

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting 2

Tuesday, December 14, 2004

The Budget Advisory Committee met on Tuesday, December 14, 2004, in Committee Room 1, City Hall, Toronto, commencing at 9:40 a.m.

Members Present

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

	9:40 a.m to 12:30 p.m.	2:10 p.m. to 4:15 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 Brian Ashton	
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Confirmation of Minutes

On motion by Councillor Mihevc, the Minutes of the meetings held on November 18, 2004 and November 26, 2004 were confirmed.

Regular Business:

2.1 Toronto Police Service - 2004 Operating Budget Variance Report as at October 31, 2004; and Expenditures Between September 30, 2004 and Year-End that are Higher than the Average Monthly Expenditures Over the Previous Nine Months

The Budget Advisory Committee considered a report (December 1, 2004) from the Chair, Toronto Police Services Board, providing the 2004 operating budget variance report as at October 31, 2004, and responding to the November 18, 2004 request of the Budget Advisory Committee for more detailed information on the operating budget expenditures between September 30, 2004 and year-end that are higher than the average monthly expenditures over the previous nine months.

Recommendation:

It is recommended that the Budget Advisory Committee receive the report for information.

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

2.2 Summary of Changes in Approved Staff Positions and Gross Expenditures from 1997 to 2004

The Budget Advisory Committee considered a communication (November 1, 2004) from the City Clerk advising that City Council on October 26, 27 and 28, 2004, adopted, without amendment, Policy and Finance Committee Report 7, Clause 16a, entitled "Summary of Changes in Approved Staff Positions and Gross Expenditures from 1997 to 2004", and requested the Budget Advisory Committee to review the report (June 28, 2004) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer with respect to approved staff positions and the priorities of Council.

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

2.3 Funding of 2002 and 2003 Operating Deficits for the St. Lawrence Centre for the Arts

The Budget Advisory Committee considered a report (November 17, 2004) from the Chief Financial Officer and Treasurer recommending funding of the St. Lawrence Centre for the Arts operating deficits for the years 2002 and 2003 based on the audited financial results; as well, the report includes proposed actions that have been identified by staff of

the St. Lawrence Centre to avoid future year deficits as requested by City Council at its meeting of July 20, 21, and 22, 2004.

Recommendations:

It is recommended that:

- (1) the St. Lawrence Centre combined operating deficit of \$461,607.00 for the years ending 2002 and 2003 be charged to the 2004 St. Lawrence Centre Operating Budget;
- (2) the Chief Financial Officer and Treasurer report back with the 2004 Year-End Variance Report on the final disposition of the over-expenditure together with the year-end results;
- (3) the Chief Administrative Officer and Chief Financial Officer and Treasurer report to Policy and Finance Committee on actions that can be taken to assist the Centre avoid future annual deficits prior to the adoption of the 2005 Operating Budget; 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 recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report.

(Policy and Finance Committee; c. Chief Financial Officer and Treasurer
– December 15, 2004)

2.4 Settling of Arena Boards of Management Surplus/Deficits of Year 2002

The Budget Advisory Committee considered a report (November 16, 2004) from the Chief Financial Officer and Treasurer reporting on the financial results for the year 2002 for eight Arena Boards of Management (Arenas) and to request that the 2002 operating surpluses and deficits be settled.

Recommendations:

It is recommended that:

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- (1) the 2002 surpluses of \$86,950.00 be paid to the City of Toronto from four Arena Boards, and the City pay \$148,609.00 to the other four Arena Boards as the final settlement of the operating surpluses and deficits for the 2002 fiscal year, as detailed in Table 2;
- (2) the final current net settlement of the Arena Boards of Management program of \$61,659.00 be charged to the 2004 Arena Boards of Management program's 2004 Operating Budget;
- (3) the Chief Financial Officer and Treasurer report back with the 2004 Year-End Variance Report on the final disposition of the over-expenditure together with the year-end results; 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 recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report.

(Policy and Finance Committee; Chief Financial Officer and Treasurer – December 15, 2004)

Councillor Mihevc moved that the Budget Advisory Committee meet privately to discuss the matter of the Sheppard Subway, having regard that the subject matter deals with matters about receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose, under the *Municipal Act, 2001*, which was carried.

The Budget Advisory Committee recessed its meeting at 11:35 a.m. to meet in-camera.

The Budget Advisory Committee adjourned its private meeting at 12:29 p.m. and immediately reconvened in public session with the foregoing Members in attendance:

Members Present:

Councillor David Soknacki, Chair
Councillor Joe Mihevc, Vice-Chair
Councillor Jane Pitfield, Vice-Chair
Councillor Shelley Carroll
Councillor Peer Milczyn
Councillor Kyle Rae
Councillor Sylvia Watson

2.5 Sheppard Subway

The Budget Advisory Committee considered:

- (a) confidential report (November 24, 2004) from the General Secretary, Toronto Transit Commission, respecting the Sheppard Subway - Don Mills Station - Contract SH-61-J1; and
- (b) confidential report (December 9, 2004) from the Chief Financial Officer and Treasurer respecting the Sheppard Subway;

On motion by Councillor Mihevc, the Budget Advisory Committee

- (1) recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the confidential report; and
- (2) received the confidential communication (November 24, 2004) from the General Secretary, Toronto Transit Commission.

(Note: The Budget Advisory Committee gave instructions to staff in camera.)

(Policy and Finance Committee; Chair, Toronto Transit Commission;
Chief Financial Officer and Treasurer - December 15, 2004)

2005 Capital and Operating Budget Presentations - ABCs

2.6 Toronto Police Service - including Toronto Police Services Board (Operating), Toronto Parking Enforcement Unit (Capital) and Parking Tag Enforcement and Operations (Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto Police Service, including Toronto Police Services Board, Toronto Parking Enforcement Unit and Parking Tag Enforcement and Operations.

The following persons appeared before the Budget Advisory Committee:

- Councillor Pam McConnell, Chair, Toronto Police Services Board;
- Chief Julian Fantino, Toronto Police Service; and
- Mr. Frank Chen, Chief Administrative Officer, Toronto Police Service;

On motion by Councillor Watson, the Budget Advisory Committee:

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- (1) deferred consideration of the following 2005 budgets until its meetings in January 2005:
 - (a) Toronto Police Service (Capital and Operating);
 - (b) Toronto Police Services Board (Operating);
 - (c) Parking Enforcement Unit (Capital); and
 - (d) Parking Tag Enforcement and Operations (Operating);
- (2) requested the Chair, Toronto Police Services Board, to meet the targeted increase of one percent as per the EMT Recommendations; and
- (3) received the presentation from the Chair, Toronto Police Services Board, the Chief of Police and the Chief Administrative Officer, Toronto Police Service.

(Chair, Toronto Police Services Board - December 15, 2004)

2.7 Toronto Transit Commission

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto Transit Commission.

The Budget Advisory Committee also considered the following communications:

- (a) (September 23, 2004) from the General Secretary, Toronto Transit Commission, entitled "Toronto Transit Commission – Procurement Authorization Design and Supply of Low Voltage Power Supply and Inverter for CLRV Fleet as Part of the CLRV Life Extension Program";
- (b) (October 26, 2004) from the General Secretary, Toronto Transit Commission, entitled "Implementing the Ridership Growth Strategy";
- (c) (November 19, 2004) from the General Secretary, Toronto Transit Commission, entitled "2005 TTC Operating Budget";
- (d) (November 19, 2004) from the General Secretary, Toronto Transit Commission, entitled "2005-2009 TTC Capital Program and 10-Year Capital Forecast";
- (e) (November 22, 2004) from the General Secretary, Toronto Transit Commission, entitled "2005 Wheel-Trans Operating Budget"; and
- (f) (November 2, 2004) from the City Clerk, entitled "Property Tax Exemption for Toronto Transit Commission Properties".

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The following persons appeared before the Budget Advisory Committee:

- Rick Ducharme, Chief General Manager, Toronto Transit Commission;
- Vince Rodo, General Secretary, Toronto Transit Commission;
- Michael Roche, Chief Financial Officer, Toronto Transit Commission; and
- Robert Thacker, General Superintendent of Wheel Trans.

A. Councillor Mihevc moved that the Budget Advisory Committee:

- (1) defer consideration of the following 2005 budgets until its meetings in January 2005:
 - (a) Toronto Transit Commission (Capital and Operating); and
 - (b) Wheel-Trans (Operating);
- (2) request the Chair, Toronto Transit Commission, to report to the Budget Advisory Committee at its meetings in January 2005:
 - (a) on a revised capital program that maximizes the funding from the other Orders of Government;
 - (b) providing options and impacts to limit the debt financing for the 2005 Toronto Transit Commission capital program to a maximum amount of \$200 million, exclusive of any federal gas tax revenue received in 2005 and subsequent years;
 - (c) on the service impact of a 2005 net operating budget increase of one percent plus the 2005 Ridership Growth Strategy requirements.
- (3) defer consideration of the following communications until its meetings in January 2005:
 - (a) (September 23, 2004) from the General Secretary, Toronto Transit Commission entitled "Toronto Transit Commission - Procurement Authorization Design and Supply of Low Voltage Power Supply and Inverter for CLRV Fleet as Part of the CLRV Life Extension Program";

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- (b) (October 26, 2004) from the General Secretary, Toronto Transit Commission, entitled “Implementing the Ridership Growth Strategy”;
 - (c) (November 19, 2004) from the General Secretary, Toronto Transit Commission entitled “2005 TTC Operating Budget”;
 - (d) (November 19, 2004) from the General Secretary, Toronto Transit Commission entitled “2005-2009 TTC Capital Program and 10-Year Capital Forecast”;
 - (e) (November 22, 2004) from the General Secretary, Toronto Transit Commission entitled “2005 Wheel-Trans Operating Budget”; and
 - (f) (November 2, 2004) from the City Clerk, entitled “Property Tax Exemption for Toronto Transit Commission Properties”; and
- (4) receive the presentation from the Chief General Manager, the General Secretary, and the Chief Financial Officer, Toronto Transit Commission, and the General Superintendent of Wheel Trans.
- B. Councillor Pitfield moved that the Budget Advisory Committee request the Chair, Toronto Transit Commission to report, providing a breakdown of staff requirements for the Ridership Growth Strategy.

(Chair, Toronto Transit Commission - December 15, 2004)

2.8 Toronto Public Health

The Budget Advisory Committee gave consideration to the 2005 Capital and Operating Budgets for Toronto Public Health.

The Budget Advisory Committee also gave consideration to the following communications:

- (a) (October 4, 2004) from the City Clerk, entitled “Peer Nutrition Program, 2004 Budget Enhancement”;

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- (b) (November 27, 2004) from the Board of Health, entitled “Toronto Public Health - 2005 Operating Budget Submission”;
- (c) (November 27, 2004) from the Board of Health, entitled “Toronto Public Health – 2005-2009 Capital Plan and Budget”;
- (d) (November 27, 2004) from the Board of Health, entitled “Community Partnership and Investment Program Budget – Toronto Public Health Grants Service Envelope”; and
- (e) (November 27, 2004) from the Board of Health, entitled “Invasive Meningococcal Disease Vaccination Campaign – 2005”.

The Medical Officer of Health appeared before the Budget Advisory Committee.

On motion by Councillor Pitfield, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Public Health Budget 2005 Capital and Operating Budgets until its meetings in January 2005 and requested the Chair, Board of Health, to present a Toronto Public Health budget at that time within the funding envelope set by EMT;
- (2) deferred consideration of the following communications until its meetings in January 2005:
 - (a) (October 4, 2004) from the City Clerk, entitled “Peer Nutrition Program, 2004 Budget Enhancement”;
 - (b) (November 27, 2004) from the Board of Health, entitled “Toronto Public Health - 2005 Operating Budget Submission”;
 - (c) (November 27, 2004) from the Board of Health, entitled “Toronto Public Health - 2005-2009 Capital Plan and Budget”;
 - (d) (November 27, 2004) from the Board of Health, entitled “Community Partnership and Investment Program Budget - Toronto Public Health Grants Service Envelope”; and
 - (e) (November 27, 2004) from the Board of Health, entitled “Invasive Meningococcal Disease Vaccination Campaign – 2005”; and

(3) received the presentation from the Medical Officer of Health.

(Chair, Board of Health - December 15, 2004)

2.9 Toronto Public Library

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto Public Library.

The following persons appeared before the Budget Advisory Committee in connection with the foregoing matter:

- Ms. Gillian Mason, Chair, Toronto Public Library Board; and
- Ms. Josephine Bryant, City Librarian.

On motion by Councillor Rae, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Public Library 2005 Capital and Operating Budgets until its meetings in January 2005; and
- (2) received the presentation from the Chair, Toronto Public Library Board and the City Librarian.

2.10 Toronto and Region Conservation Authority

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto and Region Conservation Authority.

Brian Denney, CAO/Secretary-Treasurer, Toronto and Region Conservation Authority appeared before the Budget Advisory Committee.

On motion by Councillor Mihevc, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Region and Conservation Authority 2005 Capital and Operating Budgets until its meetings in January 2005; and
- (2) received the presentation from the CAO/Secretary-Treasurer of the Toronto and Region Conservation Authority.

2.11 Toronto Zoo

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto Zoo.

Cal White, General Manager and CEO, Toronto Zoo, appeared before the Budget Advisory Committee.

On motion by Councillor Carroll, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Zoo 2005 Capital and Operating Budgets until its meetings in January 2005;
- (2) requested the Chair, Toronto Zoo, to report to the Budget Advisory Committee for its meetings in January 2005 providing a breakdown of the location of the schools making trips to the Toronto Zoo; and
- (3) received the presentation from the General Manager and CEO of the Toronto Zoo.

(General Manager and CEO, Toronto Zoo - December 15, 2004)

2.12 Exhibition Place

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for Exhibition Place.

Dianne Young, General Manager and CEO, Exhibition Place, appeared before the Budget Advisory Committee.

On motion by Councillor Pitfield, the Budget Advisory Committee:

- (1) deferred consideration of the Exhibition Place 2005 Capital and Operating Budgets until its meetings in January 2005; and
- (2) received the presentation from the General Manager and CEO of Exhibition Place.

2.13 Theatres

The Budget Advisory Committee considered the 2005 Operating Budget for Theatres.

The following persons appeared before the Budget Advisory Committee:

- Dan Brambilla, General Manager and CEO, Hummingbird Centre for the Performing Arts;
- David Wallett, General Manager, St. Lawrence Centre for the Arts; and
- Stan Shortt, Executive Manager, Toronto Centre for the Arts.

On motion by Councillor Rae, the Budget Advisory Committee:

- (1) deferred consideration of the following Theatres 2005 Operating Budgets until its meetings in January 2005:
 - (a) Hummingbird Centre for the Performing Arts;
 - (b) St. Lawrence Centre for the Arts; and
 - (c) Toronto Centre for the Arts;
- (2) requested the Chief Financial Officer and Treasurer to provide a briefing note with respect to responsibility for the major capital repairs envelope for Theatres; and
- (3) received the presentations from:
 - (a) Dan Brambilla, General Manager and CEO, Hummingbird Centre for the Performing Arts;
 - (b) David Wallett, General Manager, St. Lawrence Centre for the Arts; and
 - (c) Stan Shortt, Executive Manager, Toronto Centre for the Arts.

2.14 Arena Boards of Management

The Budget Advisory Committee considered the 2005 Operating Budget for Arena Boards of Management.

The Acting Manager, Financial Planning gave a presentation to the Budget Advisory Committee.

On motion by Councillor Milczyn, the Budget Advisory Committee:

The Budget Advisory Committee:

- (1) deferred consideration of the Arena Boards of Management 2005 Operating Budget until its meetings in January 2005; and
- (2) received the presentation from the Acting Manager, Financial Planning.

2.15 Toronto Parking Authority

The Budget Advisory Committee considered the 2005 Capital and Operating Budgets for the Toronto Parking Authority.

Maurice Anderson, President, Toronto Parking Authority, appeared before the Budget Advisory Committee.

On motion by Councillor Mihevc, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Parking Authority 2005 Capital and Operating Budget until its meetings in January 2005; and
- (2) received the presentation from the President of the Toronto Parking Authority.

2.16 Toronto Atmospheric Fund

The Budget Advisory Committee gave consideration to the 2005 Operating Budget for the Toronto Atmospheric Fund.

Robert Maxwell, Acting Executive Director, Toronto Atmospheric Fund, appeared before the Budget Advisory Committee.

On motion by Councillor Mihevc, the Budget Advisory Committee:

- (1) deferred consideration of the Toronto Atmospheric Fund 2005 Operating Budget until its meetings in January 2005;
- (2) received the presentation from the Acting Executive Director, Toronto Atmospheric Fund.

2.17 Annual Report – Use of Emergency Capital Funds in FY 2004 (Various Wards)

The Budget Advisory Committee considered a report (December 7, 2004) from the Commissioner of Economic Development, Culture and Tourism, reporting as required under the regulations establishing the Emergency Fund for Economic Development, Culture and Tourism.

Recommendation:

It is recommended that this report be received for information.

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

**2.18 Update Report on Toronto Police Service
Corporate Communications 2004 Operating Budget**

The Budget Advisory Committee considered a report (November 1, 2004) from the Chair, Toronto Police Services Board, update the Policy and Finance Committee on the status of the request to reduce the Toronto Police Service Corporate Communications 2004 Operating Budget.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

On motion by Councillor Mihevc, the Budget Advisory Committee received the report (November 1, 2004) from the Chair, Toronto Police Services Board, forwarded from the Policy and Finance Committee.

**2.19 2004 Operating Variance Reports Ending July 31, 2004 for the
Toronto Police Services Board, Toronto Police Service and
Toronto Police Service - Parking Enforcement Unit and
2004 Capital Variance Reports Ending June 30, 2004 for the
Toronto Police Service and Toronto Police Service - Parking Enforcement**

The Budget Advisory Committee considered a report (November 2, 2004) from the Chair, Toronto Police Services Board, advising of the results of the 2004 operating variance reports ending July 31, 2004, for the Toronto Police Services Board, Toronto Police Service and the Toronto Police Service – Parking Enforcement Unit, and the 2004 capital variance reports ending June 30, 2004 for the Toronto Police Service and the Toronto Police Service – Parking Enforcement Unit.

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Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

On motion by Councillor Carroll, the Budget Advisory Committee received the report (November 2, 2004) from the Chair, Toronto Police Services Board, forwarded from the Policy and Finance Committee.

The Budget Advisory Committee adjourned its meeting at 4:15 p.m.

Chair