

## Budget Committee

|                     |                              |                |  |
|---------------------|------------------------------|----------------|--|
| <b>Meeting No.</b>  | 15                           | <b>Contact</b> | Merle MacDonald, Committee Administrator |
| <b>Meeting Date</b> | Thursday, September 20, 2007 | <b>Phone</b>   | 416-392-7340                             |
| <b>Start Time</b>   | 9:30 AM                      | <b>E-mail</b>  | buc@toronto.ca                           |
| <b>Location</b>     | Committee Room 1, City Hall  |                |  |

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| <b>Budget Committee</b>   |   |  |
|---|---|--|
| Councillor Shelley Carroll (Chair)<br>Councillor Paul Ainslie (Vice-Chair)<br>Councillor Maria Augimeri | Councillor A. A. Heaps<br>Councillor Joe Mihevc | Councillor Gord Perks<br>Councillor Kyle Rae |

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

**Confirmation of Minutes – July 10, 2007**

**Communications/Reports**

|        |        |  |  |           |
|--------|--------|--|--|-----------|
| BU15.1 | ACTION |  |  | Ward: All |
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### **Capital Variance Report for the Six-month Period Ended June 30, 2007**

(September 6, 2007) Report from Deputy City Manager and Chief Financial Officer

#### **Summary**

This is to advise that the Capital Variance Report for the six-month period ended June 30, 2007 will be on the Supplementary Agenda for the Budget Committee meeting of September 20, 2007.

#### **Background Information**

Capital Variance Report for the Six-month Period Ended June 30, 2007

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6535.pdf>)

|        |        |  |  |           |
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| BU15.2 | ACTION |  |  | Ward: All |
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### **Operating Variance Report for the Six-month Period Ended June 30, 2007**

(September 6, 2007) Report from Deputy City Manager and Chief Financial Officer

#### **Summary**

This is to advise that the Operating Variance Report for the six-month period ended June 30, 2007 will be on the Supplementary Agenda for the Budget Committee meeting of September 20, 2007.

#### **Background Information**

Operating Variance Report for the Six-month Period Ended June 30, 2007

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6534.pdf>)

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| BU15.3 | Information |  |  | Ward: All |
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### **Reserves and Reserve Funds Variance Report - June 30, 2007**

(August 31, 2007) Report from Treasurer

#### **Financial Impact**

There are no financial implications contained in this report.

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 information on reserve and reserve fund balances as at June 30, 2007, activity in reserves and reserve funds during the first half of 2007, and projected year-end balances.

As was indicated in the Deputy City Manager and Chief Financial Officer's report of April 13, 2007 entitled '2007 Operating Budget – Required Reserve Contribution to Balance the 2007 Budget', the vast majority of these funds are committed to fund capital projects identified in the five year capital plan, and future known liabilities, leaving minimal reserve funds for discretionary spending. Most notably, the full balance of the Vehicle and Equipment Replacement Reserve is required to meet future vehicle and equipment replacements, the balances of all the Obligatory Reserve Funds are restricted for specific purposes as designated by legislation or contractual agreements and all capital reserves/reserve funds are required to replace and maintain capital assets. Also, the current balances of some reserve funds (e.g. Water and Wastewater Capital, Employee Benefits, Insurance) are not adequate to cover the future obligations for which they have been set aside.

## Background Information

Reserves and Reserve Funds Variance Report ý June 30, 2007

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6510.pdf>)

Appendix A, B, C - Reserves and Reserve Funds Variance Report ý June 30, 2007

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6511.pdf>)

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| BU15.4 | ACTION |  |  | Ward: 11, 16, 18,<br>20, 26, 27, 32 |
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## Arena Boards of Management 2006 Operating Surpluses /(Deficits) Settlement

(September 6, 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 \$88,198 (including any excess funds advanced to the arenas during 2006) be paid to the City of Toronto from four Arenas (Larry Grossman Forest Hill, Leaside, Moss Park, Ted Reeve) and the City fund the payments of the outstanding deficits of \$117,464 to four other Arenas (George Bell, William H. Bolton, McCormick, North Toronto) as the final settlement of the net surpluses and deficits for the year 2006, resulting in a net deficit of \$29,266 to be funded by the City, as detailed in Appendix A;
2. a provision for the required \$9,355 be made through the 2007 3<sup>rd</sup> Quarter Operating Variance Report from underspending, since \$19,911 of the \$29,266 net deficit funding requirement to the Arenas has already been provided through the 2006 Final Year-End Operating Variance Report;

3. this report be forwarded to the Executive Committee for its consideration; and
4. Council authorize and direct the appropriate City officials to take the necessary action to give effect thereto.

### **Financial Impact**

The Arena Boards of Management final net settlement for the year 2006 requires that surplus funds of \$88,198 be paid to the City from four Arenas and be used to partially fund the payments of the outstanding deficits of \$117,464 to four other Arenas, resulting in a net funding requirement from the City to the Arenas of \$29,266 arising from the Arenas' 2006 operations and City funds advanced to the Arenas during 2006. A summary of net funding to the City or Arena Board is detailed in Appendix A.

Of this \$29,266 net funding requirement, \$19,911 was provided through the 2006 Final Year-End Operating Variance Report, leaving a balance of \$9,355 to be funded in 2007 from an allocation of underspending through the 3<sup>rd</sup> Quarter Operating Variance Report.

### **Summary**

This report recommends settlement with the eight Arena Boards of Management (Arenas) on their 2006 operating surpluses and deficits based on audited financial results for the year ended December 31, 2006, with any unsettled operating surplus to be payable to the City by various Arenas and any unsettled operating deficit to be funded by the City upon Council's approval.

The Arena Boards' 2006 operating surpluses, including any excess funds advanced to the arenas during the year, totalling \$88,198 from four Arenas shall be paid to the City and be used to partially fund the outstanding deficits of four other Arenas of \$117,464, leaving a net funding shortfall of \$29,266. Of this amount, \$19,911 had already been provided for through the 2006 Final Year-End Operating Variance Report adopted by Council on July 16-19, 2007. It is recommended that the balance of \$9,355 be funded from 2007 underspending through the 2007 3rd Quarter Operating Variance Report.

### **Background Information**

Arena Boards of Management 2006 Operating Surpluses /(Deficits) Settlement

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6532.pdf>)

Appendix A - Arena Boards of Management - Summary of 2006 Operating Surpluses /(Deficit) Settlement

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6533.pdf>)

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| BU15.5 | ACTION |  |  |  |
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### **Adjustments to the FY2007 Parks, Forestry and Recreation Division's Capital Budget**

(September 6, 2007) Report from General Manager, Parks, Forestry and Recreation

## Recommendations

The General Manager of Parks, Forestry and Recreation recommends that the following be approved:

1. a new Victoria Memorial Park (Ward 20) project be created with revenues and expenses of \$50,000, funded from a Section 45 Agreement from the development at 20 Stewart Street, and that approval be given to receive the funds into this project;
2. the project known as Ward 27 Park Improvements, approved in 2006 as an in-year adjustment (Policy & Finance Committee, Report #6, Clause 36 approved July 25, 26, 27, 2006) in the amount of \$115,000, be increased by \$58,000 to \$173,000 to include additional donations received for this project;
3. a new Wabash Community Field House Project - 2007 (Ward 14) project be created with revenues and expenses of \$150,000, funded from a Section 37 Agreement from the development at 1100 King Street West, and that approval be given to receive the funds into this project, with the condition that this funding be replaced when monies dedicated to the Wabash Project are received by the City;
4. a new Three Valley Tennis Club Improvements (Ward 34) project be created with revenues and expenses of \$50,000, funded from a donation and that approval be given to receive the funds into this project and;
5. the project known as Parkland Acquisition FY2007 (City-Wide), approved March 7, 2007 in the amount of \$100,000 be increased by \$100,000 to \$200,000, funded from the City-Wide Parkland Acquisition Reserve Fund and that approval be given to receive the funds into this project.

## Financial Impact

Approval of this report will amend the FY2007 Parks, Forestry & Recreation Capital Budget from \$97,381,575 gross to \$97,789,575 gross an increase of \$408,000 and will have zero net impact.

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

## Summary

The purpose of this report is to provide adjustments to the FY2007 Parks, Forestry and Recreation Division's Approved Capital Budget to address additional financial resources and the creation of new sub-projects.

By approving this report, staff will have the authority to create the appropriate sub-projects and fulfil the obligations of the various agreements that Council has approved through the planning process.

## Background Information

Adjustments to the FY2007 Parks, Forestry and Recreation Division's Capital Budget (<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6589.pdf>)

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| BU15.6 | ACTION |  |  | Ward: All |
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## **Transportation Services - Mid-Construction 2007 Cashflow Reallocations and Deferrals**

(September 5, 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 \$16,900,000.00 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 \$20,650,000.00 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 General Manager, Transportation Services Division, be requested to report back to the Budget Committee as part of the 2008 Capital Budget process, on:
  - a. the impacts of the deferrals (Table 2) on the 2008 submitted cash flows;
  - b. a revised five year plan; and
4. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

### **Financial Impact**

Funding in the amount of \$16,900,000.00 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 Transportation Services Division is also deferring a total gross approved cash flow of \$20,650,000.00 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.

| Cash Flow Adjustments (\$ millions) | 2007    | 2008    | 2009    | 2010    | 2011    |
|-------------------------------------|---------|---------|---------|---------|---------|
| Approved to Date Gross Expenditures | 358.787 | 233.523 | 214.379 | 217.816 | 205.124 |
| Deferred Projects                   | 134.462 | 0       | 0       | 0       | 0       |
| Accelerated Projects                | 0       | 60.050  | 0       | 0       | 0       |
| Other Funding                       | 174.323 | 63.872  | 36.305  | 26.494  | 22.524  |
| Debt                                | 184.464 | 169.651 | 178.074 | 191.322 | 182.600 |

| Recommended (\$ millions) | 2007   | 2008 | 2009 | 2010 | 2011 |
|---------------------------|--------|------|------|------|------|
| Deferred Projects         | 37.55  | 0    | 0    | 0    | 0    |
| Accelerated Projects      | 0      | 16.9 | 0    | 0    | 0    |
| Other Funding             | 20.650 | 0    | 0    | 0    | 0    |
| Debt                      | 16.9   | 16.9 | 0    | 0    | 0    |
| Total Change in Debt      | 0      | 0    | 0    | 0    | 0    |

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 two earlier reports dated May 30 and June 22, 2007 to the Budget Committee recommending the reallocation of anticipated cash flow expenditures from 2007 projects that, for various reasons, needed to be deferred to other projects that were ready to proceed (Clause Nos. 22 and 42 of Executive Committee Report No. 10 adopted, as amended, by City Council at its meeting held on July 16, 17, 18 and 19, 2007).

As with the previous reports, additional 2007 cash flows are needed to be realigned to other program areas that are ready to proceed. This involves the deferral of 2007 approved cash flows and a corresponding acceleration of others that yield a zero net impact on the approved debt target for 2007. In view of the foregoing, Transportation staff, as part of the upcoming 2008 budget process and consistent with the Divisional submission, has reassessed all ongoing and imminent project cash flows so that approved five year debt targets will not be altered.

### Background Information

Report - Transportation Services - Mid-Construction 2007 Cashflow Reallocations and Deferrals

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6492.pdf>

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<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6493.pdf>

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| BU15.7 | ACTION |  |  | Ward: All |
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## City Planning Division – 2007 Operating Budget Adjustments

(September 6, 2007) Report from Chief Planner and Executive Director

### Recommendations

The City Planning Division recommends that:

1. the following adjustments to the City Planning Divisions 2007 Approved Operating Budget be approved:
  - a. an increase of \$34,205 gross/\$0 net for heritage consultants for Joy Oil with funding from Deferred Revenue generated by Section 37;
  - b. an increase of \$83,983 gross/\$0 net for the Bring Back the Don initiative with funding from donations already received;
  - c. an increase of \$53,447 gross/\$0 net for the Downtown Growth Management Study (Tall Buildings) with funding from the City Planning Division's 2007 Capital Fund Account;
  - d. an increase of \$30,000 gross/\$0 net for the Green Development Cost Benefit Analysis funded by a grant already received from the Federation of Canadian Municipalities;
2. Council authorize and direct appropriate City Officials to take the necessary action to give effect thereto.

### Financial Impact

The adoption of this report will increase the 2007 Approved Operating Budget for the City Planning Division by \$201,635 gross/\$0 net as outlined in the chart below. All of these one-time adjustments will be backed out of the Division's 2008 Operating Budget Submission.

| Operating Budget Adjustments                      |                              |                  |          |                       |                          |                    |          |                       |
|---|------------------------------|------------------|----------|-----------------------|--------------------------|--------------------|----------|-----------------------|
| Budget Adjustment                                 | 2007 Incremental Adjustments |                  |          |                       | 2008 Incremental Outlook |                    |          |                       |
|   | Expenditures (\$)            | Revenues (\$)    | Net (\$) | Temporary Staff (FTE) | Expenditures (\$)        | Revenues (\$)      | Net (\$) | Temporary Staff (FTE) |
| Joy Oil   | \$34,205                     | \$34,205         | 0        | 0                     | (\$34,205)               | (\$34,205)         | 0        | 0                     |
| Bring Back the Don                                | \$83,983                     | \$83,983         | 0        | 0                     | (\$83,983)               | (\$83,983)         | 0        | 0                     |
| Downtown Growth Management (Tall Buildings) Study | \$53,447                     | \$53,447         | 0        | 1                     | (\$53,447)               | (\$53,447)         | 0        | (1)                   |
| Green Development Standards Study                 | \$30,000                     | \$30,000         | 0        | 0                     | (\$30,000)               | (\$30,000)         | 0        | 0                     |
| <b>Total</b>                                      | <b>\$201,635</b>             | <b>\$201,635</b> | <b>0</b> | <b>1</b>              | <b>(\$201,635)</b>       | <b>(\$201,635)</b> | <b>0</b> | <b>(1)</b>            |

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 request budget adjustments to the City Planning Division's 2007 Operating Budget totalling \$201,635 gross/\$0 net to facilitate the delivery of the Division's program

## Background Information

City Planning - 2007 Operating Budget Adjustments

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6537.pdf>)

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|---------------|---------------|--|--|-----------|
| <b>BU15.8</b> | <b>ACTION</b> |  |  | Ward: All |
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## Toronto's Blind Low Vision Early Implementation Plan

(July 9, 2007) Report from The Board of Health

## Recommendation

The Board of Health recommends to the Budget Committee and City Council that:

- the Toronto Public Health's 2007 Approved Operating Budget be increased by \$242,720 gross and \$0 net to reflect funding from the Ministry of Children and Youth Services for the Blind-Low Vision Early Intervention Program.

## Financial Impact

| Blind-Low Vision Program    | 2007             |                  |            | 2008 GROSS<br>INCREMENTAL |
|-----------------------------|------------------|------------------|------------|---------------------------|
|                             | Gross            | Revenue          | Net        |                           |
| Base funding from MCYS      | \$132,720        | \$132,720        | \$0        | \$240,555                 |
| One time funding from MCYS* | \$110,000        | \$110,000        | \$0        | (\$89,600)                |
| <b>TOTAL</b>                | <b>\$242,720</b> | <b>\$242,720</b> | <b>\$0</b> | <b>\$150,955</b>          |
| Positions                   | 4.0              |                  |            | (1.0)                     |

\* One-time funding of \$130,400 is allocated as follows: 2007 \$110,000 / 2008 \$20,400

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

## Summary

Advising of the Board of Health's action at it's meeting on July 9, 2007.

## Background Information

Letter from Board of Health re Toronto's Blind Low Vision Early Implementation Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6514.pdf>)

Report - Toronto's Blind Low Vision Early Implementation Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6513.pdf>)

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| <b>BU15.9</b> | Information |  |  |  |
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### **Update Report on the Toronto Police Service Revised 2007-2011 Capital Program Submission**

(July 18, 2007) Report from Chair, Toronto Police Services Board

#### **Financial Impact**

There are no financial implications in regard to the receipt of this report.

#### **Summary**

The purpose of this report is to provide the Budget Committee with the Toronto Police Service capital budget/plan for 2007-2011 in response to recommendation no. 120.1 from the March 7, 2007 Council meeting. This budget has been approved by the Toronto Police Services Board and is in keeping with Council-approved debt-funding levels. The Toronto Police Service's 2008-2012 program is anticipated to be approved by the Toronto Police Services Board in September 2007.

#### **Background Information**

Update Report on the Toronto Police Service Revised 2007-2011 Capital Program Submission (<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6515.pdf>)

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| <b>BU15.10</b> | Information |  |  |  |
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### **Wilson Carhouse Modifications for the Toronto Rocket Toronto Green Development Standard.**

(July 12, 2007) Letter from General Secretary Toronto Transit Commission

#### **Summary**

Advising that the Toronto Transit Commission on July 11 2007, considered the report entitled "Wilson Carhouse Modifications for the Toronto Rocket Toronto Green Development Standard", and forwarded the report to the Budget Committee for information.

#### **Background Information**

Wilson Carhouse Modifications for the Toronto Rocket Toronto Green Development Standard (<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6518.pdf>)

Report - Wilson Carhouse Modifications for the Toronto Rocket Toronto Green Development Standard

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6519.pdf>)

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| BU15.11 | Information |  |  |  |
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## **TTC Charter and Special Event Service Requests**

(July 13, 2007) Letter from General Secretary, Toronto Transit Commission

### **Summary**

Advising that the Toronto Transit Commission on July 11, 2007, considered the report entitled "TTC Charter and Special Event Service Requests", and approved the following motion:

"That the issue of requests for free or discounted fare media also be referred to the city for consideration along with the other issues referred to in the report".

### **Background Information**

TTC Charter and Special Event Service Requests

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6516.pdf>

Report - TTC Charter and Special Event Service Requests

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-6517.pdf>