

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting 7

Thursday, January 27, 2005

The Budget Advisory Committee met on Thursday, January 27, 2005, in Committee Room 1, City Hall, Toronto, commencing at 9:44 a.m.

Members Present:

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

	9:44 a.m to 10:35 p.m.	2:10 p.m. to 5:20 p.m.
Councillor David Soknacki, Chair	X	X
Councillor Joe Mihevc, Vice Chair	X	X
Councillor Jane Pitfield, Vice Chair	R	X
Councillor Shelley Carroll	X	X
Councillor Peter Milczyn	X	X
Councillor Kyle Rae	X	X
Councillor Sylvia Watson	R	R

Also Present:

Councillor Brian Ashton	Councillor Gloria Lindsay Luby
Councillor Maria Augimeri	Councillor Denzil Minnan-Wong
Councillor Janet Davis	Councillor Howard Moscoe
Councillor John Filion	Councillor Michael Thompson
Councillor Mark Grimes	Councillor Michael Walker
Councillor Suzan Hall	

2005 Capital and Operating Budget

7.1 Economic Development and Parks Committee Transmittal (Capital)

The Budget Advisory Committee considered a communication (January 12, 2005) from the Economic Development and Parks Committee, forwarding the 2005 Capital Budget Recommendations.

Recommendations:

The Economic Development and Parks Committee recommended to the Budget Advisory Committee that City Council:

(1) Culture Division:

adopt the 2005 EMT recommended Capital Budget;

(2) Economic Development Division:

adopt the 2005 EMT recommended Capital Budget, subject to adding:

- (a) \$120,000.00 (gross) to undertake the streetscape beautification projects of the Queens Quay Harbourfront BIA, which was established by Council at its meeting of November 30, December 1 and 2, 2004, after submission of the Economic Development, Culture and Tourism Capital Budget, subject to the BIA approving its budget at the first Annual General Meeting;
- (b) \$72,000.00 (gross), for a total new request of \$102,000.00 (gross) for Roncesvalles BIA to undertake the streetscape beautification projects, necessary repairs to the electrical infrastructure to provide decorative tree lighting in the area, having received a quote for the repairs following submission of the Economic Development, Culture and Tourism Capital Budget submission;
- (c) \$142,000.00 (gross) to undertake the streetscape beautification projects for the Korea Town BIA, which was established by Council at its meeting of November 30, December 1 and 2, 2004, after submission of the Economic Development, Culture and Tourism Capital Budget, subject to the BIA approving its budget at the first Annual General Meeting; and
- (d) \$10,000.00 (gross) for the Dovercourt Village BIA to undertake the streetscape beautification projects of the BIA;

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(3) Parks and Recreation:

adopt the 2005 EMT recommended Capital Budget, subject to adding:

- (a) finding ways and means for additional \$500,000.00 for tree planting through the Tree Advocacy Planting Program;
- (b) capital funds included in PKS000021 Arena FY2005 (Camp Arena sub project 155) for a state of good repair project at East York Curling club being amended to allocate \$240,000.00 for the completion of the project at the East York Curling Club, and the remainder, \$300,000.00, be re-allocated to a skateboard park in Ward 31, and further, that an appropriate account for these purposes be included in the 2005 Capital Program;
- (c) \$275,000.00 be brought forward from 2006 to 2005, for the drawings of the gymnasium expansion at Jenner Jean Marie Community Centre in Thorncliffe Park, as the Library portion of the project is commencing in 2005, and that no other project be deferred as a consequence of this transaction;
- (d) \$288,000.00 for the Wellington Place Project; and further, the Commissioner of Economic Development, Culture and Tourism report to the Budget Advisory Committee on January 20, 2005, on a funding source; and
- (e) \$600,000.00 to provide for soil remediation of the Wychwood Car Barns site, such remediation required to allow for the affordable housing portion of the project to proceed;

(4) Tourism Division:

adopt the 2005 EMT recommended Capital Budget; and

(5) Yonge Dundas Square:

adopt the 2005 EMT recommended Capital Budget.

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

On motion by Councillor Soknacki, the Budget Advisory Committee adopted the recommendations of the Economic Development and Parks Committee, contained in the communication (January 12, 2005), as amended by the Budget Advisory Committee.

Councillor Soknacki resumed the Chair.

7.2 Economic Development and Parks Committee Transmittal (Operating)

The Budget Advisory Committee considered a communication (January 12, 2005) from the Economic Development and Parks Committee, forwarding the 2005 Operating Budget Recommendations.

Recommendations:

The Economic Development and Parks Committee recommended to the Budget Advisory Committee that City Council:

(1) Culture Division:

adopt the EMT recommended Operating Budget, subject to adding \$66,600.00 for the Cedar Ridge Creative Centre;

(2) Customer and Business Support:

adopt the 2005 EMT Recommended Operating Budget;

(3) Economic Development:

adopt the 2005 EMT Recommended Operating Budget, subject to:

- (a) the addition \$100,000.00 for a "Shop Local" campaign on St. Clair Avenue West;
- (b) the Major Service Level Reduction ED Z004, in the amount of \$32.6 thousand net not be accepted, and that no position be deleted from Enterprise Toronto; and
- (c) the reduction of ED-A003 in the Economic Development Program (\$52.3 thousand net) not be accepted, and that no Economic Development Officer position be deleted;

(4) Parks and Recreation:

adopt the 2005 EMT Recommended Operating Budget, subject to:

- (a) increasing the grass cutting budget by \$1.383.1 Million;
- (b) garden maintenance be moved from 2007 to 2005 at a cost of \$2.1489 Million;

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- (c) the addition of \$1.109 Million to reduce tree service delays and improve service;
 - (d) the addition of \$188,200.00 for the Outreach to Youth with Disabilities Program;
 - (e) the addition of \$366,500.00 to the Improve Youth Outreach Worker Program;
 - (f) the addition of \$188,200.00 for the Outreach to New Immigrant Youth Program;
 - (g) the Commissioner of Economic Development, Culture and Tourism be requested to give priority to the hiring of youth for employment opportunities created by the "Clean and Beautiful City" initiative, after the Department's "recall" list is exhausted;
 - (h) the addition of \$235,000.00 for Operating Impact of Capital, including Section 37 Funds; and
 - (i) the adoption of the staff recommendations in the Recommendations Section of the report (January 5, 2005) from the Commissioner of Economic Development, Culture and Tourism, on increasing the 2005 Parks and Recreation Operating Budget to provide for work on the Van Dusen Boulevard Creek Bank Stabilization Project. (Item 2(d));
- (5) Tourism:
- adopt the 2005 EMT Recommended Operating Budget, subject to:
- (a) adding \$100,000.00 for the Cavalcade of Lights;
 - (b) adding \$163,000.00 for the Summerlicious/Celebrate Toronto; and
 - (c) reinstating the \$1-Million reduction to Tourism Toronto in the Tourism Division Operating budget contingent upon a consultation process between the Economic Development, Culture and Tourism Department and Tourism Toronto, determining how the \$1-Million would be expended to advance key tourism and culture projects and programs; and further, that the outstanding agreements for partnership between the City and Tourism Toronto for Destination Marketing Services as well as the partnership agreement for the Toronto Branding Project be completed and approved;

(6) Community Partnership and Investment:

adopt the 2005 EMT Recommended Operating Budget, subject to adding:

- (a) \$275,000.00 for Major Cultural Organizations;
- (b) \$150,000.00 for Toronto Pride Week;
- (c) \$50,000.00 for Artscape;
- (d) \$400,000.00 for Toronto Arts Council Grants;
- (e) \$94,300.00 for Toronto Arts Council Operations;
- (f) \$25,000.00 for Local Art Service Organizations; and
- (g) \$87,000.00 for Royal Winter Fair;

(7) Heritage Toronto:

adopt the 2005 EMT Recommended Operating Budget;

(8) Yonge Dundas Square:

adopt the 2005 EMT Recommended Operating Budget.

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

On motion by Councillor Soknacki, the Budget Advisory Committee adopted the recommendations of the Economic Development and Parks Committee, contained in the communication (January 12, 2005), as amended by the Budget Advisory Committee.

Councillor Soknacki resumed the Chair.

7.3 Tourism (Capital and Operating)

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

Capital

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On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Tourism, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Operating

A. Councillor Rae moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Tourism, as recommended by the Economic Development and Parks Committee, subject to:

(1) amending such recommendations by:

(a) decreasing the Cavalcade of Lights funding to \$50,000; and

(b) deleting additional funding of \$1 million for Tourism Toronto; and

(2) reiterating that the \$100,000.00 for Events Feasibility Study for World Expo is one time only funding.

(Carried)

B. Councillor Mihevc moved that Council Rae's motion A. be amended by reducing the 2005 Tourism Toronto funding by a further \$1 million.

(Carried)

7.4 Culture (Capital and Operating)

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

Capital

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Culture, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Operating

On motion by Councillor Rae, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Culture, as recommended by the Economic Development and Parks Committee, subject to adjusting the Cedar Ridge Creative Centre funding to \$66,200.00; and
- (2) received the Culture Division reduction of one staff position to be considered in 2006.

7.5 Economic Development (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Economic Development.

The Budget Advisory Committee also considered the communication (November 1, 2004) from the City Clerk, entitled "Toronto Financial Services Alliance (TFSA) Resource Requirements", advising that City Council on October 26, 27 and 28, 2004, considered Clause 2 of Report 7 of the Economic Development and Parks Committee, and directed that \$25,000.00 to provide the Toronto Financial Services Alliance (TFSA) with annual project funding to support its key activities and to leverage matching funding from other sources, be included in Economic Development's 2005 operating budget submission and that this request be forwarded through the 2005 budget process for consideration.

Capital

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Economic Development, as amended by the Economic Development and Parks Committee, including technical adjustments.

Operating

A. Councillor Rae moved that the Budget Advisory Committee:

- (1) recommend to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget of Economic Development, as recommended by the Economic Development and Parks Committee, subject to the following amendments:

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- (a) reducing the “Shop Local” campaign on St. Clair Avenue West by \$20,000.00; and
- (b) deleting \$10,000.00 in funding for promotional support for small businesses; and
- (2) receive the communication (November 1, 2004) from the City Clerk, entitled “Toronto Financial Services Alliance (TFSA) Resource Requirements.”

(Carried)

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

B. Councillor Soknacki moved that Councillor Rae’s motion A.(1) be amended by:

- (1) reinstating the Major Service Level Reduction ED Z004 of 32.6 thousand net; and
- (2) reinstating the Economic Development Program ED-A003 reduction of \$52.3 thousand net.

(Carried)

Councillor Soknacki resumed the Chair.

7.6 Customer and Business Support (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Customer and Business Support.

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 Customer Business and Support, as recommended by the Economic Development and Parks Committee.

7.7 Yonge-Dundas Square (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Yonge-Dundas Square.

Capital

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Yonge-Dundas Square, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Operating

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 Yonge-Dundas Square, as recommended by the Economic Development and Parks Committee.

7.8 Heritage Toronto (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Heritage Toronto.

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 Heritage Toronto, as recommended by the Economic Development and Parks Committee.

7.9 Parks and Recreation (Capital and Operating)

The Budget Advisory Committee considered the 2005 Capital and Operating Budget for Parks and Recreation.

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

- (a) (May 28, 2004) from the City Clerk, entitled "Parking Revenue Increase Options", advising that City Council, at its meeting held on May 18, 19 and 20, 2004, adopted as amended, Clause 16 contained in Report 3 of the Economic Development and Parks Committee, headed "Parking Revenue Increase Options", and directed the Budget Advisory Committee to consider, in the 2005 budget deliberations, an increase of \$4 million in the Parks budget to be dedicated to restoring the turf quality of the parks, such funding to come from the increase in parking revenues;

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- (b) (October 6, 2004) from the City Clerk, entitled “Harmonized City-wide Private Tree By-law”, advising that City Council on September 28, 29, 30 and October 1, 2004, considered Clause 2 of Report 7 of the Policy and Finance Committee, and directed that the request for a 2005 Operating Budget increase of \$411,941.00 gross and \$242,991.00 net and a 2006 annualization increase of \$104,571.00 gross and decrease of \$64,379.00 net, be forwarded to the Budget Advisory Committee for consideration during the 2005 budget process;
- (c) (November 1, 2004) from the City Clerk, entitled “Toronto Botanical Garden Revitalization Plan Implementation”, advising that City Council on October 26, 27 and 28, 2004, considered Clause 6 of Report 7 of the Economic Development and Parks Committee, and referred the 2005 budget request of \$6,000.00 to the Budget Advisory Committee for consideration in the 2005 Operating Budget;
- (d) (November 1, 2004) from the City Clerk, entitled “Parks and Recreation Service Improvement Priorities for 2005-2006”, advising that City Council on October 26, 27 and 28, 2004, considered Clause 7 of Report 7 of the Economic Development and Parks Committee, and referred the four service area priorities and related service level changes in Table 1 and items listed under the heading “2005 Budget Request (net)” in Attachment 2, to the Budget Advisory Committee for consideration during the 2005 budget process;
- (e) (December 6, 2004) from the City Clerk, entitled “Centennial Park Snow Centre Service Improvement Initiative”, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 5 of Report 8 of the Economic Development and Parks Committee, and referred the Centennial Ski Centre sub-project (ORC 105) in the 2005 Parks and Recreation Capital Budget request of \$300,000.00 to the Budget Advisory Committee for consideration during the 2005 budget process;
- (f) (December 6, 2004) from the City Clerk, entitled “Private Tree By-law Resource Implications of the Accelerated Effective Date”, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 14 of Report 8 of the Economic Development and Parks Committee, and forwarded to the Budget Advisory Committee for consideration during the 2005 budget process, the revised 2005 Parks and Recreation Operating Budget new request for implementation of the Harmonized Private Tree By-law of \$126,152.00 net, consisting of \$431,130.00 in expenditures and a revenue estimate of \$304,978.00;

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- (g) (December 6, 2004) from the City Clerk, entitled “Parks and Recreation Revenue Review Status Report and Interim Findings Related to the Welcome Policy”, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 1 of Report 8 of the Economic Development and Parks Committee, and directed that an increase of \$2.5 million net to the Parks and Recreation Operating Budget, as a result of increased use of the Welcome Policy (unrealized revenues), be referred for consideration during the 2005 Budget process as an interim finding arising from one component of the overall revenue review;
- (h) (January 21, 2005) from the Commissioner of Economic Development, Culture and Tourism, “Toronto Bike Plan Related Project City-wide”, responding to the request for information by the Economic Development and Parks Committee on January 10, 2005, regarding funds budgeted and spent on Toronto Bike Plan related projects; as well as to the request by the Planning and Transportation Committee at its meeting on January 4, 2005;

Recommendation:

It is recommended that this report be received for information.

- (i) (January 21, 2005) from the Commissioner of Economic Development, Culture and Tourism, entitled “2004 Operating and Capital Budget - Response to Economic Development and Parks Committee Inquiries and to Further Information Requests by Councillors Rae and Pitfield”, providing additional information on a number of questions arising from the January 10, 2005 Economic Development and Parks Committee 2005 Operating and Capital Budget Review, and from the January 14, 2005 meeting with Councillors Rae and Pitfield as Budget Advisory Committee Members’ detailed review of Economic Development, Culture and Tourism Department’s 2005 Operating and Capital Budget.

Recommendation:

It is recommended that the report be received for information.

Capital

- A. Councillor Rae moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the 2005-2014 Capital Program for Parks and Recreation, as recommended by the Economic Development and Parks Committee, including technical adjustments, subject to the following amendments:

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- (1) deferring Sub-project 249, Outdoor Recreation Centres, JJ Piccinini, Convert Bocce to Fitness Facility, until 2006 for savings of \$600,000;
- (2) deferring Sub-project 319, Park Development, Berner Trail Park Redevelopment, until 2006 for savings of \$500,000;
- (3) reducing Sub-project 145, Parking Lots and Tennis Courts, CAMP (SGR) Parking Lots to \$1 million for savings of \$250,000;
- (4) deferring Sub-project 211, Playgrounds/Waterplay, Play Area Enhancements to 2006 for savings of \$133,000;
- (5) deferring Sub-project 208, Trails and Pathways, Riverdale Park East Lighting of Path until 2006 for savings of \$325,000;
- (6) deferring Sub-project 167, Trails and Pathways, Sunnybrook Park, New Pedestrian Walkway until 2006 for savings of \$275,000;
- (7) deferring Sub-project 48, Special Facilities, Riverdale Farm Residence Retrofit until 2006 for savings of \$375,000;
- (8) deferring Sub-project 75, Special Facilities, Tam O'Shanter Storage Building until 2006 for savings of \$225,000; and
- (9) transferring the Edithvale Community Centre Design Work from 2006 to 2005 in the amount of \$480,000, such funding to be withdrawn from the Ward 23 Parks and Recreation Improvement Reserve Fund (SAP Cost Centre – X-3202).

(Carried)

- B. Councillor Mihevc moved that Councillor Rae's motion A. be amended by deferring the rebuilding of James Gardens Parking Lot to 2006 for savings of \$350,000 from Parking Lots and Tennis Courts, Sub-project 211 and a further reduction of \$50,000 within the 2005 Capital Budget of Parks and Recreation, such reduction to be determined by the Commissioner of Economic Development, Culture and Tourism.

(Carried)

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- C. Councillor Milczyn moved that Councillor Rae's motion A. be amended by transferring Sub-project Park No. 81 from 2006 to 2005 (5055 Dundas Street) for total funding of \$710,000; with no construction to commence until the full funding is secured through various Section 37 Agreements.

(Carried)

- D. Councillor Pitfield moved that Councillor Rae's motion A. be amended by confirming the transferring the Jenner Jean-Marie Community Centre in Thorncliffe Park from 2006 to 2005, as included in the Economic Development and Parks Committee recommendations, but reducing the amount of \$200,000, such funding be through reallocation from the following two projects:

- (a) reducing the Community Centres - Capital Asset Management Project by \$80,000; and
- (b) reducing the CAMP Pools Indoors by \$120,000.

(Carried)

Operating

- A. Councillor Rae moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the 2005 Operating Budget for Parks and Recreation, as recommended by the Economic Development and Parks Committee, subject to the addition of \$35,000.00 to maintain the Salmon Run Sculpture.

(Carried)

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

- B. Councillor Soknacki moved that:

- (1) Councillor Rae's motion A. be amended by:
 - (a) the addition on a one time basis of \$30,000 gross and \$0 net for work carried out on the Van Dusen Boulevard Creek Bank Stabilization Project by the Toronto and Region Conservation Authority funded by a contribution arising from a development agreement relating to 3085 Bloor Street West; and

- (b) an increase of \$4 million to be dedicated to restoring turf quality of the parks, such funding to come from the increase in parking revenues;
- (2) the following Economic Development and Parks Committee recommendations pertaining to the Clean and Beautiful City Initiative be deferred until the Budget Advisory Committee wrap up meeting:
 - (a) the addition of \$1.109 million to reduce tree service delays and improve service;
 - (b) transferring garden maintenance from 2007 to 2005 in the amount of \$2.148.9 million Tree Service; and
 - (c) the addition of \$1.383.1 million to increase the spring grass cutting and litter pick-up;
- (3) the communications and reports (a) to (i) be received.

(Carried)

Councillor Soknacki resumed the Chair.

7.10 Community Partnership and Investment Program (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Community Partnership and Investment Program.

The Budget Advisory Committee also considered the following:

- (a) communication (October 7, 2004) from the Community Services Committee, entitled "Grants Program Support to Food and Hunger Initiatives", advising that the Community Services Committee on October 7, 2004, recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (September 29, 2004) from the Commissioner of Community and Neighbourhood Services.

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Recommendations:

It is recommended that:

- (1) the Community Services Committee endorse the design of a \$1 million food security grants program as described in this report and as recommended by the Food and Hunger Action Committee, with 10 percent of the fund applied to development support, 15 percent of the fund applied to short-term initiatives and small capital requests, 65 percent of the fund applied to ongoing food security programs, and a maximum of 10 percent of the fund applied to fund administration;
 - (2) this report be forwarded to the Budget Advisory Committee for consideration during the 2005 budget process; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
- (b) communication (November 10, 2004) from the Community Services Committee, entitled "Breaking the Cycle of Violence Program - Responding to Unmet Needs", advising that the Community Services Committee on November 10, 2004, recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (October 27, 2004) from the Commissioner of Community and Neighbourhood Services; and

Recommendations:

It is recommended that:

- (1) the Community Partnership and Investment Program 2005 Budget Request be amended to reflect an increase of \$140,000.00 for the Breaking the Cycle of Violence Program;
- (2) this report be forwarded to the Budget Advisory Committee for consideration in the 2005 Budget Process; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

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- (c) communication (December 6, 2004) from the City Clerk, entitled “Stability and Equity: Community-City Working Group on Stable Core Funding - Final Report”, advising that City Council on November 30, December 1 and 2, 2004, considered Clause 19 of Report 9 of the Policy and Finance Committee, and referred the following Recommendations (1), (2) and (10) to the Budget Advisory Committee for consideration during the 2005 budget process:
- “(1) that the City establish an Organizational Capacity Building Program to support the development of new and emerging not-for-profit community groups, especially minority ethno-racial groups, that are serving otherwise under-serviced communities;
- (2) that the City allocate \$500,000.00 for the Organizational Capacity Building fund starting with the 2005 budget; and
- (10) that the City’s CPIP budgets automatically receive the same standard economic factor increases that are provided to City departments, agencies, boards, and commissions.”

On motion by Councillor Rae, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 EMT Recommended Operating Budget for the Community Partnership and Investment Program, subject to the following amendments:
- (a) adding \$100,000 for the Toronto Pride Week;
- (b) adding \$25,000 for Artscape;
- (c) adding \$80,000 for the Royal Winter Fair;
- (d) adding \$100,000 for the Culture Build Program;
- (e) adding \$300,000 for the Food Security Grant;
- (f) adding \$250,000 for the Service Development Program;
- (g) adding \$200,000 for the Aids Conference to be funded from the Home Improvement Reserve Fund;
- (h) adding \$400,000 for the Student Nutrition Program;
- (i) adding \$150,000 for Aids Prevention;

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- (j) adding \$400,000 for the Toronto Arts Council Grants;
 - (k) adding \$94,300 for the Toronto Arts Council Operations;
 - (l) adding \$275,000 for Major Cultural Organizations; and
 - (m) adding \$25,000 for Local Arts Service Organizations; and
- (2) received the communications (a) to (c).

7.11 Non Program (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Non Program.

The Budget Advisory Committee also considered the communication (October 6, 2004) from the City Clerk, entitled "Policy on Management of Operating Budget Surpluses", advising that City Council on September 28, 29, 30 and October 1, 2004, considered Clause 15 of Report 7 of the Policy and Finance Committee, and referred the following Recommendation (1) contained in the report (July 8, 2004) from the Chief Financial Officer and Treasurer, to the Budget Advisory Committee for consideration:

"(1) the surplus carried forward be zero by the 2007 fiscal year and that this be accomplished by reducing the surplus carried forward in 2005 to a target level of \$10 million, in 2006 to \$5 million and 2007 to zero;"

A. Councillor Mihevc moved that the Budget Advisory Committee:

- (1) recommend to the Policy and Finance Committee, and Council, the adoption of the 2005 EMT Recommended Non Program Budget at \$861,675.5 million gross, \$732,302.9 million Revenue, and \$129,372.6 million net, including the following amendments:
 - (a) Tax Deficiencies be increased from \$86.849 million to \$92.609 million;
 - (b) Payments in Lieu of Taxes be increased from \$83.200 million to \$83.930 million;
 - (c) Supplementary Taxes be increased from \$30.000 million to \$37.000 million;

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- (d) Tax Penalties be reduced from \$28.000 million to \$26.500 million;
 - (e) Other Taxation Revenues be reduced from \$14.730 million to \$14.260 million; and
 - (f) the provision of funding for the Election Contribution Rebate Program to be offset by a contribution of the same amount from the Elections Reserve Fund in the amount of \$300,000; and
- (2) recommend the adoption of the following recommendation contained in the Recommendations Section of report (July 8, 2004) from the Chief Financial Officer and Treasurer:

“the surplus carried forward be zero by the 2007 fiscal year and that this be accomplished by reducing the surplus carried forward in 2005 to a target level of \$10 million, in 2006 to \$5 million and 2007 to zero;”.

(Carried)

- B. Councillor Pitfield moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to report to the Budget Advisory Committee wrap up meeting on the total actuals spent on utilities in 2003 and 2004 and determine the exact economic factors to be used for 2005.

(Carried)

7.12 Toronto Transit Commission

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

The Budget Advisory Committee considered the following communications and report:

- (a) (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;

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- (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 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.
- (b) (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.
 - (3)
- (c) 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:

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- (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.
- (d) (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:

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- (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.
- (e) (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;

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- (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 \$ 15 Million

*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:
- (a) approval of the City's 2005 Transit Operating Subsidy to the TTC;
 - (b) approval that the TTC be permitted to retain the additional 3/7ths GST rebate without adjustment to the 2004 budgeted operating subsidy level; and
 - (c) 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);

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- (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.
- (f) (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

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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;

(g) (January 18, 2005) from the General Secretary, Toronto Transit Commission, advising that the Toronto Transit Commission Budget Sub-Committee at its meeting on January 17, 2005, approved the following recommendations:

(1) 2005 TTC Operating Budget:

(a) the TTC accept the overall cut of \$3 million to the operating subsidy request of \$234.6 million for the 2005 TTC Operating Budget; and

(2) 2005-2009 TTC Capital Budget:

(a) that the TTC not recommend any cuts to its budget, noting that contractual obligations, serious safety and State-of-Good-Repair problems result if the system is not adequately funded;

(b) that Budget Committee/Council be requested to allocate 100 percent of Federal gas tax dollars for TTC Capital purposes for 2005 and for each subsequent year as the gas tax dollars is phased in;

(c) that the TTC support the City in its request for additional capital funding from other orders of government including: (a) advancing more gas tax money earlier; and/or (b) providing bridge financing until gas tax money is fully phased in;

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- (d) that staff advise what the practical implications of 20 percent cut in Capital budget are not including subway cars and buses; and
 - (e) that staff provide information regarding 1998 to 2004 annual TTC expenditures and the City share of those expenditures.
- (h) (January 17, 2005) from the General Secretary, Toronto Transit Commission, advising that the Toronto Transit Commission at its meeting on January 12, 2005:
- (1) Review of Overnight Services:
 - (a) considered the report (January 12, 2005) from the Toronto Transit Commission, entitled “Review of Overnight Services”;
 - (b) struck out Recommendation 1 contained in the report, and replaced in lieu thereof the following wording:
 - “1. Approve the implementation of the service additions identified in the report, and that no current routes be eliminated.”; and
 - (c) advised that a September 2005 implementation of the new and revised overnight services, with no service elimination will increase expenses by \$205,000.00 for the 2005 TTC Operating Budget; and
 - (2) 2005 Wheel-Trans Budget:
 - (1) approved the following recommendations:
 - (a) that staff be requested to include an estimated amount of \$34,000 in the 2005 Wheel-Trans Budget as a place holder; and further that staff report back on the feasibility of providing the service requested by Councillor Lindsay Luby; and
 - (2) that staff be requested to report on the current status of the Community Bus Program, including future options for expansion thereof and the necessary resources required.
- (i) (January 20, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, entitled “Property Tax Treatment of TTC Property”, responding to requests from the Budget Advisory Committee and City Council for information on the property tax treatment of property owned and/or operated by the Toronto Transit Commission (TTC), including lands leased for commuter parking.

Recommendations:

It is recommended that:

- (1) Council amend a previously adopted recommendation regarding a property tax exemption for TTC properties that reads:

“That the Province be requested to amend the *City of Toronto Act, 1997* (2) so as to provide a property tax exemption for leased TTC commuter parking lots on hydro corridors and for the Toronto Coach Terminal, and that the Chief Administrative Officer be directed to meet with the appropriate Provincial officials to discuss this request” (Clause 10, Report 4 of the Policy and Finance Committee, adopted by Council at its meeting of May 21, 22 and 23, 2003);

by deleting the phrase “and for the Toronto Coach Terminal” and inserting “and all properties owned and/or operated by the Toronto Transit Commission that are subject to payment-in-lieu of taxes,” such that the recommendation as amended reads:

“That the Province be requested to amend the *City of Toronto Act, 1997* (No. 2) so as to provide a property tax exemption for leased TTC commuter parking lots on hydro corridors and all properties owned and/or operated by the Toronto Transit Commission that are subject to payment-in-lieu of taxes, and that the Chief Administrative Officer be directed to meet with the appropriate Provincial officials to discuss this request”;

- (2) the Chief Administrative Officer be directed to bring this matter forward in discussions with the Province to incorporate said provisions within a new *City of Toronto Act*;
 - (3) this report be referred to the Policy and Finance Committee; and
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
- (j) communication (January 13, 2005) from the General Secretary, Toronto Transit Commission, respecting the Sheppard Subway Project, such communication to be considered in-camera as the subject matter deals with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board, in accordance with the *Municipal Act, 2001*.

Capital

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

- (1) the Toronto Transit Commission Capital Budget request of \$444 million be reduced by \$45 million;
- (2) projects related to the "Easier Access" Program be deferred for savings of \$3 million;
- (3) the Mayor's Office be requested to negotiate with the Federal government in an expedited manner to advance gas tax revenues;

Operating

A. Councillor Mihevc moved that the Budget Advisory Committee:

- (1) recommend to the Policy and Finance Committee, and Council:
 - (a) noting that the Toronto Transit Commission ridership projection for 2005 will be set at 424 million rides, the Toronto Transit Commission 2005 Net Subsidy from the City be set at \$228.580 million;
 - (b) the adoption of the staff recommendations in the Recommendations Section of the report (January 20, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer:
 - (1) Council amend a previously adopted recommendation regarding a property tax exemption for TTC properties that reads:

“That the Province be requested to amend the *City of Toronto Act, 1997* (No. 2) so as to provide a property tax exemption for leased TTC commuter parking lots on hydro corridors and for the Toronto Coach Terminal, and that the Chief Administrative Officer be directed to meet with the appropriate Provincial officials to discuss this request” (Clause 10, Report 4 of the Policy and Finance Committee, adopted by Council at its meeting of May 21, 22 and 23, 2003);

by deleting the phrase “and for the Toronto Coach Terminal” and inserting “and all properties owned and/or operated by the Toronto Transit Commission that are subject to payment-in-lieu of taxes,” such that the recommendation as amended reads:

“That the Province be requested to amend the *City of Toronto Act, 1997* (No. 2) so as to provide a property tax exemption for leased TTC commuter parking lots on hydro corridors and all properties owned and/or operated by the Toronto Transit Commission that are subject to payment-in-lieu of taxes, and that the Chief Administrative Officer be directed to meet with the appropriate Provincial officials to discuss this request”;

- (2) the Chief Administrative Officer be directed to bring this matter forward in discussions with the Province to incorporate said provisions within a new *City of Toronto Act*;
- (3) this report be referred to the Policy and Finance Committee; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;

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- (2) request the Chief Financial Officer and Treasurer, in consultation with the Chief General Manager of the Toronto Transit Commission, to report to the Budget Advisory Committee wrap up meeting on any further savings that can be made on the resolution of the Property Tax impact issue;
- (3) request the General Manager of the Toronto Transit Commission, in consultation with the Chief Financial Officer and Treasurer, to report to the Budget Advisory Committee wrap up meeting on what the expenditure and revenue adjustments would be as it pertains to the Toronto Transit Commission requested budget in order to get to the final recommended net subsidy; and
- (4) receive the communications (a), (b), (c), (d), (e), (f), (g) and (h).

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

B. Councillor Soknacki moved that the Budget Advisory Committee:

- (1) defer consideration of the confidential communication (January 13, 2005) from the General Secretary, Toronto Transit Commission, respecting the Sheppard Subway Project, until the Budget Advisory Committee wrap up meeting; and
- (2) request the Chief General Manager of the Toronto Transit Commission to co-ordinate its internal 2006 budget review with that of the Budget Advisory Committee.

(Carried)

Councillor Soknacki resumed the Chair.

C. Councillor Mihevc moved that the Budget Advisory Committee request the Chief General Manager, Toronto Transit Commission, to report to the Budget Advisory Committee wrap up meeting:

- (a) on projects whose cash flow can be deferred to 2006; and
- (b) providing options and alternatives with respect to a further \$47 million reduction.

(Carried)

- D. Councillor Pitfield moved that the Budget Advisory Committee request the Toronto Transit Commission to achieve a one percent reduction in absenteeism in 2005 with resulting savings and report thereon to the Budget Advisory Committee, through the Toronto Transit Commission, prior to the 2006 Budget process.

(Carried)

Wheel-Trans (Operating)

The Budget Advisory Committee considered the 2005 Operating Budget for Wheel-Trans.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, the adoption of the 2005 EMT Recommended Operating Budget for Wheel-Trans.

(Chief General Manager, Toronto Transit Commission - February 16, 2005)

The Budget Advisory Committee adjourned its meeting at 5:20 p.m.

Chair