

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Budget Advisory Committee

Meeting No. 8

Friday, March 2, 2001

The Budget Advisory Committee met on Friday, March 2, 2001, in Committee Room No. 2, City Hall, Toronto, commencing at 10:43 a.m.

Attendance

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

	10:43 a.m. to 1:06 p.m.
Councillor David Shiner, Chair	X
Councillor Paul Sutherland, Vice Chair	X
Councillor Olivia Chow	X
Councillor Ron Moeser	X
Councillor Joe Pantalone	X
Councillor Jane Pitfield	X
Councillor David Soknacki	X

Also Present:

Councillor John Filion	Councillor Denzil Minnan-Wong
Councillor Anne Johnston	Councillor Michael Prue

8.1 2001 Capital Program and 2001 Operating Budget

Toronto Library Board - 2001 Capital Program and 2001 Operating Budget.

The Budget Advisory Committee had before it the following reports:

- (a) (January 22, 2001) from the Budget Services Division, recommending that:
 - (1) the 2001 to 2005 recommended capital program of the Toronto Public Library consisting of 30 new projects with a total project cost of \$102.1 million with cash flow commitments of \$5.7 million in 2001, with commitments of \$14.9 million in 2002, \$18.1 million in 2003, \$17.5 million in 2004 and \$20.6 million in 2005 as outlined in Appendix "B", be approved;
 - (2) new debt service costs as outlined in Appendix "A", totalling \$11.05 million resulting from the approval of 2001 to 2005 recommended capital program with revised impacts of \$0.18 million in 2001, \$1.06 million in 2002, \$2.03 million in 2003, \$2.27 million in 2004 and \$2.41 million in 2005 and \$3.1 million in 2006 be approved for inclusion in the 2001 and future operating budgets;
 - (3) new operating budget costs, as outlined in Appendix "A", totalling \$0.189 million by 2005 resulting from the approval of the 2001 to 2005 recommended capital program with incremental operating budget impacts of \$0.02 million in 2002, \$0 in 2003, \$0.097 million in 2004 and \$0.072 million in 2005, be approved for inclusion in the 2001 and future operating budgets;
 - (4) for the purpose of establishing a spending control, the recommended 2001 to 2005 capital program of Toronto Public Library, with a total cash flow of \$88.4 million; \$76.8 million for new projects and \$11.6 million for previously approved projects, as outlined in Appendix "D", be approved; and
 - (5) that four previously approved projects of 1998 and 1999 capital program, as outlined in Appendix "E", be closed;

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- (b) (January 25, 2001) from the Budget Services Division, recommending that:
- (1) the 2001 recommended Operating Budget of \$120.837 million gross and \$108.339 million net, comprised of the following services, be approved:

Service	Gross (\$000s)	Net (000s)
Library Administration	4,045.7	3,745.7
Library Services	116,791.2	104,593.5
Total Program Budget	120,836.9	108,339.2

- (2) the Budget Advisory Committee review and recommend a list of service level adjustments options totalling \$4.514 million in 2001; and
- (c) (February 28, 2001) from the City Librarian, responding to a request from the Budget Advisory Committee at its meeting held on February 9, 2001, to advise the Budget Advisory Committee of the breakdown of costs between the Malvern Library component and the theatre component of the project, and the cost per square foot to operate the current library versus the projected cost once renovated; and recommending that this report be received for information.

Ms. Josephine Bryant, City Librarian, addressed the Budget Advisory Committee and answered Members' questions.

- A. Councillor Sutherland moved that the Commissioner of Community and Neighbourhood Services and the City Librarian be requested to report to the Budget Advisory Committee for the wrap up meetings:
- (1) on the potential for raising money through Development Charges on new construction projects across the City which could lead to new and efficient libraries on these sites;
- (2) providing a review of Capital projects with a view to deferring projects wherever possible; and
- (3) providing a prioritized list of capital projects and the "State of Good Repair" budget.

(Carried)

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- B. Councillor Pantalone moved that the Commissioner of Community and Neighbourhood Services and the City Librarian be requested to report to the Budget Advisory Committee for the wrap up meetings on the theatre portion of the Malvern Library expansion with regard to the overall increase in the operating budget pressure, especially if the debt charges were to be charged back to the Library Board for the theatre portion.

(Carried)

- C. Councillor Chow moved that the Commissioner of Community and Neighbourhood Services and the City Librarian be requested to report to the Budget Advisory Committee for the wrap up meetings:

- (1) re-examining the criteria used to determine how hours of service are reduced and providing a list of the 26 branches that have the lowest number of visitors that are not in “high needs” areas;
- (2) on the establishment of the “Teen Zone”, its benefits and costs and the possibility of seeking external funding sources;
- (3) on the expansion of the “Leading to Reading” program in the summer and after school, its benefits and costs and the possibility of seeking external funding sources;
- (4) on the Bookmobile being funded from the Vehicle Replacement Reserve account; and
- (5) examining as to whether the City’s Information and Technology Division can assist or absorb some of the work that has been done by the Toronto Public Library.

(Carried)

- D. Councillor Moeser moved that the Commissioner of Community and Neighbourhood Services and the City Librarian be requested to report to the Budget Advisory Committee for the wrap up meetings providing an update on the impact of renegotiation of contracts and how the City can best deliver front line services.

(Carried)

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- E. Councillor Pitfield moved that the Chief Financial Officer and Treasurer and the City Librarian be requested to report on a plan to promote bequests to be dedicated by residents of the City of Toronto for Libraries or other City programs and providing a means of recognition for those individuals.

(Carried)

Councillor Shiner appointed Councillor Sutherland Acting Chair and vacated the Chair.

- F. Councillor Shiner moved that:

- (1) the Commissioner of Community and Neighbourhood Services and the City Librarian be requested to report to the Budget Advisory Committee for the wrap up meetings:
 - (a) on the fleet costs for the Library, to include where the fleet is being serviced, savings, reductions or increases in fleet costs over the last three years;
 - (b) on what overtime costs are, if any;
 - (c) on all consultants costs;
 - (d) on cell phone and pager costs;
 - (e) on travel expenditures, conferences for Board Members or staff;
 - (f) on a funding scenario at the 2000 level, plus the Library Board increase for pay equity and a cost of living increase;
 - (g) providing a list per program of the 2001 FTE impact from capital projects approved in 2001 and for prior years' projects that have not broken ground yet; and
- (2) the Chief Financial Officer and Treasurer and the Chief Librarian be requested to prepare a comparison of the work of the Library Foundation to the Toronto Zoo Foundation and all other foundations that may be working on behalf of the City.

(Carried)

Councillor Shiner resumed the Chair.

(Commissioner of Community and Neighbourhood Services; Chief Financial Officer and Treasurer; City Librarian; c. Chief Administrative Officer - March 2, 2001)

8.2 Theatres - 2001 Operating Budget

The Budget Advisory Committee had before it the following reports:

(a) (February 5, 2001) from the Budget Services Division, recommending that:

(1) the 2001 Recommended Operating Budget for the Theatres program of \$14.635 million gross and \$2.971 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Hummingbird Centre for the Performing Arts	9,022.9	0.0
St. Lawrence Centre for the Arts	2,023.1	1,130.9
Toronto Centre for the Arts	3,588.8	1,839.8
Total Program Budget	14,634.8	2,970.7

(2) the Commissioner of Economic Development, Culture and Tourism, in consultation with the Hummingbird Performing Arts Centre Corporation, be requested to provide the report requested during the 2000 Operating Budget process to the Economic Development and Parks Committee on the status of the lease negotiations for the Hummingbird Centre for the Performing Arts, prior to the end of June 2001; and

(3) the General Manager of the St. Lawrence Centre for the Arts be requested to report on a detailed plan for the use of its Capital Improvement Fund during the period 2001 to 2004, as requested during the 2000 Operating Budget process, to the Budget Advisory Committee, prior to the end of March 2001;

(b) (February 22, 2001) from the Commissioner of Economic Development, Culture and Tourism, providing information on the proposed Malvern Community Theatre study; and recommending that this report be received for information; and

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- (c) confidential (February 22, 2001) from the Commissioner of Economic Development, Culture and Tourism, providing information on the ownership of the Toronto Centre for the Arts and the legal issues relating to any divestiture; and recommending that this report be received.

The following persons addressed the Budget Advisory Committee and answered Members' questions:

- Mr. David Wallett, General Manager, St. Lawrence Centre for the Arts;
- Ms. Elizabeth Bradley, General Manager and Chief Executive Officer, Hummingbird Centre for the Performing Arts; and
- Mr. Stan Shortt, Executive Manager, Toronto Centre for the Arts.

On motion by Councillor Pantalone, the Budget Advisory Committee:

- (1) recommended flatlining the base budget plus three percent; and
- (2) requested the Chief Administrative Officer to report to the March 19, 2001 wrap up meetings on the status of the review of the theatres.

(Chief Administrative Officer; c. Chief Financial Officer and Treasurer - March 2, 2001)

8.3 Arena Boards of Management

The Budget Advisory Committee had before it a report (February 23, 2001) from the Budget Services Division recommending that:

- (1) the 2001 Recommended Operating Budget for the Arena Boards of Management program of \$4.494 million gross and \$0.177 million net, comprised of the following services, be approved:

Arena:	Gross (\$000s)	Net (\$000s)
George Bell Arena	373.1	14.6
Bill Bolton	572.5	(2.2)
Forest Hill	640.2	(86.2)
Leaside	769.8	272.7
McCormick	494.0	18.4
Moss Park	525.0	(21.4)
North Toronto	622.6	(18.1)
Ted Reeve	496.2	(0.9)
Total Program Budget	4,493.4	176.9

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- (2) the operating budget implications for Ted Reeve Arena of the conversion of the outdoor rink at East Toronto Athletic Field be reviewed by the Chief Financial Officer and Treasurer prior to these agreements being signed; and
- (3) the review of the governance of agencies, boards and commissions being undertaken by the Chief Administrator's Office address the following matters, in consultation with the Chief Financial Officer and Treasurer, prior to recommendations being brought forward:
 - (i) operating budget implications of alternative arena governance structures;
 - (ii) revenue impacts of alternate ice rental pricing structures and ice time allocation policies; and
 - (iii) financial and procedural implications of alternate capital funding models to achieve consistent treatment of capital expenditures.

On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) requested the Arena Boards of Management to report to the Budget Advisory Committee by March 19, 2001, on:
 - (a) how they could further assist the City of Toronto in meeting its financial shortfall; and
 - (b) review and resubmit their performance statements as part of the foregoing request;
- (2) requested that relevant staff brief Budget Advisory Committee Members with respect to Arena Boards of Management prior to the Budget Advisory Committee's final deliberations;
- (3) requested the Chief Financial Officer and Treasurer, in consultation with the City Solicitor, the Chief Administrative Officer and the Commissioner of Economic Development, Culture and Tourism, to report on what can be done to establish common agreements, financial reporting and financial arrangements; the said agreements and arrangements to take account of the community investment and the individual circumstances of each facility; and

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- (4) requested the City Solicitor, in consultation with the Chief Administrative Officer and the Chief Financial Officer and Treasurer, to report to the Policy and Finance Committee on the appropriateness of an education session for Members of Council in their roles and financial responsibilities while sitting on the agencies, boards and commissions of the City.

(Arena Boards of Management; Chief Financial Officer and Treasurer; City Solicitor; c. Members, Budget Advisory Committee; Chief Administrative Officer; Commissioner of Economic Development, Culture and Tourism; Committee Administrator, Policy and Finance Committee)

The Budget Advisory Committee adjourned its meeting at 1:06 p.m.

Chair