

BUDGET ADVISORY COMMITTEE
2005 CAPITAL AND OPERATING BUDGETS

AGENDA

MEETING 3

Date of Meeting:	Thursday, January 20, 2005	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		

Under the *Municipal Act, 2001*, the Budget Advisory Committee must adopt a motion to meet In-camera (privately) and the reason must be given.

Declarations of Interest under the *Municipal Conflict of Interest Act*

Confirmation of December 14, 2004 Minutes

2005 Capital and Operating Budget

1. Toronto Transit Commission

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

**1(a). 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**

(Referred by the Budget Advisory Committee on November 18, 2004)

Communication (September 23, 2004) from the General Secretary, Toronto Transit Commission, advising that the Commission at its meeting on September 22, 2004, approved the following recommendations:

- (1) the award of a contract to I-Power (Intelligent Power Systems LTD.) in the amount of \$161,138.00 for the design and supply of two prototype Low Voltage Power Supply and Inverters units;

- (2) the conditional awarding of an upset limit contract to I-Power in the amount of \$8,838,862.00, subject to subsequent satisfactory performance of the prototypes during in-service testing of the prototypes and confirmation of receiving additional financing approval from City of Toronto Council; and
- (3) forwarding this report to City Council to seek additional financing approval of \$8,840,000.00, increasing the current financing approval for this project from \$4,187,000.00 to \$13,027,000.00, to cover contract production commitments through 2012.

1(b). Implementing the Ridership Growth Strategy

Communication (October 26, 2004) from the General Secretary, Toronto Transit Commission, advising that the Commission at its meeting on October 20, 2004, approved the following recommendations:

- (1) adopt the following:
 - (a) support the option to stage the implementation of the RGS in June and September 2005 to be brought forward as part of the TTC's 2005 Operating Budget; this option, which includes the Ridership Growth Strategy service already added in September and October 2004, is expected to result in a net cost of \$4.0 million in 2005;
 - (b) the forecast annualized net cost of the off-peak service improvements in future years is expected to be approximately \$5.8 million;
 - (c) the improvements to peak service planned under the RGS program require bus purchases and garage expansion; funding for these items will be requested in the TTC's 2005-2009 Capital Budget and, if approved, these service improvements will be implemented in 2007;
 - (d) other service elements of the RGS program are being brought forward as part of the 2005-2009 Capital Budget including the construction costs of surface transit ROW's, commuter parking expansion, and signal priority expansion; and
 - (e) the status of the RGS fare proposals is described in a separate report that is also on the October 20, 2004 Commission agenda; and
- (2) forward this report to the City's Chief Financial Officer and Treasurer and the Budget Advisory Committee.

1(c). 2005 Wheel-Trans Operating Budget

Communication (November 22, 2004) from the General Secretary, Toronto Transit Commission, advising that the Commission at its meeting on November 17, 2004, approved the following recommendations:

- (1) the 2005 Wheel-Trans Operating Budget of \$53.1 million provided for in this report and companion documents which include \$55.9 million for service partially offset by revenues of \$2.8 million, resulting in a subsidy increase of \$2.5 million over the approved 2004 Budget;
- (2) the Wheel-Trans Service Plan which encompasses the following key factors:
 - (a) eligibility Criteria and Application Process remain unchanged;
 - (b) registrant base increases from 34,800.00 to 38,600.00;
 - (c) trip demand increasing by 5.5 percent to 1,837,300.00;
 - (d) unaccommodated rate remains at 2 percent;
 - (e) trips provided by accessible vehicles at 88 percent;
 - (f) on-time delivery of service maintained at 96 percent; and
 - (g) workforce will increase by one operating and one capital position over 2004;
- (3) consider this report in concert with the following:
 - (a) the 2005 TTC Operating Budget; and
 - (b) the 2005-2009 TTC Capital Program and 10-Year Forecast which includes \$2.4 million in 2005; \$0.2 million for a remote belt securement retrofit on buses, \$1.6 million for facility improvements and \$0.6 million for scheduling enhancements; and
- (4) forward this report to the City Council for approval and to the TTC's Advisory Committee on Accessible Transportation (ACAT), Province of Ontario and Government of Canada for information.

1(d). 2005-2009 TTC Capital Program and 10-Year Capital Forecast

Communication (November 19, 2004) from the General Secretary, Toronto Transit Commission, advising that the Commission at its meeting on November 17, 2004, approved the following recommendations:

- (1) approve the 2005 Capital Program in the amount of \$427 million (\$430 million including Sheppard as summarized in Appendix A) as described in this report and the following accompanying documents:
 - (a) TTC 2005-2009 Capital Program Overview; and
 - (b) TTC 2005-2009 Capital Program (Blue Books);

- (2) approve the 2005-2009 Capital Program in the amount of \$2.9 billion as shown in this report;
- (3) approve the 10-Year Capital Forecast in the amount of \$4.7 billion as shown in this report;
- (4) consider this report in concert with the following:
 - (a) the TTC 2005 Operating Budget;
 - (b) the TTC 2005 Wheel-Trans Operating Budget;
 - (c) the TTC 2005 Departmental Goals and Objectives; and
 - (d) the TTC 2005 Organization Charts;
- (5) forward this report to the City Council approval of the 2005-2009 Capital Program and approval of the 10-year forecast; and
- (6) forward this report to the Province of Ontario and the Government of Canada requesting:
 - (a) confirmation of funding eligibility of the projects contained within the 2005-2009 Capital Program and 10-Year Capital Forecast, and
 - (b) an increased funding commitment in the amount of \$33.6 million each to cover the increased cost of the premium to acquire diesel-electric hybrid buses.

1(e). 2005 TTC Operating Budget

Communication (November 19, 2004) from the General Secretary, Toronto Transit Commission, advising that the Commission at its meeting on November 17, 2004, approved the following recommendations:

- (1) approve the 2005 TTC Operating Budget (summarized in Exhibit 1) as described in this report and the following accompanying reports:
 - (a) TTC 2005 Operating Budget Overview;
 - (b) TTC 2005 Departmental Goals and Objectives;
 - (c) TTC 2005 Organization Charts; and
 - (d) TTC 2005 Detailed Operating Budget (Blue Book);
- (2) consider this report in concert with:
 - (a) the 2005 Wheel-Trans Operating Budget; and
 - (b) the 2005-2009 Capital Program and 10-Year Capital Forecast;

- (3) note that based on City of Toronto 2004 budgeted operating subsidy levels (net of GST savings), the TTC 2005 Operating Budget includes a base budget shortfall of \$15 million as summarized below:

Expenditures*	\$960 Million
Revenues**	<u>726 Million</u>
Subsidy Needed	234 Million
2004 City Operating Subsidy	<u>219 Million</u>
Base Shortfall	<u>\$ 15 Million</u>

*No provision for impact of the next Collective Bargaining Agreements (CBAs)

**No provision for a fare increase

- (4) note that staged implementation of the balance of the initial phase of the off-peak service improvements identified under the Ridership Growth Strategy has been included in the budget at a net cost of \$4 million in 2005 (\$2 million previously committed);
- (5) note that implementation of a weekly pass effective in May, and the introduction of the Sunday Day Pass conditions for the Saturday Day Pass with a net impact of \$3.1 million in 2005, have been included in the budget;
- (6) forward this report to the City of Toronto requesting:
- approval of the City's 2005 Transit Operating Subsidy to the TTC;
 - approval that the TTC be permitted to retain the additional 3/7ths GST rebate without adjustment to the 2004 budgeted operating subsidy level; and
 - that the City take steps to provide a property tax exemption for all Commission properties and that for 2005 and beyond (until an exemption is in place) the TTC be provided with additional operating subsidy to compensate for the impact of new or increased property tax assessments (estimated at \$3.8 million for 2005);
- (7) forward this report to the Ontario Ministry of Transportation, the Honourable Harinder Takhar and the Ontario Ministry of Public Infrastructure Renewal, the Honourable David Caplan, for information and to the Ontario Ministry of Finance, the Honourable Gregory Sorbara, requesting immediate relief from the road tax assessed on vehicle fuel purchases (which cost the TTC approximately \$8 million annually); and
- (8) forward this report to the Minister of Transportation of Canada, the Honourable Jean-C. Lapierre and to the Minister of State (Infrastructure and Communities), the Honourable John Ferguson Godfrey, for information.

1(f). Property Tax Exemption for Toronto Transit Commission Properties

Communication (November 2, 2004) from the City Clerk, advising that City Council October 26, 27 and 28, 2004, adopted, without amendment, the following motion by Councillor Moscoe:

“WHEREAS the Toronto Transit Commission (‘TTC’) is subject to payment-in-lieu of taxes (‘PIL’) on property it owns or uses; and

WHEREAS the Commission’s annual PIL liability to the City of Toronto is approximately \$10 million; and

WHEREAS the City retains both the municipal and education portion of the PIL; and

WHEREAS municipal agencies and departments such as the Toronto Police Services Board, Fire, Ambulance Services, Public Libraries and the City of Toronto Zoo are exempt from PIL; and

WHEREAS the payment of PIL by the TTC results in an annual, recurring funding requirement of the TTC and a source of property tax revenue to the City; and

WHEREAS the Current Value Assessment system has resulted in the assessment values of property tax assessment rolls being updated every year, wherein the uncertainty of valuation shifts and municipal tax levy increases will result in budgeting difficulties, potential funding shortfalls and administrative resources to file the necessary tax appeals; and

WHEREAS the Municipal Property Assessment Corporation (MPAC) has recently given notice to the TTC that all bus platforms in subway stations will lose their current status as exempt and will be subject to PIL in 2005; and

WHEREAS the Council of the City of Toronto, during its meeting on May 21, 22 and 23, 2003, supported a property tax exemption for the Toronto Coach Terminal Inc. and for leased TTC commuter parking lots on hydro corridors, which undertaking remains to be concluded; and

WHEREAS the Province of Ontario has confirmed its intention to draft a new *City of Toronto Act*;

NOW THEREFORE BE IT RESOLVED THAT City Council support a property tax exemption for all Commission properties, through means such as enabling provisions in the new *City of Toronto Act* and that the Chief Administrative Officer submit a report to the Policy and Finance Committee on the necessary legislation;

AND BE IT FURTHER RESOLVED THAT for the 2005 budget process and beyond, the City of Toronto's Budget Advisory Committee be requested to consider a credit to the TTC for this new expense, noting that this has no new net impact on the City of Toronto's Operating Budget;

2. Toronto and Region Conservation Authority (Operating and Capital)

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

3. Toronto Atmospheric Fund (Operating)

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

4. Arena Boards of Management (Operating)

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

5. Exhibition Place (Operating and Capital)

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

5(a). Trigeneration Project - Exhibition Place Loan Agreement with the Federation of Canadian Municipalities

Communication (December 6, 2004) from the City Clerk, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 13 of Report 9 of The Policy and Finance Committee, and directed that a copy be forwarded to the Budget Advisory Committee for information.

6. Theatres (Operating)

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

7. Auditor General's Office (Operating)

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

7(a). Annual Report and 2005 Budget – Auditor General's Office

Communication (November 24, 2004) from the Audit Committee advising that the Audit Committee on November 23, 2004, approved the Annual Report and 2005 Budget for the Auditor General's Office attached to the report (November 5, 2004) from the Auditor General and requested that it be forwarded to the Budget Advisory Committee.

8. Toronto Public Library

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

9. Toronto Public Health (Operating and Capital)

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

9(a). Peer Nutrition Program, 2004 Budget Enhancement

Communication (October 4, 2004) from the City Clerk, advising that City Council on September 28, 29, 30 and October 1, 2004, considered Clause 13 of Report 7 of The Policy and Finance Committee, and has forwarded a copy to the Budget Advisory Committee for consideration during the 2005 budget process.

9(b). Toronto Public Health – 2005-2009 Capital Plan and Budget

Communication (November 27, 2004) from the Board of Health advising that the Board of Health on November 22, 2004 recommended to the Budget Advisory Committee that:

- (1) the 2005-2014 Public Health Capital Plan and Budget be endorsed;
- (2) a 2005 Capital Budget for Toronto Public Health with a cash flow of \$3,655 thousand be approved consisting of \$1,070 thousand from previously approved commitments, \$1,112 thousand for new and change in scope projects and \$1,473 thousand of carry-forward budget from 2004 into 2005 related to a previously approved project;
- (3) the capital project for Facilities State of Good Repair – Renovations in the amount of \$76,000.00 be transferred from the 2005 Toronto Public Health Capital Budget Request to the 2005 Toronto Public Health Operating Budget Request in the amount of \$76,000.00 gross/\$34,200.00 net, based on the City's capital thresholds and Toronto Public Health eligibility for 55 percent provincial cost-sharing; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

9(c). Toronto Public Health - 2005 Operating Budget Submission

Communication (November 27, 2004) from the Board of Health advising that the Board of Health on November 22, 2004, recommended to the Budget Advisory Committee that:

- (1) a Toronto Public Health 2005 Operating Budget of \$191,191.9 thousand gross and \$72,383.2 thousand net including a Base Budget of \$182,439.9 thousand gross and \$68,252.8 net and New and Enhanced Services of \$8,752.0 thousand gross and \$4,130.4 net, as summarized in Appendix A, be approved; and
- (2) the following Motion by Councillor Filion, be adopted:

WHEREAS every major review of public health nationally and provincially has indicated the need for enhanced and sustainable public health resources; and

WHEREAS the Province of Ontario has committed to increasing public health resources in Operation Health Protection through increasing provincial share cost-sharing over the next four years to 75 percent provincial, 25 percent municipal;

NOW THEREFORE BE IT RESOLVED THAT the increased provincial funding for 2005-2008 be used to sustain and enhance public health services.

9(d). Grants Service Envelope

Communication (November 27, 2004) from the Board of Health advising that the Board of Health on November 22, 2004, recommended to the Budget Advisory Committee:

- (1) the 2005 budget request for the Grants Service Envelope under the purview of the Board of Health in the amount of \$5.258 million gross and net which is comprised of a base budget of \$4.258 million gross and net and new and enhanced service requests of \$1.000 million, be approved; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

9(e). Invasive Meningococcal Disease Vaccination Campaign - 2005

Communication (November 27, 2004) from the Board of Health advising that the Board of Health on November 22, 2004, recommended to the Budget Advisory Committee that an amount of \$1,037,000.00 gross/\$0 net, be added to the 2005 Toronto Public Health Operating Budget to support the immunization campaign against Type C Invasive Meningococcal Disease (IMD-C) including \$850,000.00 gross/\$0 net in one-time 2005 funding for youth 15 to 19 years of age and ongoing funding of \$187,000.00 gross/\$0 net for grade 7 students in Toronto.

9(f). West Nile Virus Larvacide Program

Communication (December 14, 2004) from Ann Dembinski, President, CUPE Local 79, urging members to reject the proposal to contract out the West Nile Virus larvacide program.

10. Toronto Zoo

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

**10(a). Proposed Divestiture of Valley Halla
(Ward 42 Scarborough Rouge River)**

(In-camera - Security of the Property of the Municipality or Local Board)

Confidential communication (December 15, 2004) from the City Clerk, advising that the Board of Management of the Toronto Zoo on December 15, 2004 considered a confidential report (December 2, 2004) from the Commissioner of Corporate Services, regarding the proposed divestiture of Valley Halla (Ward 42 Scarborough Rouge River), and because the subject matter may contain information on the security of the property of the municipality or local board under the *Municipal Act, 2001*, discussions be held in-camera.



BUDGET ADVISORY COMMITTEE
2005 CAPITAL AND OPERATING BUDGETS
ADDED STARTERS AGENDA

MEETING 3

Date of Meeting:	Thursday, January 20, 2005	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		

Additional Communications/Reports

8(a). Wage Rate and Job Classification Harmonization Award

Communication (January 18, 2005) from the City Librarian advising that the Toronto Public Library Board at its meeting on January 17, 2005, adopted the recommendations in the report addressed to the Toronto Public Library Board from the City Librarian, entitled "Wage Rate and Job Classification Harmonization Award".

Recommendations:

It is recommended that the Toronto Public Library Board:

- (1) receive the Wage Rate and Job Classification Harmonization Award report for information; and
- (2) forward a request to the Budget Advisory Committee, and then on to City Council, to fund the cost of the Award, which includes a retroactive payment of approximately \$7.992 million and an increase to the 2005 operating budget of approximately \$6.210 million.

8(b). Improved Internet Accessibility

Communication (January 18, 2005) from the City Librarian advising that the Toronto Public Library Board at its meeting on January 17, 2005, adopted the recommendations in the report addressed to the Toronto Public Library Board from the City Librarian, entitled "Improved Internet Accessibility".

Recommendation:

It is recommended that the Toronto Public Library Board approve the Improved Internet Accessibility Business Plan, which addresses the opportunity to provide improved Internet accessibility for the citizens of Toronto, for submission to the Budget Advisory Committee.



Finance
Joseph P. Pennachetti,
Chief Financial Officer & Treasurer

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BUDGET ADVISORY COMMITTEE

2005 Capital and Operating Budget Reviews with City Programs

**January 20 – 27, 2005
Committee Room 1**

Meeting Times: 9:30 a.m.

Thursday, January 20, 2005

BAC Capital and Operating Binders 2 of 2

- | | |
|---------------|---|
| 9:30 – 11:00 | Toronto Transit Commission (Capital and Operating) |
| 11:00 – 11:30 | Toronto & Region Conservation Authority (Capital and Operating) |
| 11:30 – 11:45 | Toronto Atmospheric Fund (Operating) |

BAC Capital and Operating Binders 1 of 2

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|---------------------|--|
| 11:45 – 12:00 | Arena Boards of Management (Operating) |
| 12:00 – 12:15 | Exhibition Place (Capital and Operating) |
| 12:15 – 12:30 | Theatres (Operating) |
| 12:30 – 2:00 | BREAK |
| 2:00 – 2:30 | Auditor General's Office (Operating) |
| 2:30 – 3:30 | Toronto Public Library (Capital and Operating) |
| 3:30 – 4:30 | Toronto Public Health (Capital and Operating) |
| 4:30 – 5:15 | Toronto Zoo (Capital and Operating) |

(REVISED)

BUDGET ADVISORY COMMITTEE

**2005 Capital and Operating Budget Reviews
with City Programs**

**January 24, 2005
Committee Room 1**

Planning and Transportation Committee Binder

9:30 – 11:00 Urban Development Services (Capital and Operating)
11:00 – 11:30 Waterfront Revitalization Initiative (Capital)

Works Committee Binder

11:30 – 12:30 Transportation Services (Capital and Operating)
12:30 – 2:00 BREAK
2:00 – 3:00 Solid Waste Management Services (Capital and Operating)
3:00 – 3:30 WES – Technical Services (Operating)
3:30 – 4:00 WES – Departmental (Capital)
4:00 – 4:30 WES – Support Services (Operating)

BAC Capital and Operating Binders 2 of 2

4:30 – 5:30 Toronto Parking Authority (Capital and Operating)

BUDGET ADVISORY COMMITTEE

2005 Capital and Operating Budget Reviews with City Programs

**January 25, 2005
Committee Room 1**

Administration Committee – Corporate Services Binder

9:30 – 10:00	City Clerk’s Office (Capital and Operating)
10:00 – 10:30	Corporate Communications (Operating)
10:30 – 11:00	Court Services (Capital and Operating)
11:00 – 12:00	Facilities and Real Estate (Capital and Operating)
12:00 – 12:30	Union Station (Capital)
12:30 – 2:00	BREAK
2:00 – 2:45	Fleet Services (Capital and Operating)
2:45 – 3:15	Human Resources (Operating)
3:15 – 4:15	Information & Technology (Capital and Operating)
4:15 – 4:30	End of Lease Strategy (Capital)
4:30 – 5:00	Legal (Operating)
5:00 – 5:15	Service Improvement & Innovation (Operating)

Administrative Committee – Other Binder

5:15 – 6:00	Finance (Capital and Operating)
6:00 – 6:30	Chief Administrator’s Office (Operating)
6:30 – 7:00	Council (Operating)
7:00 – 7:30	Mayor’s Office (Operating)

BUDGET ADVISORY COMMITTEE

2005 Capital and Operating Budget Reviews with City Programs, Agencies, Boards and Commissions

**January 26, 2005
Committee Room 1**

BAC Capital and Operating Binders 2 of 2

9:30 – 11:00	Toronto Police Services (Capital and Operating)
11:00 – 12:00	Toronto Parking Enforcement Unit (Capital and Operating) Parking Tag Operations (Operating)

Community Services Committee Binder

12:00 – 12:30	Association of Community Centres (Operating)
12:30 – 2:00	BREAK
2:00 – 2:30	Children's Services (Capital and Operating)
2:30 – 3:00	Homes for the Aged (Capital and Operating)
3:00 – 3:30	Social Development and Administration (Operating)
3:30 – 4:00	Shelter, Housing & Support (Capital and Operating)
4:00 – 4:30	Social Services (Capital and Operating)
4:30 – 5:15	Emergency Medical Services (Capital and Operating)
5:15 – 5:30	Emergency Management Plan (Capital)
5:30 – 6:15	Fire Services (Capital and Operating)

BUDGET ADVISORY COMMITTEE

**2005 Capital and Operating Budget Reviews
with City Programs, Agencies, Boards and Commissions**

**January 27, 2005
Committee Room 1**

Economic Development and Parks Committee Capital and Operating Binders

9:30 – 10:15	Tourism (Capital and Operating)
10:15 – 11:15	Culture (Capital and Operating)
11:15 – 12:00	Economic Development (Capital and Operating)
12:00 – 12:30	Customer and Business Support (Operating)
12:30 – 2:00	BREAK

ABC

2:00 – 2:30	Yonge-Dundas Square (Capital and Operating)
2:30 – 3:00	Heritage Toronto (Operating)

Economic Development, Culture and Tourism

3:00 – 4:30	Parks & Recreation (Capital and Operating)
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Corporate Accounts

4:30 – 5:15	Community Partnership & Investment Program (Operating)
5:15 – 6:15	Non-Program (Operating)

BUDGET ADVISORY COMMITTEE

**2005 Capital and Operating Budget Reviews
with City Programs, Agencies, Boards and Commissions**

January 28, 2005

and

January 31, 2005

Committee Room 1

Reserved For Callbacks