

**THE CITY OF TORONTO**

**City Clerk's Office**

**Minutes of the Budget Advisory Committee**

**Meeting 13**

**Tuesday, February 22, 2005**

The Budget Advisory Committee met on Tuesday, February 22, 2005, in Committee Room 1, City Hall, Toronto, commencing at 12:45 p.m.

Members Present:

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

	12:45 p.m. to 1:55 p.m.
Councillor David Soknacki, Chair	X
Councillor Joe Mihevc, Vice Chair	X
Councillor Jane Pitfield, Vice Chair	X
Mayor David Miller	X
Councillor Shelley Carroll	X
Councillor Peter Milczyn	X
Councillor Kyle Rae	X
Councillor Sylvia Watson	X

Also Present:

Deputy Mayor Sandra Bussin	Councillor Doug Holyday
Councillor Olivia Chow	Councillor Gloria Lindsay Luby
Councillor Janet Davis	Councillor Pam McConnell
Councillor Frank Di Giorgio	Councillor Howard Moscoe
Councillor Suzan Hall	

### 13.1 2005 Capital and Operating Budget

The Budget Advisory Committee considered the following reports:

- (a) (February 22, 2005) from the Chief Financial Officer and Treasurer, entitled “2004 Preliminary Year-end Capital Variance Report”,
- (b) (February 22, 2005) from the Chief Financial Officer and Treasurer, entitled “2004 Preliminary Operating Variance Report”; and
- (c) (February 22, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, entitled “Transfer of City-owned Lands at 770 Don Mills Road (Ontario Science Centre) to the Province of Ontario to Offset the City’s Repayment Obligation in Connection with an Outstanding Provincial Loan”.

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

On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) recommended to City Council that the following measures be taken to offset the Provincial funding shortfall of \$45 million in the 2005 Budget Advisory Committee Recommended Operating Budget:
  - (a) further program-specific expenditure reductions of \$5.24 million:
    - (i) additional gapping of \$0.500 million in the Fraud Control and Prevention function in Social Services;
    - (ii) reduction of \$0.5 million in Shelter, Housing and Support, to reflect gapping and increased efficiencies;
    - (iii) Urban Development Services 2005 revenue increase of \$0.150 million to implement Council’s approved planning fee based on 100 percent cost recovery effective February 21, 2005;
    - (iv) \$1.0 million reduction in Fire Services contribution to the Vehicle and Equipment Reserve for the acquisition of fire vehicles and equipment;

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- (v) \$0.080 million gross and \$0.040 million net reduction in Emergency Medical Services and a \$0.050 million reduction in WES Support Services utility costs for a net reduction of \$0.090 million;
  - (vi) savings of \$1.0 million already recommended by the Budget Advisory Committee from a reduction in utility costs in Solid Waste Management Services (\$0.400 million) and Transportation Services (\$0.600 million);
  - (vii) reduction of \$0.5 million in Transportation Services and \$0.5 million in Solid Waste Management Services reflecting a combination of gapping and higher than anticipated revenues, respectively; and
  - (viii) \$1.0 million reduction in debt service costs contained in Capital and Corporate Financing based on the 2004 actual experience;
- (b) given the Provincial funding shortfall for cost-shared programs, it is necessary that \$19.76 million be drawn from the following reserve funds:
- (i) \$5.5 million from the Homes for the Aged Stabilization Reserve Fund;
  - (ii) \$13.928 million from the Social Housing Stabilization Reserve Fund; and
  - (iii) \$0.332 million from the inactive Building Maintenance Reserve Fund;
- (It should be noted that the reserve funding has been allocated from the 2004 surplus.)
- (c) in accordance with the Provincial Loan Agreement approved by City Council in 2003, that City land be sold to the Province of Ontario and that proceeds be applied against the 2005 provincial loan repayment of \$20.0 million by the City; and

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- (d) City staff work with Provincial staff during 2005 to ensure appropriate Provincial funding of cost-shared programs in accordance with legislation to eliminate the over reliance on property tax revenue, and inappropriate use of reserve funds;
- (2) recommended that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer.

Recommendations:

It is recommended that:

- (1) the City-owned lands at 770 Don Mills Road (Ontario Science Centre) described as part of Lots 9 and 10, Concession 3, Fronting the Bay, designated as Parts 2, 3 and 5 on Plan RS-882 (the "Property") be declared surplus to City requirements, subject to the existing 99 year lease, and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken;
- (2) City staff be authorized to negotiate the transfer of this property to the Province of Ontario under the provisions of the Debenture, Asset Identification and Transfer Process Agreement, dated June 22, 2004;
- (3) the transfer be used to satisfy the 2005 repayment amount of \$20 million, and the value of the land in excess of the \$20 million required for the 2005 repayment obligation be used to offset future payments under the loan agreement;
- (4) this transfer be conditional on the Province refunding the January 15, 2005 payment of \$10 million by the City to the Province in connection with this loan;
- (5) the Chief Financial Officer and Treasurer be directed to report back to Council on the details of the transfer, and on a process for the identification of other appropriate City assets that could be used to satisfy its future loan obligations; and

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- (6) the appropriate officials be authorized to take the necessary action to give effect thereto, and authority be granted for the introduction of the necessary Bills in Council; and
- (3) received the reports (a) and (b) and forward to Policy and Finance Committee and Council for information.

Councillor Soknacki resumed the Chair.

(City Council – February 22, 2005)

The Budget Advisory Committee adjourned its meeting at 1:55 p.m.

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Chair