
**BUDGET ADVISORY COMMITTEE
2006 OPERATING BUDGET
AGENDA
MEETING 17**

Date of Meeting: Monday, March 27, 2006 **Enquiry:** Merle MacDonald
Time: 9:30 a.m. **Acting Committee Administrator**
Location: Committee Room 1 **416-392-7340**
City Hall **mmacdona@toronto.ca**
100 Queen Street West
Toronto, Ontario

If the Budget Advisory Committee wishes to meet in camera (privately) a motion must be made to do so and the reason given (*Municipal Act, 2001*).

Declarations of Interest under the *Municipal Conflict of Interest Act*

Communications/Reports:

1. 2006 Operating Budget Corporate Report

Note: The Corporate Report will be distributed on March 24, 2006.

To Members of Council and Staff: Please retain your copy of the Corporate Report for consideration at the meeting of the Policy and Finance Committee on March 27, 2006, at 2:00 p.m., and the Special Budget meetings of City Council starting on March 29, 2006.

2. 2005 Preliminary Year End Variance Report - Operating

(Report not yet available.)

3. Reserve Contribution to 2006 Operating Budget

(Report not yet available.)

4. 2005 Reserve and Reserve Fund Preliminary Variance Report

(Report not yet available.)

5. Increased Charges for Nuisance and Malicious False Fire Alarms

Communication (March 8, 2006) from the Community Services Committee forwarding reports regarding increased charges for nuisance and malicious false fire alarms.

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council receive the report (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager, entitled "Increased Charges for Nuisance and Malicious False Fire Alarms".

Staff Recommendations:

It is recommended that:

- (1) Municipal Code Chapter 441- Fees be amended to require Owners to pay a fee for the second and subsequent malicious false alarms, in respect of the same address, per year, per fire vehicle dispatched and to require Owners to pay a fee for the second and subsequent nuisance false alarms, in respect of the same address, per two-month period, per fire vehicle dispatched;
- (2) authorization be given to add two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis for a total annual cost of approximately \$147,023.00; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

6. Withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and Approval of Six Loans to: Ascot Co-operative Homes Inc.; Atahualpa Co-operative Homes Inc.; Bellamy Housing Co-operative Inc.; Mimico Co-operative Homes Inc.; Scarborough Heights Co-operative Homes Inc.; and Secord Avenue Co-operative Homes Inc. (Wards 2, 6, 31, 36, 38 and 42)

Communication (March 8, 2006) from the Community Services Committee recommending to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Recommendations:

It is recommended that:

- (1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:
 - (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend:
 - (i) \$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen’s Plate Drive;
 - (ii) \$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;
 - (iii) \$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;
 - (iv) \$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;
 - (v) \$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and
 - (vi) \$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;
 - or to a receiver and manager for any of these housing projects, if one has been appointed by the City’s social housing Administrator;
 - (b) for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City’s social housing Administrator has appointed a receiver and

manager for any of these housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:

- (i) each loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City’s leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
 - (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
- (c) apply for the consent of the Minister of Municipal Affairs and Housing (the “Minister”) required under Section 95(3) of the *Social Housing Reform Act, 2000* (“SHRA”) and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
- (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
 - (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
 - (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
 - (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are

received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;

- (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

7. 2006 One-Time Funding Increase to City of Toronto Homeless Initiatives Fund, Off the Streets into Shelter Fund and Supports to Daily Living Fund, and Proposed Allocations and Update on 2005 One time Allocations

Communication (March 8, 2006) from the Community Services Committee recommending to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Recommendations:

It is recommended that:

- (1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;
- (2) the General Manager of Shelter, Housing and Support be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;
- (3) the General Manager of Shelter, Housing and Support be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net

from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;

- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

8. Integration of Children's Service Plans

Communication (March 8, 2006) from the Community Services Committee forwarding recommendations regarding the integration of Children's Service Plans; the City's ongoing involvement with Toronto First Duty; and seeking endorsement of the Best Start Plan – Toronto Vision for Children developed by the Best Start Network.

Recommendations:

The Community Services Committee recommended to the Budget Advisory Committee that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (February 21, 2006) from the General Manager, Children's Services; and
- (2) the unspent funding from the Child Care Expansion/First Duty Reserve of up to \$25,000.00 be directed for each of the First Duty Projects operated by Macaulay Child Development Centre, Not Your Average Daycare, the Child Development Institute and East York/East Toronto Family Resources to fund summer programs at a total cost of \$100,000.00, and that the contracts with these organizations be extended to September 1, 2006, for this purpose.

9. 2006 and 2007 Budget Adjustments of \$15,724,083 gross, with \$0 net impact, for Shelter, Support and Housing Administration

Report (March 17, 2006) from the General Manager, Shelter, Support and Housing Administration, advising that Council has made a number of decisions related to housing and homelessness initiatives; reflecting those decisions in the 2006 Shelter, Support and Housing Administration Budgets, including: 2006 and 2007 budget implications

resulting from an additional federal allocation to the Supporting Communities Partnership Initiative (SCPI) for the 2006/07 fiscal year; provincial funding for the Housing Allowance Component of the Canada-Ontario Affordable Housing Program and the Strong Communities Housing Allowance Program - Toronto Pilot; budget adjustments to the planned spending of the proceeds of the former Princess Margaret Hospital; funding allocations for administrative costs for two projects under the Strong Start Program – Rental and Supportive Housing Component; and further advising of other technical adjustments to the 2006 Budget Advisory Committee Recommended Operating Budget.

Recommendations:

It is recommended that:

- (1) With respect to the 2006 SCPI allocation of \$12,000,000:
 - (a) funding in the amount \$12,000,000 be allocated to the Supporting Communities Partnership Initiative (SCPI) Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006;
 - (b) funding in the amount of \$1,565,300 be used to continue the Shelter and Referral Centre at 110 Edward Street from April, 2006 through December, 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 Budget Advisory Committee Recommended Operating Budget;
 - (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000 (with \$50,000 funded in 2006, and \$300,000 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;
 - (d) three temporary positions through to March 31, 2007 be added to support the implementation of the 2006 SCPI Community Plan; and
 - (e) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000 gross and \$0 net;
- (2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;
- (3) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450 gross, \$0 net, for the Housing Allowance component of the Canada-Ontario Affordable Housing Program and installments of provincial Housing Allowance program

funding be forwarded to the Toronto Community Housing Corporation as soon as the funds have been received from the Province;

- (4) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000 gross, \$0 net, conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot and the funding be forwarded to the Toronto Community Housing Corporation as soon as the funds have been received from the Province;
- (5) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468 gross, \$0 net, for new and/or enhanced homelessness/housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;
- (6) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865 gross, \$0 net, to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;
- (7) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.



**BUDGET ADVISORY COMMITTEE
2006 OPERATING BUDGET
SUPPLEMENTARY AGENDA
MEETING 17**

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Location: Committee Room 1 **416-392-7340**
City Hall **mmacona@toronto.ca**
100 Queen Street West
Toronto, Ontario

Communications/Reports:

1. 2006 Operating Budget Corporate Report

To Members of Council and Staff: Please retain your copy of the Corporate Report for consideration at the meeting of the Policy and Finance Committee on March 27, 2006, at 2:00 p.m., and the Special Budget meetings of City Council starting on March 29, 2006.

Report (March 23, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer presenting the 2006 Budget Advisory Committee (BAC) Recommended Operating Budget for the City Programs, Agencies, Boards and Commissions.

2. 2005 Preliminary Year-end Operating Variance Report

Report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer providing the City of Toronto Preliminary Year-end Operating Variance report for the twelve months of operations ended December 31, 2005; and advising that a final report will be prepared following the annual audit of the City's accounts and financial statements.

Recommendations:

It is recommended that:

- (1) the 2005 preliminary gross operating surplus of \$80.959 million be allocated to City reserve funds in accordance with the TTC recommended 2006 Operating Budget reserve fund draw and City approved policy as follows: TTC Stabilization Reserve Fund (\$12.624 million), Capital Financing Reserve Fund (\$51.252 million), Employee Benefits Reserve Fund (\$13.418 million), Perpetual Care of Landfill Reserve Fund (\$3.166 million) and Homes for the Aged Stabilization Reserve Fund (\$0.500 million);
- (2) this 2005 Preliminary Year-end Operating Variance report for the year ended December 31, 2005 be forwarded to the Policy and Finance Committee for its consideration; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

3. Reserve Contribution to 2006 Operating Budget

Report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer identifying funds from reserve accounts that could be applied as a one-time funding source to the 2006 Operating Budget funding gap, in order to avoid significant services and/or significant increases in property taxes.

Recommendations:

It is recommended that:

- (1) Council reaffirm its previous decision that reserve accounts in Appendix A are no longer required, and to transfer the remaining balances to general revenue (other corporate revenues) and close the accounts;
- (2) Council declare that accounts in Appendix B are no longer required, transfer the indicated balances to general revenue (other corporate revenues) and close the accounts;
- (3) Municipal Code Chapter 227 [Reserves and Reserve Funds] be amended by deleting the accounts in Appendix A and Appendix B, as per Recommendations (1) and (2) above;
- (4) Council determine the amount of funds required to balance the 2006 Operating Budget given Recommendation (1) and (2) above and declare sufficient reserve funds to be identified from the prioritized list in Appendix C, as surplus to the City's needs at this time;

- (5) Council authorize the Deputy City Manager and Chief Financial Officer to:
(1) transfer funds from the accounts identified in Recommendation (4) to either general revenues (other corporate revenues) or the 2006 Operating Budget revenues for the appropriate Divisions; (2) reallocate tax revenue support from Programs where transfers will occur; and (3) amend the 2006 Operating Budget accordingly;
- (6) the Deputy City Manager and Chief Financial Officer be authorized to make adjustments to the amounts outlined in the above recommendations as necessary to reflect the finalization of 2005 reserves and reserve funds accounts and other budgeted withdrawals; 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.

4. 2005 Reserve and Reserve Fund Preliminary Variance Report

Report (March 3, 2006) from the Treasurer providing preliminary information on reserve and reserve fund balances as at December 31, 2005 and activity in reserves and reserve funds during the year then ended.

Recommendation:

It is recommended that the 2005 Reserve and Reserve Fund Preliminary Variance Report be forwarded to the Policy and Finance Committee and Council for information.

9. 2006 and 2007 Budget Adjustments of \$15,724,083 gross, with \$0 net impact, for Shelter, Support and Housing Administration

Revised report (March 22, 2006) from the General Manager, Shelter, Support and Housing Administration, advising that Council has made a number of decisions related to housing and homelessness initiatives; reflecting those decisions in the 2006 Shelter, Support and Housing Administration Budgets, including: 2006 and 2007 budget implications resulting from an additional federal allocation to the Supporting Communities Partnership Initiative (SCPI) for the 2006/07 fiscal year; provincial funding for the Housing Allowance Component of the Canada-Ontario Affordable Housing Program and the Strong Communities Housing Allowance Program - Toronto Pilot; budget adjustments to the planned spending of the proceeds of the former Princess Margaret Hospital; funding allocations for administrative costs for two projects under the Strong Start Program – Rental and Supportive Housing Component; and recommending other technical adjustments to the 2006 BAC Recommended Operating Budget.

Recommendations:

It is recommended that:

- (1) with respect to the 2006 SCPI allocation of \$12,000,000:
 - (a) funding in the amount \$12,000,000 be allocated to the SCPI Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006;
 - (b) funding in the amount of \$1,565,300 be used to continue the Shelter and Referral Centre at 110 Edward Street from April 2006 through December 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 Budget Advisory Committee Recommended Operating Budget;
 - (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000 (with \$50,000 funded in 2006, and \$300,000 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;
 - (d) three temporary positions through to March 31, 2007 be added to support the implementation of the 2006 SCPI Community Plan; and
 - (e) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000 gross and \$0 net.
- (2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;
- (3) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450 gross, \$0 net for the Housing Allowance component of the Canada-Ontario Affordable Housing Program;
- (4) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000 gross, \$0 net conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot;

- (5) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468 gross, \$0 net for new and/or enhanced homelessness/housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;
- (6) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865 gross, \$0 net to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;
- (7) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

10. Public Health Funding in 2006

Communication (March 2, 2006) from the Honourable George Smitherman, Minister of Health and Long-Term Care, addressed to Mayor David Miller, regarding the Provincial directions for public health funding in 2006.