

THE CITY OF TORONTO

City Clerk=s Division

Minutes of the Policy and Finance Committee

Meeting No. 2

Thursday, February 17, 2000

The Policy and Finance Committee met on Thursday, February 17, 2000, in Committee Room 1, 2nd Floor, City Hall, Toronto, commencing at 9:40 a.m.

Attendance

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

	9:40 a.m. to 11:40 a.m.
Mayor Mel Lastman, Chair	-
Councillor Elizabeth Brown	-
Councillor Gordon Chong	X
Councillor Betty Disero	X
Councillor Tom Jakobek	X
Councillor Norm Kelly	X
Councillor Ron Moeser	X
Councillor Frances Nunziata	X
Councillor Case Ootes	X
Councillor Joe Pantalone	X
Councillor Kyle Rae	X

Councillor Ootes assumed the Chair in the absence of Mayor Lastman.

Confirmation of Minutes.

On motion by Councillor Chong, the Policy and Finance Committee confirmed the minutes of its meeting held on January 21, 2000.

2-1. Consolidation of Audit Activities.

The Policy and Finance Committee had before it a report (February 7, 2000) from the Chief Administrative Officer recommending that:

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- (1) the City acknowledge the requirement of the Chief of Police to maintain an audit related Policing Standards Review Unit in order to address concerns and projects identified by the Chief of Police;
- (2) the City Auditor and the civilian component of the Policing Standards Review Unit jointly develop a structured audit work plan based on an evaluation of audit risk and this work plan be approved by the Police Services Audit Sub-Committee;
- (3) this report be forwarded to the Chief of Police and the Toronto Police Services Board for comment and review and a response to the report be submitted to the next meeting of the Policy and Finance Committee;
- (4) the City Auditor be requested to report to the next meeting of the Policy and Finance Committee on those issues raised by the Chief of Police in his report to the Toronto Police Services Board dated April 28, 1998, relating to the consolidation of City Audit activities; and
- (5) the appropriate officials be authorized to take the necessary action to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of Recommendations Nos. (1), (2), (4) and (5) embodied in the foregoing report (February 7, 2000) from the Chief Administrative Officer; and concurred with Recommendation No. (3) contained therein.

(Toronto Police Services Board; Chief of Police; c: Chief Administrative Officer – February 17, 2000)

(Clause No. 18 – Report No. 3)

2-2. Longer Term Reserve and Reserve Fund Adequacy and Funding Strategies.

The Policy and Finance Committee had before it a report (February 7, 2000) from the Chief Financial Officer and Treasurer recommending that:

- (1) the Chief Financial Officer and Treasurer be requested to continue to report on the adequacy of reserves and reserve funds, and identify funding strategies to enhance the City's financial position; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Councillor Olivia Chow, Downtown, appeared before the Policy and Finance Committee in connection with the foregoing matter.

On motion by Councillor Chong, the Policy and Finance Committee recommended to Council the adoption of the foregoing report.

(Clause No. 1 – Report No. 3)

2-3. Administration of Reserves and Reserve Funds.

The Policy and Finance Committee had before it a report (February 7, 2000) from the Chief Financial Officer and Treasurer recommending that:

- (1) Clause No. 11 of Report No. 6 (April 16, 1998) of the Strategic Priorities and Policies Committee, entitled “Establishment of City Reserves and Reserve Funds” from the Chief Financial Officer and Treasurer adopted, as amended, by Council on April 29 and 30, 1998, be further amended as set out in the body of this report and the appendices attached thereto;
- (2) the rules for the establishment and use of reserves and reserve funds be adopted and incorporated into a Reserve and Reserve Fund By-law as follows:
 - (a) a reserve or reserve fund is established by Council on the recommendation of the Chief Financial Officer and Treasurer and the report must include:
 - (i) statement of purpose;
 - (ii) designation of the service area >owner=, or beneficiary program;
 - (iii) rationale for the appropriate level to be maintained in the account (where appropriate);
 - (iv) initial contribution, if any;
 - (v) contribution policy;
 - (vi) withdrawal policy; and
 - (vii) review cycle which would provide a periodic review to ensure a suitable level of funds, the appropriateness of the account, and conditions for closing;

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- (b) annual estimates of inflows to and outflows from reserve and reserve funds shall be presented to the Policy and Finance Committee for approval as part of the annual budget process. The Treasurer, in consultation with the program area, where not contrary to law, shall determine if the use of a reserve and reserve fund is appropriate as a funding source in either operating or capital budgets or if funds should be contributed to a reserve or reserve fund from a particular source;
 - (c) should funds be withdrawn from either a reserve or reserve fund for a specific purpose or capital project and subsequently it is determined that the funds are not necessary in whole or in part for that purpose (project), then these surplus funds should be returned to their original reserve or reserve fund.

In such cases where such time has elapsed that the original reserve or reserve fund cannot be traced or is no longer appropriate, the funds would be transferred, subject to compliance with any legislative restrictions, upon recommendation to Council of the Chief Financial Officer and Treasurer, to general revenues, reserves or reserve funds as appropriate. Similarly, if reserve or reserve funds are provided to acquire an asset and subsequently the asset is sold, the net proceeds would go back to the originating reserve or reserve fund;
 - (d) the Chief Financial Officer and Treasurer shall be authorized to make contributions to any tax supported reserve or reserve fund, where it is not contrary to law, to reduce or eliminate unanticipated changes in future years' tax rates that would otherwise occur based on changes in the surplus from year to year or to fund unfunded reserve and reserve funds. Such contributions are to be reported to Council in the next corporate variance report;
 - (e) that reserve and reserve fund increases and decreases should be reported as appropriations to and from reserve funds; and
 - (f) when the purpose for which a reserve or reserve fund has been accomplished, and it is deemed no longer necessary, the Chief Financial Officer and Treasurer, in consultation with the program area, will report to Council recommending closing the account, the disposition of any remaining funds, and the necessary amendment to the Reserve and Reserve Fund By-law;
- (3) the reserve and reserve funds identified in Appendix A (Column C) be established and incorporated into the Reserve and Reserve Fund By-law;

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- (4) the Chief Financial Officer and Treasurer be authorized to administer reserve and reserve funds as set out in this report;
- (5) any changes in accounting for reserve or reserve funds which result from the adoption of the Reserve and Reserve Fund By-law as outlined in this report shall be effective from January 1, 2000;
- (6) the by-laws and resolutions of the former municipalities creating reserve and reserve funds be repealed;
- (7) the by-laws of the new city creating reserve funds from January 1, 1998 to the present be repealed;
- (8) leave be granted for the introduction of the necessary bill in Council to give effect to the foregoing; and
- (9) the effective date of the reserve and reserve fund by-law be January 1, 2000.

Councillor Olivia Chow, Downtown, appeared before the Policy and Finance Committee in connection with the foregoing matter.

- A. Councillor Chong moved that the Policy and Finance Committee recommend to Council the adoption of the report (February 7, 2000) from the Chief Financial Officer and Treasurer, subject to amending Recommendation No. 2(b) embodied therein by adding after the words "annual budget process" the words "and reported quarterly", so that such Recommendation now reads as follows:

"(2)(b) annual estimates of inflows to and outflows from reserve and reserve funds shall be presented to the Policy and Finance Committee for approval as part of the annual budget process and reported quarterly. The Treasurer, in consultation with the program area, where not contrary to law, shall determine if the use of a reserve and reserve fund is appropriate as a funding source in either operating or capital budgets or if funds should be contributed to a reserve or reserve fund from a particular source." **(Carried)**

- B. Councillor Kelly moved that the Chief Financial Officer and Treasurer be requested to submit a report to the Policy and Finance Committee and the Community Services Committee regarding funds received from the sale of City-owned residential properties being allocated to the Social Housing Reserve Fund. **(Carried)**

(Chief Financial Officer and Treasurer; c: Commissioner of Community and Neighbourhood Services; Committee Administrator, Community Services Committee – February 21, 2000)

(Clause No. 2 – Report No. 3)

2-4. Financial Control By-Law.

The Policy and Finance Committee had before it a report (February 1, 2000) from the Chief Financial Officer and Treasurer presenting a Financial Control By-law that includes procedures for funds control to replace the Interim Financial Control By-law; advising that the Financial Control By-law will establish procedures for the payment of accounts and for funds control over expenditures including the transfer of funding between programs in the operating budget and capital projects in the capital budget; that the proposed by-law provides senior City officials with the ability to manage their departmental operating and capital budgets within reasonable limits; that the by-law also provides the mechanism for Council to be advised of changes from approved budget and requires Council approval for certain transfer of funds; and recommending that Authority be granted for the introduction of a bill in Council substantially in the form of the draft by-law attached as Appendix “A” hereto, to confer certain authorities and responsibilities with respect to the commitment of funds and the payment of accounts.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report.

(Clause No. 3 – Report No. 3)

2-5. Purchasing Policies and By-Law.

The Policy and Finance Committee had before it a report (February 3, 2000) from the Chief Financial Officer and Treasurer respecting the development of uniform Purchasing Policies for the new City of Toronto to report on Bid Committee activity and to replace the Interim Purchasing By-law with a new Purchasing By-law; advising that to ensure consistent policies resulting in an efficient purchasing process which satisfies operational requirements and public accountability, it is recommended that the draft policies in Appendix “A” be adopted; that it is further recommended that to ensure continuity and efficiency in the purchasing function on behalf of the City, authority be granted for the introduction of a bill in Council in the form of the draft By-law, attached as Appendix “B”; and recommending that:

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- (1) new Purchasing Policies for the Ban of Purchase of Products Manufactured in Factories where Children are used as Slave Labour, Canadian Content and Live Animal Testing, outlined in Appendix "A" of this report be adopted;
- (2) a new Purchasing By-law, as outlined in Appendix "B", be adopted; and
- (3) authority be granted for the introduction of a Bill in Council in the form of the draft By-law, attached to establish procedures and authority for the Procurement of Goods and Services.

Councillor Bill Saundercook, York Humber, appeared before the Policy and Finance Committee in connection with the foregoing matter.

- A. Councillor Chong moved, on behalf of Councillor Saundercook, that the Policy and Finance Committee recommend to Council the adoption of the foregoing report (February 3, 2000) from the Chief Financial Officer and Treasurer subject to amending the section pertaining to "Departmental Direct Purchase Limit" contained in Appendix "B" by deleting the amount of \$5,000.00 and inserting in lieu thereof the amount of \$10,000.00, so that the aforementioned section now reads as follows:

"Departmental Direct Purchase Limit" means the maximum dollar amount that any Department Head may expend to procure goods and services directly rather than through the offices of the Purchasing Agent, such amount not to exceed \$10,000.00 or such increased amount as approved by the Chief Administrative Officer in accordance with subsection 5.(2);". **(Carried on the following recorded vote:**

FOR: Chong, Disero, Kelly, Ootes, Rae

AGAINST: Moeser, Nunziata, Pantalone

- B. Councillor Kelly moved that the foregoing motion A. by Councillor Chong, on behalf of Councillor Saundercook, be amended by deleting from Recommendation No. (1) of the report (February 3, 2000) from the Chief Financial Officer and Treasurer the words "Canadian Content". **(Lost on the following recorded vote:**

FOR: Kelly

**AGAINST: Chong, Disero, Moeser, Nunziata, Pantalone,
Ootes, Rae**

(Clause No. 4 – Report No. 3)

2-6. Issuance of Tax Receipts for Earls court Park Amphitheatre.

The Policy and Finance Committee had before it a report (Undated) from the Chief Financial Officer and Treasurer requesting Council approval to receive donations and issue receipts for the construction of the Earls court Park Amphitheatre and the payment of any funds received for the project to the Advisory Board of the Piccininni Recreational Centre; and recommending that Council approve the request for the City to issue income tax receipts for donations received for the “Earls court Amphitheatre” and the payment of the Advisory Board of the Piccininni Recreational Centre of any monies received for the project.

On motion by Councillor Disero, the Policy and Finance Committee submitted the foregoing report to Council, without recommendation; and requested the Chief Financial Officer and Treasurer to submit a report directly to Council for its meeting scheduled to be held on February 29, 2000, on the disposition of funds in regard thereto:

(Chief Financial Officer and Treasurer – February 21, 2000)

(Clause No. 7 – Report No. 3)

**2-7. Amendments to the Police Services Act to
Restrain Civil Litigation Against Council Members
and a Survey of Harassment Provisions Contained
in The Criminal Code.**

The Policy and Finance Committee had before it a report (February 1, 2000) from the City Solicitor responding to a request made by City Council on January 27, 2000, for a report to the Policy and Finance Committee on the subjects identified above; advising that an amendment to the Act to restrict the right of members of the Police Service or the Police Association to initiate civil litigation against City Councillors could be requested from the provincial government; that there may be various public policy considerations that would effect the desirability of enacting that type of legislation; that there are various provisions in the Code that deal with harassment and intimidation; that most of these provisions are general in scope and, in order to obtain a conviction for these forms of criminal activity, proof beyond a reasonable doubt would have to be established in court; and recommending that this report be received for information.

The Policy and Finance Committee received the foregoing report.

(Clause No. 21(a) – Report No. 3)

2-8. Zoo Food Services – Capital Improvements.

The Policy and Finance Committee had before it a report (February 5, 2000) from the General Manager and CEO, Toronto Zoo, requesting approval for a reallocation of funds within the Capital Works Program for the renovation of restaurant facilities; and recommending that:

- (1) funds in the amount of \$500.00 thousand be reallocated within the approved Building and Services Refurbishment 2000 Capital Program for the renovation of food services buildings; and
- (2) approval be granted for the demolition of the existing front entrance snack bar and the construction of a new larger snack bar at the front entrance.

On motion by Councillor Jakobek, the Policy and Finance Committee recommended to Council the adoption of the foregoing report.

(Clause No. 9 – Report No. 3)

2-9. Disposition of Domain Ride Equipment.

The Policy and Finance Committee had before it a report (January 27, 2000) from the Secretary, Board of Management, Toronto Zoo, advising that the Board of Management of the Toronto Zoo on January 27, 2000, recommended to the Policy and Finance Committee the adoption of the report (January 14, 2000) from the Executive Director, Administrative and Site Services, Toronto Zoo, wherein it is recommended that approval be granted to dispose of the Domain Ride System, including the demolition of sections of the track and the sale or auction of the cars and associated equipment.

The Policy and Finance Committee recommended to Council the adoption of the Recommendations of the Board of Management of the Toronto Zoo embodied in the foregoing communication (January 27, 2000) from the Secretary, Board of Management, Toronto Zoo.

(Clause No. 10 – Report No. 3)

**2-10. Children's Action Plan and Youth Violence
Prevention Initiatives: Budget Implications
for Public Health.**

The Policy and Finance Committee had before it a communication (January 25, 2000) from the Secretary, Board of Health, advising that the Board of Health, at its meeting on January 24, 2000:

- (1) adopted, in principle, the report dated January 14, 2000, from the Medical Officer of Health, outlining the financial implications for the Public Health 2000 operating budget of implementing the "Action Plan for the Children's Report Card 1999" and the "Follow-up on Initiatives Addressing Youth Violence: and
- (2) directed that a copy of the report be forwarded to the Policy and Finance Committee for consideration and to the Budget Advisory Committee Administrator for the budget process pending file in accordance with the Financial Control Protocols adopted by Council, and in accordance with Recommendation No. (2).

On motion by Councillor Chong, the Policy and Finance Committee referred the foregoing communication to the Budget Advisory Committee for consideration and report thereon to the Policy and Finance Committee.

(Budget Advisory Committee; c: Medical Officer of Health; Committee Secretary, Board of Health – February 21, 2000)

(Clause No. 21(b) – Report No. 3)

**2-11. Municipal, Provincial and Federal Tax
Incentives for Heritage Conservation.**

The Policy and Finance Committee had before it a communication (January 31, 2000) from the City Clerk advising that the Assessment and Tax Policy Task Force on January 25, 2000, recommended that:

- (1) City Council endorse as City policy the 10 principles for heritage conservation incentives set out in Appendix A to the report (December 12, 1999) from the Acting Commissioner of Urban Development Services;
- (2) City Council endorse a heritage tax back grant programme incorporating the principles outlined in the report (December 12, 1999) from the Acting Commissioner of Urban Development Services;

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- (3) City Council endorse the creation of a tax sub-class for heritage buildings with Heritage Easement Agreements, with the intent of reducing the property tax on such buildings;
- (4) the Commissioners of Economic Development, Culture and Tourism, Urban Development Services and the Chief Financial Officer and Treasurer, in consultation with Heritage Toronto, jointly bring forward to Council a detailed implementation schedule, to begin taking effect in the year 2000, for a heritage tax back grant programme incorporating the principles outlined in this report;
- (5) the City Solicitor brings forward an enabling by-law to permit the establishment of a heritage tax back grant programme;
- (6) City Council request the Provincial Government, through the Minister of Finance, to amend Provincial regulations to permit municipalities in Ontario to opt-in to a separate heritage property tax class and amend Provincial legislation to create a sub-class for entire designated heritage buildings that are subject to Heritage Easement Agreements, and allow municipalities to opt-in to this sub-class, and request the Association of Municipalities of Ontario to support this initiative;
- (7) the Commissioners of Economic Development, Culture and Tourism, Urban Development Services and the Chief Financial Officer, in consultation with Heritage Toronto, jointly continue to examine and report on, by May 2000, the creation of a separate heritage property tax class or heritage property sub-classes for whole heritage buildings in their original location that are subject to Heritage Easement Agreements within the City. This report shall make recommendations as to the nature of Provincial legislative and regulatory amendments that would best meet the heritage objectives of the City;
- (8) City Council endorse, for the consideration of the Business Reference Group, that upon the expiry of the cap on commercial and industrial tax classes in the year 2001, all designated heritage buildings be assessed and taxed under current value assessment and in current use without clawbacks or limitations on tax decreases; and also request the Provincial Government, through the Minister of Finance, to enable this tax policy through any changes to provincial acts and/or regulations;
- (9) City Council request the Provincial Government to enact special legislation to extend to the entire City, demolition controls that require Council approval of a new replacement building prior to issuance of a permit to demolish a designated heritage building;
- (10) City Council endorse the concept of priority processing for all development applications that entail the restoration and conservation of a designated heritage building, and request the Commissioner of Urban Development Services to report directly to Planning and Transportation Committee on the implementation of such a priority processing mechanism;

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- (11) City Council request the Government of Canada to initiate a long-term ongoing Federal Tax Credit for costs incurred in the rehabilitation of designated heritage buildings and structures; and request the Federation of Canadian Municipalities to support this initiative;
- (12) City Council request the Government of Canada to initiate a long-term ongoing Goods and Services Tax rebate for the GST paid on goods, material, services and labour in the rehabilitation of designated heritage buildings; and request the Federation of Canadian Municipalities to support this initiative;
- (13) City Council request the Province to initiate a long-term Provincial Tax Credit to supplement the recommended federal tax credit, for costs incurred in the substantial rehabilitation of designated heritage buildings; and request the Association of Municipalities of Ontario to support this initiative;
- (14) City Council request the Province to initiate a long-term Provincial Sales Tax rebate without caps for PST paid on goods, materials, services and labour in the substantial rehabilitation of designated heritage buildings and request the Association of Municipalities of Ontario to support this initiative;
- (15) City Council request the Province to establish a Tax Back Grant Programme to partner municipal programmes to rebate, in the form of grants, the incremental property taxes set by the Province for school purposes attributable to significant restoration work on designated heritage buildings and request the Association of Municipalities of Ontario to support this initiative;
- (16) City Council request the Province to include the restoration and conservation of heritage structures in the proposed Provincial “Superbuild Growth Fund” infrastructure program;
- (17) City Council request the Acting Commissioner of Urban Development Services to report to the Task Force on ways and means to include in the Official Plan and Zoning By-law policies to require development applicants for Official Plan and/or Zoning By-law Amendments to contribute toward a Municipal Revolving Fund for Heritage Preservation to assist in long-term restoration and preservation of designated heritage buildings with registered easements, and tradeable density bonuses, and to report on the administrative arrangements therefore;
- (18) City Council endorse in principle that all entire buildings, designated under the Ontario Heritage Act, that are subject to Heritage Conservation Easements, be taxed without clawbacks as to tax decreases to which they would be entitled were it not for the “cap”; that these buildings be exempted from the clawbacks for the full three years that the “cap” has been in effect; and that the Province of Ontario be requested to provide the requisite legislative and regulatory authority;

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- (19) the Chief Financial Officer and Treasurer report back to the Task Force on the impact of Recommendation No. (18);
- (20) the above recommendations and the report (December 12, 1999) from the Acting Commissioner of Urban Development Services be forwarded to the Association of Municipalities of Ontario and the Federation of Canadian Municipalities for their consideration and support; and
- (21) the City of Toronto give consideration to hosting a one-day conference with other municipalities across Ontario and Canada, perhaps in June, 2000, in London, Ontario at the Annual General Meeting of the Federation of Canadian Municipalities; and that a small committee be formed to report on this matter as soon as possible to the Economic Development and Parks Committee.

The Policy and Finance Committee also had before it the following communications:

- (i) (February 2, 2000) from the Executive Director, Heritage Canada Foundation, expressing support of the recommendations of the Assessment and Tax Policy Task Force respecting the report (December 12, 1999) from the Acting Commissioner of Urban Development Services, entitled "Municipal, Provincial And Federal Tax Incentives For Heritage Conservation" and stating that he would be happy to appear before the Policy and Finance Committee to assist the Committee in its consideration of this matter;
- (ii) (February 11, 2000) from Mr. Sheldon Godfrey, Barrister and Solicitor, urging the Committee to approve the recommendations of the Assessment and Tax Policy Task Force respecting Municipal, Provincial and Federal Tax Incentives for Heritage Conservation;
- (iii) (February 14, 2000) from Mr. Scott James, Heritage Strategies, expressing strong support for the series of recommendations from the Assessment and Tax Policy Task Force respecting Municipal, Provincial and Federal Tax Incentives for Heritage Conservation;
- (iv) (February 15, 2000) from Mr. Allan Gotlieb, Chairman, Ontario Heritage Foundation, expressing support for the recommendations of the Assessment and Tax Policy Task Force and applauding the action of the Assessment and Tax Policy Task Force in adopting the recommendations set out in the staff report;
- (v) (February 16, 2000) from Ms. Judith Forrestal, Site Office Manager, Citizens for the Old Town, on behalf of a community group dedicated to historical preservation and economic development in the Old Town of York, expressing support for the recommendations of the Assessment and Tax Policy Task Force as these recommendations represent crucial steps in stimulating the restoration of what remains of Toronto's heritage buildings;

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- (vi) (February 14, 2000) from Mr. John Ridout, President, and Ms. Louise Bridge, Secretary, Town of York Historical Society, advising that the Board of Directors of the Town of York Historical Society on February 14, 2000, unanimously decided to strongly urge the Policy and Finance Committee to adopt the recommendations of the Assessment and Tax Policy Task Force and commending staff and the Task Force for these remarkable recommendations;
- (vii) (February 16, 2000) from Mr. Robert E. Saunders, President, Community Heritage Ontario, expressing support for the recommendations of the Assessment and Tax Policy Task Force and applauding the efforts of the City of Toronto to obtain a tax regime at all levels of government which is supportive of the preservation of our heritage;
- (viii) (February 15, 2000) from Mr. Gene Domagala, President, Beach Heritage Association, advising that the Association fully endorses and support the recommendations of the Assessment and Tax Policy Task Force; and
- (ix) (February 15, 2000) from Mr. David Walsh, President, Harbourn town Heritage Group, urging the Policy and Finance Committee to support the recommendations of the Assessment and Tax Policy Task Force since the current tax system makes it difficult to undertake major work to preserve historic structures.

The following persons appeared before the Policy and Finance Committee in connection with the foregoing matter:

- Mr. Terry Russell;
- Mr. William Greer, The Toronto Preservation Board;
- Mr. Robert Leverty, The Ontario Historical Society, and filed a written submission in regard thereto;
- Mr. Stephen A. Otto;
- Mr. Alex Grenzebach, North York LACAC; and
- Mr. Michael McClelland, OAA, RAIC, E.R.A. Architects Inc., and filed a written submission in regard thereto; and
- Ms. Catherine Nasmith, Chair, Toronto Preservation Board.

The following Members of Council also appeared before the Policy and Finance Committee in connection with the foregoing matter:

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- Councillor John Adams, Midtown; and
- Councillor Ila Bossons, Midtown.
- A. Councillor Rae moved that the Policy and Finance Committee recommend to Council:
 - (1) the adoption of the Recommendations of the Assessment and Tax Policy Task Force embodied in the communication (January 31, 2000) from the City Clerk, subject to striking out and referring Recommendations Nos. (8), (18) and (19) to the Chief Financial Officer and Treasurer for report thereon to the Business Reference Group and the Policy and Finance Committee; and
 - (2) that all references to “Heritage Toronto” in the aforementioned recommendations and the report (December 12, 1999) from the Acting Commissioner of Urban Development Services, be replaced with the “Toronto Preservation Board”. **(Carried)**
- B. Councillor Rae moved, on behalf of Councillor Adams, that the foregoing motion A. moved by Councillor Rae be amended to provide that:
 - (1) Recommendations Nos. (9), (11), (12), (13), (14), (15), and (16) be amended to identify the specific Federal Provincial government department responsible; and
 - (2) Recommendation No. (5) be amended by inserting before the words “The City Solicitor” the words “subsequent to Council approval of the report requested in Recommendation No. (4) above”. **(Carried)**

The decision of the Policy and Finance Committee therefore is as follows:

The Policy and Finance Committee recommended to Council:

- (I) the adoption of the Recommendations of the Assessment and Tax Policy Task Force embodied in the communication (January 31, 2000) from the City Clerk, subject to:
 - (A) amending Recommendation No. (5) by inserting before the words “The City Solicitor” the words “subsequent to Council approval of the report requested in Recommendation No. (4) above”;

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- (B) striking out and referring the following Recommendations Nos. (8), (18) and (19) to the Chief Financial Officer and Treasurer for report thereon to the Business Reference Group and the Policy and Finance Committee:
- “(8) City Council endorse, for the consideration of the Business Reference Group, that upon the expiry of the cap on commercial and industrial tax classes in the year 2001, all designated heritage buildings be assessed and taxed under current value assessment and in current use without clawbacks or limitations on tax decreases; and also request the Provincial Government, through the Minister of Finance, to enable this tax policy through any changes to provincial acts and/or regulations;”;
 - “(18) City Council endorse in principle that all entire buildings, designated under the Ontario Heritage Act, that are subject to Heritage Conservation Easements, be taxed without clawbacks as to tax decreases to which they would be entitled were it not for the “cap”; that these buildings be exempted from the clawbacks for the full three years that the “cap” has been in effect; and that the Province of Ontario be requested to provide the requisite legislative and regulatory authority;”;
 - “(19) the Chief Financial Officer and Treasurer report back to the Task Force on the impact of Recommendation No. (18);”;
- (C) amending Recommendations Nos. (9), (11), (12), (13), (14), (15), and (16) to identify the specific Federal Provincial government department responsible; so that the Recommendations now read as follows:
- “(1) City Council endorse as City policy the 10 principles for heritage conservation incentives set out in Appendix A to the report (December 12, 1999) from the Acting Commissioner of Urban Development Services;
 - (2) City Council endorse a heritage tax back grant programme incorporating the principles outlined in the report (December 12, 1999) from the Acting Commissioner of Urban Development Services;
 - (3) City Council endorse the creation of a tax sub-class for heritage buildings with Heritage Easement Agreements, with the intent of reducing the property tax on such buildings;

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- (4) the Commissioners of Economic Development, Culture and Tourism, Urban Development Services and the Chief Financial Officer and Treasurer, in consultation with the Toronto Preservation Board, jointly bring forward to Council a detailed implementation schedule, to begin taking effect in the year 2000, for a heritage tax back grant programme incorporating the principles outlined in this report;
- (5) subsequent to Council approval of the report requested in Recommendation No. (4) above the City Solicitor brings forward an enabling by-law to permit the establishment of a heritage tax back grant programme;
- (6) City Council request the Provincial Government, through the Minister of Finance, to amend Provincial regulations to permit municipalities in Ontario to opt-in to a separate heritage property tax class and amend Provincial legislation to create a sub-class for entire designated heritage buildings that are subject to Heritage Easement Agreements, and allow municipalities to opt-in to this sub-class, and request the Association of Municipalities of Ontario to support this initiative;
- (7) the Commissioners of Economic Development, Culture and Tourism, Urban Development Services and the Chief Financial Officer, in consultation with the Toronto Preservation Board, jointly continue to examine and report on, by May 2000, the creation of a separate heritage property tax class or heritage property sub-classes for whole heritage buildings in their original location that are subject to Heritage Easement Agreements within the City. This report shall make recommendations as to the nature of Provincial legislative and regulatory amendments that would best meet the heritage objectives of the City;
- (8) City Council request the Provincial Government (Minister of Municipal Affairs and Housing and Minister of Citizenship, Culture and Recreation) to enact special legislation to extend to the entire City, demolition controls that require Council approval of a new replacement building prior to issuance of a permit to demolish a designated heritage building;
- (9) City Council endorse the concept of priority processing for all development applications that entail the restoration and conservation of a designated heritage building, and request the Commissioner of Urban Development Services to report directly to

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the Planning and Transportation Committee on the implementation of such a priority processing mechanism;

- (10) City Council request the Government of Canada (Minister of Canadian Heritage) to initiate a long-term ongoing Federal Tax Credit for costs incurred in the rehabilitation of designated heritage buildings and structures; and request the Federation of Canadian Municipalities to support this initiative;
- (11) City Council request the Government of Canada (Minister of Canadian Heritage and Minister of Finance Canada) to initiate a long-term ongoing Goods and Services Tax rebate for the GST paid on goods, material, services and labour in the rehabilitation of designated heritage buildings; and request the Federation of Canadian Municipalities to support this initiative;
- (12) City Council request the Province (Minister of Citizenship, Culture and Recreation, and Minister of Finance) to initiate a long-term Provincial Tax Credit to supplement the recommended federal tax credit, for costs incurred in the substantial rehabilitation of designated heritage buildings; and request the Association of Municipalities of Ontario to support this initiative;
- (13) City Council request the Province (Minister of Citizenship, Culture and Recreation, and Minister of Finance) to initiate a long-term Provincial Sales Tax rebate without caps for PST paid on goods, materials, services and labour in the substantial rehabilitation of designated heritage buildings and request the Association of Municipalities of Ontario to support this initiative;
- (14) City Council request the Province (Minister of Citizenship, Culture and Recreation and the Minister of Finance) to establish a Tax Back Grant Programme to partner municipal programmes to rebate, in the form of grants, the incremental property taxes set by the Province for school purposes attributable to significant restoration work on designated heritage buildings and request the Association of Municipalities of Ontario to support this initiative;
- (15) City Council request the Province (Minister of Finance) to include the restoration and conservation of heritage structures in the proposed Provincial "Superbuild Growth Fund" infrastructure program;
- (16) City Council request the Acting Commissioner of Urban Development Services to report to the Task Force on ways and

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means to include in the Official Plan and Zoning By-law policies to require development applicants for Official Plan and/or Zoning By-law Amendments to contribute toward a Municipal Revolving Fund for Heritage Preservation to assist in long-term restoration and preservation of designated heritage buildings with registered easements, and tradeable density bonuses, and to report on the administrative arrangements therefore;

- (17) the above recommendations and the report (December 12, 1999) from the Acting Commissioner of Urban Development Services be forwarded to the Association of Municipalities of Ontario and the Federation of Canadian Municipalities for their consideration and support; and
 - (18) the City of Toronto give consideration to hosting a one-day conference with other municipalities across Ontario and Canada, perhaps in June, 2000, in London, Ontario at the Annual General Meeting of the Federation of Canadian Municipalities; and that a small committee be formed to report on this matter as soon as possible to the Economic Development and Parks Committee;”;
- (II) that all references to “Heritage Toronto” in the aforementioned recommendations and the report (December 12, 1999) from the Acting Commissioner of Urban Development Services, be replaced with the “Toronto Preservation Board”.

(Clause No. 11 – Report No. 3)

**2-12. Bill 14 – More Tax Cuts for Jobs,
Growth and Prosperity Act, 1999.**

The Policy and Finance Committee had before it the following:

- (i) communication (January 31, 2000) from the City Clerk advising that the Assessment and Tax Policy Task Force on January 25, 2000:
 - (1) recommended that the Province of Ontario be requested to address how the tax rebate program for new construction and improvements for 1998 and 1999 that were subject to the cap after January 1, 1998 but before January 1, 2000 are to be funded especially in a “revenue neutral” taxation system; and
 - (2) requested the Chief Financial Officer and Treasurer to report directly to the Policy and Finance Committee on the estimates on the financial

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implications contained in the report (January 10, 2000) from the Chief Financial Officer and Treasurer; and

- (ii) report (February 8, 2000) from the Chief Financial Officer and Treasurer reporting as requested by the Assessment and Tax Policy Task Force on January 25, 2000, providing information relating to the financial implications on property assessment and taxation legislation amendments contained in Bill 14; advising that with the enactment of Bill, various sections of the Assessment and Municipal Acts will be amended; that Sections 150 and 159 of Bill 14 have an immediate financial impact for the City of Toronto as they amend the method used to calculate taxes for new construction and require a rebate policy for these properties to be established; that staff have estimated a \$20.4 million loss of tax dollars (City share is estimated at \$4.1 million) as a result of rebates for 1998 and 1999 and taxes forgone in 2000 due to new construction; that Section 149 will also have financial implications for the City allowing the City to recover deficits from, and share surpluses with the school board; that it is estimated that \$70 million was lost in tax dollars due to phase-in and capping adjustments in 1999 of which, under the section 149 amendment, approximately \$29 million will be recoverable from the Province/school board; and that for 2000, phase-in and capping adjustments are estimated at \$55 million of which the City share is \$32 million.

On motion by Councillor Jakobek, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Assessment and Tax Policy Task Force embodied in the foregoing communication (January 31, 2000) from the City Clerk.

(Clause No. 12 – Report No. 3)

**2-13. Ewart Angus Homes Inc. (268 Merton Street) –
Request for Assessment Class Transfer.**

The Policy and Finance Committee had before it the following:

- (i) communication (January 31, 2000) from the City Clerk advising that the Assessment and Tax Policy Task Force on January 25, 2000:
- (1) submitted this matter to Council without recommendation; and
 - (2) requested the Chief Financial Officer and Treasurer to report to the Policy and Finance Committee, at its meeting to be held on February 17, 2000, on the request for a transfer to the new rental property class for newly constructed apartment buildings to be taxed at the residential rate, with the

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new class being effective for the 1999 tax year, with respect to Ewart Angus Homes Inc. (268 Merton Street);

- (ii) report (February 14, 2000) from the Chief Financial Officer and Treasurer reporting as requested by the Assessment and Tax Policy Task Force respecting the property located at 268 Merton Street owned by Ewart Angus Homes Inc., and recommending that:
 - (1) the Minister of Finance be requested to amend Section 10 of Ontario Regulation 282/98 to permit the inclusion of the properties at 268 Merton Street and 1387 Bayview Avenue into the new multi-residential class; and
 - (2) that the appropriate civic officials be authorized and directed to take any necessary action to give effect to the foregoing; and
- (iii) communication (February 17, 2000) from Councillor Anne Johnston, North Toronto, advising that she was unable to attend the meeting due to conflicting meetings and requesting that the Policy and Finance Committee request staff to report on a tax credit, in consideration of a Heritage Tax Back Grant Programme.

On motion by Councillor Pantalone, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (February 14, 2000) from the Chief Financial Officer and Treasurer.

(Clause No. 13 – Report No. 3)

2-14. Credit and/or Debit Card Payment Method – Taxes.

The Policy and Finance Committee had before it a communication (January 31, 2000) from the City Clerk advising that the Assessment and Tax Policy Task Force on January 25, 2000, recommended the adoption of the report (January 24, 2000) from the Chief Financial Officer and Treasurer, wherein it was recommended that:

- “(1) the City of Toronto continue to encourage payment of property taxes by debit cards, the pre-authorized tax payment plan and electronic fund transfers; and
- (2) the City of Toronto not approve payments of property taxes by credit cards because of the extra expenditure of \$3.3 million to \$6.7 million that would be created by the fees of credit card companies.”

The Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Assessment and Tax Policy Task Force embodied in the foregoing communication (January 31, 2000) from the City Clerk.

(Clause No. 14 – Report No. 3)

**2-15. Feasibility Study For Early Childhood
Education and Development – Pilot Project.**

The Policy and Finance Committee had before it a communication (February 10, 2000) from the City Clerk advising that the Community Services Committee on February 10, 2000, during its consideration of a report (January 25, 2000) from the Commissioner of Community and Neighbourhood Services respecting the feasibility study for early childhood education and development pilot project, recommended to the Policy and Finance Committee the adoption of the aforementioned report subject to deleting Recommendations Nos. (2) and (3) and inserting in lieu thereof the following new Recommendations Nos. (2) and (3):

- “(2) funding of the City’s \$20,000.00 contribution be found from the funds set aside in the Social Services Reserve Fund for “seamless day pilot programs”, as directed by City Council in its adoption of the 1999 Operating Budget on April 26, 27 and 28, 1999; and
- (3) this report be forwarded to the Policy and Finance Committee for consideration;”.

The Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Community Services Committee embodied in the foregoing communication (February 10, 2000) from the City Clerk.

(Clause No. 15 – Report No. 3)

**2-16. Provincial Homelessness Initiatives
Funding for Eva’s Phoenix.**

The Policy and Finance Committee had before it a communication (February 10, 2000) from the City Clerk advising that the Community Services Committee on February 10, 2000, recommended to the Policy and Finance Committee the adoption of the report (January 28, 2000) from the Commissioner of Community and Neighbourhood Services respecting the Provincial Homelessness Initiatives Funding for Eva’s Phoenix, wherein it is recommended that:

- (1) the Commissioner of Community and Neighbourhood Services be authorized to contract with the Ministry of Community and Social Services in order to receive an additional allocation of \$250,000 through the Provincial Homelessness Initiatives Fund;

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- (2) Council authorize a grant of \$250,000 to Eva's Place for Eva's Phoenix, using the additional provincial contribution;
- (3) the report be forwarded to the Policy and Finance Committee for consideration and to the Budget Advisory Committee secretary for the budget process pending file, in accordance with the Financial Control Protocols adopted by Council; and
- (4) the appropriate City officials be authorized to take the necessary action to give effect thereto.

On motion by Councillor Rae, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Community Services Committee embodied in the foregoing communication (February 10, 2000) from the City Clerk.

(Clause No. 16 – Report No. 3)

2-17. Privatization of Wheel-Trans Services.

The Policy and Finance Committee had before it the following communications:

- (i) (January 14, 2000) from the General Secretary advising that the Toronto Transit Commission, on January 12, 2000, during its consideration of a report (January 12, 2000) entitled "Privatization of Wheel-Trans Services", adopted the following recommendation:

"It is recommended the Commission inform Council that another assessment regarding the further privatization of Wheel-Trans services is inappropriate and an unnecessary expense."; and

forwarded the foregoing action to the to City of Toronto Council through the Policy and Finance Committee for information; and

- (ii) (January 24, 2000) from Susanne, Debora and Robert Thomas expressing concerns respecting the privatization of wheel-trans services.

On motion by Councillor Chong, the Policy and Finance Committee recommended to Council that the foregoing communication (January 14, 2000) from the General Secretary, Toronto Transit Commission, be received.

(Clause No. 19– Report No. 3)

**2-18. Toronto District Heating Corporation
Shareholder Approvals.**

The Policy and Finance Committee had before it a report (February 7, 2000) from the Chief Administrative Officer recommending that:

- (1) the attached corporate By-law No. 1 of the Toronto District Heating Corporation be approved by Council as shareholder;
- (2) the TDHC report concerning a change of the corporate name of the Toronto District Heating Corporation be transmitted by the Chief Administrative Officer directly to Council for consideration in camera at its meeting of February 29, 2000; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of Recommendations Nos. (1) and (3) embodied in the foregoing report (February 7, 2000) from the Chief Administrative Officer; and reported having concurred with Recommendation No. (2) embodied therein.

(Chief Administrative Officer – February 21, 2000)

(Clause No. 17 – Report No. 3)

**2-19. Year 2000 Priority One Business Functions
Status Report – January 2000.**

The Policy and Finance Committee had before it a report (February 3, 2000) from the Chief Financial Officer and Treasurer submitting the following information as requested by Council at its November 1998 meeting:

- (a) Status report of each Priority One business function (January 31, 2000);
- (b) Status report on the ABC=s and their state of readiness;
- (c) Status report on expenditures for Priority 1 Year 2000 functions (January 31, 2000); and

(d) Change requests;

and recommending that this report be received for information.

The Policy and Finance Committee received the foregoing report (February 3, 2000) from the Chief Financial Officer and Treasurer; and directed that such report be forwarded to Council for information.

(Clause No. 20 – Report No. 3)

**2-20. Feasibility of Transferring Information
and Technology from the Corporate Services
Department to the Finance Department.**

The Policy and Finance Committee had before it a report (January 21, 2000) from the Chief Administrative Officer responding to a request from the Budget Advisory Committee respecting the feasibility of transferring Information and Technology from the Corporate Services Department to the Finance Department; providing information as to why a transfer should not take place at this point in time; and that advising that such a review is planned for the next term of Council.

A. Councillor Jakobek moved that:

- (1) the foregoing report be received; and
- (2) the Chief Administrative Officer be requested to determine how the Corporate Services portfolio can be made more manageable. **(Carried)**

B. Councillor Kelly moved that Part (2) of the foregoing motion A. moved by Councillor Jakobek be amended by adding thereto the words “and undertake an analysis of the whole Administrative organization and make recommendations with regard thereto.” **(Carried)**

(Chief Administrative Officer – February 21, 2000)

(Clause No. 21(c) – Report No. 3)

2-21. City Power Purchase in the Competitive Market.

The Policy and Finance Committee had before it the following:

- (i) confidential report (February 3, 2000) from the Chief Administrative Officer respecting City Power Purchase in the Competitive Market; and
- (ii) confidential memorandum (February 14, 2000) from Councillor Jack Layton, Don River, respecting the foregoing matter.

Councillor Howard Moscoe, North York Spadina, appeared before the Policy and Finance Committee in connection with the foregoing matter.

The Policy and Finance Committee:

- (1) recommended to Council the adoption of the Recommendations of the Policy and Finance Committee embodied in the confidential communication (February 17, 2000) from the City Clerk respecting the City Power Purchase in the Competitive Market, which was forwarded to Members of Council under confidential cover; and
- (2) referred a motion moved by Councillor Betty Disero on behalf of Councillor Howard Moscoe, to the Chief Administrative Officer for report thereon directly to Council for its meeting scheduled to be held on February 29, 2000; and requested the Chief Administrative Officer to submit a further report to the aforementioned meeting of Council respecting this matter.

(City Council; Ms. Nancy Autton, Senior Corporate Management and Policy Consultant, Chief Administrator's Office – Confidential - February 21, 2000)

(Clause No. 6 – Report No. 3)

2-22. The Establishment of Tax Ratios for 2000.

The Policy and Finance Committee had before it a report (February 10, 2000) from the Chief Financial Officer and Treasurer providing authority for Council to pass a by-law to establish tax ratios for property classes in the City of Toronto for the year 2000; advising that the statutory deadline to pass a by-law is March 15; and recommending that:

- (1) the tax ratios of the property classes included in Appendix A of this report be adopted for the City of Toronto for 2000; and

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- (2) authority be granted for the introduction of the necessary bill in Council, in the form, or substantially in the form, of the draft by-law attached hereto as Appendix C.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report.

(Clause No. 5 – Report No. 3)

2-23. Development of a Request for Expression of Interest (EOI) for Telecommunications Use and/or Build of City Infrastructure.

The Policy and Finance Committee had before it a report (February 16, 2000) from the Chief Administrative Officer recommending that:

- (1) the Chief Administrative Officer be directed to take the necessary steps to develop a Request for Expression of Interest to test the marketplace for the best methods and ideas for a telecom facility use/build business partnership with the City;
- (2) the Chief Administrative Officer ascertain the extent of City rights-of-way and available spaces, current uses and potential internal “partnerships” to inform the development of an EOI; and
- (3) the appropriate City Officials be authorised and directed to take the necessary action to give effect thereto.

On motion by Councillor Disero, the Policy and Finance Committee recommended to Council the adoption of the report (February 16, 2000) from the Chief Administrative Officer, subject to amending Recommendation No. (1) by inserting after the word “Officer” the words “in consultation with the Chief Executive Officer of Toronto Hydro” so that Recommendation No. (1) now reads as follows:

- “(1) the Chief Administrative Officer, in consultation with the Chief Executive Officer of Toronto Hydro, be directed to take the necessary steps to develop a Request for Expression of Interest to test the marketplace for the best methods and ideas for a telecom facility use/build business partnership with the City.”

(Clause No. 8 – Report No. 3)

**2-24. Budget Advisory Committee Meeting
Monday February 21, 2000.**

On motion by Councillor Jakobek, the Members of the Policy and Finance Committee were requested to attend the meeting of the Budget Advisory Committee scheduled to be held on Monday February 21, at 2:00 p.m. to hear a presentation from the Chief Administrative Officer and the Chief Financial Officer and Treasurer respecting the 2000 Operating Budget.

(Members of the Policy and Finance Committee; c: Administrator, Budget Advisory Committee – February 21, 2000)

(Clause No. 21(d) – Report No. 3)

The Committee adjourned its meeting at 11:40 a.m.

Chair.