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**POLICY AND FINANCE COMMITTEE****AGENDA**

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|-------------------------|------------------------------------|-----------------|-----------------------------------|
| <b>Date of Meeting:</b> | <b>Thursday, February 21, 2002</b> | <b>Enquiry:</b> | <b>Patsy Morris</b>               |
| <b>Time:</b>            | <b>9:30 a.m.</b>                   |                 | <b>Administrator</b>              |
| <b>Location:</b>        | <b>Committee Room 1</b>            |                 | <b>(416) 392-9151</b>             |
|                         | <b>City Hall</b>                   |                 | <b>pmorris@city.toronto.on.ca</b> |
|                         | <b>100 Queen Street West</b>       |                 |                                   |
|                         | <b>Toronto</b>                     |                 |                                   |

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**DECLARATIONS OF INTEREST PURSUANT TO  
THE MUNICIPAL CONFLICT OF INTEREST ACT.****COMMUNICATIONS/REPORTS:****1. CITY OF TORONTO 2002-2006 RECOMMENDED CAPITAL BUDGET AND PROGRAM.**

**(NOTE: THE CORPORATE REPORT FROM THE CHIEF FINANCIAL OFFICER AND TREASURER RESPECTING THE 2002-2006 RECOMMENDED CAPITAL BUDGET AND THE RECOMMENDATIONS OF THE BUDGET ADVISORY COMMITTEE FROM ITS MEETING ON FEBRUARY 19, 2002, WILL BE DISTRIBUTED PRIOR TO THE MEETING.)**

**1(a). City Clerk.**  
(February 12, 2002)

Advising that the Budget Advisory Committee on January 28, February 1, 4, 5, 6, 7, 11 and 12, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the following reports listed in Appendix 1, such reports having been incorporated in the recommendations from the Chief Financial Officer and Treasurer respecting the City of Toronto 2002 Recommended Capital Budget:

- (i) (January 28, 2002) from the Chief Administrative Officer and the Commissioner of Corporate Services, entitled “Expedited Process for Declaring Land Surplus and Selling Surplus Land”;
- (ii) (January 25, 2002) from the City Clerk, entitled “Road Access and Disruption Management System”;
- (iii) (February 10, 2002) from the Commissioner of Urban Development Services, entitled “Urban Development Services 2002 Capital Budget Submission”; and
- (iv) (February 11, 2002) from the Commissioner of Urban Development Services, entitled “The Relocation of Eva’s Phoenix and Police Service Facilities as a Result of the Front Street Extension (Trinity-Spadina)”.

**1(b). APPROVAL FOR INCREASED EXPENDITURE OF RESERVE FUNDS FOR OPERA PLACE PARK DEVELOPMENT PROGRAM - TORONTO CENTRE-ROSEDALE - WARD 27**

Commissioner of Economic Development, Culture and Tourism  
and the Chief Financial Officer and Treasurer.  
(February 15, 2002)

Recommending that:

- (1) approval be given to transfer \$290,000 from the East of Bay Opera Place Park Reserve Fund XR2057 and deposit the additional \$150,000 for the public art component to the East of Bay Capital Account CPR 103-26 for a total of \$440,000;
- (2) the Parks and Recreation Capital Budget for the East of Bay Capital Project CPR 103-26 be adjusted by \$440,000 gross and zero net for the additional East of Bay Reserve and UDS Section 37 funds to \$840,000 gross and zero net and;
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**1(c). DANFORTH BY THE VALLEY BIA – YEAR 2002 BIA CAPITAL COST-SARING REQUEST.**

Mr. David Cunningham, Chair Danforth by the Valley BIA.  
(February 17, 2002)

Requesting the Policy and Finance Committee to give favourable consideration to the Danforth by the Valley BIA’s request that the City approve a year 2002 BIA Capital

Cost-Sharing request of \$62,000 representing equal shares of \$31,000 from both the City and the BIA.

**1(d). CAPITAL PROJECTS BUDGET.**

Chairperson, Lakeshore Village BIA.  
(February 17, 2002)

Registering concern that the Capital Projects Budget was not approved and that the whole program is in the process of being cut; and strongly recommending that that the programs remain.

**1(e). FISCAL SUSTAINABILITY PRINCIPLES AND FINANCIAL PRIORITY SETTING.**

City Clerk  
(December 10, 2001)

Forwarding Clause No. 1 contained in Report No. 16 of The Policy and Finance Committee, headed "Fiscal Sustainability Principles and Financial Priority Setting", which was adopted, without amendment, by the Council of the City of Toronto at its meeting held on December 4, 5 and 6, 2001; and advising that in adopting the Clause, Council referred the:

- (1) fiscal principles to the Budget Advisory Committee, the Standing Committees, the Chief Administrative Officer and the Acting Chief Financial Officer, as guidelines for use in responding to the City's fiscal issues and financial pressures; and
- (2) Priority Setting to the Standing Committees and Budget Advisory Committee for use in assessing service level changes for City programs and setting financial priorities for the City.

**2. CITY OF TORONTO 2002 RECOMMENDED OPERATING BUDGET.**

**(NOTE: THE CORPORATE REPORT FROM THE CHIEF FINANCIAL OFFICER AND TREASURER RESPECTING THE 2002 RECOMMENDED OPERATING BUDGET AND THE RECOMMENDATIONS OF THE BUDGET ADVISORY COMMITTEE FROM ITS MEETING ON FEBRUARY 19, 2002, WILL BE DISTRIBUTED PRIOR TO THE MEETING.)**

**2(a).** City Clerk.  
(February 12, 2002)

Advising that the Budget Advisory Committee on January 28, February 1, 4, 5, 6, 7, 11 and 12, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the following reports listed in Appendix 1(a), such reports having been incorporated in the recommendations from the Chief Financial Officer and Treasurer respecting the City of Toronto 2002 Recommended Operating Budget:

- (i) (January 29, 2002) from the Commissioner of Corporate Services, entitled “Civic Centres Hours of Operating”;
- (ii) (February 6, 2002) from the Commissioner of Corporate Services, entitled “Report Regarding the Costs Associated with Providing Information and Technology Support to the City’s Association of Community Centres, Including Various Support Options”;
- (iii) (February 5, 2002) from the Chief Administrative Officer, entitled “Efficiency Incentive Fund”;
- (iv) (January 25, 2002) from the City Clerk, entitled “Commercial Eligibility Harmonization and Proposed Commercial Collection Services Fees for Municipal Collection”;
- (v) (January 25, 2002) from the City Clerk, entitled “Increase in Boulevard Café, Marketing and Vending Fees”;
- (vi) (January 29, 2002) from the City Clerk, entitled “Proposed Amendments to the Building Permit By-law No. 163-1998”;
- (vii) (January 29, 2002) from the City Clerk, entitled “Urban Development Services’ 2002 Operating Budget: Increase in Fees for Committee of Adjustment and Community Planning Applications”;
- (viii) (January 29, 2002) from the Commissioner of Urban Development Services, entitled “Results of the Expressions of Interest and Staffing Options for the Development of a Harmonized City-wide Sign By-law”;
- (ix) (October 18, 2001) from the City Clerk, entitled “Revised Rates for Indigent Funerals”; and
- (x) (February 4, 2002) from the City Clerk, entitled “550 Bayview Avenue (Don Valley Brick Works)”.

**2(b). ENGAGEMENT OF EXTERNAL INVESTMENT PORTFOLIO MANAGERS ON BEHALF OF THE TORONTO ATMOSPHERIC FUND.**

Chief Financial Officer and Treasurer.

(February 18, 2002)

Recommending that:

- (1) the Chief Financial Officer and Treasurer be authorized to engage the services of two external fund managers for TAF's portfolio, Philips Hager & North and YMG Management Inc. for a term of three years with management fees to be paid at the rates as set out in this report;
- (2) the Chief Financial Officer and Treasurer be authorized to set up custodial accounts in the name of the City of Toronto on behalf of TAF at Royal Trust for Philips Hager & North and YMG Management Inc. and to transfer up to \$26.5 million in TAF's portfolio to the accounts, apportioned between the two managers in consultation with TAF's Investment Committee;
- (3) the Chief Financial Officer and Treasurer be authorized to direct Philips Hager & North and YMG Management Inc. to invest the funds in accordance with TAF's "Statement of Investment Objectives, Policies and Procedures" dated November 23, 1999 and any subsequent amendments to the Statement to be approved by TAF's Board and City Council, to the full extent permitted under the Toronto Atmospheric Act and the pre-1999 Trustee Act until the TAF Act is amended by the Province;
- (4) the TAF Board reports to Council annually through the annual budgeting process on the performance of the investment managers during the previous year; and
- (5) the City be authorized to terminate the external fund managers' agreements and request an accounting with sixty days notice if it is deemed to be in the best interest of the City and TAF.

**2(c). MANAGING THE USE OF CONSULTANTS.**

Chief Administrative Officer.

(February 18, 2002)

Advising that on February 11, 2002, the Budget Advisory Committee recommended that all consulting fees in the 2002 budget be subject to review and approval by the Chief Administrative Officer and the Chief Administrative Officer be requested to report to the Policy and Finance Committee quarterly on the budget, expenditures and variances for consultants and the recommended method of monitoring same; that this request broadens the scope of contracts to be reviewed and approved by the Chief Administrative Officer

from that previously approved by Council; that earlier in November 2001, the Chief Administrative Officer had presented a report to the Audit Committee on a policy and implementation plan for the management of consultants; that this report and additional recommendations made by the Audit Committee, were approved by Council at its meeting of December 3-5, 2001; that in conjunction with the recommendations contained in and arising from the Chief Administrative Officer's November 2001 report on a policy for the management of consultants, a detailed implementation plan was also developed and approved; that the Chief Administrative Officer will be reporting quarterly to the Audit Committee commencing in April 2002 with regard to the implementation of these recommendations; and recommending that this report be received as information.

**2(d). 2002 ANNUAL SINKING FUND LEVIES AND ACTIVITY DURING 2001.**

Chief Financial Officer and Treasurer.

(February 5, 2002)

Requesting Council's approval for payment of the annual sinking fund levies for 2002 to fulfill the legislative requirements of the Municipal Act and the City of Toronto Act, 1997 (No. 2) and to inform Council of the activities of the Fund during the year 2001; and recommending that:

- (1) the 2002 sinking fund levies, as detailed in this report, be approved; and
- (2) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.

**2(e). WASTE MANAGEMENT FEES FOR AGENCIES, BOARDS, COMMISSIONS, DEPARTMENTS AND SCHOOLS, WASTE DIVERSION TASK FORCE 2010.**

City Clerk.

(February 13, 2002)

Advising that the Works Committee at its special meeting on February 13, 2002, recommended to the Policy and Finance Committee the adoption of the report dated February 4, 2002, from the Commissioner of Works and Emergency Services respecting waste management fees for Agencies, Boards, Commissions, Departments and schools, wherein it is recommended that:

- (1) effective January 1, 2002, the Solid Waste Management Services Division charge schools and Agencies, Boards, Commissions and Departments solid waste management fees, as contained in Schedule 4 of this report and subject to an annual review, for the collection, transfer and disposal of solid waste;

- (2) effective January 1, 2002, Registered Charities, being organizations that often divert large amounts of waste through their day to day operations, be exempted from these fees, with the requirement that they must apply for the free exemption on an annual basis, including the submission of a three-year waste reduction plan;
- (3) each Agency, Board, Commission and Department and school be provided with the collection of Blue and Grey Box recyclables and yard waste at “no charge” for at least five years, effective January 1, 2002, as long as they continue to receive waste collection and disposal from the Solid Waste Management Services Division and not a private contractor;
- (4) each Agency, Board, Commission and Department’s Operating Budget be increased by the amounts shown in Schedules 1 and 2 of this report so that funds are available to provide for payment of the new solid waste management fees;
- (5) the January 1, 2002, due date for the submission of waste diversion plans by Agencies, Boards, Commissions, Departments and charities, as adopted by City Council at its October 1, 2 and 3, 2001 meeting, be extended to May 1, 2002, and that, as with Agencies, Boards, Commissions and Departments, charities be required to meet, as a minimum, the City’s waste diversion targets;
- (6) as with Agencies, Boards, Commissions and Departments and charities, schools also be required to submit a waste diversion plan by May 1, 2002, to the Commissioner of Works and Emergency Services, with the goal of meeting, as a minimum, the City’s waste diversion targets of 30 percent by 2003, 60 percent by 2006 and 100 percent by 2010, as a requirement for receiving solid waste management services from the Solid Waste Management Services Division;
- (7) the gross expenditure of the Solid Waste Management Services Division’s 2002 Operating Budget be increased by \$80,000 to cover the cost of producing bag tags and the hiring of three casual students to assist with waste audits and the implementation of the waste diversion plans; and
- (8) 2002 be used as a “base” year, and the estimated weight of waste stated in this report be substituted with the actual weight of waste managed in 2002 for calculating the total solid waste management fee expenditures for each Agency, Board, Commission and Department in the 2003 budget year.

**2(f). TORONTO PUBLIC HEALTH REVIEW OF CORPORATE CHARGES.**

Communication addressed to the Budget Advisory  
Committee from the Secretary, Board of Health.  
 (January 29, 2002)

Advising that the Board of Health on January 28, 2002, recommended to the Budget Advisory Committee that it consider using the corporate charges allocated to Toronto Public Health to fund the unfounded portions in the 2002 Toronto Public Health Budget.

**2(g). FUNDING ANNOUNCEMENTS FOR THE EARLY YEARS PROJECT AND HEALTHY BABIES, HEALTHY CHILDREN PROGRAM.**

Communication addressed to the Budget Advisory  
Committee from the Secretary, Board of Health.  
 (January 29, 2002)

Advising that the Board of Health on January 28, 2002, submitted the report (January 15, 2002) from the Medical Officer of Health regarding funding announcements for the Early Years Project and Healthy Babies, Healthy Children Program, to the Budget Advisory Committee for consideration, wherein it is recommended that:

- (1) the Board of Health authorize the Chair of the Board and the Medical Officer of Health to sign the service contracts with the Ministry of Health and Long Term Care and the Ministry of Community and Social Services that are required to initiate the flow of funds;
- (2) Toronto Public Health staff proceed to implement program planning, implementation and evaluation for the newly funded Early Years Project initiatives and the french language service enhancement of the Healthy Babies, Healthy Children program;
- (3) the 2002 Operating Budget for Public Health be amended to include funding for 5 new programs approved for 100% provincial funding as follows:
  - (a) Injury and Family Abuse Prevention for \$261,000 gross/\$0 net (2.0 FTE);
  - (b) Healthy Pregnancy and Child Development for \$172,400 gross/\$0 net (2.0 FTE);
  - (c) Perinatal and Child Health Survey Strategies for \$135,714 gross/\$0 net (1.0 FTE);
  - (d) Support for At-Risk Pregnant Women for \$70,000 gross/\$0 net (1.0 FTE);



- (e) French Language Services, Healthy Babies, Healthy Children for \$194,126 gross/\$0 net (3.0 FTE);
- (4) this report be forwarded to the Children and Youth Action Committee for their information and to the Budget Advisory Committee for their consideration; and
- (5) that the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**2(h). HEALTHY BABIES, HEALTHY CHILDREN FUNDING.**

Secretary, Board of Health.  
(February 19, 2002)

Advising that the Board of Health on February 18, 2002, recommended to the Policy and Finance Committee that:

- (1) \$616,839.00 (gross) and \$0 (net) be added to the Toronto Public Health 2002 basic operating budget;
- (2) the 2002 Operating Budget for Public Health be amended to include \$616,889.00 gross/\$0 net (6.0 FTE) for the Healthy Babies, Healthy Children program; and
- (1) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

**2(i). PUBLIC HEALTH EMERGENCY PREPAREDNESS AND RESPONSE.**

Communication addressed to the Budget Advisory  
Committee from the Secretary, Board of Health.  
(January 29, 2002)

Advising that the Board of Health on January 28, 2002, recommended to the Budget Advisory Committee that the report (January 15, 2002) from the Medical Officer of Health respecting Public Health Emergency Preparedness and Response, be considered by the Budget Advisory Committee when it reviews the overall Special Initiative budget for the Emergency Preparedness and Response Plan.

**2(j). TORONTO PUBLIC HEALTH BUDGET 2002.**

Secretary, Board of Health.  
(February 19, 2002)

Advising that the Board of Health on February 18, 2002, took the following action:

- (1) supported the Budget Advisory Committee's recommendations that:
  - (a) unfunded programs for TB Control, Vulnerable Adults and Frail Seniors, and Environment Plan/Air Quality be reinstated to the Toronto Public Health (TPH) 2002 Operating Base Budget;
  - (b) the TPH gapping target be reduced by 1 percent (i.e. to 4.0 percent gross/4.8 percent net);
  - (c) the health emergency preparedness plan be approved to \$551.0 thousand net (operating) and \$100 thousand net (capital);
  - (d) the capital budget include full funding for completion of THEIS Phase 3 (\$633.0 thousand net) and the Community Nursing and Customer Management System (\$7.5 million); and
  - (e) the Environment Plan/Pesticides consultation be approved at \$30.0 thousand net;
- (2) did not endorse the additional \$500.0 thousand net in service reductions options presented by the Medical Officer of Health and requests the Budget Advisory Committee to reconsider its decision not to add these funds to the TPH 2002 Operating Base Budget;
- (3) recommended that the service reduction options presented by the Medical Officer of Health totalling \$500.0 thousand net be referred to the Budget Advisory Committee for information; and
- (4) recommended that approval of the 5-year capital plan and budget for the South Region Animal Centre pursuant to City Council's decision on February 14, 2002 to site this facility at Exhibition Place.

**2(k). COMMUNITY GRANTS BUDGET.**

Councillor Irene Jones, Etobicoke-Lakeshore.  
(January 17, 2002)

Advising that A Social Development Strategy for the City of Toronto was adopted by Toronto City Council on December 4, 2001; that one of the recommendations contained in that document is for a small increase in the community grants budget to allow for new and expanded services across the whole City; that these services are especially important as the City, and the neighbourhood agencies within the City, cope with the impacts of the inequitable downloading from the other levels of government; and requesting that the Committee support a small increase in the community grants budget to support the important work being done.

**2(l). 2002 POLICE OPERATING BUDGET.**

Mr. John Sewell, on behalf of the  
Toronto Police Accountability Coalition.  
(February 14, 2002)

Forwarding a brief from the Toronto Police Accountability Coalition on the budget of the Toronto Police Service.

**3. 2002 TAX LEVY BY-LAWS.**

Chief Financial Officer and Treasurer.  
(February 18, 2002)

Recommending that:

- (1) City Council request the Minister of Finance to file regulations prescribing the 2002 education tax rates by April 10, 2002;
- (2) the Chief Financial Officer and Treasurer be authorized to report directly to Council at its meeting of March 4 to 8, 2002 with respect to the municipal levy by-law; and,
- (3) the Chief Financial Officer and Treasurer be authorized to report directly to Council at its meeting of April 16<sup>th</sup> to 18<sup>th</sup>, 2002 with respect to the education levy by-law and the claw-back by-law.