i) how the billings on the new water billing system are to be carried out in relation to the charges for solid waste and if the new water billing system can be adopted to collect commercial garbage fees at the same time; and
 - (ii) in terms of separate identification in contribution to reserves, all program expenditures be reported exclusive in all contributions to reserves; and further all contributions to reserves be shown below the line as a surplus revenue available for transfer to reserves.

(Carried)

B. Councillor Chow moved that the Chief Financial Officer and Treasurer be requested to:

- (1) report back to the Budget Advisory Committee by March 21, 2000, providing:
 - (i) a breakdown of the \$14 million reserve fund; and
 - (ii) a description of the Budget Division's and the Purchasing and Materials Management Division's salary increases from the 1999 budget; and

- (2) provide the previous years actuals when the Committee is considering the budget at the 'wrap-up' meetings.

(Carried)

- C. Councillor Balkissoon moved that the Chief Financial Officer and Treasurer be requested to report back to the Budget Advisory Committee providing a comparison, using the Toronto Transit Commission as an example, of what they paid for stationary supplies last year with Grand and Toy, the actual purchases, versus what they were paying prior to amalgamation.

(Carried)

- D. Councillor Chong moved that the Chief Financial Officer and Treasurer be requested to report back to the Budget Advisory Committee by March 21, 2000 on the impact of reducing the Chief Administrative Officer's net recommended budget by up to 5 percent.

(Carried)

Non Program Expenditures and Revenues

Ms. Wanda Liczyk, Chief Financial Officer and Treasurer, appeared before the Budget Advisory Committee in connection with the Non Program Expenditures and Revenues 2000 Operating Budget and answered Members' questions in that regard.

On motion by Councillor Chow, the Budget Advisory Committee requested the Chief Financial Officer and Treasurer to report back to the Budget Advisory Committee by March 21, 2000 on the following:

- (1) a breakdown of corporate recovery charges from Health and Ambulance;
- (2) a detailed description of "Other Corporate Revenues"; and
- (3) an explanation as to why 2000's investment revenue, prior to year's surplus, supplementary taxes, and tax penalties, are lower than 1999 actual.

(Chief Administrative Officer; c. Chief Financial Officer and Treasurer; Commissioner of Community and Neighbourhood Services; Commissioner of Economic Development, Culture and Tourism; Medical Officer of Health; Commissioner of Corporate Services; Executive Director, Facilities and Real Estate; Director, Fleet Management; Director, Council and Support Services;

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President, Toronto Parking Authority; Chairman, Toronto Police Services Board; Chief of Police; Mr. Frank Chen, Director of Budgets, Toronto Police Service - February 29, 2000)

(Chief Financial Officer and Treasurer; c. Chief Administrative Officer; Commissioner of Corporate Services; Commissioner of Community and Neighbourhood Services; Commissioner of Works and Emergency Services; Commissioner of Economic Development, Culture and Tourism; General Manager, Children's Services Division; General Manager, Social Services Division; Director, Corporate Communications Division; City Auditor; Executive Director, Information and Technology Division; Acting General Manager, Parks and Recreation Division; Director, Services Integration and Support; Director, Fleet Management Services; Director, Council and Support Services; General Manager, Solid Waste Management Services Division; Chief General Manager, Toronto Transit Commission; Fire Chief; Chairman, Toronto Police Services Board; Chief of Police; Mr. Frank Chen, Director of Budgets, Toronto Police Service - February 29, 2000)

(Commissioner of Corporate Services; c. Chief Administrative Officer; Chief Financial Officer and Treasurer; Commissioner of Works and Emergency Services; City Solicitor; City Auditor; City Clerk; Director, Corporate Communications; Executive Director, Human Resources; Executive Director, Information and Technology; Director, Services Integration and Support; Executive Director, Facilities and Real Estate; Director, Fleet Management; Director, Council and Support Services; Fire Chief; Committee Administrator, Policy and Finance Committee - February 29, 2000)

(City Auditor - February 29, 2000)

The Budget Advisory Committee adjourned its meeting at 4:00 p.m.

Chair