

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting 21

Friday, September 15, 2006

The Budget Advisory Committee met on Friday, September 15, 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)	R
Deputy Mayor Sandra Bussin	X
Councillor Shelley Carroll	X
Councillor Peter Milczyn	X
Councillor Kyle Rae	X

Also Present:

Councillor Howard Moscoe	Councillor Jane Pitfield

Confirmation of Minutes

On motion by Councillor Rae, the Budget Advisory Committee confirmed the Minutes of the meeting held on July 7, 2006.

21.1 Funding of St. Lawrence Centre for the Arts Operating Deficits for 2004 and 2005

The Budget Advisory Committee considered a report (September 1, 2006) from the Deputy City Manager and Chief Financial Officer, recommending funding of the St. Lawrence Centre for the Arts operating deficits for the year 2004 and 2005 based on audited financial results.

Recommendations:

It is recommended that:

- (1) the City provide a total amount of \$347,865 to St. Lawrence Centre for the Arts to cover operating deficits for the years 2004 and 2005, to be offset by under-spending in the Temporary Borrowing account within the Non-Program Expenditures Budget;
- (2) as part of the 2007 Operating Budget process, the Board of Directors of the St. Lawrence Centre for the Arts report to the Budget Advisory Committee on financial controls and other measures to ensure that future years' net expenditures are kept in line with the City's approved operating budgets for the Centre; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Rae, 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 (September 1, 2006) from the Deputy City Manager and Chief Financial Officer.

(Policy and Finance Committee – September 15, 2006)

21.2 Funding for St. Lawrence Centre for the Arts Facility Renewal Project

The Budget Advisory Committee considered a report (September 7, 2006) from the Deputy City Manager and Chief Financial Officer, recommending the provision by the City of a loan for up to \$0.9 million to St. Lawrence Centre for the Arts to enable the Centre to complete its facility renewal project in 2007.

Recommendations:

It is recommended that:

Budget Advisory Committee Minutes
Friday, September 15, 2006

- (1) authority be granted for the City to:
 - (a) provide a loan from its Capital Financing Reserve Fund to St. Lawrence Centre for the Arts in the amount of \$0.9 million for a four-year period starting January 1, 2007 and ending December 31, 2010; and
 - (b) enter into an agreement with St. Lawrence Centre for the Arts with respect to the loan, which agreement would specify terms such as monthly interest and a detailed repayment schedule;
- (2) such loan and all related agreements be on terms and conditions satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer, and that the Deputy City Manager and Chief Financial Officer be requested to negotiate appropriate and adequate safeguards to the satisfaction of the City Solicitor with the City being promptly advised in the event of default or delay in the payment of interest;
- (3) for the duration of the term of the loan, St. Lawrence Centre for the Arts be responsible for submitting quarterly variance reports on its cash flow forecast to the Deputy City Manager and Chief Financial Officer;
- (4) the loan be deemed to be in the interests of the City;
- (5) with respect to the St. Lawrence Centre for the Arts Reserve Fund:
 - (a) Municipal Code 227 - Administration of Reserve and Reserve Funds – be amended by transferring the St. Lawrence Centre for the Arts Reserve Fund from Schedule 3 Corporate Discretionary Reserve Funds to Schedule 13 State of Good Repair Obligatory Reserve Funds;
 - (b) St. Lawrence Centre for the Arts transfer all the funds in its Capital Improvement and Rehabilitation Reserve Fund to the City to be deposited in the City's State of Good Repair Obligatory Reserve Funds account, St. Lawrence Centre for the Arts Reserve Fund, to achieve compliance with City policy, to be consistent with the treatment of the City's two other City-Boarded theatre facilities and to earn a higher rate of return;
- (6) the Culture Division's 2006 Approved Capital Budget, which included \$3.0 million gross and \$1.5 million net for the St. Lawrence Centre for the Arts Facility Renewal Project, with cash flows of \$1.5 million gross expenditure approved for 2006 and \$1.5 million pre-approved for 2007, be increased by \$349,868 gross and zero net to reflect the increase in the total project cost; and

Budget Advisory Committee Minutes
Friday, September 15, 2006

- (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.

On motion by Councillor Rae, 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 (September 7, 2006) from the Deputy City Manager and Chief Financial Officer.

(Policy and Finance Committee – September 15, 2006)

21.3 Arena Boards of Management 2004 and 2005 Operating Surpluses/Deficits Settlement

The Budget Advisory Committee considered a report (September 5, 2006) from the Deputy City Manager and Chief Financial Officer, reporting on the financial results for the years 2004 and 2005 for eight Arena Boards of Management (Arenas) and requesting that the 2004 and 2005 operating surpluses and deficits be settled.

Recommendations:

It is recommended that:

- (1) surplus funds of \$290,883 (which includes a 2003 adjustment) be paid to the City of Toronto from three Arenas (George Bell, McCormick and Moss Park), and that the City fund the payments of the outstanding deficits of \$114,031.00 to five Arenas (William H. Bolton, Forest Hill, Leaside, North Toronto and Ted Reeve), as the final settlement of the net surpluses and deficits for the years 2004 and 2005, resulting in a net surplus to the City of \$176,852, as detailed in Appendix A;
- (2) of the \$176,852 net surplus funds payment to the City in 2006, \$151,153.00 be contributed to the Arena Boards of Management account XQ1705 in the Vehicle and Equipment Replacement Reserve for the future purchase of ice resurfacers and be applied proportionately among those Arenas who are in a surplus position as calculated in Appendix E;
- (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.

On motion by Councillor Rae, 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 (September 5, 2006) from the Deputy City Manager and Chief Financial Officer.

(Policy and Finance Committee – September 15, 2006)

21.4 Toronto and Region Conservation Authority Capital and Operating Budgets Funding from Water Reserves (All Wards)

The Budget Advisory Committee considered a report (September 7, 2006) from the Deputy City Manager and Chief Financial Officer and the General Manager, Toronto Water, establishing a policy that defines a consistent approach to determining the portions of the Toronto and Region Conservation Authority capital and operating budgets that will be funded from water reserves, as agreed between Toronto Water and the Financial Planning Division, in consultation with Toronto and Region Conservation Authority. The requirement to report to the Budget Advisory Committee on such an approach arose out of the 2006 Capital and Operating Budget processes.

Recommendations:

It is recommended that:

- (1) with respect to the capital budgets of Toronto and Region Conservation Authority (TRCA) in 2007 and future years, Toronto Water continue to evaluate TRCA's proposed capital projects individually on their merit and relevance, based on the criteria established through practice in recent years, to determine the portion of the City's share of TRCA's Capital Budget that would be funded from water reserves;
- (2) with respect to the operating budgets of Toronto and Region Conservation Authority (TRCA) in 2007 and future years, up to 55 percent of the City's share of TRCA's Operating Budget be funded from water reserves and, if TRCA's Operating Budget submission for any given year exceeds the corporate target, the increase be justified by TRCA during the Administrative Review portion of the annual budget process and if the justification is accepted by the City Manager and Deputy City Manager and Chief Administrative Officer in consultation with the General Manager of Toronto Water, the recommended increase would be funded equally from the levy program and water reserves; and
- (3) the capital and operating budget proposals from Toronto and Region Conservation Authority (TRCA) and the evaluation of those proposals by Toronto Water with respect to the portion of the TRCA budgets to be funded from water reserves for

any given year be determined by TRCA and Toronto Water prior to the City's budget submission deadlines for that year and the funding from water reserves, as determined by Toronto Water, be included in the capital and operating budget submissions from TRCA and Toronto Water.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (September 7, 2006) from the Deputy City Manager and Chief Financial Officer and the General Manager, Toronto Water; and
- (2) Toronto Water seek to maximize the contribution to the Toronto and Region Conservation Authority from the water rates to minimize the contribution from the tax base, within the City's policies.

(Policy and Finance Committee – September 15, 2006)

21.5 Adjustments to 2006 Operating Budgets for Cluster B Divisions (All Wards)

The Budget Advisory Committee considered a report (September 8, 2006) from Deputy City Manager Fareed Amin, seeking authority for 2006 Operating Budget Adjustments in the City Planning, Municipal Licensing and Standards and Solid Waste Management Divisions in Cluster B to facilitate program delivery.

Recommendations:

It is recommended that:

- (1) technical adjustments as detailed in Appendix A of the report in the amount of \$4,412,775 and 55 positions be transferred from Solid Waste Management Services (SWMS) to Municipal Licensing and Standards (MLS) reflecting the transfer of enforcement function to MLS;
- (2) the City Planning 2006 Operating Budget gross expenditures and revenues each be increased by \$30,000.00 with zero net effect for the Toronto Green Development Standard Study; and
- (3) the appropriate staff be directed to take action necessary action to implement technical adjustments outlined in this report.

On motion by Councillor Mihevc, 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 (September 8, 2006) from Deputy City Manager Fareed Amin.

(Policy and Finance Committee – September 15, 2006)

21.6 Operating Variance Report for the Six Months Ended June 30, 2006

The Budget Advisory Committee considered a report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, providing the City of Toronto Operating Variance report for the six months of operations ended June 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 expenditures during the remainder of the year and institute appropriate strategies to ensure that actual net expenditures do not exceed budget at year-end;
- (2) the 2006 Council Approved Operating Budgets for the Economic Development, Culture and Tourism programs be consolidated as one Program budget to be named Economic Development, Culture and Tourism;
- (3) the technical adjustments contained in this report (Appendix D) be approved;
- (4) the Operating Variance Report for the Six Months Ended June 30, 2006 be forwarded to the Policy and Finance Committee for consideration; and
- (5) 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) and (5) in the Recommendations Section of the report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer.

Councillor Pitfield addressed the Budget Advisory Committee.

The following motion by Councillor Soknacki lost:

“That as part of improvements to the budget process, the Deputy City Manager and Chief Financial Officer be requested to report to the successor Committee dealing with budget, on undertaking a budget process as close as possible to year-end.”

(Policy and Finance Committee – September 15, 2006)

21.7 Reserve and Reserve Funds Variance Report June 30, 2006

The Budget Advisory Committee considered a report (September 8, 2006) from the Treasurer, providing information on reserve and reserve fund balances as at June 30, 2006 and activity in reserves and reserve funds during the first half of 2006.

Recommendation:

It is recommended that the Reserves and Reserve Funds Quarterly Variance Report – June 30, 2006 be received for information.

On motion by Councillor Rae, the Budget Advisory Committee received the report (September 8, 2006) from the Treasurer and forwarded the report to the Policy and Finance Committee for information.

(Policy and Finance Committee – September 15, 2006)

21.8 Update on the Future Outlook for Charitable Gaming

The Budget Advisory Committee considered a report (September 8, 2006) from the City Clerk, updating the Committee on the decline in charitable gaming revenues.

Recommendation:

It is recommended that this report be received for information.

On motion by Councillor Mihevc, the Budget Advisory Committee received the report.

21.9 Toronto Transit Commission - Procurement Authorization 39 New Subway Trains – Proposal P31PD05761

The Budget Advisory Committee considered a communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on August 30, 2006:

Budget Advisory Committee Minutes
Friday, September 15, 2006

- (1) authorized the acceptance of the proposal submitted by Bombardier Inc., Bombardier Transportation for:
 - (a) 39 trainsets and all associated work in the amount of \$499,382,403, plus applicable taxes;
 - (b) associated contract items in the amount of \$26,919,780, plus applicable taxes;
 - (c) three of the specified options, in the amount of \$21,564,135, plus applicable taxes;
 - (d) a contingency allowance amount of \$50,220,000 including all applicable taxes for the estimated costs with respect to price adjustments for escalation and the estimated costs for the provision of the required contract security and will be paid out if required, only as incurred;

resulting in a total contract price of \$674,787,603 including all applicable taxes;

- (2) forwarded this report to the City of Toronto for approval of this project and confirmation of funding by City of Toronto Council at its September 2006 meeting;
- (3) forwarded this report to both the Province of Ontario and the Government of Canada for confirmation of funding approval as detailed in the Funding Section of this report; and
- (4) directed staff to explore the possibility of obtaining from the Province of Ontario and/or the Government of Canada 'Letters of Indemnity' in place of contract financial security as a means of further reducing the project budget.

On motion by Councillor Carroll, the Budget Advisory Committee:

- (1) confirmed to the Policy and Finance Committee and City Council that City funding is in place for the following purposes:
 - (a) 39 trainsets and all associated work in the amount of \$499,382,403, plus applicable taxes;
 - (b) associated contract items in the amount of \$26,919,780, plus applicable taxes;
 - (c) three of the specified options, in the amount of \$21,564,135, plus applicable taxes; and

- (d) a contingency allowance amount of \$50,220,000 including all applicable taxes for the estimated costs with respect to price adjustments for escalation and the estimated costs for the provision of the required contract security and will be paid out if required, only as incurred;
- (2) recommended that staff of the Deputy City Manager and Chief Financial Officer be actively informed with respect to the reporting protocol and cost drivers relating to this project; and
- (3) received the communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, regarding "Procurement Authorization – 39 New Subway Trains – Proposal No. P31PDO5761".

The following motion by Councillor Soknacki lost:

"That the Budget Advisory Committee refer the communication to the appropriate successor Committee dealing with these matters, for consideration as part of the 2007 Capital Budget process."

(Policy and Finance Committee – September 15, 2006)

21.10 Toronto Transit Commission - Surface Vehicle Safety Camera System

The Budget Advisory Committee considered a communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on August 30, 2006:

- (1) confirmed approval to proceed with the supply and installation of 1,750 Surface Vehicle Safety Camera Systems on all conventional surface transit vehicles (buses and streetcars), noting that:
 - the subject of this report addresses Recommendation 17 of the Operator Assault Task Force; and
 - this project has been included in an application for funding under the Transit-Secure Program Round 1 for the period to March 31, 2008;
- (2) authorized award of a contract to March Networks Corporation in the total upset limit amount of \$14,800,000 on the basis of the only acceptable submission for the supply of 1,750 full motion high quality, on-board camera systems, digital recording equipment, recommended spare parts, and necessary software tools to support these systems on TTC conventional surface vehicles, noting that the

initial award will be limited to the approval of \$2,825,000; with the remaining \$11,975,000 upset limit award, subject to City Council approval;

- (3) approved increased capital funding of \$14,007,000 for this project for a total project cost of \$16,832,000, noting that the revised project will be included in the TTC's 2007-2011 Capital Program budget;
- (4) approved a total project cost of \$1,500,000 in new capital funding to supply and install 150 Safety Camera Systems on Wheel-Trans vehicles noting that:
 - Wheel-Trans did not participate in the Task Force;
 - any inappropriate conduct which occurs on the vehicle will be recorded and used to support any criminal investigations; and
 - this new project will be included in the TTC's 2007-2011 Capital Program budget;
- (5) authorized award of a contract to March Networks Corporation in the total upset limit amount of \$1,500,000 on the basis of the only acceptable submission for the supply of 150 full motion high quality, on-board camera systems, digital recording equipment, recommended spare parts, and necessary software tools to support equipment, recommended spare parts, and necessary software tools to support these systems, noting that the award will be subject to confirmation of City Council approval; and
- (6) forwarded this report to the Budget Advisory Committee for approval and consideration by City Council in September 2006 in conjunction with the 2007 Capital Budget pre-approval request process.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee and City Council that:

- (1) \$2,825,000 be preapproved for the Surface Vehicle Safety Camera System, and that the Toronto Transit Commission report to City Council on September 25, 2006 if there is a price differential; and
- (2) the remainder of the funding be considered as part of the 2007 budget process, noting that the Toronto Transit Commission and City Council consider this project to be a priority.

(Policy and Finance Committee – September 15, 2006)

21.11 Toronto Transit Commission - Funding Approval for Operator Protective Barriers on Buses and Streetcars

The Budget Advisory Committee considered a communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on August 30, 2006:

- (1) confirmed approval to proceed with the continued development, fabrication and installation of protective barriers on all surface revenue vehicles, noting that:
 - the subject of this report addresses Recommendation 16 of the Operator Assault Task Force; and
 - the implementation of these barriers on surface vehicles is dependent upon operator acceptance;
- (2) approved capital funding in the amount of \$2,710,000 for this new project, noting that:
 - approximately \$272,000 will be spent in 2006 and will be held in TTC accounts pending approval by City of Toronto Council; and
 - this project will be formally submitted for approval through the TTC's 2007-2011 Capital Program budget process;
- (3) forwarded this report to the Budget Advisory Committee for approval and consideration by City Council in September 2006 in conjunction with the 2007 Capital Budget pre-approval request process.

On motion by Councillor Mihevc, the Budget Advisory Committee:

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

- (1) approve capital funding in the amount of \$2,710,000 for Operator Protective Barriers on Buses and Streetcars, noting that:
 - (a) approximately \$272,000 will be spent in 2006 and will be held in TTC accounts pending approval by City Council; and
 - (b) this project will be formally submitted for approval through the TTC's 2007 2011 Capital Program budget process;

- (2) pre-approve \$600,000 for this project; and
- (3) authorize the Toronto Transit Commission to adjust other projects in 2007 to fund operator protective barriers on buses and streetcars within the approved debt guidelines; and

B. received the communication (September 1, 2006) from the General Secretary, Toronto Transit Commission.

(Policy and Finance Committee – September 15, 2006)

**21.12 Toronto Transit Commission – Procurement Authorization Amendment –
Option to Purchase 220 40-Foot Low Floor Diesel-Electric Hybrid Orion VII Buses**

The Budget Advisory Committee considered a communication (July 24, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on July 19, 2006:

- (1) authorized staff to exercise the contract option with Orion Bus Industries of Mississauga (Orion) in an amount of \$169,472,711.92 including all taxes, bonding, manuals and training for the purchase of 220 40-foot low floor diesel-electric hybrid Orion VII buses for delivery in 2007, subject to approval by Council of the City of Toronto;
- (2) forwarded a copy of this report to City Council for approval to proceed with the award of this contract option for the purchase of 220 40-foot low floor diesel-electric hybrid Orion VII buses for delivery in 2007;
- (3) noted that this procurement is based on the approved bus fleet plan as shown in “Appendix 1” attached, and the 2006-2010 Capital budget program approved by City Council on December 12, 2005;
- (4) authorized staff to negotiate a price with Orion Bus Industries for the option to purchase up to 100 additional buses with the intent of making an award no later than March 31, 2007, for delivery in the first quarter of 2008; the request for Budget approval for this purchase will be included in the 2007 to 2011 Capital Budget submission under Capital Project 4.11 - Purchase of Buses; and
- (5) authorized staff to dispose of those buses retired as a result of the purchase of the 220 new buses in the best interest of the Commission.

On motion by Councillor Rae, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt Recommendations (1) to (5) contained in the communication (July 4, 2006) from the General Secretary, Toronto Transit Commission, regarding "Procurement Authorization Amendment – Option to Purchase 220 40-foot Low Floor Diesel Electric Hybrid Orion VII Buses", subject to the availability of Provincial funding.

(Policy and Finance Committee – September 15, 2006)

**21.13 Toronto Transit Commission – Procurement Authorization Amendment –
Option to Purchase 140 40-Foot Low Floor Diesel-Electric Hybrid Orion VII Buses**

The Budget Advisory Committee considered a communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on August 30, 2006:

- (1) authorized staff to extend the current contract with Orion Bus Industries of Mississauga (Orion) in amount of \$107,456,756.40 including all taxes, for the purchase of 140 40-foot low floor diesel-electric hybrid Orion VII buses for delivery in 2008 with the option to be exercised no later than September 30, 2006, subject to approval by the Council of the City of Toronto;
- (2) forwarded a copy of this report to the Council of the City of Toronto through the Budget Advisory Committee requesting project commitment and approval in September, 2006 to proceed with the award of this order, to be exercised no later than September 30, 2006;
- (3) noted that this procurement is based on the approved Bus Fleet Plan as shown in "Appendix 1" attached, and the 2006-2010 Capital Budget program approved by the Council of the City of Toronto on December 12, 2005; and
- (4) authorized staff to dispose of those buses retired as a result of the purchase of the 140 new buses in the best interest of the Commission.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt Recommendations (1) to (4) contained in the communication (September 1, 2006) from the General Secretary, Toronto Transit Commission, regarding "Procurement Authorization Amendment – Option to Purchase One Hundred Forty 40 Foot Low Floor Diesel-Electric Hybrid Orion VII Buses", subject to the availability of Provincial funding.

(Policy and Finance Committee – September 15, 2006)

21.14 Toronto Transit Commission – *Accessibility for Ontarians with Disabilities Act* (AODA) – Standards Development

The Budget Advisory Committee considered a communication (July 24, 2006) from the General Secretary, Toronto Transit Commission, advising of the action taken by the Commission on July 19, 2006, regarding the *Accessibility for Ontarians with Disabilities Act*.

On motion by Councillor Carroll, the Budget Advisory Committee received the communication for information.

21.15 2006 Draft Clean Air Action Plan – Proposed Actions

The Budget Advisory Committee considered a communication (July 4, 2006) from the Policy and Finance Committee, advising that the Committee on June 20 and 21, 2006, referred the following Recommendation (3) contained in the communication (June 9, 2006) from Deputy Mayor Joe Pantalone, Chair, Roundtable on the Environment to the Budget Advisory Committee for consideration as part of the 2007 Operating Budget:

“(3) recommend to Policy and Finance that the City make resources available to Toronto Public Health to add a staff person to their complement to work on air quality measures;”.

On motion by Councillor Carroll, the Budget Advisory Committee referred the communication (July 4, 2006) from the Policy and Finance Committee to the appropriate successor Committee dealing with these matters, for consideration as part of the 2007 Operating Budget process.

(Budget Committee – September 15, 2006)

21.16 Impact of Council Decisions on Meeting Solid Waste Diversion Goals

The Budget Advisory Committee considered a communication (July 5, 2006) from the Works Committee advising that the Committee on July 5, 2006, received the report (June 23, 2006) from the General Manager, Solid Waste Management Services, and directed that a copy be forwarded to the Budget Advisory Committee for information.

On motion by Councillor Carroll, the Budget Advisory Committee received the communication.

21.17 Toronto Public Health 2007-2011 Capital Budget and Plan Submission

The Budget Advisory Committee considered a communication (July 18, 2006) from the Board of Health, advising that the Board on July 17, 2006, recommended that the Budget Advisory Committee:

- (1) consider the report (June 30, 2006) from the Medical Officer of Health as part of the 2007 2011 Capital Budget Process; and
- (2) adopt the following recommendations (1), (2), (3) (4) and (6), in the Recommendations Section of the report (June 30, 2006) from the Medical Officer of Health:
 - “(1) the 2007 – 2011 Toronto Public Health Capital Plan request with a total five-year project cost of \$17,445.7 thousand as detailed in Appendix 1, “Toronto Public Health 2007–2011 Capital Budget and Plan” be endorsed;
 - (2) the 2007 Capital Budget for Toronto Public Health with a total project cost of \$8,260.3 thousand and a 2007 cashflow of \$3,463.0 thousand and future year commitments of \$4,797.3 thousand be approved. The 2007 Capital Budget submission consists of the following:
 - (a) new cashflow funding for four new Information and Technology sub projects with a total project cost of \$8,260.3 thousand, that requires 2007 cashflow of \$3,463.0 thousand and a future year commitment of \$2,797.2 thousand in 2008, \$1,436.6 thousand in 2009, and \$563.5 thousand in 2010;
 - (3) the 2008–2011 Toronto Public Health Capital Plan of \$9,185.4 thousand with future year estimates of \$692.7 thousand for 2008, \$2,062.4 thousand for 2009, \$2,935.0 thousand for 2010, and \$3,495.3 thousand for 2011, as detailed in Appendix 1 be approved;
 - (4) the net Operating impacts of \$66.6 thousand for 2008, \$0.7 thousand for 2009, \$188.6 thousand for 2010, and \$148.0 thousand for 2011 emanating from the approval of the 2007 Capital Budget, as detailed in Appendix 2, “Toronto Public Health 2007–2011 Operating Impact of Capital” be included in future years Toronto Public Health operating budget submissions; and
 - (6) 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 referred the communication to the appropriate successor Committee dealing with these matters, for consideration as part of the 2007 Capital Budget process.

(Budget Committee – September 15, 2006)

21.18 Interim Report on Livent Claims Report

The Budget Advisory Committee considered a communication (August 1, 2006) from the Toronto Centre for the Arts Board of Directors, advising that the Board on July 24, 2006, directed that the Budget Advisory Committee be advised that the recently constituted Board of Directors has reviewed a range of prudent options for the use of funds received after a long and partially successful claims process against Livent Inc.; and as the Board of Directors are also still in discussions with potential third party users at the Centre, they have not completed a final detailed analysis of those options that would be most appropriate for the Centre at this time.

On motion by Councillor Milczyn, the Budget Advisory Committee received the communication.

21.19 Residential Front Yard and Boulevard Parking: Municipal Code Chapter and Policy Considerations and Residential Front Yard Parking through Zoning and Front Yard Parking Permits: Supplementary Report 2 - Comments from Community Councils and Public Consultation

The Budget Advisory Committee considered a communication (July 5, 2006) from the City Clerk, advising that City Council on June 27, 28 and 29, 2006, adopted Clause 1 of Report 1 of the Works Committee, as amended, and in so doing, forwarded the following joint recommendation of the Planning and Transportation Committee and the Works Committee to the Budget Advisory Committee:

“(B) the annual front yard parking renewal fee of \$122.04 (2006 rate) be increased by \$21.60 to \$143.64, and subject to CPI provisions contained in the by-law, to accommodate the hiring of four additional by-law enforcement staff (one each per District) to enhance enforcement of front yard parking infractions; and that this recommendation be forwarded to the Budget Advisory Committee for consideration and appropriate notice as part of the 2007 budget process;”.

On motion by Councillor Rae, the Budget Advisory Committee referred the communication to the appropriate successor Committee dealing with these matters, for consideration as part of the 2007 Operating Budget process.

(Budget Committee – September 15, 2006)

21.20 Storm Damage Update (All Wards)

See Item 28.

**21.21 Toronto Waterfront Revitalization Initiative Five-Year Business Plan
Ten-Year Forecast (2006-2015)**

The Budget Advisory Committee considered a communication (July 31, 2006) from the City Clerk, advising that City Council on July 25, 26 and 27, 2006 adopted, without amendment, Clause 8 of Report 6 of the Policy and Finance Committee, and forwarded a copy to the Budget Advisory Committee for information.

On motion by Councillor Carroll, the Budget Advisory Committee received the communication.

**21.22 Heritage Property Tax Rebate Program – 2006-2007 Program Implementation
and Expansion (All Wards)**

The Budget Advisory Committee considered a communication (July 31, 2006) from the City Clerk, advising that City Council on July 25, 26 and 27, 2006 adopted, without amendment, Clause 17 of Report 6 of the Policy and Finance Committee.

Council directed that the total program costs not to exceed \$4.6 million be included within the 2007 Operating Budget Estimates to cover the anticipated costs of the program and referred the Clause to the Budget Advisory Committee for consideration during the 2007 Operating Budget process.

On motion by Councillor Rae, the Budget Advisory Committee referred the communication (July 31, 2006) from the City Clerk to the appropriate successor Committee dealing with these matters, for consideration during the 2007 Operating Budget process.

(Budget Committee – September 15, 2006)

21.23 Contract Amendment for Liquidated Damages Orion Bus Industries Supply of Forty Foot Low Floor City Buses, Contract Ref. No. C32PY04839

The Budget Advisory Committee considered a confidential communication (July 21, 2006) from General Secretary, Toronto Transit Commission, to be considered in-camera as the subject matter deals with a contract amendment respecting the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose, in accordance with the *Municipal Act, 2001*.

On motion by Councillor Carroll, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the recommendations contained in the confidential communication (July 21, 2006) from the General Secretary, Toronto Transit Commission, to be considered in-camera as the subject matter deals with a contract amendment respecting the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose, in accordance with the *Municipal Act, 2001*.

(Policy and Finance Committee – September 15, 2006)

21.24 Motel Strip Expropriation Proceedings – Gadzala Properties and Proudfoot Settlement Proposal (Ward 6 Etobicoke-Lakeshore)

The Budget Advisory Committee on September 15, 2006, considered the following confidential reports, regarding expropriation proceedings, to be considered in-camera as the subject matter deals with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board, in accordance with the *Municipal Act, 2001*:

- (a) confidential report (September 7, 2006) from the Deputy City Manager and Chief Financial Officer and the City Solicitor, entitled “Motel Strip Expropriation Proceedings – Gadzala Properties (Ward 6 Etobicoke-Lakeshore)”; and
- (b) confidential report (September 7, 2006) from the City Solicitor, entitled “Motel Strip Expropriation Proceedings – Proudfoot Settlement Proposal (Ward 6 Etobicoke-Lakeshore)”.

Deputy Mayor Sandra Bussin declared an interest in this matter in that she is in the process of purchasing a property in that vicinity.

On motion by Councillor Mihevc, the Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the recommendations contained in the confidential report (September 7, 2006) from the Deputy City Manager and Chief Financial Officer and the City Solicitor; and the confidential report (September 7, 2006) from the City Solicitor, to be considered in-camera as the subject matter deals with litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board, in accordance with the *Municipal Act, 2001*.

(Policy and Finance Committee – September 15, 2006)

21.25 Administrative Amendments to Reserve Fund Accounts

The Budget Advisory Committee considered a report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, recommending the establishment of four reserve funds which have been identified since the administration of reserve report which was adopted by Council in October 2005, as well as minor technical amendments to the Municipal Code which are required. The purpose for each account is identified in its respective appendix.

Recommendations:

It is recommended that:

- (1) the reserves, reserve funds and accounts as set out in Appendix B be established for the purpose set out in the respective Appendix A1 through A4 to this report for each reserve, reserve fund and account, and Municipal Code Chapter 227, Reserves and Reserve Funds, be amended by adding the reserves, reserve funds and accounts to their respective schedules as set out in Appendix B; and
- (2) 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.

On motion by Councillor Carroll, 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 (September 8, 2006) from the Deputy City Manager and Chief Financial Officer.

(Policy and Finance Committee – September 15, 2006)

21.26 Capital Variance for the Six Months Ended June 30, 2006

The Budget Advisory Committee considered a report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, forwarding the City of Toronto Capital Variance Report for the six-month period ended June 30, 2006, and projecting actual expenditures for the year ending December 31, 2006.

Recommendations:

It is recommended that:

- (1) 2006 debt financed cash flow of \$0.281 million for the Bloor/Gladstone District Library be deferred to 2008 and concomitantly, spending on the Dufferin/St Clair renovation project be advanced;
- (2) 2006 cash flow of \$1.500 million for the purchase of land for the Yonge/North of Finch Project funded from the Toronto Parking Authority reserve account be deferred to 2007 due to unavailability of appropriate site;
- (3) the technical and in-year adjustments to the 2006 Capital Budget with a net reduction of \$2.800 million gross and \$1.107 debt as detailed in Appendix 2 of this report, be approved;
- (4) the Capital Variance Report for the six-month period ended June 30, 2006, be forwarded to the Policy and Finance Committee for consideration; and
- (5) 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:

- A. recommended to the Policy and Finance Committee that City Council adopt staff Recommendations (1), (2), (3) and (5) in the Recommendations Section of the report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer; and
- B. requested the Deputy City Manager and Chief Financial Officer to verify the adjustments submitted by Toronto Water and report to Council on September 25, 2006, if there are any further adjustments.

(Policy and Finance Committee – September 15, 2006)

21.27 Funding of Exhibition Place Operating Deficit for 2005

The Budget Advisory Committee considered a report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, recommending funding of the Exhibition Place operating deficit for 2005 based on audited financial results.

Recommendations:

It is recommended that:

- (1) the City provide \$698,410.00 Exhibition Place to cover the operating deficit for 2005, using the provision made in the 2005 Final Year-End Operating Report; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Carroll, this item was withdrawn with the consent of the Committee.

21.28 Pre-Approval of 2007 Capital Projects Commitment and Spending

The Budget Advisory Committee considered the report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, seeking Council's authority to incur and/or commit expenditures for capital projects that must proceed during the period from January 1, 2007 to March 31, 2007, in order to ensure that capital work on approved projects continue without interruption, to realize benefits that would not otherwise be available if projects were delayed, and to address urgent health and safety issues and state of good repair needs.

Recommendations:

It is recommended that:

- (1) Council approval be granted to enter into commitments on New and Change in Scope projects/sub-projects totalling \$299.430 million gross during the period January 1 to March 31, 2007, comprised of the following:
 - (i) \$279.074 million gross with debt financing of \$152.571 million for Tax Supported Programs; and
 - (ii) \$20.356 million gross for Rate Supported Programs;
- (2) Council authorize spending (cash flow) during the period January 1 to March 31, 2007, totalling \$402.260 million comprised of the following:

Budget Advisory Committee Minutes
Friday, September 15, 2006

- (i) New and Change in Scope projects/subprojects totalling \$35.477 million with debt financing of \$14.358 million;
 - (ii) Previously Approved projects/sub-projects totalling \$244.277 million gross with debt financing of \$95.361 million; and
 - (iii) Carry forward of 2006 projects/subprojects totalling \$122.506 million with no incremental impact on debt;
- (3) Debenture financing not to exceed \$109.719 million (for New and Change in Scope, and Previously Approved Projects) with a term not exceeding the lesser of 10 years or the useful life of the capital assets, be approved;
 - (4) City Council authorize other financing sources for New and Change in Scope and Previously Approved Projects as follows: Reserves/Reserve Funds in the amount of \$114.783 million, Development Charges in the amount of \$5.162 million and other financing source in the amount of \$124.377 million;
 - (5) City Council forward this report to the Incoming Council for adoption at its Inaugural meeting in December 2006; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The Budget Advisory Committee also considered a communication (July 31, 2006) (Item 20) from the City Clerk, advising that City Council on July 25, 26 and 27, 2006 adopted, without amendment, Clause 40 of Report 6 of the Policy and Finance Committee, and directed that a copy be forwarded to the Budget Advisory Committee for consideration, as part of the pre-approval of the Capital Budget.

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

On motion by Councillor Soknacki, the Budget Advisory Committee:

- A. recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (September 8, 2006) from the Deputy City Manager and Chief Financial Officer, subject to adding Recommendation (7):

Budget Advisory Committee Minutes
Friday, September 15, 2006

“(7) the Deputy City Manager responsible for Solid Waste Management Services report to the appropriate successor Committee dealing with these matters prior to awarding any contract for the project of Recycling Containers, on the result of the RFP and the financial implications of implementing this project. This will allow for a more accurate assessment of the debt impact this project would have on Solid Waste Management Services’ 5-year Capital Plan.”;

- B. referred the communication dated July 31, 2006 (Item 20) from the City Clerk regarding Clause 40 of Report 6 of the Policy and Finance Committee, entitled “August 19, 2005 – Storm Damage Update (All Wards)”, forwarded by Council to the Budget Advisory Committee for consideration as part of the pre-approval of the Capital Budget, to the appropriate successor Committee dealing with these matters, for consideration as part of the 2007 Capital Budget process; and
- C. requested the Deputy City Manager and Chief Financial Officer to report to the appropriate successor Committee dealing with these matters on the total expenditures of the storm event of August 2005 to the 2007 Capital Budget process, and forward a copy of the report to the Mayor’s Office for the Mayor’s Intergovernmental Affairs negotiations.

(Sent to: Policy and Finance Committee; Budget Committee
- September 15, 2006)

Councillor Soknacki resumed the Chair.

**21.29 Request for Funding for an Energy Plan for Toronto
(All Wards)**

The Budget Advisory Committee considered a report (September 12, 2006) from the Chief Corporate Officer, seeking budget approval for activities to be undertaken for the development of an Energy Plan for Toronto and seeking authorization for its funding from the Better Buildings Partnership (BBP) Loan Repayment Reserve Fund.

Recommendations:

It is recommended that:

- (1) the Facilities and Real Estate Division's 2006 Approved Operating Budget be increased by \$15,000 gross; zero net (funded from the Better Building Partnership Loan Repayment Reserve Fund) and the 2007 Operating Budget submission include an allocation of \$570,000 gross, zero net (funded from the Reserve) for consideration with the City's 2007 Operating Budget process; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Deputy Mayor Bussin, 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 (September 12, 2006) from the Chief Corporate Officer.

(Policy and Finance Committee – September 15, 2006)

21.30 Revised Plan for the 2006/2007 Allocation for the Supporting Communities Partnership Initiative (SCPI)

The Budget Advisory Committee considered a communication (September 11, 2006) from the Community Services Committee, advising of the action taken by the Community Services Committee at its meeting on September 11, 2006.

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (August 22, 2006) from the General Manager, Shelter, Support and Housing Administration, respecting "Revised Plan for the 2006/2007 Allocation for the Supporting Communities Partnership Initiative (SCPI)."

The Budget Advisory Committee also considered a report (September 15, 2006) from the General Manager, Shelter, Support and Housing Administration, reporting as requested by the Community Services Committee on the results of the SCPI allocation for training leading to successful employment placement.

Recommendation:

It is recommended that this report be received for information only.

Councillor Joe Mihevc, Ward 21 St. Paul's, declared an interest in this matter in that his spouse works with the East York East Toronto Family Resources.

Budget Advisory Committee Minutes
Friday, September 15, 2006

On motion by Councillor Rae, the Budget Advisory Committee:

- A. recommended to the Policy and Finance Committee that City Council adopt the following staff recommendations contained in the Recommendations Section of the report (August 22, 2006) from the General Manager, Shelter, Support and Housing Administration, as recommended by the Community Services Committee:
- “(1) Council approve the allocation of the 2006/2007 SCPI funding of \$11.596 million across the six objectives of the Council approved plan, Building on Successes: The Community Plan for Supporting Communities Partnership Initiative (SCPI) for Toronto, 2003-2006, substantially as outlined in Appendix A; and authorize the General Manager, Shelter, Support and Housing Administration to adjust funding between these objectives as may be required to ensure maximum and appropriate use of available federal funds;
 - (2) as part of the above revised Plan, Council approve up to \$600,000.00 to extend the existing service related projects, as listed in Appendix B, to February 28, 2007;
 - (3) should the outstanding \$5.69 million of the 2006/07 allocation be provided to the City, the funds be allocated primarily to Objective 3 in the SCPI Community Plan – Target Investment in Shelters and Community Facilities;
 - (4) the 2007 Interim Operating Budget (Estimates) for Shelter, Support and Housing Administration be adjusted to include the confirmed SCPI funding for January through March 2007 as may be required; and
 - (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”
- B. received the report (September 15, 2006) from the General Manager, Shelter, Support and Housing Administration, for information.

(Policy and Finance Committee – September 15, 2006)

21.31 Confirmation of Funding for the Relocation and Stabilization of the Joy Oil Station Located at 1978 Lake Shore Boulevard West (Ward 13 Parkdale-High Park)

The Budget Advisory Committee considered a report (September 12, 2006) from the Chief Corporate Officer, confirming funding for the relocation and stabilization of the historically designated Joy Oil Station located at 1978 Lake Shore Boulevard West.

Recommendations:

It is recommended that:

- (1) funds in the amount of \$396,100.00 be re-allocated from within the Facilities and Real Estate 2006 Approved Capital Budget by way of a transfer from the Emergency Capital Repairs sub-project and a new sub-project – Joy Oil Station be created; subject to City Council’s approval of the relocation of the Joy Oil Station at 1978 Lake Shore Boulevard West to Sir Casimir Gzowski Park; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Deputy Mayor Bussin, 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 (September 12, 2006) from the Chief Corporate Officer.

(Policy and Finance Committee – September 15, 2006)

21.32 Festival Management Committee Report on a “Governance Structure for the 2007 Carnival Festival” and 2006 Festival Audit

The Budget Advisory Committee considered a communication (September 12, 2006) from the Economic Development and Parks Committee advising of the action taken by the Economic Development and Parks Committee on September 12, 2006, regarding the Festival Management Committee Report on a “Governance Structure for the 2007 Carnival Festival” and 2006 Festival Audit.

Recommendations:

The Economic Development and Parks Committee recommended to the Budget Advisory Committee that:

Budget Advisory Committee Minutes
Friday, September 15, 2006

- (a) \$150,000 of the \$400,000 2007 grant from the City be preapproved and paid out to the Festival Management Committee in monthly instalments commencing October, 2006;
- (b) City Council request the Federal Government to match the City and Province's contribution to the Caribbean Carnival; and
- (c) City Council recommend to Tourism Toronto that the application for a grant by the Festival Management Committee be approved.

On motion by Councillor Mihevc, the Budget Advisory Committee submitted this matter to the Policy and Finance Committee and Council, without recommendation, and requested the Deputy City Manager and Chief Financial Officer to report to Council on September 25, 2006, on ways in which the Toronto Caribbean Carnival Festival may be funded over the period from October 2006 to February 2007.

(Policy and Finance Committee – September 15, 2006)

21.33 Increase to the 2006 Toronto Public Health Operating Budget

The Budget Advisory Committee considered the following Notice of Motion by Councillor Joe Mihevc, Ward 21, St. Paul's:

“WHEREAS the Healthy Babies Healthy Children (HBHC), the Preschool Speech and Language Preschool Speech and Language program (PSL) and the Infant Hearing Program (IHP) are 100 percent provincially funded by the Ministry of Children and Youth Services; and

WHEREAS these programs are prevention/early intervention initiatives designed to help families promote healthy child development and help their children achieve their full potential and are an integral part of the services that Toronto Public Health provides for families in the City of Toronto; and

WHEREAS the Ministry of Children and Youth Services notified Toronto Public Health on September 12 2006 that they are increasing the grant for Healthy Babies Healthy Children program to Toronto Public Health by \$481,032 from \$17,011,800 to \$17,492,832. It is recommended that the 2006 Toronto Public Health Operating Budget be increased in the amount of \$481,032 gross and \$0 net; and

Budget Advisory Committee Minutes
Friday, September 15, 2006

WHEREAS the Ministry of Children and Youth Services notified Toronto Public Health on September 12 2006 that they are increasing the grant for Preschool Speech and Language program to Toronto Public Health by \$448,166 from \$6,276,042 to \$6,724,208. It is recommended that the 2006 Toronto Public Health Operating Budget be increased in the amount of \$448,166 gross and \$0 net; and

WHEREAS the Ministry of Children and Youth Services notified Toronto Public Health on September 12 2006 that they are increasing the grant for Infant Hearing program to Toronto Public Health by \$127,360 from \$1,865,185 to \$1,992,545. It is recommended that the 2006 Toronto Public Health Operating Budget be increased in the amount of \$127,360 gross and \$0 net;

NOW THEREFORE BE IT RESOLVED THAT the 2006 Toronto Public Health Operating Budget be increased as follows:

- \$481,032 gross and \$0 net for the Healthy Babies Healthy Children program;
- \$448,166 gross and \$0 net for the Preschool Speech and Language program; and
- \$127,360 gross and \$0 net for the Infant Hearing program.”

On motion by Councillor Mihevc, the Budget Advisory Committee:

A. recommended to the Policy and Finance Committee that City Council increase the 2006 Toronto Public Health Operating Budget as follows:

- \$481,032 gross and \$0 net for the Healthy Babies Healthy Children program;
- \$448,166 gross and \$0 net for the Preschool Speech and Language program; and
- \$127,360 gross and \$0 net for the Infant Hearing program;

B. requested the Deputy City Manager and Chief Financial Officer to exercise due diligence and report directly to Council on September 25, 2006, if necessary.

(Policy and Finance Committee – September 15, 2006)

Budget Advisory Committee Minutes
Friday, September 15, 2006

City Manager Shirley Hoy and Deputy City Manager and Chief Financial Officer Joe Pennachetti expressed their appreciation to Councillor David Soknacki for his leadership, support and guidance in the last three years as Chair of the Budget Advisory Committee.-

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

Chair