

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting No. 12

Thursday, March 25, 2004

The Budget Advisory Committee met on Thursday, March 25, 2004, in Committee Room No. 1, City Hall, Toronto, commencing at 9:40 a.m.

Attendance

	9:40 a.m. – 12:20 p.m.	2:09 p.m. – 3:22 p.m.
Councillor David Soknacki, Chair	X	X
Councillor Joe Mihevc, Vice Chair	X	X
Councillor Jane Pitfield, Vice Chair	X	X
Councillor Shelley Carroll	X	X
Councillor Peter Milczyn	X	X
Councillor Kyle Rae	X	X
Councillor Sylvia Watson	X	X

Also Present:

Councillor Olivia Chow	Councillor Glenn De Baeremaeker
Councillor Janet Davis	Councillor Bill Saundercook

12.1 2004 Capital and Operating Budgets

Works and Emergency Services

Solid Waste Management Services (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for the Solid Waste Management Services, as amended, with the exception of the following matters:

- (1) consideration of the communication (February 18, 2004) from Mayor David Miller, entitled "Clean and Beautiful City Initiative"; and
- (2) a briefing note from the Commissioner of Works and Emergency Services on possible cost savings of further subsidized home composting bins.

The Budget Advisory Committee also had before it a communication (February 18, 2004) from Mayor David Miller forwarding the Solid Waste Management Services component of the 2004 Action Plan for the Clean and Beautiful City Initiative; and recommending that:

- (1) Council join the Mayor in endorsing the clean and beautiful city initiative as a priority during this term of Council;
- (2) during its deliberations the week of March 8-12, 2004, the Budget Advisory Committee consider it a priority for the operating budget and resources allocated to current services and enhancements required to achieve Stage 1: a co-ordinated and sustainable program of cleanliness, as outlined in the attached table; and
- (3) the Chief Administrative Officer and Commissioners' Steering Group report to the Policy and Finance Committee for its May 2004 meeting with a detailed implementation and operational plan for both clean city and beautiful city actions over the next two years, including a forecast of 2005 budget implications for beautiful city components and the potential to use existing tools to achieve beautiful city goals.

On motion by Councillor Mihevc, the Budget Advisory Committee further amended the 2004 Operating Budget for Solid Waste Management Services by adding \$384,100.00 for five positions for enhanced Illegal Dumping being the Solid Waste Management Services portion of the Mayor's Clean and Beautiful City Initiative.

Transportation Services (Capital)

The Budget Advisory Committee previously approved the 2004 Capital Budget for Transportation Services, as amended, with the exception of the following matters:

- (1) Recommendation II (a) (i) contained in the communication February 10, 2003, from the City Clerk:

“II Transportation Services:

- (a) that the EMT recommendations pertaining to the 2004-2013 Capital Budget for the Transportation Services Division be approved, subject to the following amendment:

- (i) an increase of \$800,000.00 in funding for Cycling Infrastructure (TRN000183) related to the Toronto Bike Plan, to be offset by cost savings for the Sheppard Avenue East widening from Morningside Avenue to Kingston Road extension (TRN000182);”;

- (2) a report from the Commissioner of Works and Emergency Services on:

- (i) the Capital Budget of the Transportation Division being reduced by two percent, including the implications of such reduction, to free up a 10 percent increase in the Parks and Recreation budget; and
- (ii) exactly what has been spent on the Front Street Extension to date, including the description of the specific projects that the money has been spent on, and a description of the continuing work that staff is doing on the Front Street Extension, together with the cost of this work.

The Budget Advisory Committee also had before a communication (March 23, 2004) from the City Clerk, advising that the Toronto Cycling Committee at its meeting on March 22, 2004, recommended that the Budget Advisory Committee request the Commissioner of Urban Development Services, the Commissioner of Economic Development, Culture and Tourism and the Commissioner of Works and Emergency Services to prepare a joint report detailing the human resources needed to implement the Toronto Bike Plan through the Operating Budget and report to the June 14, 2004 meeting of the Toronto Cycling Committee.

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

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- A. Councillor Soknacki moved that the Budget Advisory Committee further amend the 2004 Capital Budget for Transportation Services by:
- (a) reducing the 2004 Capital Budget for Transportation Services by \$100,000.00 for Advertising for the Red Light Camera Project; and
 - (b) adopting the technical amendments.

(Carried)

Councillor Soknacki resumed the Chair.

- B. Councillor Rae moved that Councillor Soknacki's motion A. be amended by adding the following:

“reiterate the Works Committee recommendation that the increase of \$800,000.00 in funding for Cycling Infrastructure (TRN000183) related to the Toronto Bike Plan, to be offset by cost savings for the Sheppard Avenue East widening from Morningside Avenue to Kingston Road extension (TRN000182);”.

(Carried)

- C. Councillor Watson moved that the Budget Advisory Committee:
- (1) request the Commissioner of Works and Emergency Services to report to the Works Committee on the Front Street Extension Project providing further information on the current, staff and any other related costs, such report to be divided into Phase I and Phase II; and
 - (2) receive the communication (March 23, 2004) from the City Clerk: “2004 Toronto Cycling Committee Budget Update” for information.

(Carried)

Transportation (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Transportation Services, as amended, with the exception of the following matters:

- (1) consideration of the further report pertaining to Works Committee Recommendation No. II (2) (i) and (ii), such report to also include the issue of Car Free Sunday:

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- “(2)(i) that the Commissioner of Works and Emergency Services, in conjunction with the Commissioner of Corporate Services, implement the Council direction of August 16, 1998, that revenues from leasing of road right-of-way for pedestrian tunnels and bridges be allocated to improve pedestrian facilities; and
- (ii) that 2004 revenues from such leasing be allocated to undertake a pilot project in one of the City’s wards to undertake a Walking Security Index based upon the Ottawa model;”;
- (2) the implications of reducing the overtime and response to community event programming; and
- (3) the Transportation Services component of the ‘Clean and Beautiful City Initiative’.

The Budget Advisory Committee also had before it the following reports:

- (a) (March 23, 2004) from the Commissioner of Works and Emergency Services reporting on the proposed transfer of revenues from the leasing of Pedestrian Tunnels and Bridges from the Facilities and Real Estate Division, Corporate Services Department, to the Transportation Services Division, Works and Emergency Services Department; and recommending that this report be received for information; and
- (b) (March 23, 2004) from the Commissioner of Works and Emergency Services reporting on a proposed reduction to the Transportation Services Division overtime budget; and recommending that this report be received for information.

Councillor Glenn De Baeremaeker, Ward 38 Scarborough Centre, appeared before the Budget Advisory Committee in connection with this matter.

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

Councillor Soknacki moved that the Budget Advisory Committee further amend the 2004 Operating Budget for Transportation Services as follows:

- (a) the addition of \$497,700.00 for the Transportation Services portion of the Mayor’s Clean and Beautiful City Initiative, to be distributed as follows:
 - (i) Harmonizing Road Cleaning (Sweeping): \$300,000.00; and
 - (ii) Illegal Dumping: \$197,700.00 and three positions; and

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- (b) reversing the March 10, 2004 Budget Advisory Committee adjustment which read: “the Advertising Program for the Transportation Division be reduced by an additional \$100,000.00”; and that this adjustment be correctly identified as Capital and thereby reduce Advertising for the Red Light Camera Project by \$100,000.00.

(Carried)

Councillor Soknacki resumed the Chair.

B. Councillor Pitfield moved that:

- (1) Councillor Soknacki’s motion A. be amended by adding \$11,600.00 for seven Car Free Sunday Events at Kensington Market and Church Street; and
- (2) the following reports be received:
 - (a) (March 23, 2004) from the Commissioner of Works and Emergency Services “Revenues from Leasing of Pedestrian Tunnels and Bridges; and
 - (b) (March 23, 2004) from the Commissioner of Works and Emergency Services “Reduction in Overtime and Response to Community Street Event Programming in Transportation Services”.

(Carried)

C. Councillor Watson moved that:

- (1) the Commissioner of Works and Emergency Services to be requested to report:
 - (a) to the Works Committee in June 2004, providing additional information and detail as to what would be included in the Walking Security Index; and
 - (b) to the Works Committee in the Fall of 2004, on the transfer of revenues from the lease of pedestrian tunnels and bridges from Facilities and Real Estate to Transportation Services and how the Department would actually spend such monies; and

(Carried)

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- (2) the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the net revenues from the lease of pedestrian tunnels and bridges in 2004 be transferred from Facilities and Real Estate to Transportation Services to be used to improve pedestrian facilities.

(Lost)

WES - Support Services (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for WES – Support Services and requested the Commissioner of Works and Emergency Services to provide a briefing note on eliminating one position (vacant) in Support Services for community consultations, such report to include an impact analysis of removing this position, including overtime and other related costs.

- A. Councillor Pitfield moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2004 Operating Budget for WES – Support Services be adopted.

(Carried)

- B. Councillor Milczyn moved that Councillor Pitfield’s motion A. be amended by eliminating one position (vacant) in Support Services for community consultations for savings of \$90,000.00 less \$63,000.00 in Water and Wastewater Operating Budget for a net reduction of \$27,000.00.

(Lost)

WES - Technical Services (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for WES – Technical Services, as amended, with the exception of the following matter:

“the Stockholm Toronto Partnership for Sustainable Cities; and requested the Chief Administrative Officer, in consultation with appropriate officials, to provide a report on a policy dealing with the City hosting conferences of international significance”.

On motion by Councillor Pitfield, the Budget Advisory Committee further amended the 2004 Operating Budget for WES – Technical Services by:

- (1) eliminating the funding for Stockholm Toronto Partnership for Sustainable Cities Program and Conference in the amount of \$495,000.00; and
- (2) approving the Stockholm Toronto Partnership for Sustainable Cities Program and Conference, subject to full funding being made available from the Toronto Atmospheric Fund.

Community and Neighbourhood Services

Children's Services (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Children's Services, as amended, with the exception of the following matter:

“referring the ‘2004 Action Plan for Children’ to the Chief Administrative Officer, the Commissioner of Community and Neighbourhood Services, and relevant staff, for further consultation”.

The Budget Advisory Committee also had before it a communication (March 5, 2004) from the City Clerk advising that City Council, at its meeting held on March 1, 2 and 3, 2004, adopted, without amendment, Clause No. 26 contained in Report No. 2 of The Policy and Finance Committee, headed “2004 Action Plan for Children”, and referred those recommendations with budgetary implications to the Budget Advisory for consideration and information.

The following Members of Council appeared before the Budget Advisory Committee in connection with this matter:

- Councillor Olivia Chow, Ward 20, Trinity-Spadina; and
- Councillor Janet Davis, Ward 31 Beaches-East York.

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

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On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, that:
 - (a) City Council be requested to advocate the provincial government to restore its contributions to subsidized childcare and fund the 1,800 spaces that were cut;
 - (b) consideration of the continuation of the Toronto First Duty Project beyond 2005 be deferred until 2005 and the Commissioner of Community and Neighbourhood Services be requested to provide a report updating the status of the Program at that time; and
- (2) requested the Commissioner of Community and Neighbourhood Services to report to the April 13, 2004, Policy and Finance Committee meeting on the outcome of the meeting with provincial officials to restore funding to Children's Services and to further report following the completion of negotiations with the Province with respect to the City's 2004 Budget request and the City's 2004 allocation under the Multilateral Framework on Early Learning and Child Care; and
- (3) received the communication (March 5, 2004) from the City Clerk.

(Commissioner of Community and Neighbourhood Services; c. Chief Administrative Officer; Chief Financial Officer and Treasurer; Administrator, Policy and Finance Committee - March 26, 2004)

Councillor Soknacki resumed the Chair.

Homes for the Aged (Operating)

The Budget Advisory Committee on March 11, 2004, deferred consideration of the 2004 Operating Budget for Homes for the Aged; and requested the Commissioner of Community and Neighbourhood Services to provide a briefing note comparing the City's Homes with Not-for-Profit Homes of similar size, including costs, provincial grants, etc.

The Budget Advisory Committee had before it a communication (February 11, 2004) from the City Clerk, advising that the Community Services Committee on February 4, 5 and 11, 2004, reviewed the 2004 Operating Budgets under its purview, and, among other things, took the following action in regard to the Homes for the Aged:

“(5) Homes for the Aged:

- (a) that the EMT recommendations pertaining to the 2004 Operating Budget for the Homes for the Aged be approved; and
- (b) that City Council adopt the following recommendation of the Advisory Committee on Homes for the Aged contained in the communication dated October 17, 2003, from the City Clerk:

“That the City support the principle that funds which are allocated from the Province to enhance resident care and service not be used to offset the City’s contribution to the Homes for the Aged.”

On motion by Councillor Watson, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, that:
 - (a) the 2004 Operating Budget for the Homes for the Aged, as recommended by the Community Services Committee, be adopted; and
 - (b) the briefing note, dated March 21, 2004, from the General Manager, Homes for the Aged, be referred to the Community Services Committee meeting of June 3, 2004, for consideration of the factors which contribute to the operating per diem costs of City of Toronto Homes for the Aged exceeding the Ministry of Health and Long-Term Care funding and to consider whether modifications to the operations should be made to achieve operating savings; and
- (2) received the following recommendation from the Community Services Committee:

“that the City support the principle that funds which are allocated from the Province to enhance resident care and service not be used to offset the City’s contribution to the Homes for the Aged.”

Shelter, Housing and Support (Capital)

The Budget Advisory Committee previously approved the 2004 Capital Budget for Shelter, Housing and Support, as amended.

On motion by Councillor Carroll, the Budget Advisory Committee further amended the 2004 Capital Budget for Shelter, Housing and Support by deferring consideration of the following matters until 2005, and requesting the Commissioner of Community Services to provide a status update on the programs at that time:

- (a) continuation of the five-year capital funding to the “Let’s Build Capital Revolving Fund”; and
- (b) the development of affordable housing, through the “Let’s Build Program” by providing property-tax money to this program.

Shelter, Housing and Support (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Shelter, Housing and Support, as amended, and requested:

- (a) the Chief Administrative Officer, the Commissioner of Community and Neighbourhood Services and a Budget Advisory Committee representative to report on their meeting with Provincial counterparts to press them to restore funding to Shelter per diems in the amount of \$22 million; and
- (b) the Commissioner of Community and Neighbourhood Services to provide a briefing note on revenues and rates of increases of revenues of properties within the Shelter, Housing and Support portfolio.

On motion by Councillor Carroll, the Budget Advisory Committee made no changes to the 2004 Operating Budget for Shelter, Housing and Support.

Social Development and Administration (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Social Development and Administration, and referred the report (March 3, 2004) from the Commissioner of Community and Neighbourhood Services, entitled “Funding for the Community Safety Secretariat”, to the Chief Administrative Officer to be considered together with the Roundtables report request.

On motion by Councillor Mihevc, the Budget Advisory Committee made no changes to the 2004 Operating Budget for Social Development and Administration.

Public Health (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Public Health, as amended, with the exception of the following matters:

- “(1) the Youth Action Committee (CYAC) Action Plan – Peer Nutrition and Nobody’s Perfect Parenting Program enhancement at \$525.5 thousand (gross)/\$262.8 thousand (net) in 2004 and an incremental annualization of \$415.8 thousand (gross)/\$207.9 thousand (net) in 2005 for consideration with the 2004 Action Plan for Children;
- (2) the Commissioner of Urban Development Services to report on how the Demolition Permit applications should be reviewed and whether a Peer Review process could be implemented for this function; and
- (3) the Chief Administrative Officer, the Chair, Board of Health and a Budget Advisory Committee representative to report on their meeting with Provincial and Federal counterparts to press them to restore funding for various services in Toronto Public Health in the amount of \$5 million.”

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

On motion by Councillor Soknacki, the Budget Advisory Committee further amended the 2004 Operating Budget for Public Health as follows:

- (1) an increase in the Board of Health gapping in the amount of \$595,000.00;
- (2) reduction in the Dental Program of \$250,000.00;
- (3) reduction in ‘other than’ Dental of \$200,000.00;
- (4) the addition of \$123,500.00 for Cadaver Pick-up; and
- (5) adjustments to the following Programs:
 - (a) WNV Enhancement: (\$526,800.00) gross and “0” net;
 - (b) AIDS Bureau: (\$11,800.00) gross and “0” net;
 - (c) AIDS Hotline: \$0.0 gross and \$0.0 net;
 - (d) Co-ordinated Access: \$320,000.00 gross and “0” net;

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- (e) Toronto Community Health Information System:
\$210,700.00 gross and "0" net;
- (f) Community Disease Control Information System:
\$23,000.00 gross and "0" net;
- (g) Path to Excellent Practice: \$182,500.00 gross and "0" net;
and
- (h) SARS Community Transmission and Quarantine Study:
\$413,900.00 gross and "0" net.

Councillor Soknacki resumed the Chair.

Other

Consolidated Grants (Operating)

The Budget Advisory Committee previously:

- (1) approved the EMT level for Consolidated Grants;
- (2) requested the Chief Administrative Officer, in consultation with Budget Advisory Committee Members, to prepare recommendations for prioritizing grants above the EMT level; and
- (3) directed that, if additional funds for grants are available at wrap-up, consideration be given to the prioritized list of grants.

The Budget Advisory Committee on March 24, 2004, deferred consideration of the issue of the Royal Agricultural Winter Fair for consideration with the Consolidated Grants budget.

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

On motion by Councillor Soknacki, the Budget Advisory Committee further amended the 2004 EMT recommended Operating Budget for Consolidated Grants by adding the following:

- (1) \$226,700.00 for Major cultural organizations;
- (2) \$97,100.00 for the George Gardiner Museum of Ceramic Arts;
- (3) \$150,000.00 for the Royal Agricultural Winter Fair;
- (4) \$400,000.00 for Toronto Arts Council Grants Program;

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- (5) \$190,000.00 for Community Information Toronto;
- (6) \$500,000.00 for Community Services Grants Program;
- (7) \$300,000.00 for Access and Equity; and
- (8) \$150,000.00 for the Drug Prevention Program;

and further, directed that none of the funds granted to the Toronto Arts Council Program be used for the Toronto Arts Council Operations.

Councillor Soknacki resumed the Chair.

Non Program (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Non Program, as amended, with the exception of the following matters:

- (1) consideration of the following communication and reports:
 - (a) (February 24, 2004) from the City Clerk: “2004 Current Value Assessment (CVA) and Tax Policy Options – Senior and Low-Income Disabled Persons Eligibility Criteria” (See Agenda Item 11(a));
 - (b) (March 2, 2004) from the Chief Financial Officer and Treasurer: “Payments-in-Lieu - Heads and Beds Levy on Public Institutions” (See Agenda Item 11(b)); and
 - (c) (March 11, 2004) from the Chief Financial Officer and Treasurer: “Insurance Reserve Fund Adequacy” (See Agenda Item 11(c));
- (2) the Chief Financial Officer and Treasurer to refine the following numbers; and:
 - (a) the Capital Corporate Financial costs be reduced by \$7.0 million;
 - (b) the Tax Deficiencies Write-offs be reduced by \$5.0 million;
 - (c) the Supplementary Taxes be increased by \$2.0 million;
 - (d) Tax Penalties be increased by \$1.0 million;
 - (e) the Administrative Support Recoveries from Emergency Medical Services be increased by \$59,000.00; and
 - (f) Woodbine Slots revenue be increased by \$1.0 million; and

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- (3) the Chief Administrative Officer and the Chief Financial Officer and Treasurer to report on ways of providing additional space at the Woodbine Racetrack Slot facility for the installation of additional slot machines to generate revenue for the City.

The Budget Advisory Committee also had before it the following communication and reports:

- (a) (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:
- (1) (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:

"(4) 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

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- (2) (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;

- (b) (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; and
 - (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; and
 - (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;

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

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- (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 authorized and directed to take the necessary action to give effect thereto;
- (d) (March 22, 2004) from the Chief Financial Officer and Treasurer, responding to a request by the Budget Advisory Committee relating to ways of providing additional space at the Woodbine Racetrack Slot facility for the installation of additional slot machines to generate revenue for the City, and discussing other options for increasing the City's share of revenue under a revenue-sharing formula with the Ontario Lottery and Gaming Corporation; and recommending that:
- (1) Council re-iterate and reconfirm its request to the Ontario Lottery and Gaming Corporation for an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first 450 machines, i.e., 5 percent for the first 450 machines, 2 percent for the next 850 machines up to 1,300 machines, and 5 percent for any number in excess of 1,300 machines; and
 - (2) the appropriate City officials be authorized and directed to take necessary action to give effect thereto.

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

A. Councillor Soknacki moved that the Budget Advisory Committee:

- (1) further amend the 2004 Non Program Budget as follows:
 - (a) the Administrative Support Recoveries from Emergency Medical Services not be increased by \$59,000.00; and
- (2) receive the communication (February 24, 2004): "2004 Current Value Assessment (CVA) and Tax Policy Options – Senior and Low-Income Disabled Persons Eligibility Criteria".

(Carried)

Councillor Soknacki resumed the Chair.

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B. Councillor Watson moved that Councillor Soknacki's motion A. be amended by:

- (a) adding that the Woodbine Slots revenue be further increased by \$700,000.00; and
- (b) the report (March 22, 2004) from the Chief Financial Officer and Treasurer: "Woodbine Racetrack Slots Revenue", be adopted; and that a copy of the following reports be forwarded to the Mayor's Office for discussion with the Province:
 - (i) (March 2, 2004) from the Chief Financial Officer and Treasurer: "Payments-in-Lieu – Heads and Beds Levy on Public Institutions"; and
 - (ii) (March 22, 2004) from the Chief Financial Officer and Treasurer: "Woodbine Racetrack Slots Revenue".

(Carried)

C. Councillor Mihevc moved that Councillor Soknacki's motion A. be amended as follows:

- (a) the report (March 3, 2004) from the Commissioner of Community and Neighbourhood Services: "Funding for the Community Safety Secretariat", be adopted;
- (b) the report (March 11, 2004) from the Chief Financial Officer and Treasurer: "Insurance Reserve Fund Adequacy", be adopted;
- (c) the report (March 2, 2004) from the Chief Financial Officer and Treasurer: "Payments-in-Lieu – Heads and Beds Levy on Public Institutions", be adopted.

(Carried)

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

F. Councillor Soknacki moved that the Budget Advisory Committee receive the communication from the City Clerk (February 24, 2004): "2004 Current Value Assessment (CVA) and Tax Policy Options – Senior and Low-Income Disabled Persons Eligibility Criteria".

(Carried)

Councillor Soknacki resumed the Chair.

General

The Budget Advisory Committee had before it a report (March 22, 2004) from the Commissioner of Works and Emergency Services: "Joint Municipal Water Bottling Project", providing additional information with respect to the cost recovery of the \$50,000.00 contribution by the City of Toronto towards a joint municipal water bottling project with the Regions of Durham, Halton, Peel and York; and recommending that this report be received for information.

On motion by Councillor Pitfield, the Budget Advisory Committee received the report (March 22, 2004) from the Commissioner of Works and Emergency Services.

Economic Development, Culture and Tourism

Parks and Recreation (Operating)

The Budget Advisory Committee previously approved the 2004 Operating Budget for Parks and Recreation, as amended.

On motion by Councillor Carroll, the Budget Advisory Committee further amended the 2004 Parks and Recreation Operating Budget by adding \$102,000.00 for the expansion of the Children Before and After School Recreation Program across 24 sites.

12.2 City of Toronto Preliminary Operating Variance Report for the Twelve Months of Operations Ended December 31, 2003

The Budget Advisory Committee had before it a report (March 24, 2004) from the Chief Financial Officer and Treasurer providing the City of Toronto Preliminary Operating Variance report for the twelve months of operations ended December 31, 2003; advising that a final report will be prepared following the annual audit of the City's accounts and financial statements; and recommending that:

- (1) the 2003/2004 Council Commitments/Obligations (\$22.5 million) and 2004 Budget Requirement (\$15.0 million) be funded from the Preliminary Gross 2003 Operating Surplus as outlined in Chart 2;

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- (2) the preliminary unallocated surplus of \$1.5 million be received by Budget Advisory Committee for consideration prior to its 2004 Budget recommendations to the Policy and Finance Committee and Council;
- (3) this Preliminary 2003 Operating Variance report for the year ended December 31, 2003, be forwarded to the Policy and Finance Committee, and Council, for consideration; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Mihevc, the Budget Advisory Committee:

- (1) received the report (March 24, 2004) from the Chief Financial Officer and Treasurer; and
- (2) directed that the report be forwarded to the Policy and Finance Committee, and Council, for information.

(Policy and Finance Committee; c. Chief Administrative Officer; Chief Financial Officer and Treasurer – March 25, 2004)

The Budget Advisory Committee adjourned its meeting at 3:22 p.m.

Chair