

Budget Committee

Meeting No. 14
Meeting Date Tuesday, July 10, 2007
Start Time 9:30 AM
Location Committee Room 1, City Hall

Contact Merle MacDonald, Committee Administrator
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Budget Committee		
Councillor Shelley Carroll (Chair) Councillor Paul Ainslie (Vice-Chair) Councillor Maria Augimeri	Councillor A. A. Heaps Councillor Joe Mihevc	Councillor Gord Perks Councillor Kyle Rae

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

Confirmation of Minutes – June 13, 2007

Communications/Reports

BU14.1	ACTION			Ward: All
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Capital Variance Report for the Four Months Ended April 30, 2007

(June 22, 2007) Report from Deputy City Manager and Chief Financial Officer

Summary

This is to advise that the Capital Variance Report for the Four Months Ended April 30, 2007 will be on the Supplementary Agenda for the Budget Committee meeting of July 10, 2007.

Background Information

Staff Report

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5253.pdf>)

BU14.2	ACTION			Ward: All
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AOCC Settlement of Operating Results for Year 2005 and Compensation Review

(June 20, 2007) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. The surpluses of \$70,280 be paid to the City of Toronto from seven AOCCs and be used to fund the payments of operating deficits of \$7,021 to the other three AOCCs, resulting in a net settlement of \$63,258 to the City arising from the Core Administration Operations' year end results for the year 2005 as detailed in Appendix 1.
2. The 2007 Operating Budget for the Association of Community Centres be increased by \$589,045 (gross) and \$0 (net) and be funded from a one-time draw on the Employee and Retiree Benefits Reserve Fund to cover the retroactive payments resulting from a compensation review of AOCC management non-union staff by Centre.

Financial Impact

The total surpluses of \$70,280 from seven Community Centres will offset the funding of total deficits of \$7,021, resulting in a net payment of \$63,258 from the AOCCs to the City in 2007 arising mainly from the Core Administration Operations' year end results for 2005.

The financial impact of the compensation review arising from the Governance Review of AOCCs is \$266,218 for 2007 (excluding the retroactive payments from April 15, 2003 to December 31, 2006). Funding for this purpose has not been included in the 2007 Approved Operating Budget for the AOCC program. Consistent with past practice, this report recommends that the retroactive payments from April 15, 2003 to June 30, 2007 totalling \$589,045 be funded from the Employee and Retiree Benefits Reserve Fund, with the ongoing costs to be managed within the 2007 and future year operating budgets for the AOCC program.

A summary of net funding to the City/Community Centre is attached as Appendix 1.

Summary

This report recommends settlement with the 10 Community Centres (Association of Community Centres or AOCCs) on their Core Administration Operations for 2005 based on audited financial results. In addition, the report recommends authority to draw on the Employee and Retiree Benefits Reserve Fund to fund retroactive payments resulting from a compensation review of AOCC non-union staff, as consistent with past practice.

Background Information

Staff Report

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5254.pdf>

BU14.3	ACTION			Ward: All
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Transportation Services - Additional 2007 Cashflow Reallocations and Deferrals

(June 22, 2007) Report from General Manager, Transportation Services

Recommendations

The General Manager of Transportation Services recommends that:

1. the deferred and accelerated cash flows in the amount of \$10,350,000.00 detailed in Table 1, attached, which will have no net impact on the approved 2007 approved debt, be approved;
2. the deferred cash flows in the amount of \$38,262,000.00 detailed in Table 2, attached, which represent uncontrollable third party funding from others and will have no net impact on the approved 2007 debt, be approved;

3. the accelerated cash flows in the amount of \$14,000,000.00 detailed in Table 2, attached, which represents uncontrollable third party funding from others and will have no net impact on the approved 2007 debt, be approved;
4. the General Manager, Transportation Services Division, be requested to report back to the Budget Committee as part of the 2008 Capital Budget process, on a revised five-year plan; and
5. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

As with the report dated May 30, 2007 and consistent with the data contained in Table 1, attached, funding in the amount of \$10,350,000.00 will be deferred from various projects that for a number of reasons as outlined in the body of this report, will be delayed. In this regard, an equivalent cash flow can be accelerated and reallocated to a number of projects that are ready to proceed. These cash flows represent debt funded projects with no net change to the approved 2007 net debt funding requirement.

The Division is also seeking to defer a total gross approved cash flow of \$38,262,000.00 from 2007 to 2008 representing those fully recoverable projects (work for others) that are also delayed for various reasons outside of the control of the Division. The Division is also seeking an acceleration of \$14,000,000 in gross cash flows from 2008 to 2007 for various third party works that are ready to proceed.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Summary

The Transportation Services Division submitted a report dated May 30, 2007 to the Budget Committee meeting on June 13, 2007 recommending the reallocation of anticipated cash flow expenditures from 2007 projects that, for various reasons, must be deferred to other projects that are ready to proceed. The Budget Committee recommended the adoption of the report without amendment.

As with the previous report, additional 2007 cash flows will need to be realigned to other program areas that are ready to proceed. This will involve the deferral of 2007 approved cash flows and a corresponding acceleration of others that will yield a zero net impact on approved debt for 2007. As part of the upcoming 2008 budget process, projects will be revisited and cash flows reassessed accordingly so that approved five year debt targets are not altered.

Background Information

Staff Report

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5255.pdf>

Table 1 and 2

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5256.pdf>)

BU14.4	ACTION			Ward: 21
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Re-construction of a Retaining Wall - Turner Road Flankage of Premises No. 29 Hillcrest Drive

(June 20, 2007) Report from Executive Director, Technical Services and General Manager, Transportation Services

Recommendations

The Executive Director of Technical Services and the General Manager of Transportation Services recommend that:

1. the City proceed with the slope stabilization, remediation and reconstruction of a retaining wall located on the Turner Road flankage of Premises No. 29 Hillcrest Drive, at an estimated cost of \$498,390.18;
2. cash flow funding in the amount of \$378,390.18 be accelerated from within approved 2007 Transportation Services debt targets and reduced by an equal amount from another approved 2007 Transportation Services program;
3. given the urgent nature of the work involved, that this report be considered for approval by City Council at its meeting of July 16, 2007; and
4. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Consistent with recent initiatives by Transportation Services to defer approved 2007 cash flow funding from various projects that, for a number of reasons, will be delayed, similar mechanisms are recommended to allow for the reconstruction of the retaining wall described herein. The Transportation Services Division will arrange through Finance staff the acceleration of an equivalent amount of cash flow funding to cover the cost of this work. This reallocation will not result in any changes to net debt target levels for 2007 or future years. For various reasons, including escalating prices and modified design approach, there is a considerable change in scope (\$378,390.18) from the initial estimated cost (\$120,000.00) from over two years ago.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Summary

The purpose of this report is to provide an update on the condition of a deteriorating retaining wall along the flankage of Premises No. 29 Hillcrest Drive, located in Ward 21 (St. Paul's), and to request authority to reallocate funding from within approved divisional Transportation Services targets in order to facilitate its reconstruction, which is of an urgent nature and, correspondingly, to award the necessary work.

Background Information

Staff Report

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5257.pdf>)

BU14.5	Information			Ward: All
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Radio Communications System Replacement

(June 19, 2007) Report from Fire Chief

Summary

The purpose of this report is to provide a project status update to the Budget Committee as requested by Council through the 2007 Capital Budget process. The Chiefs of Toronto Police Service and Emergency Medical Services as well as the Steering Committee for the Radio Communication System Replacement project were consulted in preparation of this report.

The Radio Communications System Replacement Project is currently still in its infancy with little to report in terms of progress or budget impact at this early stage. There are no emergent issues to report at this time. In addition, the approved project cash flows will be reviewed and adjusted as part of the 2008 Capital Budget process.

Background Information

Staff Report

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5258.pdf>)

BU14.6	Information			Ward: All
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City-wide and Local Parkland Acquisition and Development Reserve Fund Balances

(June 22, 2007) Report from Treasurer

Summary

As requested at the June 13, 2007 Budget Committee meeting, the Staff Report on the City-wide and Local Parkland Acquisition and Development Reserve Fund Balance is being prepared.

This report will be submitted to the Budget Committee for the July 10, 2007 Committee meeting.

BU14.7	ACTION			
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Service Increases to Respond to Unanticipated Ridership Growth

(June 14, 2007) Letter from General Secretary, Toronto Transit Commission

Recommendations

The Toronto Transit Commission recommends that Council:

1. approve the implementation of 1900 additional, unbudgeted, hours of service per week in November 2007 to reduce overcrowding on the system at an estimated cost of \$0.64 million in 2007, and an annual cost of \$6.7 million in 2008 noting that:
 - system ridership is expected to reach 462M annual riders by year-end in 2007, which is 1.8% higher than budgeted, and ridership growth is expected to continue in 2008;
 - the additional service is required to accommodate this higher ridership level without overcrowding;
 - the eight additional buses required to provide these services can be accommodated within the current bus fleet plan to the end of 2008. Bus fleet requirements in the longer-term will be reviewed as part of the 2008 budget process.

Summary

Forwarding for approval, the report entitled “Service Increases to Respond to Unanticipated Ridership Growth”, which was approved by the Commission on June 13, 2007.

Background Information

Letter from General Secretary TTC

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5259.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5260.pdf>)

BU14.8	ACTION			
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Procurement Authorization Pre-Engineering Consultant Services Steeles West Station Contract A85-67 and Procurement Authorization Geotechnical Engineering Consultant Services Steeles West Station Contract A85-68

(June 14, 2007) Letter from General Secretary, Toronto Transit Commission

Recommendations

The Toronto Transit Commission recommends that:

1. Council confirm in-year approval of an increase in the 2007 budget for the Spadina Subway Extension of \$3,650,000 bringing the current approved budget for 2007 to \$4,450,000 and the current project approval level to \$4,950,000.

Summary

Forwarding for consideration reports approved by the Commission on June 13, 2007, entitled, “Procurement Authorization Pre-Engineering Consultant Services Steeles West Station Contract A85-67” and “Procurement Authorization Geotechnical Engineering Consultant Services Steeles West Station Contract A85-68.”

Background Information

Letter from General Secretary TTC

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5261.pdf>

Attachment 1

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5262.pdf>

Attachment 2

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5263.pdf>

BU14.9	ACTION			Ward: All
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Green Roof Feasibility Report Roofing Rehabilitation Program

(June 14, 2007) Letter from General Secretary, Toronto Transit Commission

Recommendations

The Toronto Transit Commission recommends that Council:

1. approve the staff recommendation to implement a green roof pilot project at the existing Victoria Park Subway Station, new Victoria Park Canopy, and the existing Wilson Carhouse (cool roof);
2. authorize staff to seek approval of additional funds of \$3,200,000.00 (\$2,700,000.00 for Project 3.1 Finishes, Roofing Rehabilitation Program and \$500,000.00 for Project 3.9

Buildings and Structures Projects, Victoria Park Bus Terminal Replacement) in order to implement the green roof pilot project at the above locations as part of the 2008-2012 Capital Program, subject to City approval of the project and additional funding; and

3. consider and confirm increased debt target financing and funding through the Green Municipal Funding Program.

Summary

Forwarding for consideration the report entitled “Green Roof Feasibility Report Roofing Rehabilitation Program”, approved by the Commission on June 13, 2007.

Background Information

Letter from General Secretary TTC

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5264.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5265.pdf>)

BU14.10	Information			Ward: All
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2008 Budget Schedule

(June 14, 2007) Letter from General Secretary, Toronto Transit Commission

Summary

Advising that the Toronto Transit Commission on June 13, 2007 approved the following recommendations:

1. approve the proposed budget schedule outlined in this report including:
 - a. approval-in-principle of the 2008-2012 Capital Program at the October 17, 2007 Commission meeting (in order to meet the City budget schedule requirements); and
 - b. formal approval of the TTC Operating, Wheel-Trans Operating and TTC 2008-2012 Capital Program budgets at the November 14, 2007 Commission meeting; and
2. forward this report to the Deputy City Manager and Chief Financial Officer and to the Budget Committee of the City for information.”

Background Information

Letter from General Secretary TTC

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5266.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5267.pdf>)

BU14.11	ACTION			Ward: All
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Toronto Public Health 2007 Operating Budget Adjustments

(June 12, 2007) Letter from Board of Health

Recommendations

The Board of Health recommended to the Budget Committee that the following adjustments be made to Toronto Public Health's 2007 Operating Budget:

- a. an increase of \$1,443.3 thousand gross and \$0.0 thousand net and a staff increase of 11 temporary positions, to reflect confirmed funding from various provincial ministries (see Attachment 1 – Table 1); and
- b. an increase of \$556.1 thousand gross and \$0.0 net to reflect recovery costs of external secondments (see Attachment 1 – Table 2).

Financial Impact

Table 1 (see Attachment 1) reflects the budget adjustments required resulting from the confirmation of 2007 funds from various provincial ministries.

Table 2 (see also Attachment 1) reflects cost recoveries for staff seconded to various provincial ministries and related agencies.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Summary

Forwarding the recommendations of the Board of Health on June 12, 2007

Background Information

Letter from Board of Health

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5268.pdf>

Attachment

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5269.pdf>

BU14.12	ACTION			Ward: All
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Office of the Lobbyist Registrar 2007 Operating Budget

(June 13, 2007) Letter from City Clerk

Recommendations

The Lobbyist Registrar recommends that:

1. the 2007 Operating Budget for the Office of the Lobbyist Registrar be approved at \$802,000; and
2. funding in the amount of \$561,000 be transferred from the 2007 Approved Non-Program Budget to the 2007 Operating Budget for the Office of the Lobbyist Registrar.

Financial Impact

Funds in the amount of \$241,000 were approved in the 2007 Operating Budget for the Lobbyist Registrar's Office for the Lobbyist Registrar and an assistant. Provision was made in Non-Program for the remainder of funding requirements for the Office, pending a report back on 2007 Operating Budget requirements. The total amount of funding required for 2007 for the Lobbyist Registrar's Office is \$802,000. Funding in the amount of \$561,000 is available in the Non-Program budget and it is recommended that this funding be transferred to the Lobbyist Registrar's 2007 Approved Operating Budget.

It is anticipated that the funding requirements for 2008, reflecting the full year impact of this new initiative, will be \$1,069,400. The Lobbyist Registrar's Office will provide the 2008 Budget submission for consideration by Budget Committee through the City's operating budget process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Summary

Forwarding the report (May 15, 2007) from the Lobbyist Registrar setting out operating budget requirements for the new Lobbyist Registry function for 2007, and forecasting budgetary requirements for the first full year of operation in 2008.

Background Information

Letter from City Clerk

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5270.pdf>)

Report from Lobbyist Registrar

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-5271.pdf>)