

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting 18

Friday, May 5, 2006

The Budget Advisory Committee met on Friday, May 5, 2006, in Committee Room 1, City Hall, Toronto, commencing at 9:35 a.m.

Members Present

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

	9:35 a.m. to 11:00 a.m.
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
Mayor David Miller	X

Also Present:

Councillor Glenn De Baeremaeker	
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Confirmation of Minutes

On motion by Councillor Mihevc, the Minutes of the following meetings were confirmed:

- Joint Meetings - November 4 and 23, 2005;
- Regular Meetings - November 10, 14, 16, 17, 18 and 24, 2005;
- Joint Meetings – January 4 and February 16, 2006;
- Regular Meetings – January 13, 24, 25, 26, 27, February 6, 8, 9, 10, 13 and March 27, 2006.

18.1 Spadina Subway Extension Downsview to Steeles Avenue Interim Funding

The Budget Advisory Committee considered a communication (January 26, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on January 25, 2006 approved the following recommendations:

- (1) receive this report for information noting that staff are proceeding with expenditure of the 1/3 portion of the \$1.3 Million against TTC accounts as per the motion of the December 16, 2005 Commission Meeting; and
- (2) forward this report to the City of Toronto for approval to expend the City's 1/3 share (\$0.433 M) of the Spadina Subway Extension – Downsview to Steeles project interim funds of \$1.3 Million included in the 2006-2010 Capital Program for preliminary design costs.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee and Council that approval be granted to the Toronto Transit Commission to expend the City's 1/3 share up to \$200,000.00 of the Spadina Subway Extension – Downsview to Steeles project interim funds of \$1.3 million included in the 2006-2010 Capital Program for preliminary design costs.

(Policy and Finance Committee – May 5, 2006)

18.2 Contract Cost-Guarantee Dates for CLRV Life Extension Program

The Budget Advisory Committee considered the following communications:

- (i) (January 26, 2006) from General Secretary, Toronto Transit Commission, advising that the Commission on January 25, 2006 approved the following recommendations:
 - (1) receive this report for information; and
 - (2) forward this report to the City of Toronto, in satisfaction of the directive of the City Council at its December 12, 2005 meeting, in which Council requested if there is any risk of an increase to the cost of the CLRV life-extension program, as approved, that the TTC report to City Council no less than 60 days in advance of such costs being incurred to enable Council to consider this matter.

- (ii) (February 23, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on February 22, 2006 approved the following recommendations:
 - (1) receive this report for information; and
 - (2) forward this report to the City of Toronto, in satisfaction of the directive of the City Council at its December 12, 2005 meeting, in which Council requested if there is any risk of an increase to the cost of the CLRV life-extension program, as approved, that the TTC report to City Council no less than 60 days in advance of such costs being incurred to enable Council to consider this matter.

The Budget Advisory Committee:

- (1) received the communications (January 26, 2006 and February 23, 2006) from the General Secretary, Toronto Transit Commission and the presentation by the Toronto Transit Commission and requested that copies of the presentation be circulated to Members of the Committee;

(Moved by Councillor Soknacki)

- (2) requested the Deputy City Manager and Chief Financial Officer to analyze the suggestion put forward in the presentation by the TTC staff as part of the Capital proposal for 2007-2011; and

(Moved by Councillor Watson)

- (3) requested Finance Division staff to meet with the Toronto Transit Commission to review all financial matters relating to this program.

(Moved by Councillor Mihevc)

18.3 Cost of Policing Per Household in the City of Toronto

The Budget Advisory Committee considered a communication (April 11, 2006) from the Chair, Toronto Police Services Board, forwarding a copy of a Toronto Police Service report containing the results of a review of the cost of policing per household in the City of Toronto.

Recommendation:

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

On motion by Councillor Watson, the Budget Advisory Committee received the communication (April 11, 2006) from the Chair, Toronto Police Services Board.

18.4 Toronto Transit Commission – Warden Subway Station

The Budget Advisory Committee considered the following confidential report and communication:

- (i) (February 23, 2006) from the General Manager, Toronto Transit Commission respecting the Warden Subway, such communication to be considered in-camera as the subject matter deals with a proposed or pending acquisition of land for municipal or local board purposes, in accordance with the *Municipal Act, 2001*.
- (ii) (May 2, 2006) from the Administration Committee advising that the Administration Committee on May 2, 2006:

- (1) recommended to the Budget Advisory Committee and Policy and Finance Committee that City Council adopt staff recommendations (1) through (6), and (8) in the Recommendations Section of the confidential report (April 18, 2006) from the Deputy City Manager and Chief Financial Officer; 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.

On motion by Councillor Watson, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3), (4), (5), (6) and (8) in the Recommendations Section of the confidential report (April 18, 2006) from the Deputy City Manager and Chief Financial Officer, as recommended by the Administration Committee, and because this matter relates to the proposed or pending acquisition of land for municipal purposes under the *Municipal Act, 2001*, discussions be held in-camera; and
- (2) received the confidential communication (February 23, 2006) from the General Manager, Toronto Transit Commission.

(Policy and Finance Committee – May 5, 2006)

18.5 2005 Final Year-end Capital Variance Report

The Budget Advisory Committee considered a report (May 3, 2006) from the Deputy City Manager and City Financial Officer, presenting the City of Toronto Final Capital Variance Report for the year ended December 31, 2005.

Recommendations:

It is recommended that:

- (1) \$124.102 million of unspent 2005 cash-flow, and related financing be carried forward and added to the 2006 Approved Capital Budget (Appendix 2 attached);
- (2) \$1.013 million of unspent 2004 cash-flow, with no incremental debt impact be carried forward and added to the 2006 Approved Capital Budget (Appendix 3 attached);

- (3) in accordance with the Financial Control By-law (section 71-9 E), reallocation of budget between capital projects as detailed in Appendix 4 with no incremental impact on the 2005 Council Approved Capital Budget be approved;
- (4) the 2005 Capital Budget for Fleet Services be increased by \$0.350 million, fully financed by a one-time provincial subsidy for the purchase of replacement Emergency Medical Services vehicles (see Appendix 4) be approved;
- (5) due to deficiency in the UDS Development Charges Reserve Fund, the 2005 City Planning Budget be adjusted to reflect change in funding source of \$0.570 million from development charges to debt, for capital projects detailed in Appendix 4, and that the Deputy City Manager and Chief Financial Officer reallocate other debt financing from under-spent capital projects such that there is no increase in the total 2005 Council approved debt;
- (6) the final year-end 2005 Capital Variance Report be forwarded to the Policy and Finance Committee and City Council for consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Carroll, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3), (4), (5) and (7) in the Recommendations Section of the report (May 3, 2006) from the Deputy City Manager and Chief Financial Officer.

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18.6 2005 Final Year-end Operating Variance Report

The Budget Advisory Committee considered a report (May 3, 2006) from the Deputy City Manager and Chief Financial Officer, providing the City of Toronto Final Year-end Operating Variance report for the 12 months of operations ended December 31, 2005.

Recommendations:

It is recommended that:

- (1) \$12.261 million of additional 2005 operating surplus generated from the Toronto Transit Commission's operations, be contributed to the TTC Stabilization Reserve Fund for an employee benefit liability provision (as recommended by the TTC and approved by Council at its meeting of March 29 and 30, 2006);

- (2) \$1.704 million of additional 2005 operating surplus generated from the Toronto Transit Commission's operations as a result of the sale of land be contributed to the Land Acquisition Reserve Fund for future TTC property purchases;
- (3) \$1.993 million of additional 2005 operating surplus generated from the Toronto Public Library's operations be allocated back to the Employee Benefits Reserve Fund;
- (4) \$1.848 million of additional 2005 operating surplus generated from the Toronto Centre for the Arts (TCA) be contributed to the TCA Stabilization Reserve Fund pending a report from the TCA Board on recommended options for its disposition;
- (5) \$0.914 million of additional 2005 operating surplus be contributed to the Capital Financing Reserve Fund in accordance with City policy;
- (6) the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee on any incremental funding from or contributions to the Capital Financing Reserve Fund should the final audited Agencies, Boards and Commissions financial statements indicate year-end variances different from those represented in this report;
- (7) this report be forwarded to the Policy and Finance Committee for its consideration; and
- (8) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3), (4), (5), (6) and (8) in the Recommendations Section of the report (May 3, 2006) from the Deputy City Manager and Chief Financial Officer.

(Policy and Finance Committee – May 5, 2006)

18.7 Municipal Engagement Funding - Participation in the Ontarioimmigration.ca Municipal Engagement Strategy

The Budget Advisory Committee considered a report (May 4, 2006) from the Deputy City Manager and Chief Financial Officer, to ratify the agreement between the City and the Province of Ontario with respect to receipt of grant funding for the City's participation in the Ontarioimmigration.ca Municipal Engagement Strategy.

Recommendations:

It is recommended that:

- (1) the agreement (as outlined in Appendix 1) between the City and the Province to secure grant funding of \$0.200 million be ratified;
- (2) the Corporate Communications Division's 2006 Approved Operating Budget be increased by \$0.120 million gross, with funding received from the Province of Ontario of \$0.120 million, for a net \$0 increase;
- (3) when received, the grant funding of \$0.060 million be held in a deferred revenue account to fund the costs required for this initiative in 2007;
- (4) the grant funding of \$0.080 (\$0.060 million in deferred revenue and \$0.020 million to be received in 2007) be included in the 2007 Operating Budget to fund the balance of the costs to complete this initiative in 2007; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Milczyn, 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 4, 2006) from the Deputy City Manager and Chief Financial Officer.

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18.8 Red-Light Camera Operations: Contract Extension and Request for Proposal 9148-05-5048 for the Supply, Installation, Operation and Maintenance of Red-Light Camera Systems Within the City of Toronto and Other Municipalities Within Ontario

The Budget Advisory Committee considered a communication (May 3, 2006) from the Works Committee advising that the Works Committee on May 3, 2006, recommended 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 (April 27, 2006) from the General Manager, Transportation Services:

Recommendations:

It is recommended that:

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- (1) approval be granted to extend Contract No. 9119-00-7004 with Affiliated Computer Systems for the operation and maintenance of red-light camera systems for an additional year (November 20, 2006 to November 19, 2007) with an option to extend for a further year (November 20, 2007 to November 19, 2008) in the amounts of \$1,122,700.00 and \$1,156,400.00, respectively, and subject to budget approval;
- (2) should City Council authorize the expansion of the Red Light Camera program by adding 132 camera sites and subject to the successful completion of “Proof of Performance” and acceptance by the City:
 - (a) as described in the Request for Proposal 9148-05-5048, Traffipax Inc., the proponent with the highest overall evaluated score, as determined by the evaluation team, be retained for the supply, installation, operation and maintenance of red-light camera systems within the City of Toronto, for a five-year period at a cost not to exceed \$13,793,600.00, subject to execution of an agreement satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer and the General Manager, Transportation Services, and subject to annual Operating Budget approval for the years 2007 to 2011;
 - (b) approval be granted to extend the existing contract with the Ministry of Transportation Ontario for the access and use of licence plate registration information, until the end of 2011, in the estimated amount of \$4,032,600.00; and
 - (c) approval be granted to extend the existing contracts with the other partnering municipalities for their cost-sharing of the operating expenses of the joint municipal processing centre, until the end of 2011, generating an estimated revenue in the amount of (\$1,201,200.00);
- (3) this report be forwarded to the Budget Advisory Committee and the Policy and Finance Committee; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Mihevc, 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 (April 27, 2006) from the General Manager, Transportation Services, as recommended by the Works Committee.

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18.9 St. Clair Avenue West Transit Improvement Project

The Budget Advisory Committee considered a communication (May 3, 2005) 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.

On motion by Councillor Mihevc, the Budget Advisory Committee postponed consideration of the communication (May 3, 2006) from the Works Committee to the June 9, 2006 meeting of the Budget Advisory Committee for consideration with the 2007-2010 Capital Plan.

18.10 Acquisition of Toronto District School Board's Wanita Road Site (Ward 44 Scarborough East)

The Budget Advisory Committee considered a communication (May 2, 2006) from the Administration Committee advising that the Administration Committee on May 2, 2006, recommended to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt staff recommendations (1), (2), (3), (4), (5) and (7) in the Recommendations Section of the confidential report (April 24, 2006) from the Deputy City Manager and Chief Financial Officer and, further, that the report be considered in-camera because it relates to proposed or pending acquisition of land for municipal purposes.

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On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3), (4), (5) and (7) in the Recommendations Section of the confidential report (April 24, 2006) from the Deputy City Manager and Chief Financial Officer, as recommended by the Administration Committee, and further, that the report be considered in-camera because it relates to the proposed or pending acquisition of land for municipal purposes.

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The Budget Advisory Committee adjourned its meeting at 11:00 a.m.

Chair