

Budget Committee

Meeting No.	33	Contact	Merle MacDonald, Committee Administrator
Meeting Date	Friday, September 19, 2008	Phone	416-392-7340
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 2, City Hall		

The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Minutes for the official record.

How to Read the Decision Document:

- *Recommendations of the Committee to Executive Committee appear after the item heading.*
- *Any amendments by Committee to recommendations appearing in a staff report are italicized.*
- *Other action taken by the Committee on its own authority, which does not require Council's approval, is listed in the decision document under the heading "Decision Advice and Other Information".*
- *Declarations of Interest, if any, appear at the end of an item.*

BU33.1	ACTION	Adopted		Ward: All
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Capital Variance Report for the Six-month Period Ended June 30, 2008

(September 5, 2008) Report from Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Budget Advisory Committee recommended to the Executive Committee that:

1. City Council approve the in-year budget adjustments detailed in Appendix 2 of the report.
2. City Council approve a technical adjustment to change the funding source for the Bergamot Avenue Child Care Project from Provincial Subsidies to a draw from the

Child Care Expansion Reserve Fund (\$1.295 million).

3. City Council approve a carry forward of unspent 2007 funding for Spadina Subway Extension (\$0.337 million) and Transit City Plan (\$1.925 million) as detailed in Appendix 2-A of the report, in order to continue work on these projects in 2008.

Financial Impact

As summarized in Table 1 below, for the six months ended June 30, 2008, actual expenditures for Tax Supported Programs totalled \$531.4 million or 25.6% of a 2008 Approved Capital Budget of 2.077 billion. By comparison, these Programs spent 28.9% of their 2007 Approved Capital Budget during the same period in 2007. Tax Supported Programs project a spending rate of 85.8% or \$1.79 billion by the end of 2008.

Rate Supported Programs spent \$82.6 million or 18.9% of their 2008 Approved Capital Budget of \$436.7 million. It is projected that by year-end, actual expenditures will approximate \$322.8 million or 73.9% of the 2008 Approved Capital Budget (see Table 1).

Table 1 Corporate Capital Variance Summary for the Six Months Ended June 30, 2008 (\$000s)						
	2008 Approved Capital Budget	Actual Expenditures - January 1 to June 30, 2008		Projected Actual to Year-End		
		\$000	%	'\$000	% of Plan	
Tax Supported Programs:						
Citizen Centred Services - "A"	203,340	32,562	16.0%	145,945	71.8%	
Citizen Centred Services - "B"	500,447	73,920	14.8%	425,647	85.2%	
Internal Services	144,876	37,597	26.0%	112,697	77.8%	
Other City Programs	56,003	9,639	17.2%	52,467	93.7%	
Agencies, Boards & Commissions	1,172,189	377,712	32.2%	1,044,104	89.1%	
Total - Tax Supported	2,076,854	531,430	25.6%	1,780,860	86.0%	
Rate Supported Programs:						
Toronto Parking Authority	26,746	5,580	20.9%	15,592	58.3%	
Toronto Water	410,000	76,982	18.8%	307,169	74.9%	
Total Rate Supported	436,746	82,562	18.9%	322,761	73.9%	
Total	2,513,600	613,992	24.4%	2,103,621	83.9%	

Summary

The purpose of this report is to provide the City of Toronto Capital Variance Report for the six-

month period ended June 30, 2008, and projected actual expenditures to December 31, 2008. Further, the report recommends adjustments to the 2008 Council Approved Capital Budget in order to ensure effective delivery of the City's capital program.

Capital expenditures for Tax Supported Programs during the six months period ended June 30, 2008 totalled \$531.4 million, representing 25.6% of the 2008 Approved Capital Budget of \$2.514 billion (see Appendix 1). City Operations spent \$153.7 million or 17.0% of the 2008 Approved Capital Budget of \$904.7 million; while Agencies, Boards and Commissions spent \$377.7 million or 32.2% of their collective 2008 Approved Capital Budget of \$1.172 billion. Rate Supported Programs spent \$82.6 million or 18.9% of the 2008 Approved Capital Budget of \$436.7 million. The above spending levels are consistent with prior years' performance. It is noted that capital project activities tend to be concentrated in the latter half of the year; therefore, capital spending rates will accelerate during the summer months in accordance with capital project plans and schedules.

As shown in Appendix 1, projected expenditures to year end are estimated at \$2.108 billion or 83.7% of the total 2008 Approved Capital Budget of \$2.514 billion. Tax Supported Programs estimate spending 85.7%, while Rate Supported Programs estimate spending 73.9% of their respective 2008 Approved Capital Budget. Projected under-expenditures to year end are primarily attributed to unanticipated delays in construction start-up; challenges in hiring appropriate staff; unanticipated legal and environmental issues; reduced funding support from the Province on cost-shared projects; and the need to revise design plans.

Background Information

Capital Variance Report for the Six-month Period Ended June 30, 2008
(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15476.pdf>)

Appendix 1

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15497.pdf>)

Appendix 2

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15498.pdf>)

Appendix 2a

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15499.pdf>)

BU33.2	ACTION	Adopted		Ward: All
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Operating Variance Report for the Six-month Period Ended June 30, 2008

(September 5, 2008) Report from Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council approve the deposit of funds totalling \$21.466 million received from the Provincial government to create affordable housing into the Capital Revolving Reserve Fund; and further, Council approve an in-year budget adjustment to increase the 2008 Shelter, Support and Housing Administration Operating Budget by \$6.1 million gross, funded by a draw from the Capital Revolving Fund in order to make construction payments to housing providers under the Canada-Ontario Affordable Housing Program.
2. City Council approve an increase of \$2.407 million gross and revenue, and \$0 net to the 2008 Facilities and Real Estate Operating Budget to enable the program to receive financial incentives for electricity demand reduction from the Ontario Power Authority, and to disburse these incentives to the various participating entities upon delivery of their individual programs.
3. City Council approve a transfer of deferred revenue in the amount of \$46,983.77 to the 2008 Public Information and Creative Services Budget to support the Toronto Immigration Portal in such areas as focus group testing, content development and advertising.
4. City Council approve the technical adjustments to amend the 2008 Council Approved Operating Budget between Programs to ensure accurate reporting and financial accountability resulting in no net increase to the overall 2008 Council Approved Operating Budget as detailed in Appendix D of the report.
5. City Council authorize the City Manager and the Deputy City Manager and Chief Financial Officer to continue to monitor expenditures of City Programs, Agencies, Boards and Commissions that have projected over-expenditures and to institute appropriate strategies to ensure that they are on budget at year end.

Financial Impact

Net expenditures for the six-month period ended June 30, 2008 were \$3.234 million or 0.2% lower than planned expenditures (See Table 1). Projections to year end indicate a net operating budget under-expenditure of \$0.284 million. The favourable variance of \$3.234 million is attributed to under-expenditures in Citizen Centred Services "A", Internal Services, Other City Programs and in the Corporate Accounts which is partially offset by over-expenditures in Citizen Centred Services "B" (Transportation Services) and Toronto Transit Commission – Conventional Services. The Deputy City Manager and Chief Financial Officer will monitor expenditures of Programs and ABCs projecting over-expenditures at year end, and will institute appropriate strategies to ensure that they are on budget at year end.

Table 1		
Net Expenditure Variance (\$ Millions)		
	June 2008 Over/(Under)	Projected Y/E 2008 Over/(Under)
Citizen Centred Services "A"	(6.8)	(3.5)

Citizen Centred Services "B"	19.0	15.3
Internal Services	(4.1)	(2.4)
City Manager	0.3	(0.5)
Other City Programs	(3.0)	(2.5)
Council Appointed Programs	(0.2)	(0.1)
Total - City Operations	5.1	6.3
Agencies, Boards and Commissions	5.7	3.0
Corporate Accounts	(14.1)	(9.7)
Sub-Total	(8.4)	(6.6)
Total Variance	(3.2)	(0.3)

Summary

The purpose of this report is to provide the City of Toronto Operating Variance Report for the six-month period ended June 30, 2008, along with operating variance projections for the year ending December 31, 2008; and, to obtain approval of adjustments to amend the Council Approved Operating Budget between Program budgets in order to ensure accurate reporting and financial accountability with no increase to the 2008 Council Approved Net Operating Budget.

For the six-month period ended June 30, 2008, actual net expenditures were \$3.234 million or 0.2% under budget. This was primarily due to increased snow removal costs in Transportation Services and Toronto Transit Commission (TTC) arising from the large accumulation of snow from January to April 2008; and underachievement of revenues by TTC due to the April 2008 strike. Corporately, these over-expenditures were offset by under-spending in Social Services, Solid Waste Management Services and the Corporate Accounts.

Projections to year end indicate that the City's will be underspent by \$0.284 million. As indicated in Appendix A, City Operations project an unfavourable variance of \$6.340 million primarily attributed to over-expenditures of \$15.288 million in Transportation Services due to the significant snow removal costs associated with the higher than normal snowfall in early 2008. This is partially offset by favourable net expenditures in several City Programs including Social Services; Office of the Treasurer; Shelter, Support and Housing Administration; and Solid Waste Management Services. Collectively, Agencies, Boards and Commissions (ABC) project a net unfavourable variance at year end of \$3.035 million primarily resulting from the larger than normal snow removal cost and revenue loss as a result of the April transit strike. The over-expenditures in City Operations and ABCs are offset by the projected favourable net expenditure of \$9.659 million for the Corporate Accounts. The under-expenditures in the Corporate Accounts is primarily due to increased interest investment earnings of \$3.380 million, higher than expected Hydro revenues of \$1.416 million, higher than budget Parking Tag Enforcement & Operations revenue and Parking Authority Revenues of \$4.814 million.

Background Information

Operating Variance Report for the Six-month Period Ended June 30, 2008

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15477.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15480.pdf>)

BU33.3	ACTION	Adopted		Ward: All
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Reserves and Reserve Funds Variance Report – June 30, 2008

(September 4, 2008) Report from Treasurer

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council approve a transfer of \$1.247 million from the Fire Equipment Reserve to the Fire Vehicle Reserve to account for the 2007 timing of vehicle expenditures; and further, Council approve a reimbursement of \$0.939 million to the Fire Equipment Reserve from the Fire Vehicle Reserve in order to meet equipment requirements in 2008.

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, 2008, activity in reserves and reserve funds during the first half of 2008, and projected year-end balances and also recommend an inter-reserve transfer for Fire Services. The vast majority of these funds have been committed to fund capital projects and known future liabilities, leaving minimal amounts for discretionary spending.

Background Information

Reserves and Reserve Funds Variance Report - June 30, 2008

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15465.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15466.pdf>)

BU33.4	ACTION	Adopted		Ward: All
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Financial Planning, Analysis and Reporting System

(September 12, 2008) Report from Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Budget Committee recommends to the Executive Committee that City Council approve the following:

1. Extend the existing sole source contract 47011359 to Damy Consulting Inc. to continue as the Project Manager for the Financial Planning, Analysis and Reporting System, in the amount of \$315,000.00 net of GST, for the period January 1, 2009 to September 30, 2010, revising the current contract value from \$498,765.00 to \$813,765.00 excluding GST.
2. Extend the existing sole source contract 6024197 to Droichead Atha Inc. to continue to provide expertise as the SAP Analytics/Integration Manager for the Financial Planning, Analysis and Reporting System, in the amount of \$927,000.00 net of GST, for the period October 1, 2008 to September 30, 2010, revising the current contract value from \$489,600.00 to \$1,416,600.00.
3. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

The Financial Planning, Analysis and Reporting System is an approved capital project within the Financial Services Capital Budget with a total project cost of \$7.99 million with 2007 and prior actual expenditures of \$1.814 million and cashflow funding of \$3.52 million in 2008, and \$2.65 million in 2009.

This report recommends the extension of two sole source contracts for two consultants to September 30, 2010:

1. DAMY Consulting Inc. has been the FPARS Project Manager since January 2006. The current sole source contract 47011359 (which totals approximately \$498,765.00) will expire in December 2008. This report recommends an extension of the sole source contract to September 30, 2010 totalling \$315,000.00. The revised overall commitment will be \$813,765.00
2. Droichead Atha Inc. has been the SAP Analytics Integration Manager for the FPARS project since September 2007. The current sole source contract 6024197(which totals

\$489,600.00) will expire in September 2008. This report recommends an extension of the sole source contract to September 30, 2010 totalling \$927,000.00. The revised overall commitment will be \$1,416,600.00.

Sufficient funding is available within the 2008 Approved Capital Budget capital account CFO906795 Financial Planning, Analysis, and Reporting System (FPARS) to fund the two sole source commitments of \$1.242 million.

An increase in project costs of \$7.210 million will be included in the 2009 Capital Budget Submission. The scope of the project has expanded since its approval to include a rationalization and restructuring of all City cost centres (\$1.94 million), and since human resource data is tied to cost centres, a review and potential redesign of how complement planning and management is conducted in the City (\$3.170 million). Also there has been about a one-year delay in implementing the new system due to its size and complexity and the need to acquire specialized technical resources to meet expanded requirements (\$2.1 million). The FPARS project is scheduled to be implemented by June 2010, in time for the 2011 budget process to deliver a multi-year operating budget for the next term of Council.

External expertise is required to undertake this project as functionality within SAP new to the City for planning and analysis purposes will be used. Furthermore, the FPARS project is unique for its complexity of realigning information to create cost centre views, service views and the ability to report on program specific performance management information across the City. The FPARS project must tailor multi year financial and complement planning (position) and reporting to meet the specific requirements of 34 City Divisions and, in the future, 13 Agencies, Boards and Commissions as well as corporate needs. The functionality to meet these business requirements needs to be tightly integrated in order to provide a streamlined process and reporting must be satisfied by using SAP Business Intelligence (BI), a data warehouse which currently does not exist in the City. The current cost centre and human resource data needs to be restructured and realigned to present information using an organization and service view simultaneously. Managing two concurrent views requires detailed integration of data and system functionality. In the longer term, FPARS will enable the City to optimize SAP functionality in an integrated fashion by providing the necessary foundation.

Two external consultants, SAP Analytics Integration Manager and a Project Manager have both contributed to finalizing the Project Preparation and Business Blueprinting phases of the project. The sole source extension is required to September 30, 2010 to ensure the project continues with the same expertise and business knowledge without interruption to completion.

Summary

This report provides an overview of the capital project, Financial Planning, Analysis and Reporting System (FPARS) within SAP, including required resources. The report also requests authority to extend the existing sole source agreements 47011359 and 6024179 with two consultants to provide required expertise to continue the project uninterrupted through implementation phase, in time for the 2011 Operating Budget process (June 2010).

FPARS is required to support a new streamlined planning and budgeting process City-wide that

will be multi-year, service-based and performance focused. FPARS will support a foundation that includes service planning, multi-year service-based budgeting, performance management (through metrics and score carding), and expanded system functionality integration and support (through Enterprise Architecture). The system will enable the City to implement recommendations made by of the Fiscal Review Panel to streamline the budget process.

FPARS addresses current issues for planning and budgeting within the City:

- for planning, it will support a multi-year service planning process for the City that stores, tracks and reports MPMP, OMBI, performance metrics, divisional / cross divisional Council priorities and initiatives and approved strategic plans. It will link services to strategic outcomes; via service objectives and priority actions that will be established based on Council policy and strategic priorities and used to guide the budget; and
- for budgeting, FPARS will reduce the amount of manual effort and shadow systems required to prepare budgets, enable multi-year budgeting and provide timely, accurate, and service-based qualitative and quantitative information to assess and allocate resources based on performance.

Background Information

Financial Planning, Analysis and Reporting System

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15575.pdf>)

BU33.5	ACTION	Adopted		Ward: All
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Funding the Job Evaluation and Pay Equity Plan Settlement for Toronto Public Library

(September 19, 2008) Report from Deputy City Manager and Chief Financial Officer

Committee Recommendations

The Budget Committee recommended to the Executive Committee that City Council approve the following:

1. The retroactive payment of approximately \$6,384,930 (from March 1, 2004 to December 31, 2007) for the job evaluation and pay equity plan settlement be funded from the Employee Retiree Benefits Reserve Fund, resulting in an one-time increase to the Toronto Public Library's 2008 Operating Budget of \$6,384,930 gross and \$0 net.
2. Toronto Public Library make every effort possible to mitigate within the 2008

Approved Operating Budget, the 2008 financial impact resulting from the job evaluation and pay equity plan settlement.

Decision Advice and Other Information

The Budget Committee received the report (September 19, 2008) from the City Librarian for information.

Financial Impact

There is no provision to fund the job evaluation and pay equity plan settlement costs within the Toronto Public Library's or the City's 2008 Approved Operating Budget.

The settlement results in a 2008 budget pressure of \$8,332,585, comprised of an in-year 2008 pressure of \$1,947,665 and a retroactive payment of \$6,384,930 from March 1, 2004 to December 31, 2007. The settlement also results in an on-going budget pressure of approximately \$280,000 for 2009. The settlement costs are as follows:

Year	Prior to 2008 (one-time)	2008 (ongoing)	2009 (ongoing)
Settlement Costs	\$6,384,930	\$1,947,655	\$280,000

Consistent with past practices, this report recommends that the retroactive payment of \$6,384,930 from March 1, 2004 to December 2007 be funded from the Employee Retiree Benefits Reserve Fund. Also, the 2008 in-year impact of \$1,947,655 is recommended to be mitigated where possible from savings within Toronto Public Library's 2008 Approved Operating Budget. Finance staff will be monitoring spending of the Toronto Public Library and corporately throughout the remaining of the year to mitigate this pressure and report as part of the year-end 2008 Operating Variance report. The total incremental cost of \$2,227,655 (\$1,947,655 in 2008 and \$280,000 in 2009) is to be included in the Toronto Public Library's 2009 Operating Budget Submission and subject to the 2009 operating budgetary guidelines and targets.

The projected uncommitted balance to December 31, 2008 of the Employee Retiree Benefit Reserve Fund is \$147.824 million.

Summary

This report responds to the request made from the City Librarian in the report entitled "Job Evaluation and Pay Equity Plan Settlement - Toronto Public Library" to the City of Toronto to fund the settlement costs of job evaluation and pay equity plan that was reached between the Toronto Public Library (TPL) and the Toronto Civic Employees' Union, Local 416 (CUPE).

Background Information

Funding the Job Evaluation and Pay Equity Plan Settlement for Toronto Public Library

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15479.pdf>)

5a Job Evaluation and Pay Equity Settlement – Toronto Public Library

(September 19, 2008) Report from City Librarian

Financial Impact

There is no provision for the job evaluation and pay equity settlement in the Library's 2008 operating budget.

The settlement requires an increase to the 2008 Operating Budget of \$1,947,665. There is a further increase on January 1, 2009 of \$280,000. The cost of the retroactivity to December 31, 2007 is \$6,384,930.

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

Summary

The Toronto Public Library Board and the Toronto Civic Employees' Union, Local 416 (CUPE) have reached a settlement on a job evaluation and pay equity plan.

This report is a request to the City of Toronto to fund the settlement costs.

Background Information

Job Evaluation and Pay Equity Settlement – Toronto Public Library
(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15473.pdf>)

BU33.6	ACTION	Deferred		Ward: All
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City-Wide Security Plan – ABC Comparator Information

(September 2, 2008) Report from City Manager

Decision Advice and Other Information

The Budget Committee deferred the item until its meeting on October 23, 2008.

Financial Impact

There are no new financial requirements emanating from this report.

Summary

As part of the 2007 Operating Budget, the City Manager was asked to report on a City-wide security plan prior to the 2008 Operating Budget process. This report, titled “City-Wide Security Plan”, was submitted to the February 11, 2008 Budget Committee. The report described the Corporate Security framework and the details of the required improvements and enhancements to produce a City-wide security plan to be completed and reported to City Council in the fall of 2008.

Budget Committee on February 11, 2008 directed that, “Staff report to the Budget Committee in July 2008 on the comparator information and options utilized by other major cities, and staff report on the framework and implementation as they relate to ABC’s”.

Staff contacted a number of major cities in North America. Although the configurations of Agencies, Boards, and Commissions (ABC’s) varied greatly, staff have provided a profile of which major ABC functions are secured by the Corporate Security Unit of each city directly. With this benchmarking, this report also provides recommendations on the security framework and implementation for the City of Toronto’s ABC’s.

Background Information

City-Wide Security Plan - ABC Comparator Information

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15401.pdf>

BU33.7	ACTION	Adopted		Ward: All
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Request for In-Year Adjustment of Toronto EMS’ 2008 Capital Budget

(August 27, 2008) Report from Chief and General Manager, Toronto Emergency Medical Services

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council approve increasing the Emergency Medical Services’ 2008 Approved Capital Budget by \$1.26 million to be fully funded from the EMS Equipment Reserve XQ1019 for the purchase of various essential emergency service equipment.

Financial Impact

There is no net financial impact resulting from the approval of the recommendation contained within this report. The recommendation seeks to authorize the creation of a new capital project

within the Capital Budget for the purchase of essential emergency medical equipment. The total project cost of \$1.26 million in 2008 will be fully funded from the EMS' Equipment Reserve Fund. The current balance of the EMS' Equipment Reserve as of August 2008 is \$2.058 million.

Summary

The purpose of this report is to request approval to create a new capital project in the amount of \$1.26 million to be fully funded from the EMS' Equipment Reserve Fund XQ1019 for the purchase of various essential emergency service equipment.

Background Information

Request for In-Year Adjustment of Toronto EMS' 2008 Capital Budget
<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15441.pdf>

BU33.8	ACTION	Adopted		Ward: All
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City Planning Division - 2008 Operating Budget Adjustments

(September 2, 2008) Report from Chief Planner and Executive Director, City Planning Division

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council approve an amendment to the 2008 City Planning Operating Budget to include a funding increase of \$0.100 million gross and \$0.0 net funded by the Federation of Canadian Municipalities (FCM) Green Development Municipal Fund in the form of a grant to continue work underway related to the Toronto Green Development Standard.
2. City Council approve an amendment to the 2008 City Planning Operating Budget to include a one-time funding increase of \$0.050 million gross and \$0.0 net funded from equal contributions across ten City Divisions, Agencies, Boards and Commissions, as well as a \$0.010 million grant from FCM to develop a Green/ Sustainable Development training course.
3. City Council approve an amendment to the 2008 City Planning Operating Budget to include a one-time funding increase of \$0.100 million gross and \$0.0 net funded from Section 37 contributions, to cover all costs associated with the creation and placement of public art in the Queensway and Islington Avenue area.

Financial Impact

The table below summarizes the required budget adjustment of \$0.250 million gross and \$0.0

net to City Planning's 2008 Council Approved Operating Budget. Details are provided in the chart below.

BUDGET ADJUSTMENTS TO THE 2008 COUNCIL APPROVED OPERATING BUDGET						
PROGRAM	No. of Positions	GROSS \$000s	REVENUE \$000s	NET \$000s	2009 GROSS IMPACT	FUNDING SOURCE
Green Development Standard	0	100	100	0	(100)	FCM Grant
Green/Sustainable Development Training	0	50	50	0	(50)	FCM Grant and contributions across ten City Divisions and ABCs
Queensway-Islington Public Art Plan	0	100	100	0	(100)	Section 37
Total	0	250	250	0	(250)	

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 City Planning's 2008 Council Approved Operating Budget due to confirmation of funding from various sources received after Council approval of the 2008 Operating Budget for City Planning in March 2008.

Background Information

City Planning Division - 2008 Operating Budget Adjustments
<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15463.pdf>

BU33.9	ACTION	Adopted		Ward: All
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Transportation Services - Mid-Construction 2008 Cash Flow Reallocations and Deferrals

(September 4, 2008) Report from General Manager, Transportation Services

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council approve the deferred and accelerated cash flows in the amount of \$6,100,000 detailed in Table 1, attached, which will have no net impact on the approved 2008 approved debt.
2. The General Manager, Transportation Services Division, be requested to report back to the Budget Committee as part of the 2009 Capital Budget process, on a revised ten year capital plan.
3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Funding in the amount of \$6,100,000 will be decreased and deferred from various projects for a number of reasons, as outlined in the body of this report. In this regard, an equivalent cash flow can be accelerated, increased 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 2008 net debt funding requirement. The cumulative financial impact on project costs resulting from the cash flow reallocations approved by City Council on July 15, 16 and 17 along with those recommended in this report is \$19.332 million.

Transportation Services staff, as part of the upcoming 2009 budget process and consistent with the Divisional submission, has reassessed all ongoing and imminent project cash flows and all available funding sources in order that the increase in project costs will have no net impact on the approved five year debt targets for Transportation Services.

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 June 2, 2008 to the Budget Committee recommending the reallocation of anticipated cash flow expenditures from 2008 projects that, for various reasons, needed to be deferred to other projects that were ready to proceed. (Executive Committee Report No. EX22.33 adopted by City Council at its meeting held on July 15, 16 and 17, 2008).

As with the previous reports, additional 2008 cash flows are needed to be realigned to other program areas that are ready to proceed. This involves the deferral of 2008 approved cash flows along with a corresponding acceleration and increase within other Transportation Services Capital Budget items that yield a zero net impact on the approved debt target for 2008. The cumulative impact on project costs resulting from the cash flow reallocations approved by City Council on July 15, 16 and 17 and recommended in this report is \$19.332 million. An equivalent amount of project costs will be either funded from other sources or there will be an offsetting reduction in future year project costs. In view of the foregoing, Transportation staff, as part of the upcoming 2009 budget process and consistent with the Divisional submission, has reassessed all ongoing and imminent project cash flows and all available funding sources in order that the increase in project costs will have no net impact on the approved five year debt targets for Transportation Services.

Background Information

Transportation Services Mid-Construction 2008 Cash Flow Reallocations and Deferrals

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15471.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15472.pdf>)

BU33.10	Information	Received		Ward: All
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Toronto Atmospheric Fund Revenue Variance

(September 5, 2008) Report from Acting Executive Director, Toronto Atmospheric Fund

Decision Advice and Other Information

The Budget Committee received the item for information.

Financial Impact

There are no financial implications arising from this report.

Summary

This report provides the Budget Committee with information regarding the 1st and 2nd Quarter revenue variance from the Toronto Atmospheric Fund 2008 Approved Budget.

Background Information

Toronto Atmospheric Fund Revenue Variance

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15464.pdf>)

BU33.11	Information	Received		Ward: All
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Radio Communications System Replacement

(September 19, 2008) Report from Fire Chief

Decision Advice and Other Information

The Budget Committee received the item for information.

Summary

The purpose of this report is to provide a project status update to the Budget Committee as requested by Council through the 2008 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 in the system design stage and registers good progress in this area. However, there are new radio frequency spectrum regulatory issues that have an impact on the system design and on the timelines of the subsequent project phases. The Steering Committee, at its July 2, 2008 meeting, has approved the changes to the project timelines as put forward by the Technical Subcommittee. The changes do not present additional risk to the radio infrastructure and do not impact the overall success of the project. There is no total project budget impact and there are no changes to the 2008 expenditures. There are requirements to change the requested cash flows for future years. This report will present the adjustments to the required 2009-2012 cash flows. In addition, the approved project cash flows will be further reviewed and adjusted as required as part of the 2009 Capital Budget process.

Background Information

Radio Communications System Replacement

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15481.pdf>)

BU33.12	ACTION	Adopted		Ward: 23
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Land Exchange with the Toronto District School Board for Lands at Edithvale Park

(September 17, 2008) Report from City Clerk

Committee Recommendations

The Budget Committee recommended to the Executive Committee that City Council approve the following:

1. The City enter into a Land Exchange Agreement with the TDSB for lands shown as Part 3 on Sketch No. PS-2008-107a (the “Sketch”) and described as being part of Lot 20, Concession 1 WYS, Township of York (“TDSB Lands”) in exchange for lands shown as Part 1 and Part 2 on the Sketch and described as being Lots 85, 86, 87, 88, 89, 90 and 91 on Plan 4976 (“City Lands”), and monetary consideration in the amount of \$2,830,000.00 (plus GST if applicable), substantially on the terms and conditions outlined in Appendix “A” to this report and such other terms as the Chief Corporate Officer and the City Solicitor deem advisable to protect the interests of the City.
2. The City enter into a new lease with the TDSB for that portion of the building and land

shown as Part 4 and Part 5 on the Sketch to allow recreation programming to continue while construction of the new community centre takes place. The lease is to be for a term of two years commencing on the closing of the transaction, at a rental rate of \$87,000 per annum, substantially on the terms and conditions set out in the expired lease for the TDSB lands and such other terms as may be acceptable to the General Manager of Parks, Forestry and Recreation and the City Solicitor.

3. The City acquire a permanent easement over Part 12 as shown on the draft Reference Plan attached as Appendix “C” to this report, for the operation and maintenance of existing storm and sanitary sewers.
4. The 2008 Parks, Forestry and Recreation Capital Budget be amended by the addition of a new sub-project for the Land Acquisition and the Demolition of the Existing TDSB Building at 7 Edithvale Drive, with total project costs of \$3,111,625.00 and cash flow of \$2,911,625.00 in 2008 and \$200,000.00 in 2010, to complete the parkland acquisition and demolition work for the construction of a new community centre, funded from the following four reserve funds:

Parkland Acquisition – North York Local Reserve Fund (XR2041) in the amount of \$59,000.00 or the balance of the fund

Parkland Acquisition – North York City-Wide Reserve Fund (XR2039) in the amount of \$249,000.00 or the balance of the fund

Parkland Acquisition – North District Local Land Fund (XR2206) in the amount of \$2,103,764.00 or the balance of the fund

Parkland Acquisition – City Wide Land Acquisition Fund (XR2210) in the amount of \$699,861.00 or the balance required to fund this transaction of \$3,111,625.00.

5. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.
6. *Financial Planning staff work with Parks, Forestry and Recreation staff to ensure that the Parkland Acquisition Reserve Fund for the 2009-2018 Capital Plan is allocated in accordance with Council policies and priorities.*

Summary

The purpose of this report is to advise that a staff action report, “Land Exchange with the Toronto District School Board for Lands at Edithvale Park” will be considered at the Government Management Committee meeting scheduled for September 17, 2008, and if adopted the report will be submitted to the Budget Committee meeting scheduled for September 19, 2008.

Background Information

Land Exchange with the Toronto District School Board for Lands at Edithvale Park
<http://www.toronto.ca/legdocs/mmis/2008/bu/bgnd/backgroundfile-15630.pdf>

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15631.pdf>)

Appendix A

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15632.pdf>)

Appendix B

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15633.pdf>)

Appendix C

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15634.pdf>)

BU33.13	ACTION	Without Recs		Ward: All
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Procurement Authorization Amendment - Option to Purchase 120 Forty-Foot Hybrid Low Floor City Buses

(August 28, 2008) Letter from General Secretary, Toronto Transit Commission

Decision Advice and Other Information

The Budget Committee:

1. forwarded the item to the Executive Committee without recommendation; and
2. requested the Toronto Transit Commission and Financial Planning staff to provide a report to the Executive Committee outlining the financial request of the City and the exact impact on the Toronto Transit Commission's five-year Capital Plan.

Summary

For consideration by Council requesting project commitment and approval in October 2008 to proceed with the award of the supplementary order of an additional 40 forty-foot buses.

Background Information

Procurement Authorization Amendment - Option to Purchase 120 Forty-Foot Hybrid Low Floor City Buses

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15402.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15403.pdf>)

(Deferred from February 11, 2008 - 2008.BU26.3)

BU33.14	ACTION	Received		
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Community Development and Recreation Committee Item 6.4 Use of Residential Fire Sprinklers in New Housing Projects

(June 28, 2007) Letter from City Clerk

Decision Advice and Other Information

The Budget Committee received the item for information.

Summary

Advising that City Council on June 19, 20 and 22, 2007, adopted as amended Community Development and Recreation Committee item 6.4, entitled "Use of Residential Fire Sprinklers in New Housing Projects", and in doing, referred the request for including residential fire sprinklers in the design of future City-funded affordable homes to the 2008 Budget process.

Background Information

Letter from City Council re use of residential fire sprinklers in new housing projects.

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-13621.pdf>)

City Council decision on Use of Residential Fire Sprinklers in New Housing Projects

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-13622.pdf>)

BU33.15	ACTION	Amended		Ward: All
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Amendment for Special Request Services Labour Rates for Toronto Fire Services' Personnel for Services after Normal Business Hours

(September 12, 2008) Report from Community Development and Recreation Committee

Committee Recommendations

The Budget Committee recommended to the Executive Committee that City Council approve the following:

1. Item 25 of Schedule "A" (Fee Schedule for Fire Services/Inspections) to Municipal Code Chapter 441- Fees, being the hourly rate per person for Special Request Services for work outside of normal business hours, be amended by deleting the existing hourly fee of Special Request Services, charged at time and one half per hour, of \$63.00 per hour for each firefighter/Inspector, \$76.00 per hour for each Captain, and \$87.00 per hour for each District Chief, and replacing it with an hourly fee for Special Request Services, charged at time and one half per hour, of \$67.00 per hour for each Firefighter/Inspector, \$81.00 per hour for each Captain, and \$93.00 per hour for each

District Chief plus an administration/processing fee of seven percent of the aggregate of Toronto Fire Services' personnel fees per work order and applicable G.S.T.

2. Fees for all TFS personnel for training programs offered to municipalities and private/public corporations, and any activity conducted by Fire Services outside of normal business hours be amended by deleting the existing hourly fee charged at time and one half per hour, of \$63.00 per hour for each Firefighter/Inspector, \$76.00 per hour for each Captain, and \$87.00 per hour for each District Chief, and replacing it with a fee charged at time and one half per hour, of \$67.00 per hour for each Firefighter/Inspector, \$81.00 per hour for each Captain, and \$93.00 per hour for each District Chief plus an administration/processing fee of seven percent of the aggregate of Toronto Fire Services' personnel fees per work order and applicable G.S.T. in order to enable full-cost recovery to be achieved.
3. City Council authorize the Fire Chief to review, on an annual basis, the fee charged for conducting services after normal business hours and *recommend to Council, through the Budget Committee, adjustments* to the fee as required to provide for full cost recovery, taking into account COLA adjustments and reasonable administrative costs.
4. The Fire Chief be authorized to instruct the City Solicitor to submit bills required to amend Toronto Municipal Code Chapter 441, Fees and Charges, to implement any fee adjustments resulting from a review conducted in accordance with Recommendation 3 above.

Summary

The Community Development and Recreation Committee on September 12, 2008, considered a report (August 25, 2008) from the Fire Chief, Toronto Fire Services, respecting an "Amendment for Special Request Services Labour Rates for Toronto Fire Services' Personnel for Services after Normal Business Hours."

Background Information

Amendment for Special Request Services Labour Rates for Toronto Fire Services Personnel for Services after Normal Business Hours

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15596.pdf>)

Attachment

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15597.pdf>)

BU33.16	ACTION	Adopted		Ward: All
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Facilities and Real Estate - 2008 Capital Budget and 2009-2012 Capital Plan Adjustments

(September 3, 2008) Report from Chief Corporate Officer

Committee Recommendations

The Budget Committee recommended to the Executive Committee that:

1. City Council authorize the reallocation of funds in the 2008 Approved Facilities and Real Estate Capital Budget in the amount of \$1.4171 million, as illustrated in schedule “A”, Part A, attached to the report, with a zero gross and net impact.
2. City Council amend the 2008 Approved Facilities and Real Estate Capital Budget and 2009-2012 Capital Plan by adding one new subproject for a total cash flow of \$0.150 million in 2009, with funding provided by reallocations from within the Approved 2008 Capital Budget and 2009-2012 Capital Plan, as illustrated in schedule “A”, Part B, attached to the report.
3. City Council authorize deferral and acceleration of funds in the 2008 Approved Facilities and Real Estate Capital Budget and 2009-2012 Capital Plan in the amount of \$1.474 million as illustrated in Schedule “B” attached to the report, with a zero gross and net impact.

Financial Impact

There are no additional costs to the City as a result of approval of this report.

The approval of this report will result in the reallocation of 2008 approved cash flows in the total amount of \$1.5671 million and add one new subproject to the Facilities and Real Estate 2008 Approved Capital Budget (Schedule “A”, Part A and B). It will also authorize the deferral and acceleration of funds in the 2008 Approved Facilities and Real Estate Capital Budget and 2009-2012 Capital Plan in the total amount of \$1.474 million, as illustrated in Schedule “B” attached.

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

Summary

This report requests Council’s authority to amend the Facilities and Real Estate Division (F&RE) 2008 Approved Capital Budget and 2009-2012 Capital Plan by reallocating funds within the budget and plan, and by adding one new subproject to the F&RE capital plan. The adjustment of funds will have a zero net impact corporately and will better align 2008 and future cash flows with Facilities and Real Estate’s program requirements.

Background Information

Facilities & Real Estate - 2008 Capital Budget and 2009-2012 Capital Plan Adjustments

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15599.pdf>)

Schedule A

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15600.pdf>)

Schedule B

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-15601.pdf>)

Meeting Sessions

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2008-09-19	Morning	9:35 AM	10:30 AM	Public