



BUDGET ADVISORY COMMITTEE

DECISION DOCUMENT MEETING 5

Date of Meeting:	Tuesday, January 25, 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		

The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Report to City Council or to the minutes for the official record.

How to Read the Decision Document:

- *recommendations of the Committee to Policy and Finance Committee are in bold type under the heading "Action taken by the Committee";*
- *action taken by the Committee on its own authority that does not require Policy and Finance Committee approval is also reported under the heading "Action taken by the Committee"; and*
- *Declarations of Interest, if any, appear at the end of an item.*

Communications/Reports:

1. Administration Committee Transmittal (Capital)

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 7, 2005) from the Administration Committee, forwarding the 2005 Capital Budget Recommendations.

2. Administration Committee Transmittal (Operating)

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 7, 2005) from the Administration Committee, forwarding the 2005 Operating Budget Recommendations.

3. City Clerk's Office (Capital and Operating)

Action taken by the Committee:

The Budget Advisory Committee:

Capital

- (1) recommended the adoption of the 2005 Capital Budget for the City Clerk's Office, as recommended by the Administration Committee, including technical adjustments.

Operating

- (2) recommended the adoption of the 2005 Operating Budget for the City Clerk's Office, as recommended by the Administration Committee; and

Other

- (3) received the following report and communications:
 - (a) report (November 25, 2004) from the Commissioner of Corporate Services, entitled, "Support for the International Program provided by Toronto Protocol";
 - (b) communication (November 25, 2004) from the Commissioner of Corporate Services, entitled, "Support for the International Program provided by Toronto Protocol"; and
 - (c) communication (December 6, 2004) from the City Clerk, entitled, "International Activities - Co-ordinated Approach to 2005 Budget Considerations".

4. Corporate Communications (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommends the adoption of the 2005 Operating Budget for Corporate Communications, as recommended by the Administration Committee.

5. Court Services (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for Court Services, as recommended by the Administration Committee, subject to increasing revenues by \$172,900.00 in 2005 in order to maintain the same net revenue level as 2004 in the amount of \$9.636 million.

6. Facilities and Real Estate (Capital and Operating)

Action taken by the Committee:

The Budget Advisory Committee

Capital

- (1) recommended the adoption of the 2005 Capital Budget for Facilities and Real Estate, as recommended by the Administration Committee, including technical adjustments;

Operating

- (2) recommended the adoption of the 2005 Operating Budget for Facilities and Real Estate, as recommended by the Administration Committee, subject to the enhancement of one additional Engineering Technician – Space Planning and Accommodation not being adopted, for gross savings of \$71,700.00;

save and except:

deferring consideration of the additional cleaners for IDC/DR client work in the amount of \$237,300.00, pending a briefing note from the Executive Director, Facilities and Real Estate on the cleaning work changes made in the Toronto Police Service Operating Budget, until the Budget Advisory Committee wrap up meeting;

Other

- (3) requested the Chief Financial Officer and Treasurer, in consultation with the Property Management Committee and Facilities and Real Estate staff, to review property holdings with a view to potential disposal, and report thereon to the Administration Committee, as soon as possible; and
- (4) requested the Commissioner of Corporate Services, in consultation with the Chief Financial Officer and Treasurer to report to the Administration Committee, identifying the costs of the Inter-departmental Charge-Back Policy, including consideration of the costs and potential savings associated in eliminating the charge-back system.

7. Union Station (Capital)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Capital Budget for Union Station, including technical adjustments.

8. Fleet Services (Capital and Operating)

Action taken by the Committee:

The Budget Advisory Committee:

Capital

(1) recommended the adoption of the 2005 Capital Budget for Fleet Services, as recommended by the Administration Committee, including technical adjustments;

(2) recommended the adoption of Recommendations (1), (2), (3), (4), (5) and (7) in the report (September 13, 2004) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, subject to amending Recommendation (1) by deleting “2005” and replacing with “2006”, so that the Recommendations now read:

“(1) commencing in 2006, all Programs commit to the policy of increasing their 2004 contribution to the Vehicle and Equipment Replacement Reserve for all new vehicles by an amount based on the following calculation:

Future replacement cost less end of life salvage value
Projected useful life in months;

(2) Fleet Services establish the reserve contribution amount based on the above formula and collect reserve contributions using interdepartmental chargebacks on a monthly basis;

(3) Fleet Services develop a vehicle/equipment chargeback rate program for the 2006 budget cycle; the internal charge shall be all inclusive of vehicle and equipment operating costs (not including fuel that will be a direct charge);

(4) commencing in 2005, Fleet Services report, as part of its annual capital/operating budget presentation, on the progress to date to reduce the backlog of overdue vehicles, and the uncommitted balance in the Vehicle and Equipment Replacement Reserve available for fleet replacement;

- (5) Council establish a cost centre within the Stabilization Reserve Fund called 'Fleet Services Stabilization' to fund any deficit in the Fleet Services Operations or to be transferred to the Vehicle and Equipment Replacement Reserve to fund any backlog of vehicles needing to be replaced and that Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding this cost centre to Schedule '4' (Stabilization Reserve Fund);
- (6) this report be forwarded to the Budget Advisory Committee for consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto;";

Operating

- (3) recommended the adoption of the 2005 Operating Budget for Fleet Services, as recommended by the Administration Committee;
- (4) City Council request the Toronto Police Services Board to participate in the Fuel Site Review City-wide being directed by Fleet Services;

Other

- (5) requested the Commissioner of Corporate Services to provide a briefing note to the Budget Advisory Committee wrap up meeting with respect to a detailed account of the differences between the 2004 approved budget, the 2004 projected actual and the 2005 requested base for the Fleet Management Accounts; and
- (6) requested the Commissioner of Corporate Services, in consultation with the Director of Fleet Services, to report to the Administration Committee meeting in August 2005 on the status of taxi inspection targets achieved and savings realized to the City.

9. Human Resources (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for Human Resources, as recommended by the Administration Committee, subject to:

- (1) the adoption of the confidential recommendations pertaining to this budget and because the subject matter deals with personnel matters about identifiable individuals, including municipal or local board employees, under the *Municipal Act, 2001*, discussion be held in-camera; and

- (2) the Continuous Collective Bargaining budget be approved with the condition that the new approved positions for project HR-N001 be temporary positions rather than permanent positions, to provide for a one year review.

10. Information and Technology (Capital and Operating)

Action taken by the Committee:

The Budget Advisory Committee:

Capital

- (1) recommended the adoption of the 2005 Capital Budget for Information and Technology, as recommended by the Administration Committee, including technical adjustments, subject to:
 - (a) reducing the Network Upgrade Project – Sub Project Network Technology Lifecycle Management by \$80,000 in 2005;
 - (b) the adoption of the staff recommendations in the Recommendations Section of the report (January 17, 2005) from the Commissioner of Corporate Services, to reflect the staffing costs which have been budgeted in Technology End of Lease Capital Budget:
 - “(1) the Administration Committee’s recommended 2005 Operating Budget for the Information and Technology Division of Corporate Services be amended by \$4.9 million gross, \$0 net, to reflect the staffing costs of 55 temporary positions supporting the TELS roll out; funding has been provided in the TELS Capital Account CIT701; and
 - (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;” and

Operating

- (2) recommended the adoption of the 2005 Operating Budget for Information and Technology, as recommended by the Administration Committee, subject to the recovery of \$0.413 million for various Information and Technology services usually paid for by Toronto Water Services continue to be paid by Toronto Water Services, and that recoveries in the Information and Technology 2005 Operating Budget be increased accordingly.

11. End of Lease Strategy (Capital)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Capital Budget for the End of Lease Strategy, as recommended by the Administration Committee.

12. Legal (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for Legal, as recommended by the Administration Committee, subject to the City Solicitor being requested to first attempt to hire contract employees to fill the positions of two Insurance Claims Defence Lawyers for litigation.

13. Service Improvement and Innovation (Operating)

Action taken by the Committee:

The Budget Advisory Committee:

- (1) recommended the adoption of the 2005 Operating Budget for Service Improvement and Innovation, as recommended by the Administration Committee, subject to the adoption of the confidential recommendations pertaining to this budget, and because the subject matter deals with personnel matters about an identifiable individual, including municipal or local board employees, under the *Municipal Act, 2001*, the discussion be held in-camera.

Other

- (2) requested the Commissioner of Corporate Services and the Chief Administrative Officer to report to the Budget Advisory Committee wrap up meeting outlining whether there is one or more employees within the Service Improvement and Innovation budget that can be transferred to the '3-1-1' project specifically for Business Process Review.

14. Finance Department (Capital and Operating)

Action taken by the Committee:

The Budget Advisory Committee:

Capital

- (1) recommended the adoption of the 2005 Capital Budget for the Finance Department, as recommended by the Administration Committee;

Operating

- (2) recommended the adoption of the 2005 Operating Budget for the Finance Department, as recommended by the Administration Committee;

Other

- (3) received the report (September 21, 2004) from the Chief Financial Officer and Treasurer, entitled, "Feasibility of Establishing Additional First Appearance Facilities for Parking Ticket Payments and Disputes"; and
- (4) received the communication (December 6, 2004) from the City Clerk, entitled, "New Finance Department User Fees: Tax Status Verification and Municipal Charges Added to the Tax Roll".

15. Chief Administrator's Office (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for the Chief Administrator's Office, as recommended by the Administration Committee.

16. Council (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for Council, as recommended by the Administration Committee, subject to receiving the Administration Committee recommendation that City Council direct \$5,000 from the 2005 office budget of each Councillor to the Canadian Red Cross for the Asia Earthquake and Tsunami Relief Fund.

17. Mayor's Office (Operating)

Action taken by the Committee:

The Budget Advisory Committee recommended the adoption of the 2005 Operating Budget for the Mayor's Office, as recommended by the Administration Committee, subject to:

- (1) receiving the Administration Committee recommendation that City Council direct \$5,000 from the 2005 Mayor's Office budget to the Canadian Red Cross for the Asia Earthquake and Tsunami Relief Fund; and

- (2) **the Mayor's staff being considered as part of the Council Global Budget for the purpose of funding severance and vacation replacement costs and that the Mayor's Budget be reduced by \$41,000 accordingly.**