
BUDGET ADVISORY COMMITTEE**AGENDA****MEETING NO. 10**

Date of Meeting:	Friday, March 12, 2004	Enquiry: Betty Henderson
Time:	9:30 a.m.	Administrator
Location:	Committee Room 1	416-392-8088
	City Hall	bhender1@toronto.ca
	100 Queen Street West	

Declarations of Interest Pursuant to the Municipal Conflict of Interest Act**Communications/Reports****1.61 Administration Committee Transmittal (Capital)**

Communication (February 18, 2004) from the City Clerk, advising that the Administration Committee, at its meetings on February 6 and February 13, 2004 reviewed the 2004-2013 Capital Budget, and took the following action:

(1) Corporate Services Department

(A) Fleet Services

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for Fleet Services.

(B) City Clerk's Office

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for City Clerk's Office.

(C) Facilities and Real Estate

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for Facilities and Real Estate.

(D) Union Station

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended 2004-2013 Capital Budget for Union Station subject to it being a condition of agreement with Union Pearson Group that all of the repairs made or to be made by the City to Union Station from the date that Union Pearson Group was selected as the preferred proponent, being August 1, 2002, be paid entirely by Union Pearson.

(E) Court Services

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for Court Services.

(F) Information & Technology

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for Information & Technology

(G) End of Lease Strategy

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for the End of Lease Strategy subject to Policy and Finance Committee considering the Strategy at its meeting on February 24, 2004 and Council's subsequent approval on March 1, 2004.

(H) Finance Department

Recommended to the Budget Advisory Committee the adoption of the 2004-2013 EMT recommended Capital Budget for Finance Department.

1.62 Administration Committee Transmittal (Operating)

Communication (February 18, 2004) from the City Clerk, advising that the Administration Committee, at its meetings on February 6 and February 13, 2004 reviewed the 2004 Operating Budget, and took the following action:

(1) Corporate Services Department(A) Legal Services

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Legal Services.

(B) Corporate Communications

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Corporate Communications.

(C) Service Improvement and Innovation

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Service Improvement and Innovation.

(D) Human Resources

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Human Resources.

(E) Fleet Services

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Fleet Services.

(F) City Clerk's Office

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for City Clerk's Office.

(G) Facilities and Real Estate

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Facilities and Real Estate.

(H) Court Services

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Court Services.

(I) Information and Technology

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for Information and Technology.

(J) City Council

Recommended:

- (1) to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for City Council;
- (2) that City Council's existing policy that the Councillor's Office Budget be disclosed on an annual basis and given a wide circulation of the line by line expenses, be reaffirmed.

(K) Mayor's Office

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for the Mayor's Office.

(L) Chief Administrator's Office

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended Operating Budget for the Chief Administrator's Office.

(M) Consolidated Grants

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended 2004 Operating Budget for Consolidated Grants subject to increasing the Access and Equity Grants budget to \$1M.

(N) Finance Department

Recommended to the Budget Advisory Committee the adoption of the 2004 EMT recommended 2004 Operating Budget for Finance Department.

In-Camera In Accordance with the Municipal Act, a motion is required for the Committee to meet privately and the reason must be stated.

1.62(a) Request for Additional Information on Corporate Services 2004 Operating Budget Adjustments to meet the Budget Target of 2003 Approved Budget Plus One Percent

Confidential report (March 3, 2004) from the Commissioner of Corporate Services responding to a request from the Administration Committee to report on options to meet the budget target of the 2003 approved budget plus one percent; and recommending that this report be received for information, such report to be considered in-camera having regard that the subject matter relates to personnel matters.

1.63 City Clerk's (Operating and Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.64 Corporate Communications (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.65 Court Services (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.66 Facilities and Real Estate (Operating and Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.66(a) Rationale for 2004 Master Accommodation Plan (MAP) Sub Projects and Identification of Savings Resulting from the MAP Program

Report (March 3, 2004) from the Commissioner of Corporate Services discussing the rationale for the proposed new 2004 Master Accommodation Plan (MAP) sub-projects and identifying the savings resulting from implementing the MAP program.

1.67 Fleet Services (Operating and Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.68 Human Resources (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.69 Information & Technology (Operating and Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.70 Legal (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.71 Service Improvement and Innovation (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.72 Union Station (Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.73 End of Lease Strategy (Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.74 Chief Administrator's Office (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.74(a) New Internal Audit Function - Status Report

Report (December 17, 2003) from the Chief Administrative Officer providing a status report on the City's new internal audit function; and recommending that this report be received for information.

1.75 Council (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.76 Mayor's Office (Operating)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.77 Finance Department (Operating and Capital)

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.78 Non Program

(Refer to the Budget Binders Previously Distributed to all Members of Council)

1.78(a) 2004 Current Value Assessment (CVA) and Tax Policy Options – Senior and Low-Income Disabled Persons Eligibility Criteria (All Wards)

Communication (February 24, 2004) from the City Clerk, advising that the Policy and Finance Committee at its Special Meeting held on February 24, 2004, referred the following communication and report to the Budget Advisory Committee for consideration during the 2004 Operating Budget deliberations:

- (i) communication (February 5, 2004) from the City Clerk, enclosing for information and any attention deemed necessary, Clause No. 10 contained in Report No. 1 of The Policy and Finance Committee, headed “2004 Current Value Assessment (CVA) Changes and Tax Policy Options (All Wards)”, which was adopted, as amended, by the Council of the City of Toronto at its meeting held on January 27, 28 and 29, 2004, and advising that Council referred the following motion to the Policy and Finance Committee for consideration:

Moved by Councillor Chow:

“That the Clause be amended by amending the report dated January 7, 2004, from the Chief Financial Officer and Treasurer, as contained in the Clause, by inserting in Recommendation No. (4), after the words ‘be amended by’, the words ‘replacing the \$25,000.00 household limit with \$30,000.00, and’”, so that Recommendation No. (4) will read as follows:

“with respect to property tax relief for low-income seniors and low-income disabled persons, Article IVB of Chapter 767 of the City of Toronto Municipal Code, respecting the cancellation of tax increases for eligible persons as defined in the article, be amended by replacing the \$25,000.00 household limit with \$30,000.00, and replacing the eligible property value of \$295,000.00 with \$398,400.00 in the appropriate section thereof to reflect the revised average detached single-family residential property Current Value Assessment in Toronto based on the June 2003 valuation date, and that the income criteria with respect to the cancellation of taxes increases be amended by adding thereto or in receipt of the Guaranteed Income Supplement under the Old Age Security Act (Canada), or in the case of a widowed person, in receipt of the Spouse’s Allowance under the Old Age Security Act (Canada);” and

- (ii) report (February 20, 2004) from the Chief Financial Officer and Treasurer reporting on the financial implications of amending the recommended eligibility criteria for the City of Toronto low-income senior and low-income disabled person tax cancellation program, to increase the household income criteria from \$25,000.00 to \$30,000.00; advising that increasing the income eligibility criteria relating to the tax cancellation program from \$25,000.00 to \$30,000.00 will necessitate additional funding allocation to this program estimated at \$500,000.00 based on a projected 30 percent participation rate; and recommending that this report be received for information.

BUDGET ADVISORY COMMITTEE**SUPPLEMENTARY AGENDA****MEETING NO. 10**

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Communications/Reports**1.69(a) Report on the Technology End of Lease Strategy Initiative**

Communication (March 5, 2004) from the City Clerk, advising that City Council on March 1, 2 and 3, 2004, adopted, as amended, Clause No. 1 of Report No. 2 of The Policy and Finance Committee, entitled "Report on the Technology End of Lease Strategy Initiative", and referred the budget for the Technology End of Lease Strategy to the Budget Advisory Committee for consideration as part of the 2004 budget process.

1.74(b) Hosting the 2005 Metropolis Congress in Toronto

Communication (March 5, 2004) from the City Clerk, advising that City Council on March 1, 2 and 3, 2004, adopted, without amendment, Clause No. 12 of Report No. 2 of The Policy and Finance Committee, entitled "Hosting the 2005 Metropolis Congress in Toronto", and forwarded this Clause to the Budget Advisory Committee for early consideration of the financial implications.

1.74(c) Options for the Establishment of a City Integrity Commissioner

Communication (March 5, 2004) from the City Clerk, advising that City Council on March 1, 2 and 3, 2004, adopted, without amendment, Clause No. 4 of Report No. 2 of The Policy and Finance Committee, entitled "Options for the Establishment of a City Integrity Commissioner", and requested the Budget Advisory Committee to give consideration to an additional \$90,000.00 for the 2004 Operating Budget, to establish a City Integrity Commissioner function, inclusive of the recruitment process and based on an annualized budget of approximately \$200,000.00.

1.77(a) 2004 New Finance Department Administrative Fees

Communication (March 5, 2004) from the City Clerk, advising that City Council on March 1, 2 and 3, 2004, adopted, without amendment, Clause No. 44 of Report No. 2 of The Policy and Finance Committee, entitled “2004 New Finance Department Administrative Fees”, and forwarded a copy of this Clause to the Budget Advisory Committee for information.

1.77(b) 2004 Development Charges Background Study

Communication (March 5, 2004) from the City Clerk, advising that City Council on March 1, 2 and 3, 2004, adopted, as amended, Clause No. 6 of Report No. 2 of The Policy and Finance Committee, entitled “2004 Development Charges Background Study”, and requested that the capital program identified in the 2004 Development Charge Background Study be forwarded to the Budget Advisory Committee for consideration.

(The 2004 Development Charges Background Study was previously distributed to all Members of Council with the Policy and Finance Committee agenda of February 24, 2004)

1.78(b) Payments-in-Lieu - Heads and Beds Levy on Public Institutions (All Wards)

Report (March 2, 2004) from the Chief Financial Officer and Treasurer requesting that the provincial government amend the current “heads and beds” rate used to calculate provincial payments-in-lieu of taxes on public hospitals, universities and colleges and correctional facilities, or to make necessary legislative changes to the Assessment Act and the Municipal Act to ensure that payment-in-lieu amounts for these properties are based on taxation at full Current Value Assessment (CVA) levels; and recommending that:

- (1) The Provincial Minister of Finance be requested to:
 - (a) amend the current provincial regulation that establishes the “heads and beds” rate used to calculate provincial payments-in-lieu of taxes on public hospitals, universities, colleges and correctional facilities, to increase the current per-capacity rate of \$75.00 to a rate that would result in payments-in-lieu of taxes equivalent to an amount that would be raised if the payments-in-lieu for public institutions were determined using a standard “Current Value Assessment (CVA) times tax rate” methodology;
 - (b) ensure that the “heads and beds” rate is adjusted annually thereafter to reflect changes in Current Value Assessment on public institutions and municipal tax rates;

- (c) or, alternatively, to introduce necessary legislative amendments to the Assessment Act and the Municipal Act to ensure that payment-in-lieu amounts for these properties are calculated based on the equivalent of taxation at full Current Value Assessment (CVA) levels multiplied by the appropriate municipal tax rate.
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

BUDGET ADVISORY COMMITTEE**ADDED STARTER****MEETING NO. 10**

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Communications/Reports**1.78(c) Insurance Reserve Fund Adequacy**

Report (March 11, 2004) from the Chief Financial Officer and Treasurer updating the review of the adequacy of the Insurance Reserve Fund; and recommending that:

- (1) additional funding in the amount of \$3.3 million be provided from the 2004 Non-Program Budget and an additional 2004 charge of \$1.7 million has been included in the Water and Wastewater budget to the Insurance Reserve Fund; and
- (2) the appropriate City officials be directed to give effect to the foregoing.