

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Policy and Finance Committee

Meeting No. 1

Thursday, January 31, 2002

The Policy and Finance Committee met on Thursday, January 31, 2002, in Committee Room 1, 2nd Floor, City Hall, Toronto, commencing at 9:44 a.m.

Attendance

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

	9:44 a.m. to 12:35 p.m.	2:15 p.m. to 5:35 p.m.
Mayor Mel Lastman, Chair	X	X
Councillor Sandra Bussin	X	X
Councillor Norman Kelly	X	X
Councillor Gloria Lindsay Luby	X	X
Councillor Pam McConnell	X	X
Councillor Denzil Minnan-Wong	X	X
Councillor Case Ootes, Vice Chair	X	X
Councillor Kyle Rae	X	X
Councillor David Shiner	X	X
Councillor Paul Sutherland	X	X

Confirmation of Minutes.

On motion by Councillor Rae, the Policy and Finance Committee confirmed the minutes of its meeting held on November 22, 2001.

**1-1. Education Development Charge
Complaint – 320 Carlaw Avenue.**

The Policy and Finance Committee had before it a joint report (January 15, 2002) from the Acting Chief Financial Officer and the City Solicitor providing background information with respect to a complaint made pursuant to Section 257.85(1) of the Education Act, R.S.O. 1990 respecting Education Development Charges paid for a project at 320 Carlaw Avenue in order to assist Committee in making its determination in this matter; and recommending that the Policy and Finance Committee consider the representations made by representatives of the Toronto Catholic District School Board and the complainant with respect to the payment of educational development charges for development at 320 Carlaw Avenue and make a determination whether educational development charges are payable for this project.

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The Policy and Finance Committee also had before it a communication (January 30, 2002) from Mr. Christopher J. Williams, Solicitor, Aird and Berlis, advising that his client, through the redevelopment of 320 Carlaw Avenue has advanced important issues and policies of the City of Toronto, including the provision of intrinsically affordable housing, rehabilitation of a derelict industrial site, the provision of facilities for high-tech industrial jobs etc., in an area in need of reinvestment and redevelopment; that there have been a number of articles written praising this project; that it is not only an injustice to his client but a subversion of important City policy to torture the wording of the EDC by-law to require the payment by his client of fees and charges that clearly should not apply; and noting that development charges were not required by the City and neither should educational charges.

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

- Mr. Christopher Williams, Solicitor, Aird and Berlis, on behalf of the complainant; and
- Mr. Bruce McMeekin, Solicitor, Miller Thomson, on behalf of the Toronto Catholic District School Board.

Councillor Michael Walker, St. Paul's, also appeared before the Policy and Finance Committee in connection with the foregoing matter.

The Policy and Finance Committee considered the representation made by the representative of the Toronto Catholic School Board and the complainant with respect to the payment of Educational Development Charges for the development at 320 Carlaw Avenue; and recommended to Council:

- (a) that the Educational Development Charge respecting 320 Carlaw Avenue was incorrectly applied in this case, and that the Chief Financial Officer and Treasurer be requested to rectify the Educational Development Charge paid in accordance with the complaint; and **(Motion by Councillor Sutherland)**
- (b) that the Province of Ontario be requested to amend the Education Act to provide for the hearing of Education Development Charge complaints by the Ontario Municipal Board and not the City of Toronto. **(Motion by Councillor Rae)**

The following motion moved by Councillor Kelly was put but **not voted on having regard for the foregoing action taken by the Committee:**

“That the Policy and Finance Committee recommend to Council that the Education Development Charges complaint pertaining to the development at 320 Carlaw Avenue be dismissed and the education charges paid be confirmed.”

(Clause No. 6 – Report No. 2)

**1-2. Development Charge Complaint
Eglinton Avenue East and Brentcliffe Road.**

The Policy and Finance Committee had before it a joint report (January 16, 2002) from the Acting Chief Financial Officer and the City Solicitor providing background information with respect to a complaint made pursuant to Section 20 of the Development Charges Act, 1997, respecting the development charges paid for a project located at the south side of Eglinton Avenue West, north of Vanderhoof Avenue and east of Brentcliffe Road; and recommending that the complaint in respect of the development charges paid in the amount of \$433,698 for the development located at the south side of Eglinton Avenue, north of Vanderhoof Avenue and east of Brentcliffe Road, be dismissed.

The Policy and Finance Committee also had before it a communication (January 30, 2002) from Mr. Calvin W. Lantz, McCarthy Tetrault, advising that he is the solicitor for Kosmor Contracting Inc., Linway Developments Ltd., Credit Meadow Holdings Inc., 870769 Ontario Inc. and Hyde Park Limited Partnership (“Owners”) of a large parcel of land located on the south side of Eglinton Avenue East, just west of Brentcliffe Road; and that while their clients maintain that a credit is appropriate for the road and watermain work that will benefit neighbouring developments and the community at large, they have decided not to pursue this matter any further, accordingly they are hereby withdrawing the Complaint and will not be appearing before the Policy and Finance Committee on January 31, 2002.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee recommended to Council that the foregoing joint report (January 16, 2002) from the Acting Chief Financial Officer and the City Solicitor, be received having regard that the owners have withdrawn the complaint respecting the Development Charges paid for the development located at the south side of Eglinton Avenue East, north of Vanderhoof Avenue and east of Brentcliffe Road.

(Clause No. 7 – Report No. 2)

1-3. Proposal to Establish an Independent Auditor General for the City of Toronto

The Policy and Finance Committee had before it the following:

- (i) communication (January 17, 2002) addressed to the Chief Administrative Officer from Mayor Mel Lastman presenting the report (January 2002) of the Mayor's Task Force for the Creation of an Independent Auditor General for the City of Toronto, entitled "Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto";
- (ii) communication (January 14, 2002) from Councillor Denzil Minnan-Wong addressed to Mayor Lastman presenting the final report dated January 2002 of the Task Force for the Creation of an Auditor General for the City of Toronto prepared by Mr. Denis Desautels, OC, FCA, entitled "Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto", wherein it is recommended as follows:

"It is recommended that City Council establish the position of Auditor General of the City of Toronto with all the essential attributes of such a position and with the staffing and resources to form the office supporting the Auditor General. This position, its attributes and obligations and those of the Audit Office should be enshrined in the provincial statutes pertaining to the City of Toronto;

- (1) the position of City Auditor with its supporting staff be re-organized into two separate positions and units: an Auditor General reporting to Council and an Internal Auditor reporting to Management;

Mandates and Reporting Structures:

- (2) the Auditor General's mandate include:
 - (a) carrying out financial, compliance and performance (value-for-money) audits of all programmes, activities and functions of the City and its Agencies, Boards, and Commissions;
 - (b) the powers already given to City Auditors under the Municipal Act of Ontario;
 - (c) overseeing the work of the external auditors; and
 - (d) following up implementation of any resulting recommendations;

- (3) the Auditor General:
 - (a) report to Council through the Audit Committee and the Audit Committee recommend action to Council;
 - (b) not report through the administrative structure;
 - (c) prepare an annual report to Council by a prescribed date such as September 30, commenting on the trends observed, the state of control systems and on the “big picture”; and
 - (d) report on the performance of his/her office on an annual basis;
- (4) the Province be requested to change the City of Toronto Act to enshrine the Auditor General as a required position in the City along with its attributes, obligations, and supporting Audit Office;
- (5) the Internal Auditor’s mandate include:
 - (a) providing management assurance that the systems for which they are responsible function properly;
 - (b) investigating situations where management have concerns; and
 - (c) reviewing the adequacy of controls in proposed new systems;
- (6) the Internal Auditor:
 - (a) become part of the Chief Administrative Officer’s organization;
 - (b) keep the Audit Committee informed of its activities; and
 - (c) make all of its findings available to the Auditor General;

Independence of the Auditor General

- (7) the Auditor General have full authority to staff his/her office, to classify and promote staff, as well as engage contractors, within the City’s overall rules and framework and staff should not be covered by the same collective agreements as other parts of the City;
- (8) the budget of the Auditor General’s Office be approved by Council but the Auditor General should be able to spend the authorized amount in the manner he/she deems most appropriate;

- (9) the Auditor General be given latitude in accepting to carry out any special audits requested by individual Members of Council or Council itself and Council to adopt a clear set of operating rules, a convention or protocol governing such requests;

Resources

- (10) the Office of the Auditor General be established by using the appropriate resources from the current City Auditor to form the core on the new organization and recruit additional expertise to complement that of the current Audit Services group;
- (11) the Internal Audit group be composed of 8 to 10 staff and possibly more temporarily to complete backlog;
- (12) the budget:
- (a) for the Auditor General unit be \$2,150,000 to \$2,250,000;
 - (b) for the external audit be transferred from the Finance Department to the Auditor General;
 - (c) for the Internal Audit unit be \$900,000 to \$1,100,000; and
 - (d) for the attest audit of smaller Agencies, Boards and Commissions be arranged differently;

such costs representing an increase in total annual budget of \$500,000 to \$800,000;

Transition Measures:

- (13) the City develop special transition measures in the process of establishing a new audit regime;

Selection:

- (14) the Auditor General:
- (a) be selected through an impartial search process to identify candidates of the highest quality, possibly with the assistance of professional organizations such as the Institute of Chartered Accountants of Ontario;

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- (b) be appointed by Council on the recommendation of the Audit Committee; and
 - (c) be engaged under contract for a term of seven years; and

be remunerated within a range used for other senior officials of the City, but without performance bonuses or alternatively remuneration be set through an independent committee or firm engaged to recommend a level of remuneration;
- (iii) report (January 17, 2002) from the Chief Administrative Officer advising that the Mayor's Task Force on the Establishment of an Independent Auditor General engaged Denis Desautels to review the City's audit function; that Mr. Desautels delivered the report dated January 2002 entitled "Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto" (the AG Report); that upon receiving the final AG Report, the Mayor requested that the City Chief Administrative Officer to report to the Policy and Finance Committee on the process for implementing the recommendations of the AG Report; and recommending that:
- (1) if Council approves the recommendations in the AG Report "Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto", the City Chief Administrative Officer work with the City Auditor, in consultation with the City Solicitor and the Commissioner of Corporate Services, to implement this strategy and report back to Council on any specific actions which may require Council approval; and
 - (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto; and
- (iv) communication (January 30, 2002) from Mr. Michael D. Prue, MPP Beaches-East York, advising that as a member of the Task Force established to consider the issue of an Auditor General for the City of Toronto, clarifying exactly what transpired during the course of meetings; and advising that as a member of the Task Force until September, 2001, he supported the thrust of the recommendations and as an MPP he still does; and that the purpose was, and appears to remain, to set up an effective, impartial system to monitor and highlight waste and questionable practices.

Mr. Denis Desautels made a presentation to the Policy and Finance Committee in connection with the foregoing matter.

Ms. Louise Verity, Director of Policy, the Toronto Board of Trade, appeared before the Policy and Finance Committee in connection with the foregoing matter.

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

- Councillor Bas Balkissoon, Scarborough-Rouge River;
- Councillor Doug Holyday, Etobicoke Centre;
- Councillor Irene Jones, Etobicoke-Lakeshore
- Councillor David Miller, Parkdale-High Park, and filed a communication (March 20, 1998) from the Acting President, CUPE Local 79 respecting proposed changes to the Audit Services Division;
- Councillor Jane Pitfield, Don Valley West; and
- Councillor Michael Walker, St. Paul's.

The Policy and Finance Committee recommended to Council:

- (I) the adoption of the following recommendations contained in the report prepared by Mr. Denis Desautels, entitled "Serving Council and Citizens: Strengthening the Audit Function at the City of Toronto":

"It is recommended that City Council establish the position of Auditor General of the City of Toronto with all the essential attributes of such a position and with the staffing and resources to form the office supporting the Auditor General. This position, its attributes and obligations and those of the Audit Office should be enshrined in the provincial statutes pertaining to the City of Toronto;

- (1) the position of City Auditor with its supporting staff be re-organized into two separate positions and units: an Auditor General reporting to Council and an Internal Auditor reporting to Management;

Mandates and Reporting Structures:

- (2) the Auditor General's mandate include:
 - (a) carrying out financial, compliance and performance (value-for-money) audits of all programmes, activities and functions of the City and its Agencies, Boards, and Commissions;

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- (b) the powers already given to City Auditors under the Municipal Act of Ontario;
 - (c) overseeing the work of the external auditors; and
 - (d) following up implementation of any resulting recommendations;
- (3) the Auditor General:
- (a) report to Council through the Audit Committee and the Audit Committee recommend action to Council;
 - (b) not report through the administrative structure;
 - (c) prepare an annual report to Council by a prescribed date such as September 30, commenting on the trends observed, the state of control systems and on the “big picture”; and
 - (d) report on the performance of his/her office on an annual basis;
- (4) the Province be requested to change the City of Toronto Act to enshrine the Auditor General as a required position in the City along with its attributes, obligations, and supporting Audit Office;
- (5) the Internal Auditor’s mandate include:
- (a) providing management assurance that the systems for which they are responsible function properly;
 - (b) investigating situations where management have concerns; and
 - (c) reviewing the adequacy of controls in proposed new systems;
- (6) the Internal Auditor:
- (a) become part of the Chief Administrative Officer’s organization;

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- (b) keep the Audit Committee informed of its activities;
and
- (c) make all of its findings available to the Auditor General;

Independence of the Auditor General

- (7) the Auditor General have full authority to staff his/her office, to classify and promote staff, as well as engage contractors, within the City's overall rules and framework and staff should not be covered by the same collective agreements as other parts of the City;
- (8) the budget of the Auditor General's Office be approved by Council but the Auditor General should be able to spend the authorized amount in the manner he/she deems most appropriate;
- (9) the Auditor General be given latitude in accepting to carry out any special audits requested by individual Members of Council or Council itself and Council to adopt a clear set of operating rules, a convention or protocol governing such requests;

Resources

- (10) the Office of the Auditor General be established by using the appropriate resources from the current City Auditor to form the core on the new organization and recruit additional expertise to complement that of the current Audit Services group;
- (11) the Internal Audit group be composed of 8 to 10 staff and possibly more temporarily to complete backlog;
- (12) the budget:
 - (a) for the Auditor General unit be \$2,150,000 to \$2,250,000;
 - (b) for the external audit be transferred from the Finance Department to the Auditor General;

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- (c) for the Internal Audit unit be \$900,000 to \$1,100,000;
and
- (d) for the attest audit of smaller Agencies, Boards and
Commissions be arranged differently;

such costs representing an increase in total annual budget of
\$500,000 to \$800,000;

Transition Measures:

- (13) the City develop special transition measures in the process of
establishing a new audit regime;

Selection:

- (14) the Auditor General:
 - (a) be selected through an impartial search process to
identify candidates of the highest quality, possibly
with the assistance of professional organizations such
as the Institute of Chartered Accountants of Ontario;
 - (b) be appointed by Council on the recommendation of
the Audit Committee; and
 - (c) be engaged under contract for a term of seven years;
and

be remunerated within a range used for other senior officials of the
City, but without performance bonuses or alternatively remuneration
be set through an independent committee or firm engaged to
recommend a level of remuneration; (**Motion by Councillor
Minnan-Wong**)

- (II) the adoption of the report (January 17, 2002) from the Chief
Administrative Officer wherein it is recommended that:
 - “(1) if Council approves the recommendations in the AG Report
“Serving Council and Citizens: Strengthening the Audit
Function at the City of Toronto”, the City Chief
Administrative Officer work with the City Auditor, in

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consultation with the City Solicitor and Commissioner of Corporate Services, to implement this strategy and report back to Council on any specific actions which may require Council approval; and

- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”; **(Motion by Councillor Minnan-Wong)**

- (III) that the current City of Toronto Auditor (Mr. Jeff Griffiths) be appointed to the position of Auditor General for the City of Toronto; **(Motion by Mayor Lastman)**

- (IV) that the work of the Internal Auditor commence immediately, reporting to the Chief Administrative Officer and the Auditor General; **(Motion by Mayor Lastman)**

- (V) that the staff Implementation Team identified in Recommendation No. (1) embodied in the aforementioned report (January 17, 2002) from the Chief Administrative Officer, be augmented by including Councillors Sandra Bussin, Denzil Minnan-Wong, and Gloria Lindsay Luby; and be requested to work closely with the Audit Committee and submit a report in regard thereto to the Policy and Finance Committee for its meeting scheduled to be held on April 4, 2002, for submission to Council for its meeting scheduled to be held on April 16, 2002; and **(Motion by Councillor Lindsay Luby)**

- (VI) that the Chief Administrative Officer be requested to submit a report to the Policy and Finance Committee:
 - (a) on the need for a staff establishment control by-law in the City of Toronto; **(Motion by Councillor Lindsay Luby on behalf of Councillor Pitfield)**

 - (b) on how a fiduciary code of ethics can be enacted and whether this would provide a better internal financial control and public accountability for the City of Toronto; and **(Motion by Councillor Lindsay Luby on behalf of Councillor Pitfield)**

 - (c) exploring the feasibility of including the position of Auditor General into the City of Toronto Act as is the case in Winnipeg. **(Motion by Councillor Lindsay Luby)**

The following motion by Councillor Sutherland, **lost**:

“That the City Solicitor be requested to submit a report directly to Council respecting the issue of the appointment of the Auditor General.”

(Clause No. 1 – Report No. 2)

1-4. Final Report - Special Advisor to the Chief Administrative Officer and Commissioners.

The Policy and Finance Committee had before it a report (January 16, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer providing a final report on the work completed by the Special Advisor (David Gunn) to the Chief Administrative Officer and Commissioners; advising that Mr. Gunn provided a brief report, as his efforts were focused on assisting to implement change; that his advice and recommendations are already incorporated in the 2002 Operating and Capital Budgets; that in particular, Mr. Gunn’s recommendations to present organizational charts with authorized positions, and budgets which address defined goals, objectives and service levels will provide Members of Council and the public with a much clearer understanding of City services and the impacts of any budget recommendations; that the assistance which was received from Mr. Gunn in improving the Capital and Operating budget process for 2002 is appreciated; that during the period of his contract, he reviewed and commented on the draft capital proposals in all the Departments and ABC’s, however, he did not have the opportunity to review the operating budget details, nor the final Capital budget recommended for Council consideration; and recommending that this report be received for information.

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

- Councillor Olivia Chow, Trinity-Spadina; and
- Councillor Jane Pitfield, Don Valley West.

The Policy and Finance Committee:

- (1) received the foregoing report; and **(Motion by Councillor Ootes)**

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- (2) requested the Chief Administrative Officer to consult with the Chief Financial Officer and Treasurer and the City Auditor and report to the Policy and Finance Committee on any other initiatives with respect to the report (October 4, 2001) prepared by Mr. David L. Gunn, Special Advisor to the Chief Administrative Officer and Commissioners, regarding budget preparation and reporting procedures that will improve accountability. **(Motion by Councillor Shiner on behalf of Councillor Pitfield)**

(Chief Administrative Officer; c. Chief Financial Officer and Treasurer; City Auditor; Commissioner of Urban Development Services; Commissioner of Economic Development, Culture, and Tourism; Commissioner of Works and Emergency Services; Commissioner of Corporate Services – January 31, 2002)

(Clause No. 27(a) – Report No. 2)

1-5. Authority to Issue Debentures During 2002.

The Policy and Finance Committee had before it a report (January 9, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer requesting Council's annual authority to enable the Mayor and the Chief Financial Officer and Treasurer to negotiate and enter into agreements for the issuance of debentures, including foreign exchange and interest rate contracts if required, as permitted by provincial legislation, and recommending that:

- (1) authority be granted for the Mayor and the Chief Financial Officer and Treasurer to enter into an agreement or agreements, in accordance with Section 102 of the City of Toronto Act, 1997 (No. 2) with a purchaser or purchasers for the sale and issuance of debentures to provide an amount in 2002 not to exceed \$500 million;
- (2) authority be granted for the introduction of the necessary Bills in Council to give effect to the foregoing; and
- (3) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 9, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer.

(Clause No. 8 – Report No. 2)

1-6. Temporary Borrowing Pending the Receipt of Tax Revenues and the Issuance of Debentures During 2002.

The Policy and Finance Committee had before it a report (January 8, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer providing authority to temporarily borrow funds, if required, pending the receipt of tax revenues and the issuance and sale of debentures during 2002, and recommending that:

- (1) the temporary borrowing limit to meet 2002 current expenditures, pending receipt of tax levies and other revenues, be established at \$1,000,000,000;
- (2) the temporary borrowing limit for capital purposes for 2002 be established at \$500,000,000;
- (3) authority be granted for the introduction of the necessary Bills in Council to give effect to the foregoing; and
- (4) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 8, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer.

(Clause No. 9 – Report No. 2)

1-7. Ontarians With Disabilities Act.

The Policy and Finance Committee had before it a report (January 16, 2002) from the Chief Administrative Officer respecting the submission made regarding the Ontarians with Disabilities Act, 2001 which received Third Reading in the Ontario Legislature on December 13, 2001, and is awaiting Royal Assent and recommended that:

- (1) Toronto City Council endorse the submission to the Province of Ontario made by the City of Toronto Community Advisory Committee on Disability Issues regarding the Ontarians with Disabilities Act;
- (2) this report be forwarded to the City of Toronto's Agencies, Boards and Commissions and special purpose bodies regarding their obligations under the Ontarians with Disabilities Act;

- (3) this report be forwarded to the City of Toronto's Community Advisory Committees on Disability Issues, Aboriginal Issues, the Status of Women, Race and Ethnic Relations, and the Lesbian, Gay, Bisexual and Transgendered Issues for their consideration;
- (4) the role of the City of Toronto's Community Advisory Committee on Disability Issues be amended to fulfil the requirement under the Ontarians with Disabilities Act regarding the establishment of an advisory committee;
- (5) the Chief Administrative Officer develop a guide that incorporates the legislative requirements of the Ontarians with Disabilities Act with other performance indicators to facilitate the requirement for all Departments and its Agencies, Boards and Commissions to prepare Access and Equity Action Plans; and
- (6) the appropriate officials be authorized to give effect thereto.

On motion by Councillor McConnell, the Policy and Finance Committee recommended to Council:

- (1) the adoption of the report (January 16, 2002) from the Chief Administrative Officer;
- (2) that the appropriate Ministries be requested to respond to the concerns raised in the submission by the City of Toronto Advisory Committee on Disability Issues regarding Bill 125, The Ontarians with Disabilities Act; and
- (3) the Ministry of Transportation be requested to respond to the concerns raised in the aforementioned submission respecting Disabled Parking and the suggestion for changes to the Ontario Building Code.

(Clause No. 23 – Report No. 2)

1-8. Adequacy of Water and Wastewater Stabilization Reserves.

The Policy and Finance Committee had before it a report (January 16, 2002) from the Acting Chief Financial Officer recommending that:

- (1) Municipal Code 227, Reserves and Reserve Funds - Schedule A1 be amended to change the purpose of the Water Stabilization Reserves to "To offset unanticipated budget variances so as not to unduly impact the Water operating and capital programs";

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- (2) Municipal Code 227, Reserves and Reserve Funds - Schedule A1 be amended to change the purpose of the Wastewater Stabilization Reserves to “To offset unanticipated budget variances so as not to unduly impact the Wastewater operating and capital programs”;
- (3) should the Commissioner of Works and Emergency Services require an ‘in-year’ adjustment to the capital budget for an emergency capital project and wish to have it funded from either the Water Stabilization Reserve or the Wastewater Stabilization Reserve, Council authority would be requested following consultation with the Chief Financial Officer and Treasurer;
- (4) for the year following any required reserve fund transfers, the Chief Financial Officer and Treasurer and the Commissioner of Works and Emergency Services shall report jointly back to Council on the adequacy of the Water and Wastewater Stabilization Reserves, and if appropriate, provide a replenishment plan for the Water and Wastewater Stabilization Reserves;
- (5) \$18.5 million be transferred from the Water Stabilization Reserve to the Wastewater Stabilization Reserve to reflect the 44%/56% split in revenue apportionment for 2001; and
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 16, 2002) from the Chief Financial Officer.

(Clause No. 10 – Report No. 2)

1-9. ABC Governance Issues Work Program.

The Policy and Finance Committee had before it a report (January 17, 2002) from the Chief Administrative Officer providing a process for dealing with all outstanding governance issues respecting the City’s Agencies, Boards, Commissions and Corporations; and recommending that:

- (1) the ABC Work Program plan attached to this report as Appendix I be approved and the Chief Administrative Officer be directed to manage the program;

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- (2) an ABC Ad Hoc Committee be established to guide the ABC Work Program, consider staff reports on ABC structures and policies, hear deputations and consult stakeholders and make recommendations to the Policy and Finance Committee and that the Terms of Reference for this committee attached as Appendix II be approved; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Ms. Joan Anderson, Board Member, The 519 Church Street Community Centre, appeared before the Policy and Finance Committee in connection with the foregoing matter, and filed a written submission in regard thereto.

The Policy and Finance Committee recommended to Council:

- (1) the adoption of the report (January 17, 2002) from the Chief Administrative Officer; (**Motion by Councillor Shiner**)
- (2) that the proposed ABC Ad Hoc Committee be requested to provide interim reports to the Policy and Finance Committee at least twice yearly; (**Motion by Councillor Shiner**)
- (3) that the City Clerk be requested to canvass Members of Council to determine their interest in being appointed to the aforementioned Ad Hoc Committee and report thereon to Council through the Striking Committee; and (**Motion by Councillor Shiner**)
- (4) that the Striking Committee be requested to give consideration to Councillor Kyle Rae being appointed to the aforementioned Ad Hoc Committee. (**Motion by Councillor Rae**)

(Clause No. 5 – Report No. 2)

1-10. City of Toronto Economic Development Corporation (TEDCO).

The Policy and Finance Committee had before it a joint report (January 17, 2002) from the Chief Administrative Officer and the Commissioner of Economic Development, Culture and Tourism providing a new board structure, reporting relationship and shareholder direction for the City of Toronto Economic Development Corporation (TEDCO); and recommending that:

- (1) TEDCO be designated as the City's redevelopment agency with authority to explore, pilot and implement incentives and redevelopment tools on behalf of the City as permitted by the Province of Ontario;
- (2) as part of the City's strategy for aligning Program Operating Boards to the relevant City Departments, the Board of Directors of TEDCO be functionally aligned with the Economic Development, Culture and Tourism Department and report to the Economic Development and Parks Committee through that Department;
- (3) the Shareholder Direction presented as Appendix I of this report be approved, effective immediately, except for the implementation of the new Board composition which will take effect May 24, 2002;
- (4) the size of the Board of Directors of TEDCO be set at eight and comprise:
 - (i) the Mayor or his designate;
 - (ii) the Chair of the Economic Development and Parks Committee;
 - (iii) five citizens; and
 - (iv) the Commissioner of Economic Development, Culture and Tourism, or his designate, who shall serve on the Board *ex officio* as a non-voting member;
- (5) the amending By-law No. 9 of the City of Toronto Economic Development Corporation, authorizing Council to determine the number of directors of TEDCO, as presented in Appendix II of this report be approved;
- (6) TEDCO's Articles of Incorporation be amended to read: "The minimum number of directors be five and the maximum number of directors be ten";
- (7) the Nominating Committee be directed to nominate five citizens for the new Board of Directors of TEDCO, giving due consideration to the qualifications of candidates as set out in the attached Shareholder Direction;

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- (8) TEDCO be directed to comply with the Reporting and Communications Protocol for Waterfront Revitalization, and this report be forwarded for information to the Waterfront Reference Group through the Executive Lead for the Waterfront; and
- (9) the appropriate City Officials and the Board of Directors of TEDCO be authorized and directed to take the necessary action to give effect thereto.

The Policy and Finance Committee also had before it a communication (January 31, 2002) from Mr. John Cartwright, President, Toronto and York Region Labour Council, requesting that the foregoing joint report be amended to provide for a member of the Toronto and York Region Labour Council to be appointed to the TEDCO Board and that the qualifications of directors include “knowledge of labour and environmental issues”.

The Policy and Finance Committee:

- (1) deferred consideration of the foregoing joint report and communication to afford the Board of Directors of TEDCO an opportunity to review the aforementioned report and submit comments thereon to the Policy and Finance Committee; and **(Motion by Councillor McConnell)**
- (2) requested the Chief Administrative Officer to submit a report to the Policy and Finance Committee, when this matter is again being considered, on a proposed process for the selection of citizen appointees to the City of Toronto Economic Development Corporation (TEDCO). **(Motion by Councillor Ootes)**

(Chief Administrative Officer; Board of Directors, TEDCO; c. Commissioner of Economic Development, Culture and Tourism; Mr. John Cartwright, President, Toronto and York Region Labour Council – January 31, 2002)

(Clause No. 27(b) – Report No. 2)

1-11. Provincial Land Ambulance Subsidy.

The Policy and Finance Committee had before it a report (January 10, 2002) from the Acting Chief Financial Officer clarifying the accounting treatment of subsidy revenue which has been received by Emergency Medical Services and may continue to be received from the Ministry of Health and Long Term Care; advising that there are no financial implications that result from the adoption of this report; and recommending that:

- (1) any additional subsidy revenue received by Emergency Medical Services from the Ministry of Health and Long Term Care with respect to the replacement of vehicles

and equipment should be credited to the Vehicle and Equipment Replacement Reserve or its successor; and

- (2) the appropriate City Officials be given authority to give effect thereto.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 10, 2002) from the Acting Chief Financial Officer.

(Clause No. 11 – Report No. 2)

**1-12. 2002 Membership Fee for the
Federation of Canadian Municipalities (FCM).**

The Policy and Finance Committee had before it a report (January 15, 2002) from the Chief Administrative Officer describing Toronto's representation and participation in the Federation of Canadian Municipalities (FCM), benefits the City receives from its membership and requesting authority for the Chief Financial Officer and Treasurer to pay the annual membership fee in 2002 and in subsequent years; advising that the City of Toronto's annual membership fee for FCM is \$250,569.21 for the period April 1, 2002 to March 31, 2003; that the fee is based on the formula that is applied to all members, that is, a base rate of \$100.00 plus 10.5 cents per capita; that funds for this purpose have been included in the 2002 Budget; that the Acting Treasurer concurs with this financial impact statement; and recommending that:

- (1) subject to the approval of the 2002 Budget, the Chief Financial Officer and Treasurer be authorized to pay the invoice for the City of Toronto's FCM membership fee in 2002 and in subsequent years as long as the membership fee does not increase by more than the Consumer Price Index and as long as the City of Toronto is a member of FCM; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor McConnell, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 15, 2002) from the Chief Administrative Officer.

(Clause No. 13 – Report No. 2)

1-13. Internal Financing of Firefighter Protective Clothing (Bunker Suits) and Canadian Content and Lease versus Purchase of Bunker Suits.

The Policy and Finance Committee had before it a report (January 15, 2002) from the Acting Chief Financial Officer proposing the internal financing of fire suits currently under lease and recommending that:

- (1) Pursuant to Section 2 (a) of the Lease Agreement between the Morning Pride Manufacturing L.L.C. and North Safety Products, Inc., both Delaware corporations, together doing business as Total Fire Group, (collectively, the “Lessor”) and the City for Bunker Suits and Section 3 of Equipment Schedule No. 1 made under the Lease Agreement, the City be directed to exercise its early buy-out option by terminating such Equipment Schedule No. 1 of the Lease Agreement on March 31, 2002;
- (2) as provided for in Section 3 of Equipment Schedule No. 1, the City be directed to pay to the Lessor on March 31, 2002 the sum of \$4,121,551.19 from the Capital Financing Reserve Fund, said sum representing the unamortized principal balance of the Lease Agreement;
- (3) Council approve the use of the Capital Financing Reserve Fund for this purpose;
- (4) Toronto Fire Services be directed to pay an amount of \$69,761.29 to the Capital Financing Reserve Fund by the end of each month from April 2002 to November 2005, such payment to be administered on an automatic recurring basis by the Finance Department;
- (5) the savings from internal financing be used to fund the outright purchase of up to an additional 27 fire suits per year as needed to a maximum purchase price of \$44,500.00 per year;
- (6) the appropriate City Officials be authorized and directed to take the necessary actions to give effect thereto.

The Policy and Finance Committee also had before it a report (December 18, 2001) from the Acting Chief Financial Officer entitled “Canadian Content and Lease Versus Purchase of Bunker Suits” responding to Council's request at its meeting of July 24, 25 and 26th, 2001 for staff to report on how an article manufactured in the United States can be deemed to have in excess of 80 percent Canadian Content and to provide a comparison of lease versus purchase of bunker suits, and recommending that this report be received for information.

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Councillor Howard Moscoe, Eglinton-Lawrence, appeared before the Policy and Finance Committee in connection with the foregoing matter.

On motion by Councillor Shiner, the Policy and Finance Committee:

- (A) recommended to Council:
 - (1) the adoption of the report (January 15, 2002) from the Acting Chief Financial Officer; and
 - (2) that in future, Requests for Quotations allow for separate quotes for maintenance, purchase and/or lease;
- (B) received the report (December 18, 2001) from the Acting Chief Financial Officer, entitled, "Canadian Content and Lease versus Purchase of Bunker Suits"; and
- (C) forwarded a copy of the report (December 18, 2001) from the Acting Chief Financial Officer, entitled, "Canadian Content and Lease versus Purchase of Bunker Suits"; and the report (January 15, 2002) from the Acting Chief Financial Officer entitled "Internal Financing of Firefighter Protective Clothing (Bunker Suits)", to the Audit Committee for its review.

(Audit Committee; c. Chief Financial Officer and Treasurer; Councillor Howard Moscoe – February 1, 2002)

(Clause No. 14 – Report No. 2)

1-14. Updated Information Concerning the Vacancy Rebate Program for Commercial and Industrial Properties.

The Policy and Finance Committee had before it a report (January 16, 2002) from the Chief Administrative Officer and Acting Chief Financial Officer advising that in a September 12, 2001 report entitled "Vacancy Rebate Program for Commercial and Industrial Properties", the Acting Chief Administrative Officer and the Acting Chief Financial Officer provided analysis of *Ontario Regulation 325/01*; providing further information to that contained in the aforementioned report; advising that in reviewing that regulation, and in preparing and presenting a report about it, questions arose with respect to the meaning of particular word

or phrases, and how certain logistical issues would be addressed; that at that time, the Acting Chief Administrative Officer and the Acting Chief Financial Officer indicated that Council would be provided with updated information once clarification was obtained from the appropriate officials; that this document supplies the previously missing details, and describes how the vacancy rebate program for commercial and industrial properties is currently being administered; and recommending that this report be received for information.

On motion by Councillor McConnell, the Policy and Finance Committee:

- (1) received the foregoing report; and
- (2) referred the following motion to the Chief Administrative Officer and the Chief Financial Officer and Treasurer for report thereon to the Policy and Finance Committee:

Moved by Councillor Pam McConnell:

“That in the implementation of the Vacancy Rebate Program for Commercial and Industrial Properties, the City require property owners to inform the City when a property becomes vacant, to ensure that verification will be possible.”

(Chief Administrative Officer; Chief Financial Officer and Treasurer –
January 31, 2002)

(Clause No. 27(c) – Report No. 2)

1-15. Unallocated Funding for Community Councils.

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

- (i) (January 14, 2002) from the Chief Administrative Officer submitting comments on the concept of providing the City of Toronto's community councils with unallocated funding and the power to finance, provide or veto changes to service levels in different parts of the amalgamated City of Toronto; advising that Following amalgamation, Council undertook a major review and debate about the roles and responsibilities of community councils in 1998, the result of which is the current community council model; that during the past four years, the City has devoted considerable time, energy and resources to service integration, harmonization and efficiency measures; that the role of community councils is intended to provide for scrutiny of the extent to which City services meet local needs; that it is concluded that any move to facilitate differential service levels on the basis of geographic area rather than residents' needs would be a step backwards; that providing community

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councils with the power to finance, provide or veto changes to service levels would challenge Council's capacity to set priorities, accurately assess the impacts of expenditure decisions and control expenditures; that moreover, legislative amendment would be required for any such delegation of final decision making to community councils to occur; and recommending that Council receive the report from Councillor Sutherland (dated November 14, 2001) entitled "Unallocated Funding for Community Councils";

(ii) (November 21, 2001) from the City Clerk advising that the Scarborough Community Council on November 20, 2001, directed that the communication (November 14, 2001) from Councillor Paul Sutherland respecting Unallocated Funding for Community Councils be referred to the Policy and Finance Committee for consideration at its next meeting;

(iii) (November 21, 2001) from the City Clerk advising that the North York Community Council on November 21, 2001, referred the following to the Policy and Finance Committee for consideration at its next meeting:

(1) the recommendation embodied in the communication (November 14, 2001) from Councillor Sutherland; and

(2) the following motion moved by Councillor Mammoliti:

"that a new formal procedure be developed to provide for the establishment of a forum of Community Council Chairs for the purpose of discussing budgetary matters and voicing Community Council concerns outside the formal Committee setting, at budget time.";

(iv) (November 21, 2001) from the City Clerk advising that the Etobicoke Community Council at its meeting November 21, 2001, recommended to the Policy and Finance Committee that the Chief Administrative Officer be requested to submit a report to the Etobicoke Community Council for its meeting scheduled to be held on January 30, 2002, on the issue of unallocated funding for Community Councils, including how Community Councils can be able to finance, provide or veto enhanced services while maintaining a standard level of core services City-wide; and

(v) (November 20, 2001) from the City Clerk advising that the Humber York Community Council at its meeting held on November 20, 2001, recommended to the Policy and Finance Committee that:

"WHEREAS the Humber York Community Council is opposed to creating a segregated pool of money allocated to each Community Council; and

WHEREAS the Humber York Community Council recognizes and appreciates that there are unique needs in all parts of the City;

THEREFORE BE IT RESOLVED that the Policy and Finance Committee recommend that Council undertake a process to have a full discussion on how to achieve service equity, while recognizing the distinct features of each community and deal with these issues in a way that is sensitive to each community; and

BE IT FURTHER RESOLVED that the Policy and Finance Committee request each Community Council to identify local issues and define very specific services and funding allocations for consideration under this policy.”

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (January 14, 2002) from the Chief Administrative Officer.

(Clause No. 25 – Report No. 2)

1-16. City Budget – Children and Youth Action Committee.

The Policy and Finance Committee had before it a communication (January 11, 2002) from the City Clerk advising that the Children and Youth Action Committee on January 9, 2002, recommended to the Policy and Finance Committee the following:

“Whereas, since the City’s amalgamation, the education portion of property tax transfer payments to the School Boards have been made by the City to the Boards on a quarterly basis; and

Whereas, the City’s holding of the funds represents approximately \$12 million in additional money for City coffers; and

Whereas, \$12 million would go a long way towards resolving the school pool closure issue and would result in keeping our neighbourhood pools open;

Therefore Be It Resolved that the City of Toronto immediately discontinue its current practice of remitting the education portion of property tax transfer payments to the School Boards on a quarterly basis, and

Be It Further Resolved that the City of Toronto begin to transfer these tax dollars intended for and dedicated to education to the School Boards on a monthly basis.

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. Children and Youth Action Committee – January 31, 2002)

(Clause No. 27(d) – Report No. 2)

**1-17. Communications and Reporting Protocol
for the Waterfront Reference Group
and the Waterfront Revitalization Initiative.**

The Policy and Finance Committee had before it a communication (December 5, 2001) from the City Clerk advising that the Waterfront Reference Group on November 29, 2001 recommended that the report (November 19, 2001) from the Commissioner of Urban Development Services be adopted subject to amending No. 5 of the list of Toronto Waterfront Revitalization Reporting and Communications Protocol, contained in the body of the report to read:

- “5. All staff reports on Official Plan and Rezoning Applications in the area of the Central Waterfront address the extent to which the development proposals impact waterfront revitalization. For those applications which are deemed to have an effect, the Executive Lead for the Waterfront will forward the Staff Report from the Toronto East York Community Council to the Waterfront Reference Group.”

The Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Waterfront Reference Group embodied in the foregoing communication (December 5, 2001) from the City Clerk.

(Clause No. 20 – Report No. 2)

1-18. Bill 151 – The Toronto Waterfront Revitalization Corporation Act, 2001.

The Policy and Finance Committee had before it a communication (January 15, 2002) from the City Clerk advising that The Waterfront Reference Group on January 9, 2002:

- (A) recommended to the Policy and Finance Committee that:
 - (1) City Council advise the Deputy Premier and Minister of Finance, Jim Flaherty, and the Federal Transport Minister, David Collenette of its position in the following areas:
 - (a) that Bill 151 recognize the City's Official Plan as a statutory, governing document;
 - (b) that the geographic boundary of the Toronto Waterfront Revitalization Corporation include the 46-kilometers of Toronto Waterfront, with priority being given to the Central Area, including the major transportation corridor within this area; and
 - (c) that the three governments, on an annual basis, approve the business plan of the Toronto Waterfront Revitalization Corporation;
 - (2) City staff continue to work with Provincial and Federal representatives to ensure that the City's interests and priorities are properly addressed in the Toronto Waterfront Revitalization Corporation Act, when enacted, and in subsequent Provincial regulations and other inter-governmental agreements impacting the Act; and
 - (3) the Chair of the Toronto Waterfront Revitalization Corporation be requested to submit the Corporation's Business Plan to the Waterfront Reference Group; and
- (B) requested the Commissioner of Urban Development Services, in consultation with the City Solicitor, to report to the Policy and Finance Committee for its meeting on January 31, 2002 with recommendations on suggested amendments to Bill 151.

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The Policy and Finance Committee also had before it a joint report (January 28, 2002) from the Commissioner, Urban Development Services and the City Solicitor addressing issues and concerns raised by the Waterfront Reference Group at its meeting on January 9, 2002, regarding *Bill 151, Toronto Waterfront Revitalization Corporation Act, 2001*, and recommending that:

- (1) this report be considered in conjunction with Item No. 18 of the January 31, 2002, Policy and Finance Committee Agenda regarding *Bill 151 – the Toronto Waterfront Revitalization Corporation Act, 2001*;
- (2) City staff request the following amendments to *the Toronto Waterfront Revitalization Corporation Act, 2001*, in addition to those recommended in the above noted clause:
 - (a) that Provincial representatives be requested to amend Bill 151 by removing the words “or unless it is authorized to do so by regulation” wherever they appear in the Proposed Legislation or by stating that no regulation may be issued without consent of City Council and the Federal Government;
 - (b) That sections 8(3) and 11(1) of the Proposed Legislation be amended to add the words “and Council” after “Mayor”; and,
 - (c) That the first object of the TWRC (s.3(1)1 Bill 151) be augmented to include “...enhances the ecological, economic, social and cultural value of the land...”;
- (3) the Chair of the Board of Directors of the TWRC be requested to provide a copy of proposed guidelines on conflict of interest for directors and officers of the TWRC to the Waterfront Reference Group as soon as they are available;
- (4) the TWRC Board of Directors be asked to develop a policy that is acceptable to the three governments that addresses public consultation and public reporting of its activities;
- (5) City staff, through the Intergovernmental Steering Committee, work to resolve issues related to Bill 151 in a manner that reflects the principles of the long-term governance structure approved in principle by the three levels of government in 2001;
- (6) City staff work with representatives of the TWRC to ensure receipt of financial reports and other required information at an appropriate time in the City’s budget process;
- (7) City staff report to the Waterfront Reference Group on amendments made to the Proposed Legislation as it proceeds through the legislative process; and,

- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect to those recommendations.

The Policy and Finance Committee recommended to Council:

- (I) the adoption of the foregoing Recommendations of the Waterfront Reference Group embodied in the communication (January 15, 2002) from the City Clerk; and
- (II) the adoption of the Recommendations Nos. (2) to (8) embodied in the joint report (January 28, 2002) from the Commissioner of Urban Development Services and the City Solicitor.

(Clause No. 19 – Report No. 2)

**1-19. Appointment of Councillor Layton
to the Waterfront Reference Group.**

The Policy and Finance Committee had before it a communication (December 5, 2001) from the City Clerk advising that the Waterfront Reference Group on November 29, 2001, received the report (October 11, 2001) from the City Clerk, Sustainability Roundtable, advising that Councillor Layton has been appointed to the Waterfront Reference Group as the representative of the Sustainability Roundtable and forwards same to City Council for information.

On motion by Councillor McConnell, the Policy and Finance Committee received the foregoing communication.

(Clause No. 27(e) – Report No. 2)

**1-20. Emery Village Secondary Plan -
UD03-FW - Finch Avenue West and
Weston Road (Ward 7 - York West).**

The Policy and Finance Committee had before it a communication (November 29, 2001) from the City Clerk advising that the North York Community Council at its meeting on November 21, 2001, referred the following items, due to the financial implications related thereto, to the Policy and Finance Committee for its consideration and report thereon to Council:

- (A) the following Resolution submitted by Councillor Mammoliti, Ward 7 – York West:

“WHEREAS the Finch/Weston area is subject to heavy traffic and significant truck traffic;

AND WHEREAS the City is undertaking initiatives to revitalize and redevelop the Finch and Weston area;

THEREFORE BE IT RESOLVED THAT:

- (1) City Council authorize the expenditure of \$150,000.00 to initiate a Municipal Class Environmental Assessment Study to include an investigation of the feasibility of re-routing or diverting north-south traffic around the Finch/Weston intersection and to review the feasibility of closing the south leg of the intersection;
- (2) the aforementioned Environmental Assessment Study also include a review of the feasibility of extending Rivalda Road north to connect with Weston Road via an overpass across Finch Avenue; and
- (3) that the aforementioned Environmental Assessment Study also include a review of the feasibility of establishing a “traffic roundabout” at the Finch/Weston intersection, which would replace the existing signals.”

- (B) the following motion moved by Councillor Mammoliti, Ward 7 – York West:

“that the City provide assistance, in the amount of \$5,000.00, to partially cover the cost of producing a virtual reality video currently being developed by a local video producer, such video to depict the planning and public participation process for the Emery Village planning area.”

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On motion by Councillor Shiner, the Policy and Finance Committee referred the foregoing communication to the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer for report thereon to the Budget Advisory Committee for consideration during the 2002 Budget deliberations, on possible funding sources.

(Commissioner of Works and Emergency Services; Chief Financial Officer and Treasurer; c. Committee Administrator, North York Community Council – January 31, 2002)

(Clause No. 27(f) – Report No. 2)

1-21. 2002 Business Improvement Area Operating Budgets: Report No. 1 (All Wards).

The Policy and Finance Committee had before it a communication (December 13, 2001) from the City Clerk forwarding Clause No. 7 contained in Report No. 12 of the Economic Development and Parks Committee, headed “2002 Business Improvement Area Operating Budgets: Report No. 1 (All Wards)” which was adopted, as amended, by the Council of the City of Toronto on December 4, 5 and 6, 2001; and advising that in adopting the aforementioned Clause Council has forwarded a copy thereof to the Policy and Finance Committee for its information.

Mayor Lastman declared an interest in the foregoing matter in that his son is the President of the Kennedy Road BIA.

On motion by Councillor Rae, the Policy and Finance Committee referred the foregoing communication to the Budget Advisory Committee for consideration during the 2002 Budget deliberations.

(Budget Advisory Committee; c. Chief Financial Officer and Treasurer; Commissioner of Economic Development, Culture and Tourism; Administrator, Economic Development and Parks Committee – January 31, 2002)

(Clause No. 27(g) – Report No. 2)

**1-22. Harmonization of Business Improvement
Area Practices and Procedures (All Wards).**

The Policy and Finance Committee had before it a communication (December 13, 2001) from the City Clerk forwarding Clause No. 21 contained in Report No. 16 of the Policy and Finance Committee, headed "Harmonization of Business Improvement Area Practices and Procedures (All Wards)" which was adopted, as amended, by City Council on December 4, 5 and 6, 2001; and advising that Council directed that this report be forwarded to the Policy and Finance Committee for its consideration of the financial impact of these recommendations as part of the 2002 Operating Budget process.

Mayor Lastman declared an interest in the foregoing matter in that his son is the President of the Kennedy Road BIA.

On motion by Councillor Rae, the Policy and Finance Committee referred the foregoing communication to the Budget Advisory Committee for consideration during the 2002 Budget deliberations.

(Budget Advisory Committee; Commissioner of Economic Development, Culture and Tourism; Chief Financial Officer and Treasurer – January 31, 2002)

(Clause No. 27(h) – Report No. 2)

**1-23. 245 College Street - Reimbursement of Community
Legal Expenses.**

The Policy and Finance Committee had before it a communication (December 14, 2001) from the City Clerk advising that City Council, at its meeting held on December 4, 5 and 6, 2001, referred the following Motion to the Policy and Finance Committee:

Moved by: Councillor Bussin

Seconded by: Councillor Walker

"WHEREAS at its meeting held on October 2, 3 and 4, 2001, City Council adopted, as amended, Toronto East York Community Council Report No. 7, Clause No. 31, headed 'Ontario Municipal Board Appeal – South-East Spadina Part II Plan Amendment and Re-zoning – 245 College Street and 39 Glasgow Street (Metro Credit Union) (Trinity-Spadina, Ward 20)'; and

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WHEREAS, in so doing, Council amended the Community Council's decision by requesting the City Solicitor to appear at the Ontario Municipal Board and convey the concerns of City Council as to the lack of due process in this application; and

WHEREAS the residents of the community have already spent a significant amount of effort and money preparing to protect their neighbourhood at the Ontario Municipal Board; and

WHEREAS the appeal was withdrawn on the afternoon before the Ontario Municipal Board hearing, giving less than 24 hours notice; and

WHEREAS the community no longer has a lawyer, because of the high costs for legal help, and the review of the proposal is ongoing and future involvement in the process by the community will be costly; and

WHEREAS the community has forwarded to Toronto City Council a letter and has attached an invoice for professional services rendered to them by Aird & Berlis, LLP;

NOW THEREFORE BE IT RESOLVED THAT Toronto City Council authorize a grant to be made to Larry Lee, et al, in the amount of \$6,716.66, or alternately, City staff be instructed to negotiate a 'proportional relief' or 'relief' from payment and that such a grant be deemed in the interest of the Municipality."

Mr. Larry Lee appeared before the Policy and Finance Committee in connection with the foregoing matter, and filed a written submission in regard thereto.

Councillor McConnell declared an interest in the foregoing matter in that she is a member of the Metro Credit Union.

On motion by Councillor Shiner, the Policy and Finance Committee referred the foregoing communication to the City Solicitor for report thereon to the Policy and Finance Committee for its meeting scheduled to be held on April 4, 2002.

The following motion by Mayor Lastman **lost**:

"That this matter be referred to the City Solicitor for a report thereon directly to Council on February 13, 2002."

The following motion by Councillor Bussin was put but **not voted on having regard for the foregoing action taken by the Committee:**

“That the Policy and Finance Committee recommend to Council that Toronto City Council authorize a grant to be made to Larry Lee, et al, in the amount of \$6,716.66, and that such a grant be deemed in the interest of the Municipality.”

(City Solicitor; c. Councillor Sandra Bussin, Beaches-East York; Mr. Larry Lee – January 31, 2002)

(Clause No. 27(i) – Report No. 2)

1-24. Toronto Public Health - Delivery of the City’s Non-Mandatory Dental Program.

The Policy and Finance Committee had before it a communication (December 4, 2001) from the City Clerk advising that the Audit Committee on November 29, 2001, amongst other things, during its consideration of the report (November 8, 2001) from the City Auditor respecting Toronto Public Health – Delivery of the City’s Non-Mandatory Dental Program”, recommended to the Policy and Finance Committee that a value-for-money audit on the non-mandatory dental program be deferred to 2003.

The Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Audit Committee embodied in the foregoing communication (December 4, 2001) from the City Clerk.

(Clause No. 21 – Report No. 2)

1-25. SAP Implementation Final Report.

The Policy and Finance Committee had before it a communication (December 4, 2001) from the City Clerk advising that the Audit Committee on November 29, 2001, referred the joint report (November 22, 2001) from the Chief Administrative Officer and Acting Chief Financial Officer/Acting Treasurer and Director of Accounting Services respecting SAP Implementation Final Report to the Policy and Finance Committee for consideration.

Councillor Gloria Lindsay Luby declared an interest in the foregoing matter in that her husband is now employed by SAP.

On motion by Councillor Minnan-Wong, the Policy and Finance Committee recommended to Council the adoption of the joint report (November 22, 2001) from the Chief Administrative Officer and Acting Chief Financial Officer/Acting Treasurer and Director of Accounting Services, wherein it is recommended that:

- (1) authority be given for staff to make final payment for full SAP implementation, including the Toronto Police Services project; and
- (2) the appropriate City officials be authorized to take the necessary action to give effect thereto.

(Clause No. 12 – Report No. 2)

**1-26. Toronto Police Service 2001
Operating Budget Variance Report -
September 30, 2001.**

The Policy and Finance Committee had before it a communication (November 29, 2001) from the Chairman, Toronto Police Services Board, providing the results of the 2001 Operating Budget Variance report as at September 30, 2001; and recommending that the report be received for information.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee received the foregoing report.

(Clause No. 27(j) – Report No. 2)

**1-27. Toronto Police Services Board's
2002-2004 Business Plan.**

The Policy and Finance Committee had before it a communication (December 11, 2001) from the Chairman, Toronto Police Services Board, providing the City of Toronto Council, through the Policy and Finance Committee, with a copy of the Toronto Police Services Board's 2002-2004 Business Plan and recommending that:

- (1) the Policy and Finance Committee receive this report; and
- (2) the Policy and Finance Committee forward a copy of this report to Toronto City Council for information.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee concurred with the foregoing recommendations embodied in the foregoing report (December 11, 2001) from the Chairman, Toronto Police Services Board.

(Clause No. 26 – Report No. 2)

**1-28. City of Toronto Grants Accountability
and Risk Management Framework.**

The Policy and Finance Committee had before it a communication (January 9, 2002) from the City Clerk advising that the Grants Sub-Committee on January 9, 2002, recommended to the Policy and Finance Committee, the adoption of the report dated December 17, 2001, from the Acting Commissioner of Community and Neighbourhood Services, subject to amending Recommendation No. (1) to read as follows:

- "(1) the Grants Accountability and Risk Management Framework contained in Appendix "A" of this report, which contains the following five key directions, be adopted:
- (i) a 3-year Council priority setting cycle for consolidated grants;
 - (ii) the creation of a Roundtable on Grant-Making;
 - (iii) the use of common components and standards of a well managed grants program;
 - (iv) performance measures for grants programs; and
 - (v) a risk management framework for City grants programs."

On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Grants Sub-Committee embodied in the foregoing communication (January 9, 2002) from the City Clerk.

(Clause No. 22 – Report No. 2)

1-29. Key Issues Regarding the Relationship Between the City of Toronto, the Toronto District School Board and the Toronto Catholic District School Board.

The Policy and Finance Committee had before it a communication (January 22, 2002) from the City Clerk advising that the School Advisory Committee on January 17, 2002, amongst other things, recommended to the Policy and Finance Committee the adoption of the report (November 12, 2001) from the Chief Administrative Officer, headed "Key Issues Regarding the Relationship Between the City of Toronto, the Toronto District School Board and the Toronto Catholic District School Board" wherein it is recommended that:

- (1) upon receipt of detailed invoices from the Toronto District School Board for the Parks and Recreation use of their facilities, City staff be authorized to pay funds on the basis of the previous "per square foot cost" as approved by Council; and
- (2) 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 that the foregoing communication (January 22, 2002) from the City Clerk, School Advisory Committee, be received.

(Clause No. 24 – Report No. 2)

1-30. Emergency Preparedness Measures.

The Policy and Finance Committee had before it a communication (January 11, 2002) from Councillor David Soknacki requesting that the Policy and Finance Committee consider the following motion at its meeting on January 31, 2002:

"That the Commissioner of Works and Emergency Services report as soon as possible to the Policy and Finance Committee after the City of Toronto's response to any mock disaster drill. This report is to also review the emergency preparedness measures the City of Toronto has taken and to address residents' concerns with respect to emergency preparedness."

On motion by Councillor Lindsay Luby, the Policy and Finance Committee referred the foregoing communication to the Commissioner of Works and Emergency Services for report thereon to the Policy and Finance Committee.

(Commissioner of Works and Emergency Services; c. Councillor David Soknacki, Scarborough East – January 31, 2002)

(Clause No. 27(k) – Report No. 2)

**1-31. Heritage Property Tax Rebate Program
(All Wards).**

The Policy and Finance Committee had before it a joint report (January 25, 2002) from the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer outlining the details of a new Heritage Property Tax Rebate Program arising from recent amendments to the Municipal Act, the financial implications of implementing this Program, and recommended procedures for its implementation in the City of Toronto and recommending that:

- (1) City Council elect to adopt a Heritage Property Tax Rebate Program effective January 1, 2002, pursuant to section 442.8 of the *Municipal Act*, to provide tax relief in respect of eligible heritage properties as defined in the *Act* and as further defined in the Municipal by-law to be established in accordance with this report, provided that:
 - (a) the Province provides legislation to enable City Council to increase property tax rates within the commercial, industrial and multi-residential classes to the extent necessary to fund the heritage tax rebate provided to heritage properties in these classes; and
 - (b) the legislation is provided in sufficient time prior to the City of Toronto setting its tax rates for the 2002 tax year, otherwise the decision to implement the Program be deferred to 2003;
- (2) should the Province provide the enabling legislation described in 1(a) above and should City Council elect to adopt a Heritage Property Tax Rebate Program:
 - (a) a rebate percentage of 40 per cent be adopted, and that a maximum annual limit of \$100,000 be specified on the amount of tax rebates payable to individual properties under this Program;
 - (b) the costs of providing rebates for heritage properties be funded from within the class to which they apply, and that the cost of the Program be included as a budget line item and incorporated in the total tax levy used to determine property tax rates;
 - (c) the City Solicitor prepare the necessary by-law for the establishment of the Heritage Property Tax Rebate Program in the City of Toronto, setting out the criteria for eligibility, application requirements including any associated fees, and the amount of tax reduction in respect of eligible heritage properties in accordance with this report;

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- (d) the Commissioner of Economic Development, Culture and Tourism report back to City Council on a proposed fee schedule for applications made to the Heritage Property Tax Rebate Program in the City of Toronto, for incorporation in the Municipal by-law implementing the Program, such fees to be used to defer the cost of administering the Program; and
 - (e) the Commissioner of Economic Development, Culture and Tourism report back to City Council at the end of 2003 and advise Council of any recommended changes to the Heritage Property Tax Rebate Program as pertaining to the eligibility criteria, application requirements, associated fees, and/or the rate(s) of rebate, and of the feasibility of implementing the Heritage Tax Back Grant Program commencing in 2004;
- (3) implementation of the Heritage Tax Back Grant Program previously approved by Council be deferred pending Council's consideration of the staff report referred to in recommendation 2(e) above; and
 - (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

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

- (i) (January 28, 2002) from Mr. William Stevenson, A/President, ABC Residents' Association, advising that the ABC Residents' Association fully supports tax benefits for owners of properties with historic designation or heritage assessment; and urging the Committee and Council to adopt a 40 percent tax deduction for both residential and commercial buildings;
- (ii) (January 29, 2002) from Mr. Robert Saunders, Acting Chair, Toronto Preservation Board, advising that the Toronto Preservation Board at its meeting on January 24, 2002, during its consideration of the staff report pertaining to the new Heritage Tax Rebate Program endorsed the aforementioned report with the following amendment that Recommendation No. (2) (a) be revised to read as follows:
 - “(2)(a) a rebate percentage of 40 per cent be adopted, and that a maximum annual limit of \$500,000 be specified on the amount of tax rebates payable to individual properties under this Program;”;
- (iii) (January 31, 2002) from Mr. Allan Gotlieb, Chairman, the Ontario Heritage Foundation, strongly urging the City of Toronto to support the introduction of a tax relief program.

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

- Mr. Sheldon J. Godfrey, Barrister and Solicitor;
- Mr. Terry Russell, Toronto Historical Society;
- Mr. Ernest Buchner, Executive Director, Heritage Toronto;
- Mr. Christopher Dew, Cabbagetown Preservation Association, and filed a written submission in regard thereto;
- Ms. Patricia Malicki, Architectural Conservancy of Ontario;
- Mr. Michael McClelland, Principal, E.R.A. Architects Inc.; and
- Mr. Richard Stromberg.

The Policy and Finance Committee recommended to Council:

- (I) the adoption of the joint report (January 25, 2002) from the Commissioner of Economic Development, Culture and Tourism and the Chief Financial Officer and Treasurer subject to: **(Motion by Councillor Rae)**
 - (a) amending Recommendation No. 2(a) to read as follows:

“(2)(a) a rebate percentage of 40 per cent be adopted, and that a maximum annual limit of \$500,000 be specified on the amount of tax rebates payable to individual properties under this Program;”; **(Motion by Councillor Rae)**
 - (b) amending Recommendation No. 2 (c) to read as follows:

“(2)(c) subject to Recommendation No. 2(d) Council enact the necessary by-law to establish the Heritage Property Tax Rebate Program as recommended in this report; **(Motion by Councillor McConnell)**
 - (c) adding thereto the following new Recommendation No. (4):

“(4) that City Council request the Province to enact legislation to enable Council to increase property tax rates in the commercial, industrial and

multi-residential classes to the extent necessary to fund heritage tax rebates provided to heritage properties in these classes; and **(Motion by Councillor McConnell)**

renumbering the remaining recommendation accordingly so that the recommendations embodied in the aforementioned report now read as follows:

“It is recommended that:

- (1) City Council elect to adopt a Heritage Property Tax Rebate Program effective January 1, 2002, pursuant to section 442.8 of the *Municipal Act*, to provide tax relief in respect of eligible heritage properties as defined in the *Act* and as further defined in the Municipal by-law to be established in accordance with this report, provided that:
 - (a) the Province provides legislation to enable City Council to increase property tax rates within the commercial, industrial and multi-residential classes to the extent necessary to fund the heritage tax rebate provided to heritage properties in these classes; and
 - (b) the legislation is provided in sufficient time prior to the City of Toronto setting its tax rates for the 2002 tax year, otherwise the decision to implement the Program be deferred to 2003;
- (2) should the Province provide the enabling legislation described in 1(a) above and should City Council elect to adopt a Heritage Property Tax Rebate Program:
 - (a) a rebate percentage of 40 per cent be adopted, and that a maximum annual limit of \$500,000 be specified on the amount of tax rebates payable to individual properties under this Program;”;
 - (b) the costs of providing rebates for heritage properties be funded from within the class to which they apply, and that the cost of the Program be included as a budget line item and incorporated in the total tax levy used to determine property tax rates;

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- (c) subject to Recommendation No. 2(d) Council, enact the necessary by-law to establish the Heritage Property Tax Rebate Program as recommended in this report;
 - (d) the Commissioner of Economic Development, Culture and Tourism report back to City Council on a proposed fee schedule for applications made to the Heritage Property Tax Rebate Program in the City of Toronto, for incorporation in the Municipal by-law implementing the Program, such fees to be used to defer the cost of administering the Program; and
 - (e) the Commissioner of Economic Development, Culture and Tourism report back to City Council at the end of 2003 and advise Council of any recommended changes to the Heritage Property Tax Rebate Program as pertaining to the eligibility criteria, application requirements, associated fees, and/or the rate(s) of rebate, and of the feasibility of implementing the Heritage Tax Back Grant Program commencing in 2004;
- (3) implementation of the Heritage Tax Back Grant Program previously approved by Council be deferred pending Council's consideration of the staff report referred to in recommendation 2(e) above;
 - (4) that City Council request the Province to enact legislation to enable Council to increase property tax rates in the commercial, industrial and multi-residential classes to the extent necessary to fund heritage tax rebates provided to heritage properties in these classes; and
 - (5) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto;
- (II) that a copy of the aforementioned report be forwarded to all municipalities in Ontario that are subject to tax ratio threshold limitations under Bill 140, "*The Continued Protection for Property Taxpayers Act 2000*"; and **(Motion by Councillor Rae)**

- (III) that the appropriate City Officials be requested to submit a report to the Policy and Finance Committee in six months' time respecting the progress that has been made in lobbying the Province of Ontario to amend its legislation to permit the impact of heritage tax rebates to be funded from within the capped property tax classes. **(Motion by Councillor Rae)**

(Clause No. 2 – Report No. 2)

**1-32. Lorraine Kimsa Theatre for Young People,
Line of Credit Guarantee (All Wards).**

The Policy and Finance Committee had before it a communication (January 28, 2002) from the City Clerk advising that the Economic Development and Parks Committee on January 21 and 25, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report (January 2, 2002) from the Commissioner of Economic Development, Culture and Tourism wherein it is recommended that:

- (1) authority be granted to enter into an agreement with the bank for Lorraine Kimsa Theatre for Young People for a guarantee of a line of credit in the amount of \$250,000.00 (inclusive of all interest payable by Lorraine Kimsa Theatre to the bank), for the period March 1, 2002 to February 28, 2005, and that such guarantee be on terms and conditions satisfactory to the City Solicitor, the Acting Treasurer, and the Commissioner of Economic Development, Culture and Tourism;
- (2) authority be granted to enter into an agreement with Lorraine Kimsa Theatre for Young People with respect to the line of credit guarantee on terms and conditions approved by the City Solicitor, the Acting Treasurer and the Commissioner of Economic Development, Culture and Tourism;
- (3) authority be granted to enter into a tri-party agreement with Lorraine Kimsa Theatre for Young People and the bank for Lorraine Kimsa Theatre for Young People with respect to the line of credit guarantee, on terms and conditions approved by the City Solicitor, the Acting Treasurer, and the Commissioner of Economic Development, Culture and Tourism;
- (4) the guarantee of the line of credit is deemed to be in the interest of the municipality;
- (5) the report be forwarded to Policy and Finance Committee for consideration; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

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On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Economic Development and Parks Committee embodied in the communication (January 28, 2002) from the City Clerk, subject to amending Recommendation No. (1) contained in the report (January 2, 2002) from the Commissioner of Economic Development, Culture and Tourism by adding thereto the following words “and that the Chief Financial Officer and Treasurer be requested to negotiate adequate safeguards with the bank to ensure that the City is promptly advised in the event of ongoing default or delay in the payment of interest;”, so that the Recommendations embodied in the aforementioned report now read as follows:

- “(1) authority be granted to enter into an agreement with the bank for Lorraine Kimsa Theatre for Young People for a guarantee of a line of credit in the amount of \$250,000.00 (inclusive of all interest payable by Lorraine Kimsa Theatre to the bank), for the period March 1, 2002 to February 28, 2005, and that such guarantee be on terms and conditions satisfactory to the City Solicitor, the Acting Treasurer, and the Commissioner of Economic Development, Culture and Tourism; and that the Chief Financial Officer and Treasurer be requested to negotiate adequate safeguards with the bank to ensure that the City is promptly advised in the event of ongoing default or delay in the payment of interest;
- (2) authority be granted to enter into an agreement with Lorraine Kimsa Theatre for Young People with respect to the line of credit guarantee on terms and conditions approved by the City Solicitor, the Acting Treasurer and the Commissioner of Economic Development, Culture and Tourism;
- (3) authority be granted to enter into a tri-party agreement with Lorraine Kimsa Theatre for Young People and the bank for Lorraine Kimsa Theatre for Young People with respect to the line of credit guarantee, on terms and conditions approved by the City Solicitor, the Acting Treasurer, and the Commissioner of Economic Development, Culture and Tourism;
- (4) the guarantee of the line of credit is deemed to be in the interest of the municipality;
- (5) the report be forwarded to Policy and Finance Committee for consideration; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

(Clause No. 15 – Report No. 2)

**1-33. Seed Funding for Heritage Toronto
(All Wards).**

The Policy and Finance Committee had before it a communication (January 28, 2002) from the City Clerk advising that the Economic Development and Parks Committee on January 21 and 25, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report (January 3, 2002) from the Commissioner of Economic Development, Culture and Tourism wherein its recommended that:

- (1) City Council waive the requirement for Heritage Toronto to return the year 2000 surplus, on a one-time basis, so that Heritage Toronto is forgiven the \$46,763.00 owed to the City resulting from approved year 2000 seed funding being expended in the year 2001 due to delays in start-up activities; and
- (2) the appropriate City officials be authorized and directed 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 Economic Development and Parks Committee embodied in the foregoing communication (January 28, 2002) from the City Clerk.

(Clause No. 16 – Report No. 2)

**1-34. Jarvis Street Corridor Reserve Fund
(Ward 27 - Toronto Centre-Rosedale).**

The Policy and Finance Committee had before it a communication (January 28, 2002) from the City Clerk advising that The Economic Development and Parks Committee on January 21 and 25, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report (January 18, 2002) from the Commissioner of Economic Development, Culture and Tourism wherein it is recommended that:

- (1) Council establish the “Jarvis Street Corridor Reserve Fund” to support the implementation of a heritage strategy for that portion of Jarvis Street south of Isabella Street;
- (2) Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding the Jarvis Street Corridor Reserve Fund to Schedule B2 (Agreements with Third Parties);
- (3) this report be forwarded to Policy and Finance Committee for consideration;

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- (4) leave be granted for the introduction of any necessary Bills in Council to give effect thereto; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Economic Development and Parks Committee embodied in the foregoing communication (January 28, 2002) from the City Clerk.

(Clause No. 17 – Report No. 2)

**1-35. Telecommunications Network Initiative,
Critical Path.**

The Policy and Finance Committee had before it a communication (January 28, 2002) from the City Clerk advising that the Telecommunications Steering Committee at its meeting held on January 28, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report (January 22, 2002) from the Chief Information Officer and Executive Lead on Telecommunications respecting the “Telecommunications Network Initiative – Critical Path”, wherein it is recommended that the Telecommunications Steering Committee adopt the Critical Path for the City of Toronto’s Telecommunications Network Initiative as set out in Appendix One of this report, and also adopt the following specific recommendations which result from the adoption of the Critical Path, as follows:

- (1) the City should continue to work on the development of a long-term strategy for telecommunications and network services by considering all appropriate options for the delivery of these services, including new and/or emerging technologies. Staff should report back to the Committee in September 2002 with the strategy and business case for the telecommunications and network initiative;
- (2) the Lemay-Yates Report should be released to the public as soon as possible. When released, interested parties will be invited to make comments/presentations on the report at the meeting of the Telecommunications Steering Committee on Wednesday, February 27, 2002. As well as the report, interested parties should be asked to comment on a broader range of telecommunications issues, including, but not limited to the following issues: fibre optics, wireless, networking, convergence, business models, partnerships, etc.
- (3) the City should establish an Advisory/Working Group, led by Chief Information Officer, with responsibility for the planning of this telecommunications and network initiative. The Advisory/Working Group should include representatives

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from the City's agencies, boards and commissions, and as well the broader public sector, as appropriate;

- (4) members of the Advisory/Working Group should be briefed on the Lemay -Yates Report as soon as possible;
- (5) the City should prepare and release an EOI/RFP to collect current market and costing information on the options available for the provision of telecommunications services. This information should be considered by the Advisory/Working Group as part of their review and analysis;
- (6) the City should prepare an EOI/RFP to solicit proposals for telecommunications demonstration projects to evaluate new or emerging technologies, e.g., Voice over IP. These projects should be undertaken if there is limited or no cost/risk to the City and if the end result meets obvious corporate/ABC telecommunications needs. The Chief Information Officer/Executive Lead on Telecommunications be authorized to enter into agreements for pilot projects in co-operation with various agencies, boards and commissions and private sector providers. The results of this evaluation should be considered by the Advisory/Working Group as part of their review and analysis;
- (7) Corporate I&T should establish a formal process to work more closely with, and in partnership with the City's agencies, boards and commissions to identify opportunities to improve service delivery, achieve greater economies of scale and reduce overall costs by better co-ordinating information technology and telecommunications goals and priorities;
- (8) the City should examine its role in relation to the provision of broadband services to the residents and businesses in the City, and determine the best course of action for the City of Toronto; and
- (9) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Telecommunications Steering Committee embodied in the foregoing communication (January 28, 2002) from the City Clerk.

(Clause No. 18 – Report No. 2)

**1-36. Amendment to By-Law No. 377-1999
“To Provide for Paying Interest on
Overpayment of Taxes Resulting From Appeals”.**

The Policy and Finance Committee had before it a confidential report (January 25, 2002) from the Chief Financial Officer and Treasurer respecting an amendment to By-law No. 377-199, “To Provide for Paying Interest on Overpayment of Taxes Resulting from Appeals”, such report to be considered in camera having regard that the subject matter relates to the receiving of advice that is subject to solicitor-client privileges.

On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the confidential report (January 25, 2002) from the Chief Financial Officer and Treasurer respecting an amendment to By-law No. 377-1999, to provide for paying interest on overpayment of taxes resulting from appeals, which was forwarded to Members of Council under confidential cover; and further that, in accordance with the Municipal Act, discussions pertaining thereto be held in-camera having regard that the subject matter relates to the receiving of advice that is subject to solicitor-client privileges.

(Clause No. 3 – Report No. 2)

**1-37. Yonge/Dundas Redevelopment Project Settlement of
Expropriation Claims: 313A-315 Yonge Street,
Toronto Owner: Marvin Hertzman Holdings Inc. and
Helen Hirschorn (Ward 27 - Toronto Centre Rosedale).**

The Policy and Finance Committee had before it the confidential report (January 15, 2002) from the Acting Chief Financial Officer respecting Yonge/Dundas Redevelopment Project Settlement of Expropriation Claims, such report to be considered in camera having regard that the subject matter relates to the receiving of advice that is subject to solicitor-client privileges.

The Policy and Finance Committee received, for information, a confidential report (January 15, 2002) from the Acting Chief Financial Officer respecting the Yonge/Dundas Redevelopment Project, Settlement of Expropriation Claims: 313A-315 Yonge Street, such report to remain confidential, in accordance with the Municipal Act, having regard that it contains information which relates to the receiving of advice that is subject to solicitor-client privileges.

(Clause No. 27(l) – Report No. 2)

1-38. Policy Governing Land Transactions among City Agencies, Boards, Commissions and Departments and Proceeds from Sale of Surplus City-Owned Real Property

The Policy and Finance Committee had before it a joint report (January 25, 2002) from the Chief Administrative Officer, the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services recommending that:

- (1) the policy and procedures governing land transactions among City agencies, boards, commissions and departments and allocating net proceeds from the sale of City-owned real property, set out in Appendix "A" to this report, be adopted;
- (2) the policy and procedures set out in Appendix "A" be binding on agencies, boards, commissions and City departments using City-owned land, as more particularly delineated in the body of this report;
- (3) Agencies, Boards and Commissions of the City, owning land in the title of such Agency, Board or Commission be requested to provide their concurrence to the policy contained in this report;
- (4) the Chief Financial Officer and Treasurer report on the establishment of the necessary reserve funds to give effect to the policies and procedures set out in Appendix 'A' to this report;
- (5) that any necessary by-laws, including but not limited to, Chapter 227 of the City of Toronto Municipal Code (Reserves and Reserve Funds), and Chapter 179 of the City of Toronto Municipal Code (Parking Authority), be amended accordingly;
- (6) authority be granted for the introduction in Council of any Bills necessary to implement the foregoing; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Rae, the Policy and Finance Committee referred the foregoing report back to the Chief Administrative Officer, the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services for consultation with affected stakeholders, and report thereon to the Policy and Finance Committee for its meeting scheduled to be held on April 4, 2002.

(Chief Administrative Officer; Chief Financial Officer and Treasurer;
Commissioner of Corporate Services – January 31, 2002)

(Clause No. 27(m) – Report No. 2)

**1-39. The City/ABC Power Purchasing Agreement with
Toronto Hydro Energy Services Inc.**

The Policy and Finance Committee had before it a confidential report (January 23, 2002) from the Chief Administrative Officer respecting the City/ABC Power Purchasing Agreement with Toronto Hydro Energy Services Inc., such report to be considered in-camera having regard that the subject matter relates to the security of the property of the municipality.

On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the confidential report (January 23, 2002) from the Chief Administrative Officer, respecting the City/ABC Power Purchasing Agreement with Toronto Hydro Energy Services Inc., which was forwarded to Members of Council under confidential cover; and further, in accordance with the Municipal Act, discussions pertaining thereto be held in-camera having regard that the subject matter relates to the security of the property of the municipality.

(Clause No. 4 – Report No. 2)

The Policy and Finance Committee adjourned its meeting at 5:35 p.m.

Chair.