

Budget Committee

Meeting No.	4 (Special)	Contact	Merle MacDonald ,Committee Administrator
Meeting Date	Thursday, February 8, 2007	Phone	416-392-7340
Start Time	9:40 AM	E-mail	mmacдона@toronto.ca
Location	Committee Room 1, City Hall		

Attendance

Members of the Budget Committee were present for some or all of the time periods indicated under the section headed “Meeting Sessions”, which appears at the end of the Minutes.

Councillor Shelley Carroll, Chair	X
Councillor Paul Ainslie, Vice-Chair	X
Councillor Maria Augimeri	X
Councillor A.A. Heaps	X
Councillor Joe Mihevc	X
Councillor Gord Perks	X
Councillor Kyle Rae	X

BU4.1	Information	No Action	Wards: All
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Presentation by the Deputy City Manager and Chief Financial Officer

Summary

To introduce the 2007 Capital Budget.

Speakers

Councillor Janet Davis
 Councillor Adam Giambrone
 Councillor Ron Moeser
 Councillor Adam Vaughan

Decision Advice and Other Information

The following Members of Council were present during the Presentation:

Councillor Janet Davis;
Councillor Adam Giambrone;
Councillor Pam McConnell;
Councillor Denzil Minnan-Wong;
Councillor Ron Moeser;
Deputy Mayor Joe Pantalone; and
Councillor Adam Vaughan.

The Budget Committee requested that the following be submitted to the wrap-up meeting:

1. Briefing note on the new Police Training Centre which originally was a \$35 million budget item and now is budgeted to be \$76 million;
2. a pie chart on the Capital Budget (page 23 of presentation) to be compared with other Cities with transit systems;
3. the Provincial Downloading Chart; and
4. Briefing Note from the General Manager, Transportation Services on the criteria used for deciding when a road needs capital work and is put into the capital budget, i.e., is there a set of standards, how are these determined, is each road examined before being put into the budget, what are the standards in this process and are there different standards used elsewhere.

The Budget Committee deferred the following motion tabled by Councillor Perks to the wrap-up meeting:

That:

1. the 2007 Parks, Forestry and Recreation Capital Budget for 40 Wabash Parkdale (Community Centres #71) be increased by \$130,000.00 from \$380,000.00 to a total of \$510,000.00, to be funded from deferred revenues and the Wabash Reserve Fund;
2. the transfer of a total of \$130,000 in reserve funds (\$100,000.00 from the UDS Deferred Reserve Account and up to \$30,000 from Reserve Account #XR4221, as dictated by the available funds in this account at the time of transfer) to the 40 Wabash Parkdale Capital project (Community Centres #71).

BU4.2		No Action	Transactional	Wards: All
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Capital Financing and Debenture Authorities

(February 1, 2007) report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. authority be granted for 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 2007 not to exceed \$500 million;
2. the 2007 sinking fund levies of \$167,683,949.02 for the City of Toronto and \$2,293,802.99 for the Toronto District School Board be approved;
3. the 15 percent debt charges as a per cent of tax levy guideline approved by Council in 2006 be reaffirmed for 2007 and the recommended debt issuance and resultant debt charges to finance the 2007 Capital Budget adhere to this capital management guideline;
4. City Programs and Agencies, Boards and Commissions' capital financing requirements be included in the Five Year Capital Budget and submitted through the Deputy City Manager and Chief Financial Officer (DCM/CFO) for consideration of Council;
5. authority be granted for the introduction of the necessary Bills in Council to give effect to the foregoing; and
6. the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.

Financial Impact

If the entire borrowing authority is utilized during 2007, the maximum financial impact is \$12.5 million in debt charges that would be reflected in the 2007 Operating Budget in the Non-Program Budget – Capital and Corporate Financing Account, assuming an interest rate of 5.00 percent per annum. For 2008, the estimated annualized debt charges resulting from the 2007 issuance of \$500 million is \$60 million.

There are no additional financial impacts contained in this report.

Summary

This report requests Council's approval for the sale and issuance of debentures in 2007 to finance tax-supported capital expenditures, the reaffirming of the guideline for the ratio of debt service charges to property taxes and ensuring that the City's capital financing and borrowing authority, including City Program, Agencies, Boards and Commissions, is delegated to the Deputy City Manager and Chief Financial Officer. These measures are necessary to support the City's efforts to further enhance its fiscal sustainability and credit worthiness.

Background Information

Staff Report

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-1405.pdf>)

Decision Advice and Other Information

The Budget Committee deferred the report to the wrap-up meeting.

Meeting Sessions

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2007-02-08	Morning	9:40 AM	11:15 AM	Public