

## Budget Committee

<b>Meeting No.</b>	22 (Special)	<b>Contact</b>	Merle MacDonald, Committee Administrator
<b>Meeting Date</b>	Wednesday, November 21, 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		

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

**Members of Council and Staff:** Please keep this agenda and the accompanying material until the City Council meeting dealing with these matters has ended. **The City Clerk's Office will not provide additional copies.**

**Special Assistance for Members of the Public:** City staff can arrange for special assistance with some advance notice. If you need special assistance, please call (416-392-6314), TTY 416-392-338-0889 or e-mail [afernandes@toronto.ca](mailto:afernandes@toronto.ca).

**Closed Meeting Requirements:** If the Budget Committee wants to meet in closed session (privately), a member of the committee must make a motion to do so and give the reason why the Committee has to meet privately. (City of Toronto Act, 2006)

**Notice to People Writing to the Committee:** The City of Toronto collects any personal information in your communication to Toronto City Council or its committees under the City of Toronto Act, 2006 and the City of Toronto Municipal Code.

The City collects this information to enable it to make informed decisions on the relevant issue(s). Individuals who submit letters and other information should be aware that any personal information in their communication will become part of the public record. The City will make it available to the public, unless the individual expressly requests the City to remove the personal information.

Direct any questions about this collection to the City Clerk's Office, City Hall, 100 Queen St. W. Toronto ON M5H 2N2 or by calling 416-392-7340.

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

**Communications/Reports**

BU22.1	ACTION			Ward: All
--------	--------	--	--	-----------

## **Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan**

(November 15, 2007) Report from Deputy City Manager and Chief Financial Officer

### **Recommendations**

The Deputy City Manager and Chief Financial Officer recommends that:

The Executive Committee consider at its meeting of November 26, 2007 a report from the Deputy City Manager and Chief Financial Officer, entitled “Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan.”

### **Summary**

City staff are preparing a corporate report on the 2008 Capital Budget and 2009 – 2012 Capital Plan. This report will present the City of Toronto’s Budget Committee Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan, and recommends approval of the 2008 cash flow and future year commitments for capital projects. The report will be submitted on the supplemental agenda in accordance with, and subject to the decisions made at the Budget Committee meetings of November 13 and 14, 2007.

### **Background Information**

Report on Budget Committee Recommended 2008 Capital Budget and 2009 y 2012 Capital Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8858.pdf>)

### **Communications**

(November 19, 2007) e-mail from Michael Rosenberg, Economics of Technology Working Group (BU.New.BU22.1.1)

## **1a Toronto Public Library Board - Revised 2008-2012 Capital Budget Request**

(November 15, 2007) Letter from Toronto Public Library Board

### **Summary**

Letter received from Toronto Public Library Board advising of the action taken by the Board on November 12, 2007.

### **Background Information**

Letter on Revised 2008 - 2012 Capital Budget Request

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8859.pdf>)

Attach 1 - 11-2008-2012 Capital Budget Update

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8868.pdf>)

Report on 11-2008-2012 Capital Budget Update  
<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8869.pdf>

## **1b Toronto Transit Commission - 2008-2012 Capital Program and 10-Year Capital Forecast**

(November 15, 2007) Letter from General Secretary, Toronto Transit Commission

### **Recommendations**

The Toronto Transit Commission forwarded this report to the City of Toronto for Council approval and confirmation of funding:

- a. In the amount of \$697.2 million for 2008 and \$4.401 billion for the base 2008-2012 Capital Program and approval of the 10 year forecast.
- b. In the amount of \$56.8 million for 2008 and \$1.651 billion for the 2008-2012 Capital Program for the Spadina Subway Extension project including a new project cost commitment of \$220.8 million (see Table 3).
- c. In the amount of \$5.8 million for Environmental Assessment work in 2008 and 2009 and \$17.1 million for 2008 Transit City Plan first priority initiatives (see Table 3).

### **Summary**

Letter received from Toronto Transit Commission advising of the action taken by the Commission on November 14, 2007.

### **Background Information**

Letter from TTC re 2008-2012 Capital Program and 10-Year Capital Forecast  
<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8862.pdf>  
 Report on 2008-2012 Capital Program and 10-Year Capital Forecast  
<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8863.pdf>

## **1c Toronto Transit Commission - Project Approval - Transit City Light Rail Plan (First Priorities)**

(November 15, 2007) Letter from General Secretary, Toronto Transit Commission

### **Recommendations**

The Toronto Transit Commission approved the following Recommendation Nos. 1, 2, 3, 5 and 7:

- “1. Approve interim funds of \$13 million to allow engineering, design, and associated work to begin on the Sheppard East, Etobicoke-Finch West, and Eglinton-Crosstown LRT lines and on the required maintenance and storage (M&S) facilities, and for the supply

of special trackwork for the Park Lawn/Lake Shore Loop and the design of a new LRT loop at Kipling/Lake Shore, both of which are part of the Waterfront West LRT line;

2. Forward this report to the City Budget Committee for consideration and endorsement of these plans for City Council approval in December, noting that:
  - i. These initiatives address the City of Toronto's vision and strategic priorities and are included under the MoveOntario 2020 Program
  - ii. Budget and funding approval of \$4 million to March 31, 2008 is required to enable TTC and City staff to proceed with necessary engineering and design work activities and commitments to support the City and Province's timeline commitments;
  - iii. TTC commits to a further budget reduction of \$4 million in 2008 to be accommodated through an additional unspecified budget reduction;
  - iv. Funds to a maximum of \$400,000 will be held in TTC accounts pending City Council approval;
  - v. These funds up to a maximum of \$4 million will need to be held in City accounts pending funding commitment and approval by the GTTA and the Province of Ontario;
  - vi. The Greater Toronto Transportation Authority (GTТА) is currently considering quick win initiatives which meet its approved criteria for an approved plan to recommend forward to the Ministries of Transportation and Public Infrastructure Renewal for consideration in the preparation of the next Provincial budget;
  - vii. The provincial 2008 budget is expected to be released in March 2008; and
  - viii. The TTC and City staff will report back to Budget Committee upon release of the Provincial 2008 budget to confirm project funding and/or to recommend actions required to address any identified funding shortfall.
3. Request the City of Toronto to provide interim funding for these measures until such time as the Province of Ontario and the GTТА allocate sufficient funds, noting that delays in making these commitments and initiating project work will result in delays to the construction start dates noted in the report;
5. Subject to the confirmation of funding from the City of Toronto, approve:
  - i. the hiring of TTC staff for the implementation of the above Transit City Project work as shown on Exhibit 2, noting that recruitment will start immediately;
  - ii. approve the issuance of a Purchase Order, in the total interim amount of \$750,000 [included in 1 above], to the City of Toronto – Transportation Services, for the City's costs associated with the design and construction support

of the Transit City LRT lines;

7. In addition to the requirements of this report, additional budget approval is required from the City to allow environmental assessment work on the Transit City Plans to continue as follows:
  - i. Cashflow of \$0.7M in the first quarter of 2008;
  - ii. TTC commit to a further budget reduction of \$0.7M in 2008 to be accommodated through an additional unspecified budget reduction to offset the increase in Transit City funding;
  - iii. Cashflow of \$2.05M in the remainder of 2008;
  - iv. Additional project costs commitment of \$3.85M to cover contract requirements for the remaining EA work.”

### Summary

Letter received from Toronto Transit Commission advising of the action taken by the Commission on November 14, 2007.

### Background Information

Letter from TTC re Project Approval - Transit City Light Rail Plan (First Priorities)  
<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8866.pdf>  
 Report on Project Approval - Transit City Light Rail Plan (First Priorities)  
<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8867.pdf>

## 1d Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan

(November 21, 2007) Report from City Manager Deputy City Manager and Chief Financial Officer

### Recommendations

The Budget Committee (BC) recommends that:

1. Council approve the Budget Committee Recommended 2008 Tax Supported and Toronto Parking Authority Capital Budget, which incorporates all decisions made at its meeting of November 14, 2007, with total project costs of \$2.983 billion and requiring 2008 cash flows of \$1.937 billion and future year commitments of \$1.251 billion in 2009; \$706.966 million in 2010; \$381.103 million in 2011; \$514.938 million in 2012 and \$767.143 million in 2013 - 2017 as detailed below:
  - a. New Cash Flow Funding for:

## Budget Committee – November 21, 2007 Agenda

- i. new and change in scope projects with a total project cost of \$2.983 billion that require: 2008 cash flow of \$686.418 million and future year commitments of \$637.295 million in 2009; \$415.494 million in 2010; \$214.467 million in 2011; \$455.132 million in 2012 and \$574.210 million in 2013 to 2017 (see Appendix 2.(i));
  - ii. previously approved projects totalling \$2.269 billion requiring: 2008 cash flow of \$945.111 million and future year commitments of \$613.307 million in 2009; \$291.472 million in 2010; \$166.636 million in 2011, \$59.806 million in 2012 and \$192.933 million in 2013 – 2017 (see Appendix 2.(ii));
  - iii. previously approved projects with carry forward funding from 2006 and prior years requiring 2008 cash flow of \$41.418 million, which form part of the affordability target and require Council to reaffirm its commitment; and
- b. 2007 cash flow for previously approved projects with carry forward funding from 2007 into 2008 totalling \$305.122 million (see Appendix 2.(iii));
2. Council approve financing sources for the Budget Committee Recommended 2008 Tax Supported Capital Budget (including 2007 carry forward projects) comprised of: \$273.941 million from Reserves and Reserve Funds; \$136.000 million of Capital from Current funding; \$34.696 million of Developmental Charge funding; \$288.180 million from other sources; \$299.432 million of Provincial Grants and Subsidies; \$285.964 million of Federal Subsidies; and debt of \$591.692 million (inclusive of 2007 carry forward debt funding of \$132.546 million);
  3. Council authorize the Mayor and the Deputy City Manager and Chief Financial Officer to enter into an agreement or agreements with a purchaser or purchasers for the sale and issuance of debentures, to provide an amount in 2008 not to exceed \$500 million;
  4. Council approve new debt service costs of \$6.479 million in 2008 and incremental costs of \$34.147 million in 2009; \$47.237 million in 2010; \$47.827 million in 2011; and, \$39.594 million in 2012, for inclusion in the 2008 and future operating budgets;
  5. Council consider the operating impacts emanating from approval of the Budget Committee Recommended 2008 Capital Budget of \$9.293 million in 2008 and incremental costs of \$15.692 million in 2009; \$12.299 million in 2010; \$9.755 million in 2011; and, \$5.854 million in 2012, for inclusion in the 2008 and future operating budgets;
  6. Council approve the Budget Committee Recommended 2009 – 2012 Capital Plan for the City of Toronto (excluding Toronto Water) totalling \$6.855 billion and comprised of \$1.898 billion in 2009, \$1.720 billion in 2010; \$1.439 billion in 2011; and \$1.798 billion in 2012;
  7. Council receive for information the 2008 – 2017 Capital Forecast for the City of

Toronto (excluding Toronto Water) totalling \$14.930 billion as detailed by Program, Agency, Board and Commission in Appendix 4;

8. Council approve the BC Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan Program Recommendations by Category and Funding Source as detailed in Appendix 5;
9. Council approve the detailed BC Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan Program Recommendations (Appendix 6); and
10. Council receive the reports, transmittals and communications that are on file with the City Clerk's Office including Appendix 7 herewith attached, as considered by the Budget Committee at its 2008 Capital Budget review meetings of November 13, 14 and 21, 2007.

## **Financial Impact**

See report attached.

## **Summary**

This report presents the City of Toronto Budget Committee (BC) Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan, and recommends approval of 2008 cash flow and future years' commitments for capital projects, authority for the Mayor and the Deputy City Manager and Chief Financial Officer to negotiate and enter into agreements for the issuance of debentures in 2008 to support the City's capital program. Furthermore, the report recommends approval of the 2009 – 2012 Capital Plan, which will form the basis for developing future capital budgets, in accordance with the City's multi-year financial planning and budgeting process.

## **Background Information**

Report on Budget Committee Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8913.pdf>)

App 1 to 5

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8914.pdf>)

App 6

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8915.pdf>)

## **1e Toronto Street Food Project Plan**

(November 21, 2007) Report from Deputy City Manager Sue Corke Deputy City Manager and Chief Financial Officer

## Recommendations

The Deputy City Manager and the Deputy City Manager and Chief Financial Officer recommend the following actions conditional upon City Council approval to establish the Street Food Project:

1. the 2008 Economic Development Culture and Tourism Capital Budget be increased by \$0.700 million gross, \$0.700 million recoverable debt, for the Toronto Street Food Project;
2. the \$0.700 million of recoverable debt be available in January, 2008 for the period ending on January 30, 2013 at an interest rate of 5.00% per annum, repayable in annual instalments of \$161,682, with an interest free period extending until September 30, 2008 and the first instalment of \$138,350 due on January 30, 2009;
3. the repayment of the funding and all related agreements be on terms and conditions satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer as well as Deputy City Manager; and
4. the recoverable debt capital funding be deemed to be in the interest of the municipality.

## Financial Impact

Issuance of the recoverable debt capital funding is considered to be a financial commitment of the City. The \$700,000 recoverable debt capital funding has an annual payment of \$161,682.35 or \$5,389.41 per cart for 30 carts annually or \$449.12 monthly. Repayment must be generated by each of the 30 carts in order for the repayable funding to be self-sustaining over the 5 year term.

The 2008 Operating Budget Request for the Toronto Street Food Program will be submitted for consideration in the 2008 Operating Budget Process. The attached 5-Year cash flow projection includes \$0.341 million for 2008 revenue and \$0.227 million expenditure, \$0.113 million net surplus. Details of the 2008 Operating Budget will be submitted for consideration in the 2008 Operating Budget process.

## Summary

Earlier this year, the Toronto Board of Health requested the Minister of Health and Long-Term Care to amend Regulation 562 to allow for a greater variety of food to be sold on the street. On July 7, 2007, the Minister announced an amendment to Regulation 562, which would allow for a greater variety of street food choices, to take effect August 1, 2007.

On July 12, 2007, Council approved a motion implementing city staff recommendations to maintain the existing restrictions on street vending until such time as a comprehensive plan to implement the change could be brought forward. Staff has since been working on developing the Toronto street food project plan to introduce new foods on Toronto streets for Spring 2008.

Councillor Filion is bringing forward a memorandum to the Executive Committee seeking



authorization for staff to report through the Executive Committee to Council on issues which need to be addressed to move forward with the Toronto street food project.

To allow for the acquisition of the carts required for this project an amendment to the 2008 EDCT Recommended Capital Budget is required. The proposed funding is to be recovered from the lease payments for use of the carts.

### **Background Information**

Report on Toronto Street Food Project Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8920.pdf>)