

**THE CITY OF TORONTO**

**City Clerk's Division**

**Minutes of the Budget Advisory Committee**

**Meeting No. 13**

**Friday, October 4, 2002**

The Budget Advisory Committee met on Friday, October 4, 2002, in Committee Room No. 1, City Hall, Toronto, commencing at 10:05 a.m.

Attendance

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

	10:05 a.m. – 12:25 p.m.
Councillor David Shiner, Chair	X
Councillor David Soknacki, Vice Chair	X
Councillor Lorenzo Berardinetti	R
Councillor Ron Moeser	X
Councillor Joe Pantalone	X
Councillor Jane Pitfield	X
Councillor Michael Tziretas	X

**Confirmation of Minutes**

On motion by Councillor Pantalone, the Minutes of the Budget Advisory Committee meetings held on May 3, 2002 and June 21, 2002, were confirmed.

### 13.1 Second Quarter 2002 Operating Variance Report

The Budget Advisory Committee had before it a report (September 26, 2002) from the Chief Financial Officer and Treasurer providing a summary of the gross and net expenditure results of the City of Toronto for the six months of operations ended June 30, 2002, and projections of gross and net expenditures for the year ending December 31, 2002; and recommending that:

- (1) the technical adjustments contained in this report, and detailed in Appendix "D", be approved;
- (2) Council request the Province to provide additional funding to cover the projected shortfall in shared funded programs in Toronto Public Health; and
- (3) the operating variance report for the period ended June 30, 2002 be forwarded to the Policy and Finance Committee and Council for information.

A. Councillor Moeser moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the report (September 26, 2002) from the Chief Financial Officer and Treasurer, subject to adding that each department, agency, board and commission, be requested to report to the Budget Advisory Committee providing a strategy on how to handle overspent budgets to bring such budgets back to zero.

**(Carried)**

B. Councillor Soknacki moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that each department, agency, board and commission, be requested to call upon the Chief Financial Officer and Treasurer, if required, to assist in meeting these goals and reviewing records and reports on an 'as needed' basis.

**(Carried)**

(Policy and Finance Committee - October 4, 2002)

### **13.2 Pre-approval Request for 2003-2007 Capital Projects**

The Budget Advisory Committee had before it the following reports:

- (a) (October 1, 2002) from the Chief Financial Officer and Treasurer requesting pre-approval of capital projects that must commence prior to Council approval of the 2003-2007 Capital Budget and Plan, in order to realize benefits that would not otherwise be available if the projects were delayed or to remedy urgent health and safety problems; and recommending that:
  - (1) the capital projects listed in Appendix "A" and totalling \$135.676 million be approved;
  - (2) financing in an amount not to exceed \$21.283 million be debentured for a term up to but not exceeding 20 years;
  - (3) City Council authorized the other financing sources as follows:
    - (a) reserve funds in the amount of \$31.427 million;
    - (b) capital from current in the amount of \$53.734 million;
    - (c) funding from development charges in the amount of \$0.334; and
    - (d) self financing in the amount of \$28.898 million; and
  - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (b) (October 1, 2002) from the Chief General Manager, Toronto Transit Commission, forwarding a communication outlining the TTC's request for pre-approval of capital projects that must continue and/or commence prior to Council approval of the 2003-2007 Capital Budget and Plan in late February of next year.

Councillor Maria Augimeri, Ward 9 York Centre, appeared before the Budget Advisory Committee in connection with the foregoing matter.

On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the report (October 3, 2002) from the Chief Financial Officer and Treasurer, subject to deferring consideration of Project No. CTT109, Future Bus Garage, until the 2003 budget deliberations; and

- (2) received the communication (October 1, 2002) from the Chief General Manager, Toronto Transit Commission, for information.

(Policy and Finance Committee; c. Chief Financial Officer and Treasurer - October 4, 2002)

### **13.3 2003 Economic Factors**

The Budget Advisory Committee had before it a report (September 26, 2002) from the Chief Financial Officer and Treasurer reporting on the inflation assumptions made relative to the 2003 operating budget and presenting the impact of applying select economic factors; and recommending that this report be received for information.

Ms. Mary E. Webb, Senior Economic/Manager, Scotia Bank, gave an overview presentation entitled "Resizing Expectations" providing Members with the projected economic forecast for 2003.

Councillor Shiner, on behalf of the Committee, thanked Ms. Mary E. Webb for her very informative presentation.

On motion by Councillor Pitfield, the Budget Advisory Committee:

- (1) requested the Chief Financial Officer and Treasurer to continue to monitor the economic indicators and to take another look at said market indicators prior to the completion of the 2003 budget process;
- (2) requested the Chief Financial Officer and Treasurer to report to the Budget Advisory Committee on:
  - (a) including in future variance reports 2002 economic indicators to allow Members to make a comparison in terms of what the base was and what the new percentage is that is being added for 2003;
  - (b) providing Budget Advisory Committee Members with a breakdown of items classified under "Other" with suggested individual economic factors, if appropriate;
  - (c) providing a general ledger summary for the entire City showing the 2002 budget as approved by Council, with all adjustments to the budget for 2002, the budget for 2003, the final economic factors allowed for 2003 and other adjustments to the budget for 2003, total request for 2003 (please see attached table); and

- (d) how the 2002 budget recommendations that were given to the departments to go forward with turned out; and
- (3) received the aforementioned report and presentation.

(Chief Financial Officer and Treasurer - October 4, 2002)

**13.4 Overview of Departmental Air Quality and Greenhouse Gas (GHG) Responsibilities and Activities in the City of Toronto (All Wards)**

The Budget Advisory Committee had before it a report (May 23, 2002) from the Chief Administrative Officer reporting on possible duplication of air quality activities of WES Technical Services in other departments of the City; and recommending that this report be referred to the Policy and Finance Committee for information.

On motion by Councillor Pantalone, the Budget Advisory Committee received the report (May 23, 2002) from the Chief Administrative Officer and directed that it be forwarded to the Policy and Finance Committee for information.

(Policy and Finance Committee; c. Chief Administrative Officer - October 4, 2002)

**13.5 Toronto Public Library - Review of Year-end Spending, Fleet Maintenance, Use of Consultants and Budgets for Maintenance and Repairs**

The Budget Advisory Committee had before it a communication (June 13, 2002) from the City Clerk advising that the Audit Committee at its meeting held on June 13, 2002, received the report (May 28, 2002) from the City Librarian, entitled "Toronto Public Library - Review of Year-end Spending Fleet Maintenance, Use of Consultants and Budgets for Maintenance and Repairs", and directed that the report be forwarded to the Budget Advisory Committee.

On motion by Councillor Tziretas, the Budget Advisory Committee received the aforementioned communication for information.

**13.6 2003 Capital and Operating Budget Submissions  
Revised Schedule of Meetings**

The Budget Advisory Committee had before it a communication (August 8, 2002) from City Clerk forwarding for information, Clause No. 18 of Report No. 12 of The Policy and Finance Committee, headed “2003 Capital and Operating Budget Submissions Revised Schedule of Meetings”, which was adopted, as amended, by City Council at its meeting held on July 30, 31 and August 1, 2002.

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

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) requested the City Clerk to, in future, include regularly scheduled meetings for the Budget Advisory Committee in the Schedule of Meetings calendar; and
- (2) received the aforementioned report for information.

Councillor Shiner resumed the Chair.

(City Clerk - October 4, 2002)

**13.7 2002 Second Quarter Capital Variance Report**

The Budget Advisory Committee had before it a report (October 1, 2002) from the Chief Financial Officer and Treasurer presenting the City of Toronto Capital Variance Report for the six month period ended June 30, 2002, and recommending that this report be forwarded to the Policy and Finance Committee, and Council, for information.

On motion by Councillor Pantalone, the Budget Advisory Committee received the aforementioned report; and directed that it be forwarded to the Policy and Finance Committee, and Council, for information.

(Policy and Finance Committee; c. Chief Financial Officer and Treasurer -  
October 4, 2002)

**13.8 Transfer of Funds - Children's Wildlife Discovery Project**

The Budget Advisory Committee had before it a report (October 1, 2002) from the General Manager & CEO, Toronto Zoo, requesting the transfer of Capital funds for the construction of the Children's Wildlife Discovery Projects; and recommending that:

- (1) the total project cost of the Children's Wildlife Project (CTZ017) be increased from \$5,014.0 thousand to \$7,096.0 thousand through the transfers of approved cash flow funding from the following Capital accounts (\$000's):

(a)	Special Exhibit Facility Account (CTZ019)	\$1,572.0;
(b)	Building and Site Services Account (CTZ023)	210.0;
(c)	Grounds Improvements Account (CTZ022)	200.0; and
(d)	Information Systems Account (CTZ015)	100.0;
- (2) the report be forwarded to the Policy and Finance Committee for consideration; and
- (3) the appropriate City officials and Zoo officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Tziretas, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the aforementioned report.

(Policy and Finance Committee; c. General Manager & CEO, Toronto Zoo  
- October 4, 2002)

**13.9 2002-2004 Operating Budget Impacts Re: Negotiated Settlement and Anticipated Settlement for the Toronto Police Service, Toronto Police Services Board and the Parking Enforcement Unit**

The Budget Advisory Committee had before it a report (August 19, 2002) from the Chief Financial Officer and Treasurer providing comment on the funding implications related to the 2002 Operating Budget pressure arising from the recently negotiated settlement as well as upcoming negotiations for the Senior Officer categories relating to the Toronto Police Service, Toronto Police Services Board, Senior Command and the Parking Enforcement Unit for the period of 2002-2004 inclusive; and recommending that:

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- (1) the Chair, Toronto Police Services Board, review and report back on opportunities for offsetting the potential \$5.1 million shortfall from available expenditure reductions or other funding sources within the 2002 Operating Budget for the Toronto Police Service, Toronto Police Services Board and the Parking Enforcement Unit; and
- (2) the City's Chief Financial Officer and Treasurer and the Chief Administrative Officer, Toronto Police Service, report back to the Budget Advisory Committee prior to final 2003 Budget deliberations on strategies that can be implemented to mitigate the remaining shortfall should expenditure/revenue adjustments not be found within the 2002 Operating Budget for the Toronto Police Service, Toronto Police Services Board and the Parking Enforcement Unit.

A. Councillor Soknacki moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the aforementioned report, subject to deleting the sum of \$5.1 million in Recommendation No. (1) and inserting in lieu thereof the sum of \$4.6 million, so that such recommendation now reads:

“(1) the Chair, Toronto Police Services Board, review and report back on opportunities for offsetting the potential \$4.6 million shortfall from available expenditure reductions or other funding sources within the 2002 Operating Budget for the Toronto Police Service, Toronto Police Services Board and the Parking Enforcement Unit; and”.

**(Carried)**

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

B. Councillor Shiner moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to report on OMERS funding, providing an explanation as to why the funding was left in the departments' budgets and how it was allocated.

**(Carried)**

Councillor Shiner resumed the Chair.

(Policy and Finance Committee; c. Chief Financial Officer and Treasurer -  
October 4, 2002)

Councillor Soknacki moved that the Budget Advisory Committee meet privately to discuss the matter of the Toronto Port Authority 2001 and 2002 Recommended Capital Budgets, having regard that the subject matter relates to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

The Budget Advisory Committee recessed its meeting at 12:05 p.m. to meet in camera.

Members Present:

Councillor David Shiner, Chair  
Councillor David Soknacki, Vice-Chair  
Councillor Ron Moeser  
Councillor Joe Pantalone  
Councillor Jane Pitfield  
Councillor Michael Tziretas

The Budget Advisory Committee adjourned its **private meeting** at 12:20 p.m. and immediately reconvened in public session with the aforementioned Members in attendance.

### **13.10 Toronto Port Authority 2001 and 2002 Recommended Capital Budgets**

The Budget Advisory Committee had before it a confidential report (October 1, 2002) from the Chief Financial Officer and Treasurer, entitled "Toronto Port Authority 2001 and 2002 Recommended Capital Budgets".

On motion by Councillor Soknacki, the Budget Advisory Committee deferred consideration of the confidential report (October 1, 2002) from the Chief Financial Officer and Treasurer for one month.

### **13.11 City Warehouses**

The Budget Advisory Committee discussed the matter of City warehouses.

- A. Councillor Soknacki moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to report to the Budget Advisory Committee, as soon as possible, on the impacts and considerations involved to reduce the number of City warehouses from nine locations to four locations in time to provide savings for the 2003 budget.

**(Carried)**

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

- B. Councillor Shiner moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to report on the number of warehouses which the City operates and any considerations as to how those warehouses may be merged.

**(Carried)**

Councillor Shiner resumed the Chair.

The Budget Advisory Committee adjourned its meeting at 12:25 p.m.

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Chair