

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting 5

Tuesday, January 25, 2005

The Budget Advisory Committee met on Tuesday, January 25, 2005, in Committee Room 1, City Hall, Toronto, commencing at 9:38 a.m.

Members Present:

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

	9:38 a.m. to 12:50 p.m.	2:10 p.m. to 3:30 p.m.
Councillor David Soknacki, Chair	X	X
Councillor Joe Mihevc, Vice Chair	X	X
Councillor Jane Pitfield, Vice Chair	R	R
Councillor Shelley Carroll	X	X
Councillor Peter Milczyn	X	X
Councillor Kyle Rae	X	X
Councillor Sylvia Watson	X	X

Also Present:

Councillor Janet Davis	Councillor Michael Walker
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5.1 Administration Committee Transmittal (Capital)

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

Recommendations:

The Administration Committee recommended to the Budget Advisory Committee that City Council adopt the following EMT recommended 2005 Capital Budgets under the purview of the Administration Committee:

Finance:

Corporate Services:

- City Clerk's Office;
- Court Services;
- End of Lease Strategy;
- Facilities and Real Estate;
- Fleet Services;
- Information and Technology; and
- Union Station.

On motion by Councillor Rae, the Budget Advisory Committee adopted the recommendations of the Administration Committee contained in the communication (January 7, 2005), as amended by the Budget Advisory Committee.

4.2 Administration Committee Transmittal (Operating)

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

Recommendations:

The Administration Committee recommended to the Budget Advisory Committee that City Council:

- (1) adopt the following EMT recommended 2005 Operating Budgets under the purview of the Administration Committee:

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Finance:

Corporate Services:

- City Clerk's Office;
- Corporate Communications;
- Court Services;
- Facilities and Real Estate;
- Fleet Services;
- Information and Technology;
- Legal Services;
- Service Improvement and Innovation; and

Other:

- Chief Administrator's Office;
- (2) adopt the EMT recommended 2005 Operating Budget for Corporate Services-Human Resources, subject to amending the Labour Relations section request for the conversion of five temporary positions to permanent positions, to convert three temporary positions to permanent, and retain two temporary positions;
 - (3) adopt the requested 2005 Operating Budget for Other – Council, and, further, that City Council direct that \$5,000.00 from the 2005 office budget of each Councillor, be directed to the Canadian Red Cross for the Asia Earthquake and Tsunami Relief Fund;
 - (4) adopt the EMT recommended 2005 Operating Budget for Other – Mayor's Office subject to:
 - (a) adding funds in the amount of \$41.0 thousand to the Mayor's Office 2005 Operating Budget for staff replacement costs similar to that in the Council Program;
 - (b) the policy approved for the Council Program on the administration of the staff replacement and severance fund, equally applying to the Mayor's Office program;
 - (c) the appropriate City officials being authorized and directed to take the necessary action to give effect thereto; and
 - (d) City Council directing that \$5,000.00 from the 2005 Mayor's Office budget be directed to the Canadian Red Cross for the Asia Earthquake and Tsunami Relief Fund.

On motion by Councillor Rae, the Budget Advisory Committee adopted the recommendations of the Administration Committee, contained in the communication (January 7, 2005), as amended by the Budget Advisory Committee.

5.3 City Clerk's Office (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for the City Clerk's Office.

The Budget Advisory Committee also considered the following communications and report:

- (a) (November 25, 2004) from the Commissioner of Corporate Services, responding to concerns expressed by the Mayor and Members of Council regarding sufficient resources to meet increased demands and expectations of Toronto's role in the international community; reviewing and advising with respect to the support required to meet those increased needs; supporting Toronto City Council's approved priority of "Getting the powers and funding needed for Toronto to succeed"; and outlining options to further this priority with additional support for Toronto's International Relations Program provided by Toronto Protocol.

Recommendation:

It is recommended that this report be received for information.

- (b) (December 13, 2004) from the Administration Committee advising that the Committee on December 10, 2004 received the report (November 25, 2004) from the Commissioner of Corporate Services, entitled "Support for the International Program Provided by Toronto Protocol (All Wards)".
- (c) (December 6, 2004) from the City Clerk, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 31 of Report 9 of the Policy and Finance Committee, and adopted a recommendation that any increased expenditures to support the City's international relations portfolio (including but not limited to improvements to Toronto Protocol and the establishment of a corporate conference fund) be considered in the context of the City's overall priorities and be referred to the Budget Advisory Committee for consideration in the 2005 Operating Budget and be reviewed in terms of their long-term fiscal sustainability.

Capital

On motion by Councillor Watson, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 - 2014 Capital Program for the City Clerk's Office, as recommended by the Administration Committee, including technical adjustments.

Operating

On motion by Councillor Watson, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for the City Clerk's Office, as recommended by the Administration Committee; and
- (2) received the report and communications.

5.4 Corporate Communications (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget of Corporate Communications.

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Corporate Communications, as recommended by the Administration Committee.

5.5 Court Services (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Court Services.

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

On motion by Councillor Soknacki, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, 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.

Councillor Soknacki resumed the Chair.

5.6 Facilities and Real Estate (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Facilities and Real Estate.

Capital

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Facilities and Real Estate, as recommended by the Administration Committee, including technical adjustments.

Operating

- A. Councillor Milczyn moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, 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.

(Carried)

- B. Councillor Watson moved that Councillor Milczyn's motion A. be amended by 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.

(Carried)

- C. Councillor Mihevc moved that the Budget Advisory Committee request 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.

(Carried)

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- D. Councillor Rae moved that the Budget Advisory Committee request 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.

(Carried)

(E-mail: Chief Financial Officer and Treasurer; Commissioner of Corporate Services; c. Administrator, Administration Committee - February 16, 2005)

5.7 Union Station (Capital)

The Budget Advisory Committee considered the 2005 Capital Budget for Union Station.

On motion by Councillor Carroll, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 - 2014 EMT Recommended Capital Program for Union Station, including technical adjustments.

5.8 Fleet Services (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Fleet Services.

The Budget Advisory Committee also considered the communication (September 15, 2004) from the Policy and Finance Committee advising that the Policy and Finance Committee on September 15, 2004, referred the report (September 13, 2004) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, respecting Contributions to the Vehicle and Equipment Replacement Reserve, to the Budget Advisory Committee for consideration and report thereon to the Policy and Finance Committee.

Recommendations:

It is recommended that:

- (1) commencing in 2005, 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:

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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.

Capital

On motion by Councillor Watson, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council:

- (1) the adoption of the 2005-2014 Capital Program for Fleet Services, as recommended by the Administration Committee, including technical adjustments;
- (2) 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:

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- (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:

$$\frac{\text{Future replacement cost less end of life salvage value}}{\text{Projected useful life in months;}}$$

- (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); 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

- A. Councillor Watson moved that the Budget Advisory Committee:
 - (1) recommend to the Policy and Finance Committee, and Council:

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

(Carried)

- B. Councillor Carroll moved that the Budget Advisory Committee request 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.

(Carried)

(E-mail: Commissioner of Corporate Services - February 16, 2005)

5.9 Human Resources (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Human Resources.

- A. Councillor Milczyn moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Human Resources, 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 identifiable individuals, including municipal or local board employees, under the *Municipal Act, 2001*, discussion be held in-camera.

(Carried)

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

- B. Councillor Soknacki moved that the Budget Advisory Committee approve the Continuous Collective Bargaining budget 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.

(Carried)

Councillor Soknacki resumed the Chair.

5.10 Information and Technology (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Information and Technology.

The Budget Advisory Committee also considered a report (January 17, 2005) from the Commissioner of Corporate Services requesting an amendment of the Administration Committee's recommended 2005 Operating Budget for the Information and Technology Division to reflect the staffing costs which have been budgeted in Technology End of Lease Capital Budget.

Recommendations:

It is recommended that:

- (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.

Capital

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

On motion by Councillor Soknacki, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Information and Technology, as recommended by the Administration Committee, including technical adjustments, subject to reducing the Network Upgrade Project – Sub Project Network Technology Lifecycle Management by \$80,000 in 2005.

Operating

On motion by Councillor Soknacki, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Information and Technology, as recommended by the Administration Committee, subject to:

- (1) 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; and
- (2) 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.

Recommendations:

- (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.

Councillor Soknacki resumed the Chair.

5.11 End of Lease Strategy (Capital)

The Budget Advisory Committee considered the 2005 Capital Budget for End of Lease Strategy.

On motion by Councillor Watson, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for the End of Lease Strategy, as recommended by the Administration Committee.

5.12 Legal (Operating)

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

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

On motion by Councillor Soknacki, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, 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.

Councillor Soknacki resumed the Chair.

5.13 Service Improvement and Innovation (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Service Improvement and Innovation.

- A. Councillor Mihevc moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, 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.

(Carried)

- B. Councillor Watson moved that the Budget Advisory Committee request 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.

(Carried)

5.14 Finance Department (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for the Finance Department.

The Budget Advisory Committee also considered the following communications:

- (a) (November 15, 2004) from the Administration Committee advising that on November 9, 2004, the Administration Committee referred the report (September 21, 2004) from the Chief Financial Officer and Treasurer to the Budget Advisory Committee for consideration during the 2005 budget process.

Recommendations:

It is recommended that:

- (1) funding (\$70,000.00 one-time start up cost and \$198,000.00 annual operating costs) to establish an additional parking tag First Appearance Facility in the Etobicoke Civic Centre, combined with the current tax and water counter, be included as an Enhanced Service Change request in the Finance Department's 2005 Operating Budget Estimates; and
 - (2) this report be forwarded to the Administration Committee for its review and 2005 Budget consideration.
- (b) (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 Administration Committee, and forwarded a copy to the Budget Advisory Committee for information.

Capital

On motion by Councillor Carroll, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 - 2014 Capital Program for the Finance Department, as recommended by the Administration Committee.

Operating

On motion by Councillor Carroll, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for the Finance Department, as recommended by the Administration Committee; and

- (2) received the report and communication.

5.15 Chief Administrator's Office (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for the Chief Administrator's Office.

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for the Chief Administrator's Office, as recommended by the Administration Committee.

5.16 Council (Operating)

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

On motion by Councillor Milczyn, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, 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.

5.17 Mayor's Office (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for the Mayor's Office.

On motion by Councillor Milczyn, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, 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

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

The Budget Advisory Committee adjourned its meeting at 3:30 p.m.

Chair