

## **BUDGET ADVISORY COMMITTEE**

### **AGENDA**

#### **MEETING NO. 13**

<b>Date of Meeting:</b>	<b>Friday, April 2, 2004</b>	<b>Enquiry:</b>	<b>Betty Henderson</b>
<b>Time:</b>	<b>9:30 a.m.</b>		<b>Administrator</b>
<b>Location:</b>	<b>Committee Room 1</b>		<b>416-392-8088</b>
	<b>City Hall</b>		<b>bhender1@toronto.ca</b>
	<b>100 Queen Street West</b>		

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#### **Declarations of Interest Pursuant to the Municipal Conflict of Interest Act**

##### **Communications/Reports**

#### **1. Toronto Police Service and Board (Operating and Capital)**

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

*(Deferred from March 24, 2004 meeting - All Material Previously Distributed with March 24, 2004 Agenda)*

#### **1(a). Reductions to Toronto Police Service Budget**

*(Report to follow from the Chair, Toronto Police Services Board, advising of the action taken by the Toronto Police Services Board at its meeting on April 1, 2004)*

#### **2. Toronto Transit Commission (Operating and Capital)**

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

*(Deferred from March 24, 2004 meeting - All Material Previously Distributed with March 24, 2004 Agenda)*

## **Economic Development, Culture and Tourism Department**

### **3. Culture**

Communication (March 26, 2004) from Councillor Bill Saundercook, Ward 13 Parkdale-High Park, regarding funding for the York Museum.

### **4. Parks and Recreation (Capital)**

The Budget Advisory Committee on March 24, 2004, deferred consideration of the following matter until the April 2, 2004 meeting:

“sufficient funds be added to the 2004 Capital Budget for site preparation at 40 Wabash Avenue for the Wabash/Sorauren Community Centre.”

### **5. Parks and Recreation (Operating)**

The Budget Advisory Committee on March 24, 2004, deferred consideration of the following matters until the April 2, 2004 meeting:

- (a) “report on the cost for the reinstating the thirteen front line positions to be reduced following the retirement of the individuals”; and
- (b) “City Council be requested to defer any decision on Phase II of the ‘Transfer of Aquatics Programs from TDSB Pools’ until it determines the City of Toronto’s pool strategy and considers the pools study anticipated in September 2004, and no ‘migration’ or reduction of aquatic programs occur before that time.”

### **6. Arena Boards of Management (Operating)**

The Budget Advisory Committee on March 24, 2004, deferred final approval of the Arena Boards of Management Budget until April 2, 2004, and requested staff to report at that time on Board approvals of strategies to absorb the impact of the increase for Vehicle Reserve contributions.

- 6(a).** Communication (March 29, 2004) from Mr. Eric Anweiler, Manager, North Toronto Memorial Arena, addressed to Mayor David Miller regarding the financing of the Ice Resurfacer Replacements for Arena Boards of Management.

## Community and Neighbourhood Services Department

### 7. Homes for the Aged (Capital)

#### 7(a). **Redevelopment of Albion Lodge as a Site to Provide Supportive Housing Services in Partnership with Toronto Community Housing Corporation (TCHC)**

Report (March 30, 2004) from the Commissioner of Community and Neighbourhood Services requesting a revision to the 2004 Capital Budget for Albion Lodge and seeking authority to negotiate an early exit from the current lease agreement between the City of Toronto Home for the Aged (HFA) Division and Toronto Community Housing Corporation (TCHC) for Albion Lodge; informing the Budget Advisory Committee of the future plans for the use of Albion Lodge; further advising that HFA will report back to the Community Services Committee on program implications in the fall of 2004; and recommending that:

- (1) the total capital budget of \$7.5 million for the redevelopment of Albion Lodge into supportive housing be reduced by \$5.5 million to \$2.0 million from City debt;
- (2) the cash flow in 2004 be reduced to \$1.0 million with a deferral of the remaining \$1.0 million until the first quarter of 2005 (\$0.75 million on January 4, 2005 and \$0.25 million upon substantial completion of the project);
- (3) a total of \$2.0 million in capital financing be provided by the City of Toronto to Toronto Community Housing Corporation, with the proviso that this funding be used for the sole purpose of retrofitting Albion Lodge, 111 Kendleton Drive, to render it suitable for the provision of supportive housing services for seniors;
- (4) contingent upon final approval from the MOHLTC, the Homes for the Aged Division enter into an agreement with TCHC to provide supportive housing services to this site, on similar terms and conditions as in place for other supportive housing sites administered by the HFA Division;
- (5) contingent upon final approval of the arrangements for capital funding from City Council, HFA and TCHC negotiate an early exit from the multi-year lease currently in effect;
- (6) the release of lease obligations be legally effective on the date of start of construction by TCHC, which will be the day that the building reverts to TCHC as the owner;
- (7) the City assets currently in place at the site be removed from the site on terms and conditions mutually acceptable to HFA and TCHC;
- (8) arrangements for the capital funding and exit from lease arrangements be completed in a form acceptable to the Chief Financial Officer and Treasurer and the City Solicitor;

- (9) staff report back to Budget Advisory Committee and Community Services Committee in the fall of 2004 for a pre-approval to the 2005 capital budget process with respect to the purchase of the amenities and furnishings referred to in this report, with such expenditures funded from the funds currently held in the HFA Capital Reserve for the purpose of supportive housing; and
- (10) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

## **BUDGET ADVISORY COMMITTEE**

### **ADDED STARTER**

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<b>Location:</b>	<b>Committee Room 1</b>	<b>416-392-8088</b>
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#### **Communications/Reports**

##### **4(a). Underutilized Reserve Funds**

Report (April 1, 2004) from the Chief Financial Officer and Treasurer, responding to a Budget Advisory Committee request to report on any reserve funds which existed prior to amalgamation that have been inactive since 1998; and recommending that:

- (1) the balance of the account in the Infrastructure Reserve Fund in the amount of approximately \$2.753 million be reallocated for the purpose of funding Parks and Recreation 2004 new capital projects and that it be deleted from Municipal Code 227 and be closed in the accounting system; and
- (2) the appropriate City officials be authorized and directed to take any necessary action to give effect thereto.

##### **8. Refinancing of Toronto Housing Company Loans**

Report (April 1, 2004) from the Chief Financial Officer and Treasurer, seeking approval of the refinancing of high interest rate loans made by the former Metropolitan Toronto Corporation to the Toronto Community Housing Corporation (TCHC), the successor of the Toronto Housing Corporation Inc.; increasing the outstanding loan principal and generating additional capital funding for TCHC's state of good repair; and recommending that:

- (1) the City provide the Toronto Community Housing Corporation (TCHC), the successor of Toronto Housing Corporation Inc. (THCI), a new financial arrangement

on the loan portfolio retroactive to December 31, 2003, based on the following structures:

- (a) capitalization of the loan portfolio be set at 5.50 percent and the terms of all loans be extended to 15 years;
  - (b) the capitalized principal amount of the loan portfolio be increased from the existing level of \$6,550,257.00 to \$13,607,291.70; and
  - (c) a net amount of \$6,883,293.70 be payable, after interest penalties, to TCHC to support its capital program;
- (2) the interest from the renewed loan accrue from January 1, 2004, at an annual rate of 5.50 percent calculated half-yearly not in advance, be repaid:
- (a) in instalments of \$113,538.01 in total on all the loan agreements on the first day of each month and retroactive, on the approval of this report by Council, to January 1, 2004 and continuing until the entire loan is paid in full, with any variance in loan payments reconciled in the month following approval by Council; and
  - (b) payment of the balance of the loan on December 31, 2019, together with interest thereon;
- (3) the following adjustments be made to the 2004 EMT Recommended Non-Program Budget:
- (a) the recovery from the THC be increased from \$2.5 million to \$3.5 million; and
  - (b) the debt charge budget be increased by \$207,000.00;
- (4) an agreement be entered into between the City and TCHC documenting the terms of Recommendations No's (1) to (2) in a manner satisfactory to the Chief Financial Officer and Treasurer, the City Solicitor and the Chief Executive Officer of TCHC;
- (5) authority be given to issue debentures, if required, for \$6,883,293.70 for a term not to exceed fifteen years; and
- (6) the appropriate City officials be authorized to take any necessary action to give effect to these recommendations.

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

**9.        Utilization of Revenues from Toronto Hydro Corporation - 2004 Budget**

Confidential report (April 1, 2004) from the Chief Financial Officer and Treasurer, respecting utilization of revenues from Toronto Hydro Corporation - 2004 Budget, such report to be considered in-camera having regard that the subject matter relates to the security of the property of the municipality or local board.

**10.      A Framework for Establishing an Energy Retrofit Program and Financing Strategy**

Report (April 1, 2004) from the Chief Financial Officer and Treasurer, seeking Council's approval for an increase to the 2004 capital program of \$20 million to finance energy retrofit projects exhibiting favourable investment returns, in order to facilitate achievement of the City's carbon dioxide (CO<sub>2</sub>) and energy consumption reduction objectives; and recommending that:

- (1)      the 2004 capital budget be increased to include \$20 million for the Energy Retrofits Program over 2004 and 2005;
- (2)      the Energy Retrofits Program be funded from debentures and/or subsidy programs to be repaid from energy savings in the departmental operating budgets;
- (3)      the guidelines for the evaluation and approval of energy retrofit projects, set out in Appendix 1 of this report, be approved;
- (4)      the Chief Financial Officer and Treasurer identify to the Budget Advisory Committee up to \$20 million in energy retrofit capital projects in 2004 and 2005 for reallocation to the related program budgets from Energy Retrofits Program upon Council approval;
- (5)      projects to be considered for Energy Retrofits Program shall be limited to those tax supported, non-growth related projects that are projected to generate energy savings sufficient to offset a debt service schedule of ten years or less inclusive of all financing costs;
- (6)      the financing costs for any Energy Retrofit Program projects approved by Council shall be charged to the related program operating budget in accordance with the procedures described herein;

- (7) the Chief Financial Officer and Treasurer identify qualifying Energy Retrofit Program works and related funding each budget cycle and in capital variance reports and report these summaries to the Roundtable on the Environment; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

**11. 2003 Election Costs – Contribution Rebate Program and Elections Reserve Fund**

Report (April 1, 2004) from the City Clerk and the Chief Financial Officer and Treasurer, responding to the Executive Management Team's recommendation that the City Clerk and the Chief Financial Officer and Treasurer report to the Budget Advisory Committee during the 2004 budget process on the total costs of the 2003 Election, the adequacy of the annual contributions to the Election Reserve Fund and the possibility of using the Election Reserve Fund to fund the Election Campaign Contribution Rebate Program and/or for other election needs; and recommending that:

- (1) funding of up to \$3.5 million be allocated for the 2003 Campaign Contribution Rebate Program from the City's 2003 Operating Budget Surplus to offset the cost of this 2003 Council obligation;
- (2) as an extraordinary measure on a one-time basis only, any funding required for the Program above \$3.5 million be financed by borrowing from the Election Reserve Fund with repayment prior to the next Municipal Election;
- (3) the City Clerk and the Chief Financial Officer report to the Budget Advisory Committee, for consideration during the 2005 budget process, on funding requirements for future election purposes; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.