

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting No. 15

Tuesday, May 25, 2004

The Budget Advisory Committee met on Tuesday, May 25, 2004, in Committee Room No. 1, City Hall, Toronto, commencing at 2:12 p.m.

Attendance

	2:12 p.m.– 4:35 p.m.
Councillor David Soknacki, Chair	X
Councillor Joe Mihevc, Vice Chair	X
Councillor Jane Pitfield, Vice Chair	X
Councillor Shelley Carroll	X
Councillor Peter Milczyn	X
Councillor Kyle Rae	X
Councillor Sylvia Watson	X

Confirmation of Minutes

On motion by Councillor Mihevc, the Minutes of the Budget Advisory Committee meetings held on February 27, 2004, March 8, 9, 10, 11, 12, 24, 25, 2004 and April 2 and 8, 2004, and the Joint Meetings of the Policy and Finance Committee and the Budget Advisory Committee held on January 30, 2004 and March 30, 2004, were confirmed.

**15.1 Toronto Police Service - 2004 Operating Budget
Program Breakdown by Command**

Note: Budget as at February 25, 2004

The Budget Advisory Committee had before it a report (April 20, 2004) from the Chair, Toronto Police Services Board, providing the Budget Advisory Committee with a copy of the Program Breakdown by Command pertaining to the Toronto Police Service 2004 Operating budget submission; and recommending that the report be received for information.

A. Councillor Mihevc moved that the Budget Advisory Committee:

- (1) receive the aforementioned report; and
- (2) request the Chief Financial Officer and Treasurer and the Chair of the Toronto Police Services Board to see how the STEM Program can be accommodated within the current budget and existing resource and report thereon to the Budget Advisory Committee.

(Carried)

B. Councillor Watson moved that the Budget Advisory Committee request the Chair of the Toronto Police Services Board to report to the Budget Advisory Committee providing a breakdown of the uniform strengths into front line, administrative support and management, related to the entire Toronto Police Service budget.

(Carried)

(Chief Financial Officer and Treasurer; Chair, Toronto Police Services Board - May 25, 2004)

**15.2 Toronto Police Service - Revised 2004 Operating Budget Submission
and Response to the Budget Advisory Committee**

Note: As at February 26, 2004

The Budget Advisory Committee had before it a report (April 20, 2004) from the Chair, Toronto Police Services Board, providing a response to the February 4, 2004 request of the Chair, Budget Advisory Committee, to reduce the 2004 operating budget of the Toronto Police Service; including the 2004 operating budget submission of the Toronto Police Service as at February 26, 2004; and recommending that the report be received for information.

On motion by Councillor Mihevc, the Budget Advisory Committee received the aforementioned report for information.

**15.3 Toronto Police Service - Traffic Services
“Strategic Traffic Enforcement Measures”
Year Ending 2003**

The Budget Advisory Committee had before it a report (April 20, 2004) from the Chair, Toronto Police Services Board, responding to Council’s request for quarterly reports containing information on traffic enforcement initiatives by the Toronto Police Service. Reference: Toronto City Council Recommendation TPS 2003 Operating and Capital Budget Report, Item RR(128-i); and recommending that the report be received for information.

On motion by Councillor Mihevc, the Budget Advisory Committee received the aforementioned report.

**15.4 2004 Water and Wastewater Rate Increase
2005 - 2006 Rate Strategy and Rate Projections for 2007 - 2013**

The Budget Advisory Committee 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, as amended, Clause No. 35 contained in Report No. 2 of The Policy and Finance Committee, headed “2004 Water and Wastewater Rate Increase, 2005-2006 Rate Strategy and Rate Projections for 2007-2013”, and referred the issue of water rate increase projections, beyond 2004, to the Budget Advisory Committee and the Works Committee for further analysis and review.

On motion by Councillor Pitfield, the Budget Advisory Committee referred the aforementioned communication to the Commissioner of Works and Emergency Services for a report to the Works Committee as part of the business case to be reported to the Works Committee in September with respect to the Water Capital Reserve Fund, such report to include repayment with respect to Enwave District Energy Limited Capital costs and how this would impact the proposed water rate for 2005 and subsequent years.

(Commissioner of Works and Emergency Services; c. Administrator, Works Committee - May 25, 2004)

**15.5 Toronto Police Service Parking Enforcement
2003 Final Operating Budget Variance Report**

The Budget Advisory Committee had before it a communication (May 6, 2004) from the City Clerk, advising that the Policy and Finance Committee on May 6, 2004, received a report (April 20, 2004) from the Chair, Toronto Police Services Board, providing the 2003 Operating Budget Variance report for the Toronto Police Service – Parking Enforcement Unit; and directed that a copy thereof be forwarded to the Budget Advisory Committee for its information.

On motion by Councillor Pitfield, the Budget Advisory Committee received the aforementioned communication.

15.6 Toronto Police Service – 2003 Final Operating Budget Variance Report

The Budget Advisory Committee had before it a communication (May 6, 2004) from the City Clerk, advising that the Policy and Finance Committee on May 6, 2004, received a report (April 20, 2004) from the Chair, Toronto Police Services Board, providing the final 2003 Operating Budget Variance report for the Toronto Police; and directed that a copy thereof be forwarded to the Budget Advisory Committee for its information.

On motion by Councillor Mihevc, the Budget Advisory Committee received the aforementioned communication.

**15.7 Toronto Police Service Parking Enforcement
Tag Issuance and Absenteeism for the year 2003**

The Budget Advisory Committee had before it a communication (May 6, 2004) from the City Clerk, advising that the Policy and Finance Committee on May 6, 2004, received a report (April 20, 2004) from the Chair, Toronto Police Services Board, advising the Policy and Finance Committee on the level of parking tags issued and employee absenteeism for the period between January and December 2003; and directed that a copy thereof be forwarded to the Budget Advisory Committee for its information.

On motion by Councillor Milczyn, the Budget Advisory Committee received the aforementioned communication.

15.8 Reserves and Reserve Fund Variance Report – December 31, 2003

The Budget Advisory Committee had before it a report (May 20, 2004) from the Chief Financial Officer and Treasurer providing information on reserve and reserve fund balances as at December 31, 2003, and activity and budget variances for reserves and reserve funds for the year ended December 31, 2003; and recommending that the Reserves and Reserve Fund Variance Report for the year ended December 31, 2003, be received.

On motion by Councillor Pitfield, the Budget Advisory Committee:

- (1) received the aforementioned report; and
- (2) requested the Chief Financial Officer and Treasurer to report to the next meeting of the Budget Advisory Committee with a tabulation of all those Reserves and Reserve Funds with no transactions other than interest since 2001.

15.9 2003 Year-end Capital Variance Report

The Budget Advisory Committee had before it a report (May 19, 2004) from the Chief Financial Officer and Treasurer presenting the City of Toronto Final Capital Budget Variance Report for the year ended December 31, 2003, noting that this report does not differ in any material way from the Preliminary Variance Report previously submitted; and recommending that:

- (1) the technical and in-year capital budget adjustments detailed in Appendix 2 herewith attached, be approved;
- (2) the funding shortfall of \$42.9 million resulting from less than budgeted funding support from the other levels of government for the TTC 2003 capital budget be financed from debt room created by under-spending on other capital projects; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Pitfield, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the report (May 19, 2004) from the Chief Financial Officer and Treasurer.

(Policy and Finance Committee - May 25, 2004)

15.10 2003 Final Operating Variance Report

The Budget Advisory Committee had before it a report (May 21, 2004) from the Chief Financial Officer and Treasurer providing the City of Toronto Final Operating Variance report for the year ended December 31, 2003; and recommending that:

- (1) the technical adjustments contained in this report, and detailed in Appendix D attached, be approved;
- (2) this Final 2003 Operating Variance report for the year ended December 31, 2003, be forwarded to the Policy and Finance Committee, and Council, for consideration; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the report (May 21, 2004) from the Chief Financial Officer and Treasurer.

(Policy and Finance Committee - May 25, 2004)

15.11 2004-05 Ontario Budget – Initiatives of Interest to the City of Toronto

The Budget Advisory Committee had before it a report (May 25, 2004) from the Chief Financial Officer and Treasurer summarizing initiatives and other elements of the 2004-05 Ontario Budget of specific interest to the City of Toronto; and recommending that the report be received for information.

On motion by Councillor Mihevc, the Budget Advisory Committee received the aforementioned report.

15.12 Briefing - Ad Hoc Committee on the Development of a Long-term Fiscal Plan

The Budget Advisory Committee received a briefing on the functions of the Ad Hoc Committee on the Development of a Long-term Fiscal Plan.

- A. Councillor Watson moved that the Budget Advisory Committee request the Chief Administrative Officer, in consultation with the Chief Financial Officer and Treasurer, to report to the next meeting of the Budget Advisory Committee on what the functions of the

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Ad Hoc Committee on the Development of a Long-term Fiscal Plan should be, having regard for the fact that there should be no duplication of the functions already performed by the Policy and Finance Committee and the Budget Advisory Committee.

(Carried)

- B. Councillor Mihevc moved that the Budget Advisory Committee request the Chief Administrative Officer, in consultation with the Chief Financial Officer and Treasurer, to report to the next meeting of the Budget Advisory Committee, having regard to limiting the number of Committees and noting that many of the functions of the Ad Hoc Committee on the Development of a Long-term Fiscal Plan are already covered by the Policy and Finance Committee and the Budget Advisory Committee, on consideration being given to disbanding the Ad Hoc Committee on the Development of a Long-term Fiscal Plan.

(Carried)

(Chief Administrative Officer; c. Chief Financial Officer and Treasurer - May 25, 2004)

15.13 2004 Budget Review and Outlook

The Budget Advisory Committee received a presentation on the 2004 Budget Review and Outlook.

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

On motion by Councillor Soknacki, the Budget Advisory Committee received the presentation on the 2004 Budget Review and Outlook and requested that:

- (1) the Chief Financial Officer and Treasurer report to the next meeting of the Budget Advisory Committee with recommendations on how the budget process can be improved for the 2005 budget cycle; such report to include a description of how the budget process has changed since amalgamation;
- (2) the Chief Financial Officer and Treasurer, in consultation with the Chief Administrative Officer, report to the next meeting of the Budget Advisory Committee on how staff can best assist the Budget Advisory Committee during the review of the budgets,

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with particular emphasis on a fair and appropriate review of the larger budgets;

- (3) the Mayor, in consultation with other members of Council and staff, report to the next meeting of Budget Advisory Committee on an appropriate public consultation program to be implemented for the 2005 budget; and
- (4) the Chief Financial Officer and Treasurer report to the next meeting of Budget Advisory Committee on a schedule for the 2005 budget process.

Councillor Soknacki resumed the Chair.

(Mayor David Miller; Chief Financial Officer and Treasurer; c. Chief Administrative Officer - May 25, 2004)

**15.14 Questions and Comments on Various Items on the
May 25, 2004 Budget Advisory Committee Agenda**

The Budget Advisory Committee had before it a communication (May 25, 2004) from Councillor Mike Del Grande, Ward 39 Scarborough-Agincourt, requesting information on various items on the May 25, 2004 Budget Advisory Committee Agenda.

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

On motion by Councillor Soknacki, the Budget Advisory Committee referred the aforementioned communication to the Chief Financial Officer and Treasurer for report to the next meeting of the Budget Advisory Committee.

Councillor Soknacki resumed the Chair.

(Chief Financial Officer and Treasurer - May 25, 2004)

The Budget Advisory Committee adjourned its meeting at 4:35 p.m.

Chair