

**THE CITY OF TORONTO**

**City Clerk's Office**

**Minutes of the Budget Advisory Committee**

**Meeting 6**

**Friday, November 24, 2005**

The Budget Advisory Committee met on Thursday, November 24, 2005, in Committee Room 1, City Hall, Toronto, commencing at 12:30 p.m.

Members Present

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

	12:30 p.m. to 1:00 pm.
Councillor David Soknacki, Chair	X
Councillor Joe Mihevc (Vice-Chair)	X
Councillor Sylvia Watson (Vice-Chair)	X
Deputy Mayor Sandra Bussin	X
Councillor Shelley Carroll	X
Councillor Peter Milczyn	X
Councillor Kyle Rae	X

Also Present:

Councillor Brian Ashton	Councillor Howard Moscoe
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**6.1 City of Toronto 2006 Budget Advisory Committee Recommended Capital Budget and 2007-2010 Preliminary Capital Plan**

The Budget Advisory Committee considered a report (November 23, 2005) from the City Manager and the Deputy City Manager and Chief Financial Officer, addressed to the Policy and Finance Committee, presenting the City of Toronto 2006 Budget Advisory Committee Recommended Capital Budget and 2007-2010 Preliminary Capital Plan, and

requesting approval for capital projects and associated 2006 cash flow and future year commitments.

Recommendations:

- (1) the 2006–2015 Capital Program for the City of Toronto totalling \$11.701 billion as detailed by Program and Agency, Board and Commission (ABC) in Appendix 5, comprising Tax Supported projects of \$11.563 billion and Rate Supported projects of \$138.063 million be received;
- (2) the 2006 Budget Advisory Committee Recommended Tax Supported and Toronto Parking Authority Rate Supported Capital Budget with a total project cost of \$3.474 billion that require 2006 cash flow of \$1.461 billion and future year commitments of \$842.387 million in 2007; \$437.986 million in 2008; \$279.025 million in 2009; \$230.270 million in 2010; and \$222.981 million in 2011 - 2015 be approved as follows:
  - (a) New Cash Flow Funding:
    - (i) new and change in scope projects with a total project cost of \$1.762 billion as detailed in Appendix 1(iii) be approved; these projects require 2006 cash flow of \$669.588 million and future year commitments of \$548.983 million in 2007; \$230.258 million in 2008; \$120.176 million in 2009; \$186.084 million in 2010, and \$7.240 million in 2011 - 2015;
    - (ii) previously approved projects with total commitments of \$1.507 billion be approved; these projects require 2006 cash flow of \$587.384 million and future year commitments of \$293.404 million in 2007; \$207.728 million in 2008; \$158.849 million in 2009; \$44.186 million in 2010; and \$215.741 million in 2011-2015; and
    - (iii) previously approved projects with carry-forward funding from 2004 to 2006 totalling \$43.889 million; which forms part of the affordability targets that requires Council to reaffirm its commitment be approved; and
  - (b) 2005 Approved cash flow for previously approved projects with carry-forward funding from 2005 to 2006 totalling \$160.484 million gross and \$72.351 million debt as detailed in Appendix 1(v) be approved;

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- (3) 2005 additional carry-forward funding for previously approved projects detailed in Appendix 6(i) attached totalling \$16.135 million gross and \$12.627 million debt be approved;
- (4) 2004 and prior years additional carry-forward funding for previously approved projects detailed in the Appendix 6(2) attached totalling \$6.506 million gross, with \$0.035 million debt impact be approved;
- (5) financing sources for the 2006 BAC Recommended Tax Supported Capital Budget comprised of \$134.122 million from Reserves and Reserve Funds, \$124.172 million of Capital from Current funding, \$42.959 million of Developmental Charge funding, \$78.258 million from other sources, \$178.402 million from Provincial Grants and Subsidies, \$216.442 million Federal Subsidies and debt of \$492.485 million (see Appendix 4) be approved;
- (6) capital expenditures in an amount not to exceed \$492.485 million be debenture financed for the Tax Supported 2006 Capital Budget, for a term up to, but not exceeding 10 years;
- (7) new debt service cost of \$15.0 million for 2006; \$78.0 million for 2007; \$112.0 million for 2008; \$125.0 million for 2009; \$128.0 million for 2010; resulting from the approval of the 2006 BAC Recommended Tax Supported Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
- (8) Appendix 7 which lists by ward, capital projects included in the 2006-2010 Capital Budget and Preliminary Plan that are funded in whole or in part by development charges be received for information;
- (9) the detailed Program Recommendations (Appendix 8) on the 2006 Budget Advisory Committee Recommended Capital Budget and 2007-2010 Capital Plan be approved;
- (10) the Deputy City Manager and Chief Financial Officer report through the Budget Advisory Committee to the Policy and Finance Committee and Council by June 2006 on a recommended 2007–2010 Capital Plan in accordance with the Council approved debt guidelines;
- (11) the reports, transmittals and communications that are on file with the City Clerk’s Office (including Appendix 8 herewith attached) as considered by the Budget Advisory Committee at its 2006 Capital Budget review meetings be received; and

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- (12) the appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.

On motion by Councillor Rae, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee that City Council adopt the City of Toronto 2006 Budget Advisory Committee Recommended Capital Budget and 2007-2010 Preliminary Capital Plan contained in the staff report (November 23, 2005) from the City Manager and the Deputy City Manager and Chief Financial Officer, subject to the following amendments:
- (a) that \$250,000.00 gross, zero net, be added to the 2006 City Planning Capital Budget to complete the Kingston Road Environmental Assessment study for transit improvements, of which \$166,000.00 would be eligible for Development Charge funding, and \$84,000.00 to be funded from the Transportation Budget Engineering Services Account; and a commitment of \$250,000.00 in 2007 with the same funding sources; and
  - (b) that funds up to a maximum of \$200,000.00 be added to the 2006 Culture Division Capital Budget, to access Section 37 funds collected in the Fort York neighbourhood, to construct an entrance drive to Fort York from Fort York Boulevard;
- (2) requested the following staff to report to the Policy and Finance Committee for its meeting on November 29, 2005:
- (a) the General Manager of Toronto Water and the General Manager of Parks, Forestry and Recreation, report on ways and means of achieving ravines, forestry and watercourse remediation and renewal as part of the 2006 Capital budget approval process without impacting the operating budget;
  - (b) the City Solicitor and the City Manager, in consultation with the Toronto Transit Commission, report on a City by-law that could be passed under Ontario Regulation 214/96 requiring the Toronto Transit Commission to follow appropriate rules as outlined in that Regulation with respect to the financial approval relationship;
- (3) requested the Deputy City Manager and Chief Financial Officer to report to the appropriate Committee on strategies to evaluate

proposals to City Build from the private/non-governmental organization sector that are not requested through a Request for Proposal or Request for Quotation process, but may advance the City's interest; and further, that staff consult the City of Ottawa on their process;

- (4) received the following material:
- (i) communication (November 22, 2005) from the Toronto and East York Community Council, entitled "New Entrance Driveway to Historic Fort York – Request for Inclusion in the 2005 Capital Budget (Ward 19 Trinity-Spadina)";
  - (ii) Briefing Note on Debt/Capital from Current Target Allocation Assumptions and Process;
  - (iii) Briefing Note on Procurement Actions to assist the Parks, Forestry and Recreation Division Achieve the 2006 Capital Projects;
  - (iv) Briefing Note on IBMS Remote Computing Project;
  - (v) Briefing Note on Transit Environmental Assessment Study; and
  - (vi) Briefing Note on the Toronto Transit Commission and Police Services Board – Financial Approval Relationship with the City.

(Policy and Finance Committee – November 24, 2005)

## **6.2 City Clerk's Office Cost Impact of Restructuring**

The Budget Advisory Committee considered a report (September 12, 2005) from the City Clerk providing an update on the restructuring of the City Clerk's Office and its impact on the 2005 Operating Budget.

### Recommendation:

It is recommended that this report be received for information.

On motion by Councillor Rae, the Budget Advisory Committee received the report for information.

**6.3 New Entrance Driveway to Historic Fort York – Request for Inclusion in the 2005 Capital Budget (Ward 19 Trinity-Spadina)**

The Budget Advisory Committee considered a communication (November 22, 2005) from the Toronto and East York Community Council recommending that the following staff recommendation in the Recommendation section of the report (November 9, 2005) from the Chief Planner and Executive Director, City Planning Division, be adopted:

Recommendation:

It is recommended that the Budget Advisory Committee include a line item in the 2006 Culture Division Capital Budget to access Section 37 funds collected in the Fort York neighbourhood, to a maximum of \$200,000.00 to construct an entrance drive to Fort York from Fort York Boulevard.

(See decision on Item 1, Recommendation (1)(b) above.)

The Budget Advisory Committee adjourned its meeting at 1:00 p.m.

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Chair