



**BUDGET ADVISORY COMMITTEE
DECISION DOCUMENT
MEETING 19**

Date of Meeting: Friday, June 16, 2006
Time: 9:30 a.m.
Location: Committee Room 1
City Hall
100 Queen Street West
Toronto, Ontario

Enquiry: Merle MacDonald
Acting Committee Administrator
416-392-7340
mmacona@toronto.ca

The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Report to City Council or to the minutes for the official record.

How to Read the Decision Document:

- *recommendations of the Committee to Policy and Finance Committee are in bold type under the heading "Action taken by the Committee";*
- *action taken by the Committee on its own authority that does not require Policy and Finance Committee approval is also reported under the heading "Action taken by the Committee"; and*
- *Declarations of Interest, if any, appear at the end of an item.*

Confirmed Minutes – May 5, 2006

Communications/Reports:

1. **City of Toronto 2007–2010 Capital Plan and Debt Service Guideline**

Action taken by the Committee:

The Budget Advisory Committee:

- A. **recommended to the Policy and Finance Committee that City Council:**

- (1) **adopt the staff recommendations in the Recommendations Section of the report (June 13, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer, subject to the following amendments:**

- (a) amending Recommendation 26 by deleting the words “in principle”, so that the recommendation now reads:

“Print Shop

(26) the 2007-2010 Capital Plan for Print Shop Relocation totalling \$5.215 million in project estimates, comprised of \$2.770 million in 2007 and \$2.445 million in 2008, be approved;”;

- (b) deleting the words “approve in principle” wherever they appear in the balance of the staff recommendations, and inserting instead the words “be submitted to the Budget Advisory Committee for a detailed review as part of the 2007 Capital Budget process”;

- (c) deleting Recommendation 44 and inserting instead the following:

“Toronto Public Library

(44) that the adjustments to the 2007-2010 Capital Plan for Toronto Public Library, as outlined in the June 13, 2006 Briefing Note from the City Librarian, be adopted to meet the Debt Affordability Guidelines;”;

- (d) adopting the following recommendations contained in the report dated June 13, 2006, addressed to the Chair and Board Members, Toronto Police Services Board, from the Chief of Police:

“(1) the Board approve a Radio Replacement project to begin in 2006 at a total amount of \$35.5 million;

(2) the Board approve the borrowing of an estimated amount of \$4 million in 2008 and \$2 million in 2009 from the Toronto Police Service Vehicle and Equipment Reserve for Radio Replacement purchases as reflected in Attachment C of this report, to be repaid to the reserve over the estimated life of the equipment (15 years);

(3) the Board approve a transfer of \$6.8 million from the 11 Division project, \$0.75 million from the 14 Division project, \$0.3 million from the Smartzone project and \$0.58 million from the Centracom project, for a total of \$8.43 million to fund the Radio Replacement project in 2006;

(4) the Board approve the strategy of funding future Information Technology equipment lifecycle replacements from the

Toronto Police Service Vehicle and Equipment Reserve, as reflected in Attachment C of this report;

- (5) the Board approve the changes in the cost estimates for the projects outlined in Attachment B of this report, and a revised 2006-2010 Capital Program at a total net expenditure of \$168.2 million for 2006-2010, and a \$35 million average annual net expenditure for the years 2007-2010, as reflected in Attachment C of this report;”;**
- (2) request the Province to commit \$392 million in funding over the 2007-2010 period as soon as possible to address the negative impact of the recent change in funding policy related to the OTVP and VFP provincial programs; and further, that City staff report back to the July 7, 2006 meeting of Budget Advisory Committee related to the City’s request of the Province;**
- (3) request the Toronto Transit Commission to proceed to place orders to rebuild all 196 CLRV cars so as to ensure that the additional costs associated with splitting the rebuild order into two or more parts is avoided;**

Transportation Capital

- (4) adopt the following recommendations with respect to Transportation Capital:**
 - (a) the City undertake \$2 million in 2006 to public realm enhancements for the St. Clair Row Project, such as hydro, undergrounding, funded from within the 2006 Transportation Capital Budget without affecting other projects;**
 - (b) any request for additional funds for the Row enhancements be subject to further discussions with Toronto Hydro and any other funding sources and analysis as part of the 2007 Capital Budget Process, including an analysis of which projects would be affected if such funds were to be provided from existing Transportation Capital budgets;**
 - (c) staff be requested to report directly to City Council on June 27, 2006, on the amount of work that can be completed for the \$2 Million in 2006;**
 - (d) Toronto Hydro be requested to provide a response directly to City Council on June 27, 2006, on its financial commitment to the undergrounding of Hydro poles on St. Clair Avenue West;**

- (5) adopt the following staff Recommendations (1), (2), (3) and (5) in the Recommendations Section of the report (May 2, 2006) from the Medical Officer of Health, as recommended by the Board of Health:

“It is recommended that:

- (1) that the revised 2006–2010 Toronto Public Health Capital Budget and Plan totalling \$16,601.4 thousand as detailed in Appendix 1, “Toronto Public Health 2006–2010 Revised Capital Budget & Plan” be endorsed;
 - (2) eight Information and Technology sub-projects for 2007-2010 with total project costs of \$13,950.4 thousand, including future year commitments of \$3,463 thousand for 2007, \$3,489.9 thousand for 2008, \$3,499.0 thousand for 2009, and \$3,498.5 thousand for 2010 be approved;
 - (3) operating impacts of \$489.6 thousand for 2007, \$326.3 thousand for 2008, \$158.7 thousand for 2009 and \$1,262.6 thousand for 2010, totalling \$2,237.2 thousand as detailed in Appendix 2, “Toronto Public Health 2006-2010 revised Operating Impact of Capital” be considered within the overall scope of Toronto Public Health 2007 and future years’ operating budget submissions; and
 - (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”
- (6) adopt the following recommendations contained in the communication (June 9, 2006) from the Administration Committee:
- “(1) that City Council adopt the staff recommendations in the Recommendations Section of the confidential report (May 26, 2006) from the City Clerk and Chief Corporate Officer regarding the potential acquisition of 53-61 Ontario Street and 101-104 Berkeley Street for the relocation of the City’s Offset Printing Facility and for other purposes; and
 - (2) because the report relates to the proposed or pending acquisition of land for municipal purposes under the Municipal Act, 2001, discussions about this report be held in camera.”;
- B. requested the Deputy City Manager and Chief Financial Officer to report to the Budget Advisory Committee as part of the 2007 Capital Budget on the backlog of State of Good Repair by program;

- C. referred the communication (June 12, 2006) from Councillor Suzan Hall regarding the Albion Library Capital Budget, to the Toronto Public Library Board for consideration with 2007-2010 Capital Budget; and
- D. received the following reports and communications:
- (a) communication (May 3, 2006) from the Works Committee [(Item 1(a))];
 - (b) various communications received regarding the St. Clair West Transit Improvement Project [(re: Item 1(a)); and
 - (c) report (June 8, 2006) from Deputy City Manager and Chief Financial Officer Joe Pennachetti, and Deputy City Manager Fareed Amin; [Item 1(b)].

Report (June 13, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer, presenting the 2007–2010 Capital Plan, together with the 2006 Council Approved Capital Budget, which constitutes the City’s first five-year Capital Plan as part of Council’s approval of the long-term fiscal plan principles of City asset sustainability; and seeking Council approval for a strategy for financing tax-supported capital expenditures, including adoption of a new guideline on the ratio of debt service charges to property tax revenues in order to support the City’s efforts to deal with significant SOGR requirements, and to further enhance its fiscal sustainability and credit worthiness.

Recommendations:

Corporate Recommendations:

It is recommended that:

- (1) the 2007–2010 Capital Plan excluding TTC, totalling \$2.828 billion in project commitments and estimates comprised of \$0.699 billion in 2007, \$0.709 billion in 2008, \$0.732 billion in 2009, \$0.688 billion in 2010, as detailed in Appendix 1, be approved in principle;
- (2) adjustments to the 2006 Council Approved Current and Future Year Commitments as adjusted to the 2007–2010 Capital Plan, totalling a net reduction of \$35.525 million, financed by reductions in debt of (\$42.2 million), developmental charges (\$22.564 million), and increases in reserve/reserve funds and other sources of \$17.928 million and \$11.311 million, respectively, as detailed in Appendix 4, be approved;
- (3) unallocated capital funds resulting from under-spent completed and/or closed projects totalling \$84.9 million be used to fund the 2007–2008 Capital Plan expenditures (exclusive of the TTC) in order to reduce the debt pressure inherent in the Capital Plan;

- (4) financing sources for the 2007–2010 Capital Plan excluding TTC comprised of \$383.436 million from Reserves and Reserve Funds, \$496.688 million of Capital from Current funding, \$218.828 million of Developmental Charge funding, \$304.445 million from other sources, \$26.463 million from Provincial Grants and Subsidies, \$3.278 million Federal Subsidies and debt of \$1.394 billion (as detailed in Appendix 3) be approved in principle;
- (5) the City Manager and Deputy City Manager and Chief Financial Officer work with the other Deputy City Managers and Heads of Agencies, Boards and Commissions (exclusive of TTC), to mitigate the unfunded pressure of \$100.533 million included in the latter years of the 2007–2010 Capital Plan and that funding strategies include the maximization of reserve and reserve fund draws, increased use of Development Charges where applicable, cost-shared partnership arrangements, maximization of subsidies from the Federal and Provincial Governments and/or expenditure reductions to meet the debt guideline;
- (6) staff be directed to prepare the 2007 Capital Budget based on the 2007–2010 Capital Plan (exclusive of TTC);
- (7) the Acting Chief General Manager of the Toronto Transit Commission, in consultation with the Deputy City Manager and Chief Financial Officer, report back to the Budget Advisory Committee during the 2007 Capital Budget process regarding any potential increases to Provincial and Federal funding sources, as well as projects that may be deferred and/or deleted, to meet the 2007–2011 Council-approved debt targets;
- (8) for 2011, the new debt target be set at \$285 million and a minimum capital from current financing target at \$124.172 million, and that the Deputy City Manager and Chief Financial Officer allocate debt and capital from current targets for the year 2011, to each of the City’s Programs and ABCs consistent with the 2006-2010 Capital Plan;
- (9) the maximum limit of debt service charges as a percentage of total property tax levy be established at 15 percent as a benchmark for evaluating capital plan expenditure levels;
- (10) the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee during the 2007 Capital Budget process on capital financing strategies, including but not limited to, public/private partnerships and innovative revenue initiatives that will provide the City with options to meet its future capital needs within its debt affordability limits; and
- (11) the appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.

Program Recommendations:

Citizen Centred Services “A”

Children’s Services

- (1) the 2007-2010 Capital Plan for Children’s Services totalling \$26.254 million in project commitments and estimates, comprised of \$5.000 million in 2007; \$6.600 million in 2008; \$7.600 million in 2009; and \$7.054 million in 2010, be approved in principle.

Court Services

- (2) the 2007-2010 Capital Plan for Court Services totalling \$8.700 million in project commitments and estimates, comprised of \$4.800 million in 2007; \$2.250 million in 2008; \$0.700 million in 2009; and \$0.950 million in 2010, be approved in principle.

Culture

- (3) the 2007-2010 Capital Plan for Culture totalling \$28.430 million in project commitments and estimates, comprised of \$8.125 million in 2007; \$4.930 million in 2008; \$7.550 million in 2009; and \$7.825 million in 2010, be approved in principle.

Economic Development

- (4) the 2007-2010 Capital Plan for Economic Development totalling \$17.823 million in project commitments and estimates, comprised of \$4.868 million in 2007; \$4.814 million in 2008; \$4.060 million in 2009; and \$4.081 million in 2010, be approved in principle.

Emergency Medical Services

- (5) the 2007-2010 Capital Plan for Emergency Medical Services totalling \$23.088 million in project commitments and estimates, comprised of \$4.772 million in 2007; \$5.472 million in 2008; \$6.172 million in 2009; and \$6.672 million in 2010, be approved in principle.

Homes for the Aged

- (6) the 2007-2010 Capital Plan for Homes for the Aged totalling \$31.800 million in project commitments and estimates, comprised of \$8.000 million in 2007; \$8.400 million in 2008; \$6.600 million in 2009; and \$8.800 million in 2010, be approved in principle.

Parks, Forestry and Recreation

- (7) the 2007-2010 Capital Plan for Parks, Forestry and Recreation totalling \$174.147 million in project commitments and estimates, comprised of \$42.655 million in 2007; \$40.113 million in 2008; \$44.550 million in 2009; and \$46.829 million in 2010, be approved in principle.

Shelter, Support and Housing Administration

- (8) the 2007-2010 Capital Plan for Shelter, Support and Housing Administration totalling \$20.534 million in project commitments and estimates, comprised of \$9.959 million in 2007; \$4.125 million in 2008; \$3.300 million in 2009; and \$3.150 million in 2010, be approved in principle.

Social Services

- (9) the 2007-2010 Capital Plan for Social Services totalling \$6.700 million in project commitments and estimates, comprised of \$1.700 million in 2007; \$1.700 million in 2008; \$1.700 million in 2009; and \$1.600 million in 2010, be approved in principle.

Tourism

- (10) the 2007-2010 Capital Plan for Tourism totalling \$0.740 million in project estimates, comprised of \$0.500 million in 2007; \$0.080 million in 2008; \$0.080 million in 2009; and \$0.080 million in 2010, be approved in principle.

Citizen Centred Services "B"

City Planning

- (11) the 2007-2010 Capital Plan for City Planning totalling \$19.244 million in project commitments and estimates, comprised of \$4.751 million in 2007; \$4.804 million in 2008; \$4.842 million in 2009; and \$4.847 million in 2010, be approved in principle.

Fire Services

- (12) the 2007-2010 Capital Plan for Fire Services totalling \$24.860 million in project commitments and estimates, comprised of \$9.038 million in 2007; \$7.722 million in 2008; \$4.050 million in 2009; and \$4.050 million in 2010; be approved in principle; and
- (13) the Deputy City Manager responsible for Fire Services and the Fire Chief report back to Community Services Committee as part of the 2007 Capital Budget process on the impact of facility requirements contained in the updated Master

Fire Plan and options for any mitigating strategies such as joint facilities with other emergency services and/or other opportunities for efficiencies.

Policy, Planning, Finance and Administration

- (14) the 2007-2010 Capital Plan for Policy, Planning, Finance and Administration (PPF&A) totalling \$15.706 million in project commitments and estimates, comprised of \$4.906 million in 2007; \$3.600 million in 2008; \$3.600 million in 2009; and \$3.600 million in 2010, be approved in principle.

Solid Waste Management Services

- (15) the 2007-2010 Capital Plan for Solid Waste Management Services totalling \$142.566 million in project commitments and estimates, comprised of \$26.569 million in 2007; \$26.163 million in 2008; \$45.122 million in 2009; and \$44.712 million in 2010, be approved in principle; and
- (16) the Deputy City Manager responsible for Solid Waste Management Services, in consultation with the Deputy City Manager and Chief Financial Officer, be authorized to explore and report back to the Works Committee during the 2007 Capital Budget process, on various strategies including private/public sector partnerships and innovative revenue initiatives including an environmental levy, or a combination of both which would enable the City to build the additional four Diversion Facilities required to meet the City's diversion targets, and address the affordability and timelines of the revised Capital Plan.

Transportation Services

- (17) the 2007-2010 Capital Plan for Transportation Services totalling \$1,049.962 million in project commitments and estimates, comprised of \$257.248 million in 2007; \$271.760 million in 2008; \$261.071 million in 2009; and \$259.883 million in 2010, be approved in principle; and
- (18) the Deputy City Manager responsible for Transportation Services report back to the Budget Advisory Committee as part of the 2007 Capital Budget process on how the following projects may be accommodated within the 2007-2010 Revised Capital Plan:
 - (a) roadways and structures that require imminent temporary repairs as a result of the storm of August 2005; and
 - (b) the extensive backlog of work on the western Gardiner Expressway.

Waterfront Revitalization Initiative

- (19) the 2007-2010 Capital Plan for Waterfront Revitalization Initiative totalling \$151.811 million in project commitments and estimates, comprised of \$44.310 million in 2007; \$51.131 million in 2008; \$30.354 million in 2009; and \$26.016 million in 2010, be approved in principle.

Internal Services

Facilities and Real Estate

- (20) the 2007-2010 Capital Plan for Facilities and Real Estate totalling \$122.638 million in project commitments and estimates, comprised of \$31.300 million in 2007; \$31.200 million in 2008; \$30.175 million in 2009; and \$29.963 million in 2010, be approved in principle.

Financial Services

- (21) the 2007-2010 Capital Plan for Financial Services totalling \$21.910 million in project commitments and estimates, comprised of \$6.878 million in 2007; \$6.362 million in 2008; \$4.845 million in 2009; and \$3.825 million in 2010, be approved in principle.

Fleet Services

- (22) the 2007-2010 Capital Plan for Fleet Services totalling \$114.047 million in project commitments and estimates, comprised of \$27.497 million in 2007; \$28.589 million in 2008; \$29.039 million in 2009; and \$28.922 million in 2010, be approved in principle.

Information and Technology - Development

- (23) the 2007-2010 Capital Plan for Information and Technology - Development totalling \$51.146 million in project commitments and estimates, comprised of \$14.146 million in 2007; \$14.448 million in 2008; \$11.430 million in 2009; and \$11.122 million in 2010, be approved in principle.

Information and Technology - Sustainment

- (24) the 2007-2010 Capital Plan for Information and Technology - Sustainment totalling \$77.132 million in project commitments and estimates, comprised of \$13.443 million in 2007; \$16.210 million in 2008; \$24.693 million in 2009; and \$22.786 million in 2010, be approved in principle.

Other City Programs

City Clerk's Office

- (25) the 2007-2010 Capital Plan for City Clerk's Office totalling \$5.395 million in project commitments and estimates, comprised of \$1.510 million in 2007; \$1.060 million in 2008; \$1.318 million in 2009; and \$1.507 million in 2010, be approved in principle.

Print Shop

- (26) the 2007-2010 Capital Plan for Print Shop Relocation totalling \$5.215 million in project estimates, comprised of \$2.770 million in 2007 and \$2.445 million in 2008, be approved in principle.

Energy Retrofit Program

- (27) the 2007-2010 Capital Plan for Energy Retrofit Program totalling \$14.103 million in project commitments and estimates, comprised of \$7.103 million in 2007; \$5.000 million in 2008; \$2.000 million in 2009, be approved in principle.

Other Council Priorities

3-1-1 Customer Service Initiative

- (28) the 2007-2010 Capital Plan for 3-1-1 Customer Service Strategy totalling \$18.451 million in project commitments and estimates, comprised of \$11.311 million in 2007; \$6.722 million in 2008; and \$0.418 million in 2009, be approved in principle; and
- (29) the 2006 Approved Operating Budget for the 3-1-1 Customer Service Strategy be increased by \$3.103 million gross, \$0 net, to be fully recovered by capital funding from the 2006 Approved Capital Budget for the 3-1-1 Customer Service Strategy to reflect an increase of 29 temporary positions to support the capital program.

Nathan Phillips Square

- (30) the 2007-2010 Capital Plan for Nathan Phillips Square totalling \$13.134 million in project commitments and estimates, comprised of \$1.275 million in 2007; \$3.953 million in 2008; \$3.953 million in 2009; and \$3.953 million in 2010, be approved in principle.

Union Station

- (31) the 2007-2010 Capital Plan for Union Station totalling \$16.667 million in project commitments and estimates, comprised of \$3.643 million in 2007; \$5.683 million in 2008; \$3.338 million in 2009; and \$4.003 million in 2010, be approved in principle.

Union Station - District Plan

- (32) the 2007-2010 Capital Plan for Union Station – District Plan totalling \$6.000 million in project estimates, comprised of \$3.000 million in 2007 and \$3.000 million in 2008, be approved in principle.

Radio Communication System Replacement

- (33) the Deputy City Manager responsible for Fire Services and the Deputy City Manager responsible for Emergency Medical Services, in consultation with the Chiefs of Toronto Police Service, Fire Services and Emergency Medical Services, report to the Budget Advisory Committee by September 2006, on the history and current status of the capital project for the replacement of the joint Radio Communication System including, but not limited to:
- (a) detailing functionality and improvements contained in the \$70 million cost of infrastructure;
 - (b) identifying if there are additional enhancements required for use in the subway and Path system;
 - (c) identifying if the current suggested configuration is sufficient in light of new and emergent threats;
 - (d) evaluating whether the scope of the project can be reduced without compromising essential functionality;
 - (e) confirming the obsolescence date of the current system with Motorola, with the review to possibly staggering project cash flows;
 - (f) identifying alternate possible suppliers for the system as part of an RFP process;
 - (g) identifying whether the current estimate includes any provision for growth, and if not, what the estimates would be; and
 - (h) examining options for funding including possible one-time funding from the federal or provincial governments, and any possible joint procurement with other municipalities.

Agencies, Boards and Commissions

Exhibition Place

- (34) the 2007-2010 Capital Plan for Exhibition Place totalling \$20.400 million in project commitments and estimates, comprised of \$4.800 million in 2007; \$5.000 million in 2008; \$5.300 million in 2009; and \$5.300 million in 2010, be approved in principle; and
- (35) Exhibition Place explore the feasibility of adding a surcharge to user fees to establish and maintain a Capital Improvement Fund or other options to create additional sources of revenue to fund state-of-good-repair work and report back with its 2007 Capital Budget submission.

Toronto and Region Conservation Authority

- (36) the 2007-2010 Capital Plan for Toronto and Region Conservation Authority (TRCA) totalling \$24.586 million in project commitments and estimates, comprised of \$5.914 million in 2007; \$5.876 million in 2008; \$6.204 million in 2009; and \$6.591 million in 2010, be approved in principle;
- (37) TRCA explore options to bring its 2007-2010 Capital Plan in line with the debt target of \$10.0 million and report back with its 2007 Capital Budget submission; and
- (38) the Chief Administrative Officer of TRCA and the General Manager of Toronto Water, in consultation with the Deputy City Manager and Chief Financial Officer, confirm the water reserve funding in of the TRCA 2007-2010 Capital Plan as part of the 2007 Capital Budget submission.

Toronto Parking Enforcement Unit

- (39) the 2007-2010 Capital Plan for Toronto Parking Enforcement Unit totalling \$1.736 million in project commitments and estimates, comprised of \$0.434 million in 2007; \$0.434 million in 2008; \$0.434 million in 2009; and \$0.434 million in 2010, be approved in principle.

Toronto Police Service

- (40) the 2007-2010 Capital Plan for Toronto Police Service totalling \$199.143 million in project commitments and estimates, comprised of \$52.260 million in 2007; \$52.801 million in 2008; \$50.598 million in 2009; and \$43.484 million in 2010, be approved in principle; and

- (41) the Toronto Police Services Board be requested to explore options to reduce the 2007-2010 Capital Plan and report back to the Budget Advisory Committee with the 2007 Capital budget submission for Toronto Police Service.

Toronto Public Health

- (42) the 2007-2010 Capital Plan for Toronto Public Health totalling \$13.951 million in project commitments and estimates, comprised of \$3.463 million in 2007; \$3.489 million in 2008; \$3.500 million in 2009; and \$3.499 million in 2010, be approved in principle.

Toronto Public Library

- (43) the 2007-2010 Capital Plan for Toronto Public Library totalling \$71.271 million in project commitments and estimates, comprised of \$18.328 million in 2007; \$15.286 million in 2008; \$17.634 million in 2009; and \$20.023 million in 2010, be approved in principle; and
- (44) the Toronto Public Library be requested to report to Budget Advisory Committee in June 2006, on reduction options totalling \$2.0 million for the four-year period (2007-2010), to achieve the annual debt target of \$10.0 million.

Toronto Transit Commission

- (45) the 2007-2010 Capital Plan for Toronto Transit Commission totalling \$2,726.642 million in project commitments and estimates, comprised of \$716.545 million in 2007; \$630.764 million in 2008; \$719.658 million in 2009; and \$659.675 million in 2010, be received;

Toronto Zoo

- (46) the 2007-2010 Capital Plan for Toronto Zoo totalling \$30.865 million in project commitments and estimates, comprised of \$8.190 million in 2007; \$5.450 million in 2008; \$5.500 million in 2009; and \$11.725 million in 2010, be approved in principle; and
- (47) the General Manager and CEO of the Toronto Zoo report back to the Budget Advisory Committee prior to the 2008 Capital Budget process on the status of its capital fundraising campaign.

Yonge-Dundas Square

- (48) the 2007-2010 Capital Plan for Yonge-Dundas Square totalling \$0.200 million in project estimates, comprised of \$0.100 million in 2008; \$0.050 million in 2009; and \$0.050 million in 2010, be approved in principle.

Toronto Parking Authority

- (49) the 2007-2010 Capital Plan for Toronto Parking Authority totalling \$104.267 million in project commitments and estimates, comprised of \$21.536 million in 2007; \$28.531 million in 2008; \$33.500 million in 2009; and \$20.700 million in 2010, be approved in principle.

1(a). St. Clair Avenue West Transit Improvement Project

(Postponed from May 5, 2006 meeting.)

Communication (May 3, 2006) from the Works Committee advising that the Works Committee on May 3, 2006:

- (1) recommended to the Budget Advisory Committee and Policy and Finance Committee that City Council reaffirm its commitment that all parts of St. Clair Avenue West between Yonge Street and Gunns Road be treated equally in terms of funding and in relation to the appearance of streetscape features, such as transit shelters and platforms, trees and landscaping, decorative lighting, street furniture and public art; and
- (2) supports in principle the additional design elements for St. Clair Avenue West totalling \$11.6 million; and that the matter be referred to the Budget Advisory Committee with a request that the Deputy City Manager and Chief Financial Officer and Deputy City Manager Fareed Amin, in consultation with the appropriate City Agencies, Boards and Commissions, report to the Budget Advisory Committee on possible funding mechanisms.

Re 1(a). Various communications received regarding the St. Clair Avenue West Transit Improvement Project

**1(b). St. Clair Avenue West Transit Improvement Project
Funding Options for Incremental Design Elements
(Ward 11 York South-Weston, Ward 17 Davenport and
Wards 21 and 22 St. Paul's)**

Report (June 8, 2006) from Joseph Pennachetti, Deputy City Manager and Chief Financial Officer and Fareed Amin, Deputy City Manager, reporting back on possible funding mechanisms to cover the cost of implementing additional design elements in the total amount of \$11.6 million for the St. Clair Avenue West Transit Improvement Project.

Recommendations:

It is recommended that this report be received for information.

1(c). Revised Five-Year 2006–2010 Capital Budget and Plan for Toronto Public Health

Communication (May 16, 2006) from the Board of Health, advising that the Board on May 15, 2006 recommended to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3) and (5) in the Recommendations Section of the report (May 2, 2006) from the Medical Officer of Health:

“It is recommended that:

- (1) that the revised 2006–2010 Toronto Public Health Capital Budget and Plan totalling \$16,601.4 thousand as detailed in Appendix 1, “Toronto Public Health 2006–2010 Revised Capital Budget & Plan” be endorsed;
- (2) eight Information and Technology sub-projects for 2007-2010 with total project costs of \$13,950.4 thousand, including future year commitments of \$3,463 thousand for 2007, \$3,489.9 thousand for 2008, \$3,499.0 thousand for 2009, and \$3,498.5 thousand for 2010 be approved;
- (3) operating impacts of \$489.6 thousand for 2007, \$326.3 thousand for 2008, \$158.7 thousand for 2009 and \$1,262.6 thousand for 2010, totalling \$2,237.2 thousand as detailed in Appendix 2, “Toronto Public Health 2006-2010 revised Operating Impact of Capital” be considered within the overall scope of Toronto Public Health 2007 and future years’ operating budget submissions; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

1(d). Potential Acquisition of 53-61 Ontario Street and 102-104 Berkeley Street for the Relocation of the City’s Offset Printing Facility and for Other Purposes (Ward 28 Toronto Centre-Rosedale)

(In-camera – proposed or pending acquisition of land for municipal purposes)

Communication (June 9, 2006) from the Administration Committee advising that on June 6, 2006, the Administration Committee recommended to the Budget Advisory Committee:

- (1) that City Council adopt the staff recommendations in the Recommendations Section of the confidential report (May 26, 2006) from the City Clerk and Chief Corporate Officer regarding the potential acquisition of 53-61 Ontario Street and 101-104 Berkeley Street for the relocation of the City's Offset Printing Facility and for other purposes; and
- (2) because the report relates to the proposed or pending acquisition of land for municipal purposes under the Municipal Act, 2001, discussions about this report be held in camera.

Note: Confidential report (May 26, 2006) from the City Clerk and Chief Corporate Officer addressed to the Administration Committee was forwarded, under separate cover, to all Members of Council with the June 16, 2006 agenda of the Budget Advisory Committee.

1(e). Albion Library Capital Budget

Communication (June 12, 2006) from Councillor Suzan Hall, Ward 1 Etobicoke North, asking that the Budget Advisory Committee in consultation with the Toronto Public Library Board authorize staff to move up the Albion Library renovation and look into the feasibility and costs of a community theatre for the Library as part of the 2007-2010 Capital Budget.

1(f). Toronto Police Service 2006-2010 Capital Program Submission as of June 2006

Communication (June 15, 2006) from Alok Mukherjee, Chair, Toronto Police Services Board, forwarding a report (June 13, 2006) addressed to the Chair and Board Members, Toronto Police Services Board, from the Chief of Police with regard to the revised Toronto Police Service 2006-2010 Capital Program Submission.

Recommendations:

It is recommended that:

- (1) the Board approve a Radio Replacement project to begin in 2006 at a total amount of \$35.5 million;
- (2) the Board approve the borrowing of an estimated amount of \$4 million in 2008 and \$2 million in 2009 from the Toronto Police Service Vehicle and Equipment Reserve for Radio Replacement purchases as reflected in Attachment C of this report, to be repaid to the reserve over the estimated life of the equipment (15 years);

- (3) the Board approve a transfer of \$6.8 million from the 11 Division project, \$0.75 million from the 14 Division project, \$0.3 million from the Smartzone project and \$0.58 million from the Centracom project, for a total of \$8.43 million to fund the Radio Replacement project in 2006;
- (4) the Board approve the strategy of funding future Information Technology equipment lifecycle replacements from the Toronto Police Service Vehicle and Equipment Reserve, as reflected in Attachment C of this report;
- (5) the Board approve the changes in the cost estimates for the projects outlined in Attachment B of this report, and a revised 2006-2020 Capital Program at a total net expenditure of \$168.2 million for 2006-2010, and a \$35 million average annual net expenditure for the years 2007-2010, as reflected in Attachment C of this report; and
- (6) the Board forward this report to the Deputy City Manager and Chief Financial Officer and to the City Budget Advisory Committee for consideration at its meeting on June 16, 2006.

1(g). Briefing Note – 2007-2010 Reduced Capital Plan – Toronto Public Library

Briefing Note (June 13, 2006) from the City Librarian, entitled “2007-2010 Reduced Capital Plan”.

2. Capital Variance for Four Months Ended April 30, 2006

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (June 7, 2006) from the Deputy City Manager and Chief Financial Officer.

Report (June 7, 2006) from the Deputy City Manager and Chief Financial Officer, providing the City of Toronto Capital Variance Report for the four-month period ended April 30, 2006, and recommending closure of capital projects completed in 2005.

Recommendations:

It is recommended that:

- (1) the 2006 Approved Capital Budget be adjusted to reflect a net reduction of 2005 additional carry-forward cash flow and related financing of \$1.713 million based on 2005 actual year-end expenditures as detailed in Appendix 2 attached;

- (2) the 2005 completed capital projects listed in Appendix 3 herewith attached be closed, and in accordance with the Financial Control By-law, any unspent funds be returned to the original funding source;
- (3) the Bloor/Gladstone District Library project (CLB139) with cash flow of \$1.8 million gross and \$0.826 million debt be deferred to 2007 and be replaced by accelerating the Jane/Dundas Library (CLB141) construction project with a cash flow of \$0.826 million gross and debt from 2007 to 2006, as the planning process for this project is nearly complete;
- (4) in order to align financing with capital expenditures, an amount of \$20.0 million be transferred from the Toronto Water Wastewater Capital Reserve Fund (XR6004) to the Toronto Water Capital Reserve Fund (XR6003) to ensure sufficient funding for capital expenditures in 2006 without impacting the 2006 Toronto Water Operating Budget;
- (5) the Capital Variance Report for the four-month period ended April 30, 2006 be forwarded to the Policy and Finance Committee for consideration; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

3. Operating Variance for the Four Months Ended April 30, 2006

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1) and (3) in the Recommendations Section of the report (June 8, 2006) from the Deputy City Manager and Chief Financial Officer.

Report (June 8, 2006) from the Deputy City Manager and Chief Financial Officer, providing the City of Toronto Operating Variance report for the four months of operations ended April 30, 2006, and projected actual net expenditures for the year ending December 31, 2006.

Recommendations:

It is recommended that:

- (1) the Deputy City Manager and Chief Financial Officer continue to monitor the City's operating budget and take necessary action to ensure a balanced budget at year-end;
- (2) the Operating Variance Report for the Four Months Ended April 30, 2006 be forwarded to the Policy and Finance Committee for consideration; and

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

4. Adjustment to Approved Cash Flows – I & T Capital Budget

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (May 25, 2006) from the Chief Corporate Officer.

Report (May 25, 2006) from the Chief Corporate Officer requesting authorization to adjust cash flows for two approved projects in the 2006 Approved Capital Budget for Information and Technology.

Recommendations:

It is recommended that:

- (1) approved cash flow in the Enterprise Application Integration (EAI) Project, CAPTOR reference ITP000222-2 (SAP WBS CIT038-02-01) be reduced in 2006 to reflect the deferral of spending to 2007 totalling \$767,000.00;
- (2) approved cash flow for the Disaster Recovery Plan (DRP), CAPTOR Reference ITP000223-45 (SAP WBS CIT030-04-01) be increased in 2006 to reflect the acceleration of spending from 2007 to 2006 totalling \$767,000.00; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

5. Better Buildings New Construction Program Budget - Toronto Hydro Conservation and Demand Management Program (All Wards)

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (May 23, 2006) from the Deputy City Manager and Chief Financial Officer.

Report (May 23, 2006) from the Deputy City Manager and the Chief Financial Officer, seeking authorization to provide initial grants to energy modelers to be funded from the Buildings Partnership Reserve Fund, and advising that these funds will be recovered from Toronto Hydro and deposited back to the Buildings Partnership Reserve Fund.

Recommendations:

It is recommended that:

- (1) the Facilities and Real Estate Division's 2006 Approved Operating Budget be increased by \$100,000.00 gross, zero net (\$100,000.00 in recoveries from the Better Buildings Partnership Reserve Fund), and a new cost centre be set up under FRE/BSI – "CDM Working Capital";
- (2) recoveries from Toronto Hydro be deposited to the Better Buildings Partnership Reserve Fund when received; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

**6. Yonge-Dundas Square Stage Canopy Project Additional Funding
(Ward 27 Toronto Centre-Rosedale)**

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2) and (4) in the Recommendations Section of the report (May 30, 2006) from the Deputy City Manager and Chief Financial Officer.

Report (May 30, 2006) from the Deputy City Manager and the Chief Financial Officer, seeking authority to amend the Yonge-Dundas Square 2006 Capital Budget to provide additional funding for the Stage Canopy Project.

Recommendations:

It is recommended that:

- (1) the Yonge-Dundas Square 2006 Capital Budget be increased by \$0.250 million gross, \$0.0 net, funded from available Section 37 funds secured for Yonge-Dundas Square, to allow completion of the stage canopy in 2006;
- (2) funds of \$0.250 million from the 21 Carlton Street Section 37 agreement currently held in deferred revenue be allocated to the Yonge-Dundas Square stage canopy capital project (CYD001);
- (3) this report be forwarded to the Policy and Finance Committee for consideration; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

7. Waterfront Revitalization Initiative – Revised 2006 Capital Budget

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (June 1, 2006) from Deputy City Manager Fareed Amin.

Report (June 1, 2006) from Fareed Amin, Deputy City Manager reducing the 2006 approved Capital Budget for the Waterfront Revitalization Initiative in order to reflect the Toronto Waterfront Revitalization Corporation's (TWRC's) requirements for the year, and the "front-loading" of funds by the Federal Government for certain initiatives in accordance with their policy framework; and requesting a reallocation of 2006 actual expenditures incurred to-date totalling \$33.0 thousand to realign these amounts with the revised cash flows.

Recommendations:

It is recommended that City Council:

- (1) authorize the 2006 approved Capital Budget for the Waterfront Revitalization Initiative to be reduced by \$20.846 million (from \$50.764 million to \$29.918 million) and to be allocated as follows: a reduction to TWRC Corporate Costs (\$.309 million), Union Station Subway Platform (\$2.785 million), Front Street Extension (\$.753 million), Harbourfront Water's Edge (\$.072 million), Precinct Planning Studies (\$.133 million), Precinct Implementation Projects (\$16.573 million), Transportation Initiatives (\$5.941 million), Naturalization of the Don River (\$1.084 million), and Sports Fields and Facilities and Parks Development (\$.646 million), and an increase to John Quay - Pier 4 Rehabilitation (\$1.500 million), Port Union (\$3.784 million), Mimico (\$1.147 million), Sustainability Strategy (\$.979 million), and Waterfront Project Secretariat (\$.040 million);
- (2) authorize the reallocation of 2006 actual expenditures incurred to-date as follows: \$.033 million from Precinct Planning Studies to Precinct Implementation Projects (West Don Lands component) to realign these amounts with the revised cash flows; and
- (3) authorize and direct appropriate City officials to take the necessary action to give effect thereto.

8. 2005 Expenditures for Consulting Services – City Divisions and Major Agencies, Boards and Commissions

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council:

- (1) receive the report (June 7, 2006) from the Treasurer for information; and**
- (2) request the City Manager to report to the Budget Advisory Committee on a proposed mechanism to verify expenses for consulting services incurred by agencies, boards and commissions.**

Report (May 9, 2006) from the Treasurer, reporting to the Budget Advisory Committee and City Council on the actual expenditure for consulting services for the year ended December 31, 2005.

Recommendation:

It is recommended that this report be received and forwarded to Council for information.

9. Toronto Police Service – New Training Facility – Revised Net Estimate

Action taken by the Committee:

The Budget Advisory Committee received the communication for information.

Communication (June 6, 2006) from the Chair, Toronto Police Services Board, advising of the revised net estimate for the construction of the new Toronto Police Service – Training Facility.

Recommendation:

It is recommended that the Budget Advisory Committee receive this report.

10. Toronto Transit Commission – 2007 Budget Schedule

Action taken by the Committee:

The Budget Advisory Committee received the communication for information.

Communication (May 19, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on May 17, 2006:

- (1) approved the targeted Commission meeting date of November 22, 2006 for formal approval of the TTC's 2007 budgets; and
- (2) forwarded the report to the Budget Advisory Commission for information.

**11. Toronto Public Health 2006 Operating Budget –
Adjustments to 100 Percent Funded Programs**

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1) and (3) in the Recommendations Section of the report (May 1, 2006) from the Medical Officer of Health, as recommended by the Board of Health.

Communication (May 16, 2006) from the Board of Health, advising that the Board on May 15, 2006, recommended to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt staff Recommendations (1) and (3) in the Recommendations Section of the report (May 1, 2006) from the Medical Officer of Health:

“It is recommended that:

- (1) that the Toronto Public Health 2006 Approved Operating Budget be reduced by \$579.9 thousand gross and \$0 net and increased by 1 position as detailed in Table 1; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

**12. Service Agreements Awarded and Executed by the
Medical Officer of Health**

Action taken by the Committee:

The Budget Advisory Committee received the communication for information.

Communication (May 16, 2006) from the Board of Health, advising that the Board on May 15, 2006 recommended that the report (May 1, 2006) from the Medical Officer of Health be forwarded to Budget Advisory Committee and the Policy and Finance Committee for information.

13. Deep Lake Water Cooling – Old City Hall

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1) and (3) in the Recommendations Section of the report (June 1, 2006) from the Chief Corporate Officer, as recommended by the Administration Committee.

Communication (June 7, 2006) from the Administration Committee, advising that the Committee on June 6, 2006 recommended to the Budget Advisory Committee that City Council adopt staff Recommendations (1) and (3) in the Recommendations Section of the report (June 1, 2006) from the Chief Corporate Officer:

“It is recommended that:

- (1) the appropriate City staff be authorized to negotiate and enter a long-term agreement of up to 20 years on a single-source basis with Enwave Energy Corporation (“Enwave”) in order to provide Deep Lake Water Cooling (DLWC) to Old City Hall, on terms and conditions that are satisfactory to the Chief Corporate Officer and the City Solicitor, and in a form that is satisfactory to the City Solicitor, the terms of which are to include:
 - (i) fixed capital costs related to implementing DLWC in Old City Hall;
 - (ii) fixed pricing related to the annual operating costs of DLWC, subject to periodic inflationary adjustments; and
 - (iii) performance monitoring, flexibility to accelerate payments, dispute resolution and remedies for unsatisfactory performance; and
- (3) the appropriate City officials be authorized and directed to take the necessary action including the negotiation of any agreement required between the City and Enwave to give effect thereto.”

14. Simcoe Street Underpass (Ward 20 Trinity-Spadina)

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendation in the Recommendation Section of the report

(June 12, 2006) from the General Manager of Transportation Services and the Executive Director of Technical Services, subject to including the appropriate funding adjustments, inclusive of development charges, to ensure no increase in debt financing or impacts on any projects.

Report (June 12, 2006) from the General Manager of Transportation Services and the Executive Director of Technical Services, requesting approval to increase the City's dollar share as a result of increased total project costs for the Simcoe Street Underpass project and correspondingly, take advantage of a cost share arrangement with the third party developer, Fairmont Developments, consistent with provisions in the Precinct B Agreement for the Railway Lands East.

Recommendation:

It is recommended that City Council approve the increased City dollar share of the Simcoe Street Underpass project cost in the amount of \$7.276 million and that the approved 2006 Transportation Services Capital Budget be amended to reflect the 2006-2008 cash flows.

15. Adjustments to Approved Cash Flows – Facilities and Real Estate Division's 2006 Approved Capital Budget

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendation in the Recommendation Section of the report (June 8, 2006) from the Chief Corporate Officer.

Report (June 8, 2006) from the Chief Corporate Officer, seeking authorization to adjust cashflows for approved projects in the 2006 Approved Capital Plan.

Recommendation:

It is recommended that the re-allocation of funding for the Facilities and Real Estate Division's (F&RE), 2006 Approved Capital Budget, totalling \$3.693 million, as outlined in the attached Schedule "A" be approved.

16. Toronto Public Health Budget Adjustment for Summer Service Implementation

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (June 9, 2006) from the Medical Officer of Health.

Report (June 9, 2006) from the Medical Officer of Health, seeking approval for a budget adjustment that reallocates City funding in the Toronto Public Health (TPH) 2006 Operating Budget to allow five services that are at significant risk for provincial cost shared revenue to start as planned this summer.

Recommendations:

It is recommended that:

- (1) the Toronto Public Health 2006 Operating Budget be reduced by \$1,306.2 thousand gross and \$1,306.2 thousand revenue consisting of the following adjustments and as outlined in Table 1 “Revised Budget Proposed for City Priority Services at Risk for Provincial Revenue”:
 - (a) Management Tools for Reporting reduced in the amount of \$992.5 thousand gross /\$347.4 thousand net;
 - (b) Community Crisis Response and Recovery be adjusted from \$190.4 thousand gross/\$66.6 thousand net to \$102.9 thousand gross/net;
 - (c) Heat Alert Outreach to Vulnerable Adults be adjusted from \$171.1 thousand gross/\$59.9 thousand net to \$171.1 thousand gross/net;
 - (d) Support for Youth in Priority Neighbourhoods be adjusted from \$345.6 thousand gross/\$121.0 thousand net to \$218.2 thousand gross/net;
 - (e) Toronto Comprehensive Drug Strategy be adjusted from \$246.7 thousand gross/\$86.4 thousand net to \$147.9 thousand gross/net;
 - (f) One on One Youth Mentoring be adjusted from \$63.4 thousand gross/\$22.2 thousand net to \$63.4 thousand gross/net;
- (2) this report be forwarded to the Board of Health for information; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.