

Budget Committee

Meeting No.	28	Contact	Merle MacDonald, Committee Administrator
Meeting Date	Thursday, March 6, 2008	Phone	416-392-7340
Start Time	9:30 AM	E-mail	buc@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	R

BU28.1	ACTION	Amended		Ward: All
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2008 Budget Committee Recommended Operating Budget

(March 4, 2008) Report from City Manager and Deputy City Manager and Chief Financial Officer

Recommendations

The Budget Committee recommends that Council approve:

1. The 2008 Budget Committee Recommended Tax Supported Operating Budget of \$8.170 billion gross and \$3.322 billion net, comprised of the following:
 - i. a Base Budget of \$8.113 billion gross and \$3.310 billion net as detailed in Appendix 1 to maintain current services and service levels; and
 - ii. \$56.703 million gross and \$12.385 million net, as detailed in Appendix 1 to invest in strategic new and enhanced services.

2. The Budget Committee 2008 Recommended Operating Budget for the Toronto Parking Authority totalling \$63.498 million.

3. A residential property tax increase of 3.75% or \$51.075 million and a commercial, industrial, and multi-residential tax increase of 1.25% or \$23.566 million.
4. The introduction of new user fees and charges, and changes to the price of existing user fees and charges included in the 2008 Budget Committee Recommended Operating Budgets of City Programs, Agencies, Boards and Commissions which will generate incremental revenues totalling \$11.490 million.
5. The 2008 sinking fund levies of \$192,652,253.83 for the City of Toronto and \$2,293,802.99 for the Toronto District School Board.
6. The Recommendations for City Programs, Agencies, Boards and Commissions as detailed in Appendix 3 attached.
7. The reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 4 herewith attached) as considered by the Budget Committee at its 2008 budget review meetings.

Financial Impact

Fiscal Challenges

In 2007, the City used a significant number of unsustainable revenue strategies to balance the operating budget. Reserve draws alone amounted to \$282 million, which, when added to other one-time revenues including Provincial one-time funding for transit operations of \$100 million and a reduction of Toronto Hydro revenues of \$21 million, contributed \$403 to the 2008 beginning budget pressure. On the expenditure side, uncontrollable or fixed costs such as inflation (\$159 million), capital financing charges (\$60 million) and other expenditures just to maintain services approved in 2007, resulted in an additional pressure of \$200 million. Altogether, the impact of non-recurring revenues, the cost of maintaining existing services and service levels, and modest investments in new and enhanced services resulted in a budget pressure of \$615 million (see Table 1).

Table 1 2008 Beginning Pressure		<u>Millions</u>
Base Budget Changes:		
- Cost of Living Allowance and Step/Merit		120
- Inflation		39
- Capital Financing		60
- Annualization and Other Base and Revenue Changes		<u>(19)</u>
Total Base Budget Impact		200
2007 Non-recurring Budget Balancing Strategies:		
- Provincial Assistance – Transit Operations	100	
- Hydro Revenue Reductions	21	
- Non Program Reserve Draws	<u>282</u>	
Total Non-Recurring Budget Balancing Strategies		<u>403</u>
2008 Base Budget Pressure		
New and Enhanced Services		<u>12</u>
Total Pressure		615

2008 Budget Committee Recommended Operating Budget - Summary

The 2008 Operating Budget directions required staff to maintain existing services and service levels, and to restrict new investment to key initiatives that satisfy Council and the Mayor's priorities. Staff was further directed to continue the process of fixing the structural deficit and to bring forward a balanced operating budget. Consistent with the City's fiscal management practices, strategies to achieve the above objectives included continuation of the City's continuous improvement initiatives; increasing user fees to maximize cost recovery while ensuring protection of the most vulnerable; and most importantly, to reduce reliance on one-time revenues to fund operating expenditures.

As shown in Table 2 below, the 2008 Budget Committee Recommended Operating Budget of \$8.170 billion is \$310.6 million higher than the 2007 Approved Budget, representing an increase of 4%. The 2008 Budget Committee Recommended Operating Budget is funded primarily by Property Taxes of \$3.322 billion, User Fees and Charges of \$1.273 billion and Provincial and Federal Grants and Subsidies of \$1.973 billion. It is noted that Property Taxes represent 41% of total revenues, approximately the same proportion as in 2007. Overall, property tax revenues are expected to increase by \$101 million, including growth in assessment.

	2007 Budget	2008 Budget		Change from 2007	
	\$	\$	% of Total	\$	%
2008 BC Recommended Budget (Gross)	7,859.6	8,170.2	100.0%	310.6	4.0%
Less:					
Provincial & Federal Grants & Subsidies	1,823.6	1,972.6	24.1%	149.1	8.2%
User Fees and Donations	1,206.5	1,272.8	15.6%	66.3	5.5%
Reserves and Reserve Funds	571.3	272.4	3.3%	(298.9)	(52.3%)
New Taxation Revenues	-	175.0	2.1%	175.0	n/a
Other Non Tax Revenues	1,037.6	1,155.5	14.1%	118.0	11.4%
Net Budget – Property Tax Revenues	3,220.7	3,321.9	40.7%	101.2	3.1%

Balancing the 2008 Operating Budget

Table 3 below shows how the 2008 Operating Budget was balanced. Council's decision to institute a Municipal Land Transfer Tax and a Personal Vehicle Tax will generate new revenues of \$175 million in 2008. These revenues are sustainable and therefore, will contribute significantly toward fixing the City's structural deficit. Savings resulting from efficiency reviews, service and service level adjustments, and continuance of the cost containment measures introduced in 2007, along with revenue increases will reduce the budget pressure by \$73 million. In addition, it is projected savings from the 2007 cost containment measures along with other favourable variances will result in a 2007 operating surplus of \$78 million, that will be fully utilized to reduce the 2008 budget pressure.

Ongoing negotiations with the Province to upload social services and to increase transit funding resulted in an increase in provincial funding of \$188 million comprised of \$39 million upload of the Ontario Disability Support Program and \$149 million in additional transit funding. It is noted that the transit funding includes \$49 million to fund part of the debt service cost associated with the Toronto Transit Commission (TTC) capital works program. Finally, assessment growth of \$26.6 million (0.8% of the total property tax base) along with property tax rate increases which will generate revenues of \$74.643 million will ensure a balanced budget in 2008. The tax revenues reflect a Residential property tax rate increase of 3.75%, which will generate incremental revenues of \$51.075 million and a Commercial, Industrial, and Multi-residential tax rate increase of 1.25% or \$23.566 million. On the total 2007 tax base of \$3.221 billion, this represents a net tax rate increase of 2.3%, which approximates the City of Toronto rate of inflation.

To provide the services and service levels incorporated in the 2008 Budget Committee Recommended Operating Budget will result in a 2009 starting budget pressure of \$532.8 million. The 2009 Outlook, which is discussed in detailed later in this report, indicates that the net financial impact of providing 2008 services and services levels is \$183.4 million. On an \$8.2 billion budget, this reflects a 2% increase which is quite reasonable. However,

despite significant progress in mitigating the structural deficit problem that has existed since amalgamation, non-recurring revenues used to balance the 2008 Budget totals \$349.4 million, and represent 66% of the estimated 2009 starting pressure.

Table 3 2008 Budget Balancing Strategies		<u>\$Millions</u>
Total Pressure		<u>615</u>
Cost Containment/Revenue:		
Prior Year Surplus including 2007 Cost Containment		(78)
2008 Annualized Cost Containment and Revenue Increases		<u>(73)</u>
Total Cost Containment and Prior Year Surplus		<u>(151)</u>
Adjusted Pressures		464
Provincial Upload:		
Social Services (ODB)	(39)	
Transit Operations & Debt Charges (One-Time)	<u>(149)</u>	
Total Provincial Upload		<u>(188)</u>
Net Pressure after Provincial Upload		276
City Taxation Revenues:		
New Taxes	(175)	
Assessment Growth	(26)	
Property Tax Increase – 3.75%	<u>(75)</u>	
Total Taxation Revenues		<u>(276)</u>
		0

The 2008 Budget Committee Recommended Operating Budget achieves the major goals of maintaining services while controlling expenditures and addressing the structural deficit challenge that has prevailed since amalgamation. It is anticipated that the ongoing Provincial / Municipal Fiscal and Service Delivery Review, which will be completed in the spring of 2008 will result in permanent funding for transit operations and increased upload of social services costs. Should this materialize, the structural deficit problem will be substantively addressed beginning with the 2009 Operating Budget.

Summary

The purpose of this report is to present the 2008 Budget Committee (BC) Recommended Operating Budget for City Programs, Agencies, Boards and Commissions, and to obtain Council's approval of the service levels and spending plans proposed therein. The recommendation results in a residential property tax increase of 3.75% and a Commercial, Industrial and Multi-residential increase of 1.25%.

The 2008 Recommended Operating Gross Expenditure Budget is \$8.170 billion and is funded primarily by Property Taxes (the net budget) totalling \$3.322 billion. Compared to 2007, the 2008 Recommended Gross Budget reflects an increase of \$310.614 million or 4.0%. The budget includes strategic investments in new and enhanced services of \$56.703 million gross

and \$12.385 million net including public transit, waste diversion, public safety, community health and wellness, economic development and culture, and climate change.

In accordance with the Mayor's guidelines and directions, the 2008 Recommended Operating Budget continues the strategic process of balancing short-term needs against long-term objectives. For the first time since amalgamation, the 2008 Operating Budget was balanced when introduced by staff on January 28, 2008. This significant achievement was the culmination of Council's decision to introduce a municipal land transfer tax (MLTT) and a vehicle ownership tax (VOT) in the Fall of 2007; moderate increases in user fees without impairing access to services for the less privileged; savings from cost containment initiatives implemented in 2007 which will be continued in 2008; and successful negotiations for increased provincial assistance for public transit, in particular. The 2008 BC Recommended Operating Budget maintains services and service levels needed by residents and businesses.

Committee Recommendations

On motion by Councillor Heaps, the Budget Committee recommended to the Executive Committee that City Council approve:

- I. The 2008 Budget Committee Recommended Tax Supported Operating Budget of \$8.170 billion gross and \$3.322 billion net, comprised of the following:
 - i. a Base Budget of \$8.113 billion gross and \$3.310 billion net as detailed in Appendix 1 to maintain current services and service levels; and
 - ii. \$56.703 million gross and \$12.385 million net, as detailed in Appendix 1 to invest in strategic new and enhanced services.
- II. The Budget Committee 2008 Recommended Operating Budget for the Toronto Parking Authority totalling \$63.498 million.
- III. A residential property tax increase of 3.75% or \$51.075 million and a commercial, industrial, and multi-residential tax increase of 1.25% or \$23.566 million.
- IV. The introduction of new user fees and charges, and changes to the price of existing user fees and charges included in the 2008 Budget Committee Recommended Operating Budgets of City Programs, Agencies, Boards and Commissions which will generate incremental revenues totalling \$11.490 million.
- V. The 2008 sinking fund levies of \$192,652,253.83 for the City of Toronto and \$2,293,802.99 for the Toronto District School Board.
- VI. The following Recommendations for City Programs, Agencies, Boards and Commissions:

CITIZEN CENTRED SERVICES "A"

Affordable Housing Office:

1. the 2008 Recommended Operating Budget for the Affordable Housing Office of

\$3.032 million gross and \$1.419 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Housing Improvements	563.8	263.8
Affordable Housing Office	2,467.7	1,154.7
	<hr/>	<hr/>
Total Program Budget	<u>3,031.5</u>	<u>1,418.5</u>

Children's Services:

2. the 2008 Recommended Operating Budget for Children's Services of \$360.733 million gross and \$68.910 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Administration	23,119.8	7,989.1
Municipal Child Care	67,903.3	15,885.1
Purchased Child Care	269,750.3	45,036.0
	<hr/>	<hr/>
Total Program Budget	<u>360,773.4</u>	<u>68,910.2</u>

3. the recommendation contained in the report (December 19, 2007) from the General Manager of Children's Services entitled "Development of Child Care Centres with the Toronto District School Boards and Native Child and Family Services" be approved:
- Funds of up to \$2.9 million be approved for the construction of Ghesig House at 156 Galloway Road and Kiiwednong at 2784 Keele Street, two Aboriginal Child Care Centres to be developed by the Native Child and Family Services Toronto. The total project cost of \$2.9 million is to be funded from the Child Care Expansion Reserve Fund of \$2.4 million and from Provincial revenues of \$0.528 million as reflected in the 2008 Budget Committee Recommended Operating Budget.
 - Funds of up to \$2.0 million be approved to create three new child care centres at Highfield Junior School, Kennedy Public School, and Crescent Town Elementary School to be funded from the Child Care Capital Reserve Fund as reflected in the 2008 Budget Committee Recommended Operating Budget.
 - the General Manager of Children's Services Division be delegated authority to negotiate agreements and execute them on behalf of the City with the Toronto District School Board (TDSB) and with Native Child and Family Services Toronto

(NCFST) for the design and construction of such projects, and such agreements be on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

Court Services:

4. the 2008 Recommended Operating Budget for Court Services of \$39.335 million gross and (\$11.383 million) net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Finance & Administration	23,112.4	22,035.7
Court Administration	7,128.5	(41,971.4)
Court Support	4,961.2	4,961.2
Planning & Liaison	3,591.2	3,591.2
Licensing Tribunal	541.3	0.0
	<hr/>	<hr/>
Total Program Budget	<u>39,334.6</u>	<u>(11,383.3)</u>

Economic Development, Culture and Tourism:

5. the 2008 Recommended Operating Budget for the Economic Development, Culture and Tourism of \$32.951 million gross and \$25.961 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Culture	13,783.6	10,334.7
Economic Development	11,240.7	9,489.0
Special Events	6,218.0	4,808.4
Tourism	1,708.6	1,328.6
	<hr/>	<hr/>
Total Program Budget	<u>32,950.9</u>	<u>25,960.7</u>

- 5.1 *the Economic Development, Culture and Tourism 2008 Operating Budget be increased by \$0.300 million gross, zero net, funded by \$0.300 million from the Public Realm Reserve Fund, to develop the tourist information system and wayfinding content of the info pillar component of the Co-ordinated Street Furniture Program.*

- 5.2 *the General Manager of Economic Development, Culture and Tourism reporting to Budget Committee by the Summer of 2008 on the multi-year plan and associated funding required to develop and sustain the information content system to provide tourist*

information and wayfinding signage for the Information pillar element of the Coordinated Street Furniture Program.” (BU28.1b)

(Motion by Councillor Ainslie)

6. the details of savings of \$0.140 million gross and net as a result of divisional realignment based on the findings of the Program Review be reported with the June 30, 2008, Operating Budget Variance report.

Emergency Medical Services:

7. the 2008 Recommended Operating Budget for Emergency Medical Services of \$151.968 million gross and \$61.875 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
CACC	13,530.1	0.0
Centralized Support Services	1,129.1	514.5
Corporate Charges	5,900.0	2,950.0
EMS Operations Support Services	20,809.9	7,533.7
EMS Operations	102,294.8	47,496.6
Program Development & Service Quality	8,304.6	3,380.3
	<hr/>	<hr/>
Total Program Budget	<u>151,968.5</u>	<u>61,875.1</u>

Homes for the Aged:

8. the 2008 Recommended Operating Budget for Homes for the Aged of \$206.613 million gross and \$40.734 million net, comprised of the following segments, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Divisional Office	1,553.6	72.0
Toronto Homes	194,757.1	38,938.7
Community Based Services	10,302.5	1,723.7
	<hr/>	<hr/>
Total Program Budget	<u>206,613.2</u>	<u>40,734.4</u>

9. the General Manager of Homes for the Aged continue to pursue all reduction strategies, such as exploring Adult-Day Program partnerships, addressing collective agreement impediments, and advocating for increased Long-Term Care funding, and report back during the 2009 Operating Budget Process on the viability of implementing each option; and

10. the new service enhancement priorities for Infection Prevention and Control (\$0.544 million gross, \$0 net) and Nutritional and Support Service (\$0.670 million gross, \$0 net), be approved and that implementation be subject to receipt of Provincial funding.

Parks, Forestry and Recreation:

11. the 2008 Recommended Operating Budget for Parks, Forestry and Recreation of \$322.078 million gross and \$239.288 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Parks	74,146.1	69,949.0
Community Recreation	105,827.6	58,043.6
Urban Forestry	31,077.7	25,251.7
Strategic Services	18,663.4	(2,138.0)
Development & Infrastructure Management	78,526.1	74,628.0
Divisional Coordination & Community Engagement	4,756.8	4,752.8
Management Services	9,080.2	8,801.0
	<hr/>	<hr/>
Total Program Budget	<u>322,077.9</u>	<u>239,288.1</u>

Shelter, Support and Housing Administration:

12. the 2008 Recommended Operating Budget for Shelter, Support and Housing Administration of \$710.107 million gross and \$253.762 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Program Support	2,314.4	2,314.4
Social Housing	537,367.2	191,946.0
Affordable Housing Programs	10,058.8	0.0
Hostel Services	117,672.4	55,308.5
Housing and Homelessness Supports	41,427.2	3,416.6
Partnership Development & Support	363.5	363.5
Emergency Planning Services	903.0	413.3
	<hr/>	<hr/>
Total Program Budget	<u>710,106.5</u>	<u>253,762.3</u>

13. Council request the Province to fully upload all Social Housing operating and capital costs.

Social Development, Finance and Administration:

14. the 2008 Recommended Operating Budget for Social Development, Finance and Administration of \$27.207 million gross and \$15.980 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Financial Oversight and Control	13,693.9	8,284.1
Strategic Policy & Program Support	7,366.7	5,470.5
Community Development	6,146.4	2,225.8
	<hr/>	<hr/>
Total Program Budget	<u>27,207.0</u>	<u>15,980.4</u>

Social Services:

15. the 2008 Recommended Operating Budget for Social Services of \$1,059.950 million gross and \$275.774 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	12,702.7	6,485.0
Social Assistance	1,047,246.8	269,289.3
	<hr/>	<hr/>
Total Program Budget	<u>1,059,949.5</u>	<u>275,774.3</u>

16. the Province immediately upload the full cost of \$150.0 million of Ontario Disability Support Program included in the 2008 Recommended Operating Budget, as the ODSP is a provincial responsibility; and
17. the Province honour its legislative requirements and be responsible for 50% of the Cost of Administration of Ontario Works.

3-1-1 Customer Service Strategy:

18. the 2008 Recommended Operating Budget for 3-1-1 Customer Service Strategy of \$3.731 million gross and \$0.665 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Project Management Office	921.3	665.3
Capital Program Related Work	2,809.4	0.0
	<hr/>	<hr/>
Total Program Budget	<u>3,730.7</u>	<u>665.3</u>

CITIZEN CENTRED SERVICES “B”

City Planning:

19. the 2008 Recommended Operating Budget for City Planning of \$35.317 million gross and \$14.051 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
City Planning	35,316.7	14,051.3
	<hr/>	<hr/>
Total Program Budget	<u>35,316.7</u>	<u>14,051.3</u>

20. the Deputy City Manager responsible for City Planning report back to the Budget Committee in mid-year 2008 on the results of the Development Application Review Project (DARP) and on an approach to increasing community planning and development application process fees in the future to allow for full cost recovery of all City wide costs related to the processing of community planning and development applications; and,
21. the Deputy City Manager responsible for City Planning report back to the Budget Committee through the Second Quarter Operating Variance Report on the anticipated service level increases resulting from the additional 12.0 recommended permanent positions.

Fire Services:

22. the 2008 Recommended Operating Budget for Fire Services of \$356.047 million gross and \$347.871 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Fire-Operations	289,850.1	283,080.7
Fire Prevention & Public Safety	13,899.3	13,547.8
Communications & Operational Support	24,069.9	23,614.0
Professional Develop. & Mechanical Support	24,579.8	24,080.8
Fire - Headquarters	3,647.3	3,547.0
	<hr/>	<hr/>
Total Program Budget	<u>356,046.6</u>	<u>347,870.5</u>

23. the Chief of Toronto Fire Services and the Director of Affordable Housing Office report to the Community Development and Recreation Committee in June 2008 on the financial implications of installing fire sprinklers in future City- funded affordable homes.

Municipal Licensing and Standards:

24. the 2008 Recommended Operating Budget for Municipal Licensing and Standards of \$34.150 million gross and \$11.420 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Head Office	2,068.8	2,068.8
Licensing	9,697.1	(12,713.3)
Investigations	22,383.8	22,064.0
	<hr/>	<hr/>
Total Program Budget	<u>34,149.7</u>	<u>11,419.5</u>

25. the Executive Director of Municipal Licensing and Standards report back to the Budget Committee in May 2008 to enable Council consideration by July 2008, on the recommended business license fee structure arising from the cost recovery model review.

Policy, Planning, Finance and Administration:

26. the 2008 Recommended Operating Budget for Policy, Planning, Finance and Administration of \$45.686 million gross and \$26.631 million net, comprised of the following services, be approved:

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<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Strategic Policy Coordination and Support	2,998.2	2,998.2
Toronto Environment Office	3,534.6	3,394.6
Finance and Administration	39,152.9	20,238.3
	<hr/>	<hr/>
Total Program Budget	<u>45,685.7</u>	<u>26,631.1</u>

27. the Toronto Environment Office develop eligibility criteria for the Community grants program as part of Live Green Toronto initiative to be presented to Executive Committee in early 2008; and,
28. the recommendation contained in the report (November 13, 2007) from the Deputy City Manager Butts and Deputy City Manager and Chief Financial Officer Pennachetti entitled "Climate Change Action Plan – Implementation of Key Program Initiatives", referred to the 2008 Operating Budget process as amended be adopted as reflected in the 2008 Budget Committee Recommended Operating Budget for Policy, Planning, Finance and Administration:
- a. the operating budget impact of \$1.165 million gross, \$1.035 million net in 2008 be adopted.

Solid Waste Management Services:

29. the 2008 Recommended Operating Budget for Solid Waste Management Services of \$276.729 million gross and \$182.158 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	47,921.5	10,348.5
Collection	95,474.7	92,162.4
Transfer	24,164.5	14,094.8
Processing	43,138.8	19,801.1
Disposal	66,029.2	45,751.3
	<hr/>	<hr/>
Total Program Budget	<u>276,728.7</u>	<u>182,158.1</u>

30. the recommendations contained in the report (February 4, 2008) from the General Manager, Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer entitled "Final 2008 Fees - Getting to 70% Diversion by 2010" be approved:

- a. the fees set out in Attachment A – “Residential Solid Waste Rate Structure, 2008 Fees” be adopted for 2008 and that fees for future years be included as part of the annual operating budget submission, to be effective January 1st in each calendar year;
 - b. the billing details and administrative fees set out in Attachment B to this report be adopted;
 - c. the volume-based rate structure commence on or about:
 - i. July 1, 2008 for residential bulk collection customers (i.e. multi-unit residential buildings including town homes currently receiving bulk waste collection)
 - ii. November 1, 2008 for residential curb side collection customers (i.e. single family residential buildings including town homes and small multi-unit dwellings currently receiving curb side collection);
 - d. the City not provide amnesty days or an amnesty for moving-out waste at the time of a residential move; and
 - e. the City Solicitor be authorized to introduce any necessary bill into Council.
31. the Deputy City Manager and Chief Financial Officer report back to Budget Committee in-year on the appropriate adjustments to the 2008 Recommended Operating Budget to reflect the 2008 phased implementation of the transition to a user fee supported budget which includes a tax rebate program once the volume-based user fee structure has been implemented; and
32. the General Manager of Solid Waste Management Services and the Deputy City Manager and Chief Financial Officer report to Budget Committee as part of the 2008 Year-End Variance Report on the actual net contribution to the Waste Management Reserve Fund as a result of the implementation of new user fees in 2008.

Technical Services:

33. the 2008 Recommended Operating Budget for Technical Services of \$60.351 million gross and \$16.215 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Facilities & Structures	9,313.3	1,647.3
Survey & Mapping	20,183.9	3,281.1
Development Engineering	5,734.2	4,543.7
District Engineering	21,853.8	4,352.9
Office of Emergency Management	2,160.0	1,839.9
Program Administration	<u>1,106.0</u>	<u>549.5</u>
Total Program Budget	<u><u>60,351.4</u></u>	<u><u>16,214.6</u></u>

34. the Executive Director for Technical Services report to the Public Works and Infrastructure Committee prior to deliberations of the 2009 Capital Budget process on a strategy to manage delivery of capital works programs based on the planned and anticipated increase in the 5-Year Capital Plan.

Toronto Building:

35. the 2008 Recommended Operating Budget for Toronto Building of \$41.913 million gross and (\$11.660) million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Building	<u>41,912.6</u>	<u>(11,660.0)</u>
Total Program Budget	<u><u>41,912.6</u></u>	<u><u>(11,660.0)</u></u>

Transportation Services:

36. the 2008 Recommended Operating Budget for Transportation Services of \$259.610 million gross and \$166.655 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Roadway Services	127,362.6	94,990.7
Roadside Services	51,126.7	26,775.3
Traffic Planning/Right-Of-Way Management	18,232.7	(5,518.1)
Traffic and Safety Services	44,321.9	40,026.7
Infrastructure Management	16,510.4	13,622.6
District Management & Overhead	1,269.7	(2,228.9)
Technical & Program Support	786.2	(1,013.8)
Total Program Budget	<u>259,610.2</u>	<u>166,654.5</u>

37. the Deputy City Manager for Citizen Centred Services “B” and the General Manager of Transportation Services report to the Public Works and Infrastructure Committee early in 2008 on the success of the Red Light Camera program, the status of Phase 2 expansion and requirements for future proposed phases;
38. the General Manager of Transportation Services report back to Public Works and Infrastructure Committee by June 2008 on the finalization of the organizational structure and scope of the Public Realm Office;
39. the recommendations contained in the report (February 19, 2008) from the General Manager, Transportation Services entitled “Re-Establishment of Mechanical Leaf Pick-up” be approved:
- Reinstate the mechanical leaf pick-up program in Etobicoke, York, Scarborough and Toronto and East York Districts at the 2006 service levels.
 - The net cost of this service be offset by a corresponding increase of \$125,000 in parking revenues based on 2007 actual experience which surpassed the budget level.
 - The Transportation Services’ Recommended 2008 Operating Budget be increased by \$125,000 (gross) and \$0(net), as reflected in the 2008 Budget Committee Recommended Operating Budget for Transportation Services.
40. *the recommendations contained in the report (November 12, 2007) from the Deputy City Manager, Cluster B and the Deputy City Manager and Chief Financial Officer, entitled “Coordinated Street Furniture Program – Revenues”, referred to the 2008 Operating Budget process, be adopted as reflected in the 2008 Budget Committee Recommended Operating Budget:*
- augmented maintenance of street trees on main and commercial streets – up to \$700,000 as reflected in the 2008 Budget Committee Recommended Operating Budget for Parks, Forestry and Recreation;*

- b. *Clean and Beautiful City initiatives including administration, Ward-based community projects/demonstration projects and remaining instalment to cover orphan space maintenance – up to \$1,699,000 as reflected in the 2008 Budget Committee Recommended Operating Budget for Transportation Services.*

(Motion by Councillor Carroll)

Waterfront Secretariat:

- 41. the 2008 Recommended Operating Budget for the Waterfront Secretariat of \$1.413 million gross and \$1.082 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Waterfront Secretariat	1,412.7	1,081.7
Total Program Budget	<u>1,412.7</u>	<u>1,081.7</u>

“subject to:

- a. *Amending the 2008 Capital Budget for Waterfront Revitalization as approved by Council in December 2007 to reflect an increase of \$150,000.00 to the Waterfront Secretariat sub-project, and a decrease of \$150,000.00 to the Financial Securities sub-project, with no net impact on the overall total of \$51,131,046.00.*
- b. *Amending the 2008 Recommended Operating Budget for the Waterfront Secretariat of \$1,412,615.06 (gross)/\$1,081,615.06 (net) to reflect an increase of \$150,000.00 (gross) in salary costs, and an increase of \$150,000.00 in the recoveries from the Capital Program for Waterfront Revitalization, with no net impact.*
- c. *Increasing the number of Approved Positions for the Waterfront Secretariat, recommended for 2008 at the level of 9.0, by 2.0 to 11.0 to reflect the hiring of two temporary Technical Coordinator positions to be funded from the Capital Program as outlined in Recommendations a and b above.*

(Motion by Councillor Ainslie)

INTERNAL SERVICES

Facilities and Real Estate:

- 42. the 2008 Recommended Operating Budget for Facilities and Real Estate of \$131.126 million gross and \$55.244 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Facilities	116,925.4	68,011.6
Real Estate	14,200.3	(12,767.7)
	<hr/>	<hr/>
Total Program Budget	131,125.7	55,243.8

subject to a reduction of \$200,000 gross, \$0 net to reflect lower Interdivisional Recoveries (IDRs) from the Toronto Police Service, which will assist the Toronto Police Service in achieving reductions in its 2008 Operating Budget as reflected in the 2008 Budget Committee Recommended Operating Budget for Facilities and Real Estate.

(Motion by Councillor Carroll)

43. the Executive Director of Facilities and Real Estate report back on criteria for the recovery from Special Events at Nathan Phillips Square with a view of generating revenues to offset cleaning expenses at such events, in time for consideration with the 2009 Operating Budget process;
44. the recommendations contained in the report (February 4, 2008) from the Chief Corporate Officer entitled "City Electricity Purchase Strategy - Green Power" be approved:
 - a. City Council authorize the purchase of a sufficient amount of green electricity to meet the electricity usage requirements of City Hall on an annual basis commencing July 2008.
 - b. the Chief Corporate Officer start discussions with Toronto Hydro Energy Services and possibly other suppliers, including community groups, regarding partnership opportunities to develop green power projects which could be directed to the City's green power targets.
 - c. the Chief Corporate Officer report back to the Executive Committee for its September 2008 meeting with a recommended long-term strategy for the City's target of obtaining 25 per cent of its electricity from green power sources.
45. the recommendations contained in the report (February 4, 2008) from the City Manager entitled "City-Wide Security Plan" be approved:
 - d. further improvements and enhancements be made to the current Corporate Security framework with the objective of enhancing corporate standards and further centralizing those security functions which have City-wide implications.
 - e. the Corporate Security Unit will undertake further consultations with the affected divisions and review existing divisional security plans and create plans for divisions currently without plans and report back in the fall of 2008.

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- f. staff report to the Budget Committee in July 2008 on the comparator information and options utilized by other major cities, and that staff report on the framework and implementation as they relate to ABCs
- g. that the framework for the City-wide Security Plan include advice on civilian oversight, independent complaints process, access and equity hiring and training, and environmental design measure
- h. that the City Manager request all City Divisions to declare a moratorium on new Security Staff hirings for 2009 until the City's Security Plan is submitted to the Executive Committee.

Fleet Services:

46. the 2008 Recommended Operating Budget for Fleet Services of \$41.460 million gross and \$0.000 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Fleet Maintenance	24,760.7	0.0
Fuel Operations	11,963.8	0.0
Fleet Safety and Standards	1,232.9	0.0
Fleet Management	3,502.4	0.0
	<hr/>	<hr/>
Total Program Budget	41,459.8	0.0
	<hr/>	<hr/>

Information and Technology:

47. the 2008 Recommended Operating Budget for Information and Technology of \$57.685 million gross and \$48.412 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Desktop Computing	34,990.2	28,981.5
Applications and Delivery	18,330.9	15,736.8
Voice and Telecommunications	1,300.6	877.8
Land Information	3,063.7	2,815.9
	<hr/>	<hr/>
Total Program Budget	57,685.4	48,412.0
	<hr/>	<hr/>

Office of the Chief Financial Officer:

48. the 2008 Recommended Operating Budget for the Office of the Chief Financial Officer of \$14.244 million gross and \$10.189 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Finance & Administration	4,766.9	4,160.0
Corporate Finance	3,809.3	1,420.6
Financial Planning	5,076.1	4,161.4
Special Projects	592.1	447.0
	<hr/>	<hr/>
Total Program Budget	<u>14,244.4</u>	<u>10,189.0</u>

Office of the Treasurer:

49. the 2008 Recommended Operating Budget for the Office of the Treasurer of \$69.923 million gross and \$31.195 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Pension, Payroll and Employee Benefits	12,266.9	10,494.5
Purchasing & Materials Management	9,204.8	6,850.0
Accounting Services	12,396.6	8,837.3
Revenue Services	36,054.9	5,013.2
	<hr/>	<hr/>
Total Program Budget	<u>69,923.2</u>	<u>31,195.0</u>

Public Information and Creative Services:

50. the 2008 Recommended Operating Budget for Public Information & Creative Services of \$4.772 million gross and \$4.694 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Public Information	2,601.8	2,583.7
Creative Services	2,169.9	2,109.9
	<hr/>	<hr/>
Total Program Budget	<u>4,771.7</u>	<u>4,693.6</u>

CITY MANAGER

City Manager's Office:

51. the 2008 Recommended Operating Budget for the City Manager's Office of \$39.651 million gross and \$37.391 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Executive Management	2,077.1	2,077.1
Strategic and Corporate Policy	4,250.9	4,250.9
Internal Audit	1,028.1	412.4
Strategic Communications	2,652.5	2,609.7
Human Resources	29,642.8	28,040.5
Total Program Budget	<u>39,651.4</u>	<u>37,390.6</u>

OTHER CITY PROGRAMS

City Clerk's Office:

52. the 2008 Recommended Operating Budget for the City Clerk's Office of \$45.625 million gross and \$31.880 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Secretariat	7,619.2	7,451.1
Records and Information Management	22,459.6	9,312.8
Council and Support Services	4,478.3	4,262.3
Corporate Access and Privacy	1,796.8	1,650.7
Elections and Registry Services	7,733.0	7,664.3
Protocol	1,538.3	1,538.3
Total Program Budget	<u>45,625.2</u>	<u>31,879.5</u>

City Council:

53. the 2008 Recommended Operating Budget for the City Council of \$19.744 million gross and net, comprised of the following services, be approved:

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<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Councillors' Salaries & Benefits Budget	5,198.6	5,198.6
Councillors' Staff Salaries & Benefits Budget	10,846.1	10,846.1
Councillors' Office Expenses Budget	2,336.4	2,336.4
Councillors' Business Travel Expenses Budget	50.0	50.0
Councillors' General Expenses Budget	1,312.6	1,312.6
Total Program Budget	<u>19,743.7</u>	<u>19,743.7</u>

Legal Services:

54. the 2008 Recommended Operating Budget for Legal Services of \$36.681 million gross and \$20.903 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Municipal Law	6,077.0	2,924.0
Litigation	5,653.1	3,171.5
Administration	2,548.2	2,264.2
Planning & Tribunal	4,714.9	3,534.9
Real Estate	4,583.3	3,931.3
Employment	2,561.2	2,511.2
Prosecutions	10,542.7	2,566.0
Total Program Budget	<u>36,680.5</u>	<u>20,903.0</u>

Mayor's Office:

55. the 2008 Recommended Operating Budget for the Mayor's Office of \$2.601 million gross and net, comprised of the following service be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Mayor's Office	2,601.1	2,601.1
Total Program Budget	<u>2,601.1</u>	<u>2,601.1</u>

ACCOUNTABILITY OFFICES

Auditor General's Office:

56. the 2008 Recommended Operating Budget for the Auditor General's Office of \$4.147 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Audit Services	4,147.4	4,147.4
Total Program Budget	4,147.4	4,147.4

Office of the Integrity Commissioner:

57. the 2008 Recommended Operating Budget for the Office of the Integrity Commissioner of \$0.200 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Office of the Integrity Commissioner	200.0	200.0
Total Program Budget	200.0	200.0

Office of the Lobbyist Registrar:

58. the 2008 Recommended Operating Budget for the Office of the Lobbyist Registrar of \$0.711 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Lobbyist Registrar	711.2	711.2
Total Program Budget	711.2	711.2

Office of the Ombudsperson:

59. the 2008 Recommended Operating Budget for the Office of the Ombudsperson of \$0.404 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Office of the Ombudsperson	404.3	404.3
Total Program Budget	404.3	404.3

60. once hired, the Ombudsperson report to Council on further operational and financial requirements for consideration during the 2009 Operating Budget process.

AGENCIES, BOARDS AND COMMISSIONS

Arena Boards of Management:

61. the 2008 Recommended Operating Budget for the Arena Boards of Management of \$6.025 million gross and \$0.042 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
George Bell Arena	529.2	(0.6)
William H. Bolton Arena	751.9	(0.1)
Larry Grossman Forest Hill Memorial Arena	907.4	(1.7)
Leaside Memorial Community Gardens	953.0	45.0
McCormick Playground Arena	655.0	(0.1)
Moss Park Arena	689.4	(0.1)
North Toronto Memorial Arena	781.3	(0.3)
Ted Reeve Arena	757.6	0.0
Total Program Budget	6,024.7	42.1

Association of Community Centres:

62. the 2008 Recommended Operating Budget for the Association of Community Centres of \$6.931 million gross and \$6.761 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
519 Church Street	1,128.9	1,128.9
Applegrove	375.4	375.4
Cecil	645.8	645.8
Central Eglinton	561.5	561.5
Community Centre 55	653.7	653.7
Eastview Neighbourhood	506.8	506.8
Harbourfront	1,150.8	1,150.8
Ralph Thornton	652.1	612.7
Scadding Court	833.0	833.0
SwanseaTownHall	422.7	292.2
	<hr/>	<hr/>
Total Program Budget	<u>6,930.7</u>	<u>6,760.8</u>

Exhibition Place:

63. the 2008 Recommended Operating Budget for Exhibition Place of \$53.997 million gross and \$0.030 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Canadian National Exhibition	21,899.7	(797.9)
Exhibition Place & Direct Energy Centre	24,629.7	877.0
National Soccer Stadium	7,467.8	(49.1)
	<hr/>	<hr/>
Total Program Budget	<u>53,997.2</u>	<u>30.0</u>

HeritageToronto:

64. the 2008 Recommended Operating Budget for Heritage Toronto of \$0.694 million gross and \$0.390 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Heritage Education	310.1	255.1
Advocacy	209.8	209.8
Heritage Fund Development	173.9	(75.1)
	<hr/>	<hr/>
Total Program Budget	<u>693.8</u>	<u>389.8</u>

Parking Tag Enforcement and Operations:

65. the 2008 Recommended Operating Budget for the Parking Tag Enforcement & Operations (which is included in Corporate Accounts) of \$45.377 million gross and \$36.439 million net revenue, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Parking Enforcement Unit	34,526.1	33,911.1
Revenue Services	5,773.7	5,773.7
Judicial Processing of Parking Tickets	1,076.7	1,076.7
Parking Tag Revenue	4,000.0	(77,200.0)
	<hr/>	<hr/>
Total Program Budget	45,376.5	(36,438.5)
	<hr/> <hr/>	<hr/> <hr/>

Theatres:

66. the 2008 Recommended Operating Budget for Theatres of \$23.289 million gross and \$3.841 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Sony Centre for the Performing Arts	14,584.1	1,171.1
St. Lawrence Centre for the Arts	4,017.9	1,526.6
Toronto Centre for the Arts	4,686.7	1,142.9
	<hr/>	<hr/>
Total Program Budget	23,288.7	3,840.6
	<hr/> <hr/>	<hr/> <hr/>

67. the Deputy City Manager and Chief Financial Officer report back by May 2008 on the adoption of a by-law under Section 27.3 of the Assessment Act to enable Toronto Centre for the Arts to manage the realty tax issues arising from commercial programming of the main stage theatre for more than 183 days per year.

Toronto Atmospheric Fund:

68. the 2008 Recommended Operating Budget for Toronto Atmospheric Fund of \$2.684 million gross and \$0.000 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Atmospheric Fund	2,684.3	0.0
Total Program Budget	2,684.3	0.0

69. the Toronto Atmospheric Fund provide a quarterly variance report through 2008 to monitor the investment income that is being achieved from the endowment and third party fundraising activities; and,
70. the two new temporary positions continue to be funded conditionally upon the continued success of Toronto Atmospheric Fund fundraising activities.

Toronto and Region Conservation Authority:

71. the 2008 Recommended Operating Budget for Toronto and Region Conservation Authority of \$37.363 million gross and \$7.063 million net, of which \$3.892 million is a contribution from Toronto Water and \$3.171 million is tax-supported, and which is comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Watershed Health	20,006.9	2,926.4
Public Use Recreation	11,934.8	631.9
Rouge Park Interim Management	478.6	70.4
Corporate Services	4,942.7	3,434.4
Total Program Budget	37,363.0	7,063.1
Less Toronto Water contribution		(3,892.0)
Tax-Supported Budget		3,171.1

Toronto Police Service:

72. the 2008 Recommended Operating Budget for the Toronto Police Service of \$841.731 million gross and \$798.260 million net, comprised of the following services, be approved:

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<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Service	841,730.7	798,259.5
Total Program Budget	841,730.7	798,259.5

73. the Toronto Police Service's 2008 Operating Budget be set at an increase of 1.5% above their 2007 Approved Budget of \$786.218 million and that the Toronto Police Services Board advise the Budget Committee no later than the Third Quarter Operating Budget Variance Report on what adjustments have been made to achieve the 2008 recommended funding level;
74. the Toronto Police Services Board report back to the Budget Committee following the negotiation of a collective agreement between the Police Service and the Police Association identifying any required adjustments to the Police Service's approved budget; and
75. the government of Ontario assume the full responsibility of court security and prisoner transportation costs estimated at \$41.400 million net in 2008 for Provincial courtrooms within the City of Toronto.

Toronto Police Services Board:

76. the 2008 Recommended Operating Budget for the Toronto Police Services Board of \$2.234 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Toronto Police Services Board	2,233.9	2,233.9
Total Program Budget	2,233.9	2,233.9

Toronto Public Health:

77. the 2008 Recommended Operating Budget for Toronto Public Health of \$219.296 million gross and \$50.571 million net, comprised of the following services, be approved:

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<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Office of the MOH	671.9	167.9
Public Health Planning & Policy	12,009.8	2,978.3
Healthy Families	56,710.6	6,691.1
Communicable Disease	40,409.3	8,302.9
Healthy Environments	33,607.7	12,918.7
Healthy Living	33,234.9	8,222.6
Dental / Oral Health	20,793.1	8,218.7
Finance & Administration	21,859.1	3,070.7
	<hr/>	<hr/>
Total Program Budget	<u>219,296.4</u>	<u>50,570.9</u>

78. the Medical Officer of Health report to the Board of Health at its April 21, 2008 meeting on the details in achieving the revenue target of \$0.095 million within Animal Services; and
79. the recommendations contained in the report (January 9, 2008) from the Medical Officer of Health entitled “Dog & Cat Licensing Strategy – 2008 Operating Budget Request” be approved:
- a. the additional gross request of \$833,100 for the Dog and Cat Licensing Strategy recommended by the Board of Health be reduced by \$275,000 by deferring the hiring of staff (\$150,000) and reducing expenditures in advertising/promotions, printing and others (\$125,000) as reflected in the 2008 Budget Committee Recommended Operating Budget; and,
 - b. any year-end deficit resulting from the Dog and Cat Licensing Strategy initiative be reported to the Board of Health and Budget Committee and funded from within the Toronto Animal Services approved budget for 2008 and beyond.

Toronto Public Library:

80. the 2008 Recommended Operating Budget for Toronto Public Library of \$169.988 million gross and \$155.674 million net, comprised of the following services be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Library Services	163,926.6	149,812.2
Library Administration	6,061.5	5,861.5
	<hr/>	<hr/>
Total Program Budget	<u>169,988.1</u>	<u>155,673.7</u>

81. the unallocated adjustment in the 2008 Recommended Operating Budget for the Toronto Public Library (TPL) is limited to \$0.143 million.

Toronto Transit Commission– Conventional:

82. the 2008 Recommended Operating Budget for TTC of \$1.155 billion gross and \$202.323 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
TTC Conventional Service	<u>1,155,414.1</u>	<u>202,323.0</u>
Total Program Budget	<u>1,155,414.1</u>	<u>202,323.0</u>

83. the Chief General Manager of the Toronto Transit Commission report back to the Budget Committee prior to the start of the 2009 Operating Budget process on the success of the program to bring IT contractors in house;
84. the Chief General Manager of the Toronto Transit Commission report back to the Budget Committee prior to the start of the 2009 Operating Budget process on the impact of the Health and Wellness program on absenteeism and on associated savings;
85. the Chief General Manager of the Toronto Transit Commission report back to the Budget Committee in Spring 2008, as part of the City's Service Planning process, with a five-year Operating Plan, driven by ridership and TTC service delivery plans that would include various options for a multi-year fare strategy; and,
86. the Chief General Manager and the Chair of the TTC adjust the Commission's budget schedule beginning in 2008, so that it coincides with the City of Toronto's budget process, and associated requirements, and, in particular, that the Commission prepare and approve its Operating Budget by mid-September annually.

Toronto Transit Commission– Wheel-Trans:

87. the 2008 Recommended Operating Budget for Wheel-Trans of \$73.862 million gross and \$50.351 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Accessible transit services	<u>73,862.2</u>	<u>50,351.2</u>
Total Program Budget	<u>73,862.2</u>	<u>50,351.2</u>

88. the Chief General Manager of the Toronto Transit Commission report back to Budget Committee in Spring 2008, as part of the City's Service Planning process, with a 5-year Operating Plan based on ridership and service delivery that would be updated annually to take into account expected trends in salary costs, fuel costs and general inflation and would address the continuing increase in demand for Wheel-Trans trips and would provide options to migrate passengers to the Toronto Transit Commission's conventional system.

Toronto Zoo:

89. the 2008 Recommended Operating Budget for the Toronto Zoo of \$41.240 million gross and \$11.706 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Conservation, Education & Research	5,414.4	4,011.6
Marketing & Communications	11,284.6	(88.9)
Operations & Administration	22,485.5	22,229.2
General Management, Interpretation, Culture & Design	1,919.6	1,858.7
Animal & Endangered Species	136.0	0.0
Revenue & Recoveries	0.0	(16,304.5)
	<hr/>	<hr/>
Total Program Budget	<u>41,240.1</u>	<u>11,706.1</u>

Yonge-Dundas Square:

90. the 2008 Recommended Operating Budget for Yonge-Dundas Square of \$1.352 million gross and \$0.584 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Yonge-Dundas Square	1,351.5	583.5
	<hr/>	<hr/>
Total Program Budget	<u>1,351.5</u>	<u>583.5</u>

RATE SUPPORTED PROGRAMS

Toronto Parking Authority:

91. the 2008 Recommended Operating Budget for the Toronto Parking Authority of \$63.498 million gross and \$49.617 million net revenue, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
On-Street Parking	13,134.2	(30,392.6)
Off-Street Parking	<u>50,364.0</u>	<u>(19,224.6)</u>
Total Program Budget	<u><u>63,498.2</u></u>	<u><u>(49,617.2)</u></u>

CORPORATE ACCOUNTS

Community Partnership and Investment Program:

92. the 2008 Recommended Operating Budget for Community Partnership and Investment Program of \$43.525 million gross and \$43.266 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Arts & Culture	18,042.0	18,042.0
Community Services	13,693.6	13,693.6
Recreation	1,377.4	1,377.4
Public Health	5,224.6	5,224.6
Housing	2,406.8	2,406.8
Access & Equity	773.8	773.8
Economic Development	556.3	556.3
Urban Development	259.0	0.0
Miscellaneous	<u>1,191.7</u>	<u>1,191.7</u>
Total Program Budget	<u><u>43,525.2</u></u>	<u><u>43,266.2</u></u>

93. the City Manager be directed to appoint the General Manager of Economic Development and Culture and the Executive Director of Social Development as champions of the Community Partnership and Investment Program; and further that, prior to the commencement of the 2009 operating budget, the General Manager and Executive Director report on the financial status and requirement of the various sectors that are funded by Community Partnership and Investment Program providing a budget request at the beginning of the budget process;
94. the City Manager and General Manager, Economic Development, Culture and Tourism, review and report back to the Economic Development Committee by September 2008 on how to best facilitate the Toronto Arts Council becoming one of the City's ABCs; and
95. the Director of Culture report on the eligibility of the Toronto International Film Festival Group as a member of the Major Arts Cultural Organizations.

Capital and Corporate Financing/Non-Program:

96. the 2008 Recommended Operating Budget for Non-Program of \$992.146 million gross and (\$2.413) million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Capital and Corporate Financing	597,904.7	531,393.1
Non-Program Expenditures	394,241.1	300,711.9
Non-Program Revenue	<u> </u>	<u>(834,518.1)</u>
Total Program Budget	<u>992,145.8</u>	<u>(2,413.1)</u>

- 96.1 *Council allocate the 2007 preliminary year-end net operating surplus of \$94.8 million to 2008 Operating Budget – Prior Year Surplus Revenue (\$78.0 million), Winter Control Stabilization Reserve (\$12.0 million) and an Extreme Weather Reserve (\$4.816 million). (BU28.1a)*

(Motion by Councillor Mihevc)

- VII. The reports, transmittals and communications that are on file with the City Clerk’s Office (including Appendix 4 herewith attached) as considered by the Budget Committee at its 2008 budget review meetings.

Decision Advice and Other Information

On motion by Councillor Perks, the Budget Committee:

1. requested the Deputy City Manager and Chief Financial Officer to report to the Executive Committee meeting on March 25, 2008, on the creation of an Extreme Weather Reserve; and
2. received the following items for information:
 - i. (March 4, 2008) from the Acting Chief Executive Officer, Toronto Zoo, entitled “2008 Stingray Exhibit at the Toronto Zoo”(BU28.1d);
 - ii. (March 4, 2008) from the Chair, Toronto Police Services Board, entitled “Toronto Police Service – Revised 2008 Operating Budget Request”(BU28.1e).

Links to Background Information

2008 Budget Committee Recommended Operating Budget

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11380.pdf>)

Appendix 1

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11396.pdf>

Appendix 2

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11397.pdf>

Appendix 3

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11398.pdf>

Appendix 4

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11433.pdf>

CORPORATE

1a Preliminary Operating Variance Report for the Year Ended December 31, 2007

(February 29, 2008) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. Council allocate the 2007 preliminary year-end net operating surplus of \$94.8 million to 2008 Operating Budget – Prior Year Surplus Revenue (\$78.0 million), Winter Control Stabilization Reserve (\$12.0 million) and an Extreme Weather Reserve (\$4.816 million).
2. The Deputy City Manager and Chief Financial Officer report to the Executive Committee on the creation of an Extreme Weather Reserve.
3. The Budget Committee forward this 2007 Preliminary Operating Year-end Variance Report to the Executive Committee for its consideration.

Financial Impact

Table 1 summarizes the net operating surplus by program cluster. The net operating surplus was attributed to several factors in City Operations and Agencies, Boards and Commissions (ABCs) and Corporate Accounts.

Table 1	
2007 Preliminary Net Operating Variance	
Over/(Under)	
(\$ millions)	
Citizen Centred Services "A"	(3.2)
Citizen Centred Services "B"	(16.8)
Internal Services	(9.3)
City Manager	(1.8)
Other City Programs	(3.2)
Council Appointed Programs	(0.1)
Total - City Operations	(34.5)
Agencies, Boards and Commissions	(19.1)
Corporate Accounts	(41.3)
Sub-Total	(60.4)
Total 2007 Preliminary Net Operating Variance	(94.8)

Table 2 outlines the recommended allocation of the 2007 year-end preliminary operating surplus (details are contained in the '2007 Preliminary Year-end Surplus Allocation' section of this report).

Table 2	
2007 Preliminary Net Operating Surplus	
(\$ millions)	
Preliminary Operating Surplus	94.816
Recommended Allocation:	
2008 Operating Budget - Prior Year Surplus Revenue	78.000
Winter Control Stabilization Reserve	12.000
Extreme Weather Maintenance Reserve	4.816
	94.816

Summary

The purpose of this report is to provide the City of Toronto 2007 Preliminary Operating Variance report for the twelve-month period ended December 31, 2007 and to recommend approval of the allocation of the 2007 preliminary year-end operating surplus.

For the twelve-month period ended December 31, 2007, the preliminary year-end net operating

surplus totalled \$94.8 million or 1.2% lower than the 2007 Council Approved Gross Operating Expenditure Budget. City Operations contributed \$34.5 million towards the preliminary year-end net operating surplus while ABCs contributed \$19.1 million and Corporate Accounts \$41.3 million. This report recommends that \$78.0 million of the 2007 preliminary year-end net operating surplus be used as a revenue source in the 2008 Operating Budget. Further, it is recommended that \$12.0 million be contributed to the Winter Control Stabilization Reserve and \$4.8 million to an Extreme Weather Reserve to be established.

The 2007 preliminary year-end favourable net operating variance was attributed to several factors in City Operations and Agencies, Boards & Commissions (ABCs) including: 2007 cost containment measures; lower than budgeted bed night volumes in hostel services; lower costs for processing of recyclables, deferrals of recycling programs and lower waste tonnage; better than expected pricing and contract negotiations for hardware, servers and maintenance; lower than planned utility costs as a result of the energy efficiency measures implemented in various corporate facilities; higher than expected revenues from the Canadian National Exhibition (CNE) due to good weather; and, higher than planned one-time revenues as well as delays in the opening of new courtrooms which impacted Toronto Police Service (TPS).

The Corporate Accounts' favourable preliminary year-end net operating variance was attributed to: lower tax deficiency expenditures; delays in delivery of the third supplementary and omitted assessment roll which provided MPAC (Municipal Property Assessment Corporation) with an opportunity to include additional assessments onto the assessment roll; higher than planned Payment in Lieu of Taxes (PILs) revenue and lower provisions required for uncollectible PILs; higher than planned tax penalty revenues, as outstanding receivable balances were higher throughout 2007; unclaimed property tax credits held in the Tax Repayment account; and, higher than budgeted Toronto Parking Authority revenues.

Links to Background Information

Preliminary Operating Variance Report for the Year Ended December 31, 2007

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11381.pdf>)

Appendix A, B and C

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11392.pdf>)

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

1b Coordinated Street Furniture Program: Funding for Tourist Information Component

(February 26, 2008) Report from Executive Director, Tourism Section Economic Development, Culture and Tourism Division

Recommendations

1. That the Economic Development, Culture and Tourism 2008 Operating Budget be increased by \$0.300 million gross, zero net, funded by \$0.300 million from the Public Realm Reserve Fund, to develop the tourist information system and wayfinding content of the info pillar component of the Co-ordinated Street Furniture Program.

2. The General Manager of Economic Development, Culture and Tourism report to Budget Committee by the Summer of 2008 on the multi-year plan and associated funding required to develop and sustain the information content system to provide tourist information and wayfinding signage for the Information pillar element of the Coordinated Street Furniture Program.

Financial Impact

The Economic Development, Culture and Tourism 2008 Recommended Operating Budget would be increased by \$0.300 million gross and \$0 net by these recommendations.

At its meeting on December 11, 12 and 13, 2007, Council adopted report entitled, “Coordinated Street Furniture Program - Revenues; and Establishment of a New ‘Public Realm’ Reserve Fund” and referred the following recommendation to the 2008 Operating Budget process – “that the development and maintenance of tourist information and wayfinding signage strategies in connection with the info pillar element of the Street Furniture Program receive up to \$300,000 in 2008 from the Public Realm Reserve Fund” subject to the Executive Director, Tourism, submitting a business case.

This report recommends that the \$300,000 allocated for 2008 be used for contracted services to deliver the roll-out of the interim solution for the information system in 2008 (estimated \$5,000), and to develop the full information system that will be implemented in 2009 (estimated \$295,000).

Once consultations with other City divisions and Astral Media concerning the details of this project is completed in the first half of 2008, a further report to Budget Committee will provide a recommended approach to the roll-out and sustainment of the tourist information and wayfinding signage system and the requirements for 2009 and 2010 funding from the Public Realm Reserve Fund.

Summary

This report recommends that the 2008 Operating Budget include the transfer of \$300,000 from the “public realm reserve fund” to the 2008 Recommended Operating Budget for Economic Development, Culture and Tourism to support the development of the content for the 120 info pillars which are planned as part of the coordinated street furniture program.

The installation of the pillars and the content they will deliver will partially address a long articulated need for improved information systems in Toronto for visitors. The need to improve tourist information systems is among the priority recommendations to emerge from the recently completed industry-led “Premier Ranked Tourist Destination” project scheduled to come before the Economic Development Committee in April 2008. Tourism information development also supports the recommendations of “The Prosperity Agenda”.

This opportunity to improve the City’s delivery of tourism and wayfinding information services to pedestrians comes about as a result of the “Coordinated Street Furniture Program”. The capital infrastructure and maintenance requirements of the Program are included within the terms of the Agreement between the City and Astral Media. This report deals only with the information content to be provided by the pillars.

Links to Background Information

Coordinated Street Furniture Program: Funding for Tourist Information Component
(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11376.pdf>)

WATERFRONT SECRETARIAT

1c Staff Resources for the Waterfront Secretariat

(February 28, 2008) Report from Deputy City Manager Richard Butts

Recommendations

It is recommended that:

1. The 2008 Capital Budget for Waterfront Revitalization as approved by Council in December 2007 be amended to reflect an increase of \$150,000.00 to the Waterfront Secretariat sub-project, and a decrease of \$150,000.00 to the Financial Securities sub-project, with no net impact on the overall total of \$51,131,046.00.
2. The 2008 Recommended Operating Budget for the Waterfront Secretariat of \$1,412,615.06 (gross)/\$1,081,615.06 (net) be amended to reflect an increase of \$150,000.00 (gross) in salary costs, and an increase of \$150,000.00 in the recoveries from the Capital Program for Waterfront Revitalization, with no net impact.
3. The number of Approved Positions for the Waterfront Secretariat, recommended for 2008 at the level of 9.0, be increased by 2.0 to 11.0 to reflect the hiring of two temporary Technical Co-ordinator positions to be funded from the Capital Program as outlined in Recommendations 1 and 2 above.
4. The appropriate City Officials be authorized and directed to take the necessary actions to give effect thereto.

Financial Impact

The recommendations in this report will permit the Waterfront Secretariat to hire two additional temporary Technical Co-ordinators as of May 1, 2008, to be funded from the Waterfront Capital Program.

The Waterfront Capital Program as approved by Council in December 2007 will be adjusted by transferring \$150,000.00 from the Financial Securities sub-project to the Waterfront Secretariat sub-project, with no net impact on the overall total of \$51,131,046.00.

The 2008 Recommended Operating Budget for the Waterfront Secretariat of \$1,412,615.06 (gross)/\$1,081,615.06 (net) will be amended to reflect an increase of \$150,000.00 (gross) in salary costs, and an increase of \$150,000.00 in the recoveries from the Waterfront Capital Program, with no net impact. The fully annualized costs for these positions are estimated at approximately \$225,000.00.

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

Summary

With the Waterfront Revitalization Initiative progressing rapidly through implementation, the focus of City and Waterfront Toronto staff has shifted from planning initiatives and the management of smaller, individual projects to the development of entire precincts, each of which consists of numerous projects, involving a number of public and private stakeholders and the large amounts of public lands. Managing the complex issues and approval requirements associated with these initiatives had significantly escalated the work load of the Waterfront Secretariat. To address this capacity issue, the Waterfront Project Director is requesting authority to hire an additional two temporary Technical Co-ordinator positions as of May 1, 2008, to be funded through the Waterfront Capital Program, with no impact on the City's Operating Budget. These positions will focus on expediting implementation of East Bayfront, West Don Lands and Port Lands, as well as various financial matters.

The total costs are expected to approximate \$150,000.00 for 2008, and \$225,000.00 on a fully annualized basis.

Links to Background Information

Staffing Resources for the Waterfront Secretariat

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11377.pdf>

Toronto Zoo

1d 2008 Stingray Exhibit at the Toronto Zoo

(March 4, 2008) Letter from Acting Chief Executive Officer, Toronto Zoo

Summary

Regarding the 2008 Stingray Exhibit at the Toronto Zoo

Links to Background Information

2008 Stingray Exhibit at the Toronto Zoo

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11393.pdf>

Toronto Police Service

1e Toronto Police Service – Revised 2008 Operating Budget Request

(March 4, 2008) Report from Chair, Toronto Police Services Board

Recommendations

It is recommended that:

1. the City Budget Committee approve a revised 2008 net operating budget request of \$801.3 million (M), a 1.9% increase over the 2007 approved net operating budget, excluding the impact of 2008 labour contract settlements.

Financial Impact

If the City Budget Committee approves the recommendation contained in this report, it will result in the allocation of funds in the amount of \$801.3M net (\$839.8M gross). This is an increase of \$15.1M (1.9%) over the approved 2007 net operating budget of \$786.2M.

This revised budget request has been reduced from the Toronto Police Services Board-approved 2008 budget by \$1.0M, as a result of a \$500,000 reduction to the legal indemnification account, and a \$500,000 increase in revenues.

Summary

The purpose of this report is to provide the City of Toronto - Budget Committee with a response to City staff recommendations regarding the Toronto Police Service's 2008 operating budget request. The recommendations had been presented to the City Budget Committee on January 28, 2008.

Links to Background Information

Toronto Police Service - Revised 2008 Operating Budget Request
(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11419.pdf>)

1f Summary of 2008 Operating Budget - March 6, 2008

(March 6, 2008) Report from Deputy City Manager and Chief Financial Officer

Summary

Forwarding summary for consideration.

Links to Background Information

Summary of 2008 Operating Budget - March 6, 2008

BU28.2	ACTION	Adopted		Ward: All
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Preliminary Capital Variance Report for the Year Ended December 31, 2007

(February 29, 2008) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. Council approve the budget and technical adjustments to the 2007 Approved Capital Budget as detailed in Appendix 2 attached.
2. Council approve draws of \$69.509 million from the Provincial Gas Tax Reserve Fund; \$41.015 million from the Canada Strategic Infrastructure Reserve Fund; \$75.000 from the Public Transit Capital Trust Reserve Fund; \$3.290 million from the Ontario Bus Replacement Program Reserve Fund; \$1.638 million from the Transit Technology Infrastructure Program Reserve Fund and \$44.564 million from the Ontario Rolling Stock Infrastructure Reserve Fund for a total of \$235.016 million to fund the provincial share of the Toronto Transit Commission 2007 actual capital expenditures.
3. Council approve closure of completed projects as detailed in Appendix 4, and in accordance with the Financial Control By-law, direct that, after fully funding overspent projects, any remaining unspent funds be returned to original funding sources.
4. The Budget Committee forward this report to the Executive Committee for its consideration.

Financial Impact

As shown in Table 1 below, Tax Supported Programs spent \$1.425 billion or 71.2% of the 2007 Approved Capital Budget of \$2.002 billion during the year ended December 31, 2007. By comparison, spending in 2005 approximated 68.3% and in 2006, 72.8% of the respective Council Approved Budgets. Rate-Supported Programs spent \$259 million or 59.1% of their collective 2007 Approved Budget of \$437.507 million.

In accordance with the City's Carry Forward Policy, the 2008 Capital Budget, which was approved by Council at its December 11, 2007 meeting, included 2007 carry forward funding of \$305.122 million. This will enable staff to complete projects for which capital work was not completed in 2007 as planned. It should be noted additional adjustment to carry forward funding from 2007 into 2008 for previously approved projects will be included in the final year-end variance report based on 2007 final year-end results.

Table 1			
Corporate Capital Variance Summary			
for the Twelve Months Ended December 31, 2007			
(\$000s)			
	2007 Approved Budget	Actual Expenditures \$	Spent %
Tax Supported Programs:			
Citizen Centred Services - "A"	196,104	106,663	54.4%
Citizen Centred Services - "B"	648,911	538,092	82.9%
Internal Services	172,972	116,484	67.3%
Other City Programs	33,220	13,059	39.3%
Agencies, Boards & Commissions	950,647	650,906	68.5%
Total - Tax Supported	2,001,854	1,425,204	71.2%
Rate Supported Programs:			
Toronto Parking Authority	27,506	6,416	23.3%
Toronto Water	410,001	252,136	61.5%
Total - Rate Supported	437,507	258,552	59.1%
Total	2,439,361	1,683,756	69.0%

In compliance with prudent financial management practices, debt is issued only when needed to finance actual or committed capital expenditures. This strategy minimizes the incurrence of debt service costs and the resultant impact on the Operating Budget. A list of completed projects and / or projects that are otherwise recommended for closure will be included with the Final 2007 Year-end Capital Variance report. In accordance with the Financial Control By-law, uncommitted unspent funds from these completed capital projects will be returned to the original funding source.

Summary

The purpose of this report is to provide the City of Toronto Preliminary Capital Variance Report for the year ended December 31, 2007, and to request Council's approval for budget adjustments which reallocate funds between projects with no incremental impact on the Council Approved 2007 Capital Budget. A final report will be submitted to Council following the completion of the external audit of the City's accounts and financial statements.

Capital expenditures for the year ended December 31, 2007 totalled \$1.684 billion or 69% of the approved budget of \$2.439 billion (see Appendix 1). The under-expenditure is primarily attributed to the inability to find or secure suitable sites in accordance with planned timeframes; delays in securing funds from cost-sharing partners; later than planned delivery of 161 buses to the Toronto Transit Commission due to an employee strike at the bus manufacturer; and late delivery of garbage packers, side loaders and street sweepers as a result of challenges faced by suppliers in acquiring major components for these vehicles. In addition, several projects were completed under-budget. Unspent funds for incomplete projects will be carried forward to 2008 on an as required basis, in accordance with the City's Carry Forward Policy.

Committee Recommendations

On motion by Councillor Ainslie, the Budget Committee recommends to the Executive Committee that:

1. City Council approve the budget and technical adjustments to the 2007 Approved Capital Budget as detailed in Appendix 2 attached.
2. City Council approve draws of \$69.509 million from the Provincial Gas Tax Reserve Fund; \$41.015 million from the Canada Strategic Infrastructure Reserve Fund; \$75.000 from the Public Transit Capital Trust Reserve Fund; \$3.290 million from the Ontario Bus Replacement Program Reserve Fund; \$1.638 million from the Transit Technology Infrastructure Program Reserve Fund and \$44.564 million from the Ontario Rolling Stock Infrastructure Reserve Fund for a total of \$235.016 million to fund the provincial share of the Toronto Transit Commission 2007 actual capital expenditures.
3. City Council approve closure of completed projects as detailed in Appendix 4, and in accordance with the Financial Control By-law, direct that, after fully funding overspent projects, any remaining unspent funds be returned to original funding sources.

Links to Background Information

Preliminary Capital Variance Report for the Year Ended December 31, 2007

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11382.pdf>)

Appendix 1

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11389.pdf>)

Appendix 2

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11390.pdf>)

Appendix 3

(<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11391.pdf>)

BU28.3	Information	Received		Ward: All
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Preliminary Reserves and Reserve Funds Variance Report – December 31, 2007

(February 29, 2008) 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 preliminary information on reserve and reserve fund balances as at December 31, 2007, and activity in reserves and reserve funds during the year then ended.

The reserves and reserve funds balances at December 31st, 2007 total \$2.4 billion (\$1.7 billion – December 31, 2006) and were projected to decline by \$261.4 million during the year resulting in a year-end balance of \$1.4 billion. The planned use of reserves and reserve funds in 2007 continues the trend in recent years to draw (on a net basis) from existing reserves and reserve funds to finance capital and operating expenditures.

The major reason for the increase in the reserve funds balance was the delay/deferral of capital spending from 2007 to 2008 and the receipt of \$499.4 million in Provincial and Federal funding to support the Toronto Transit Commission (TTC), which was credited to five newly created TTC reserve funds (Canadian Strategic Infrastructure, Public Transit Capital Trust, Ontario Bus Replacement Program, Transit Technology Infrastructure Program, Ontario Rolling Stock Infrastructure).

The vast majority of these funds have been committed to fund capital projects and future known liabilities, leaving minimal amounts for discretionary spending.

Decision Advice and Other Information

On motion by Councillor Ainslie, the Budget Committee received the item for information.

Links to Background Information

Preliminary Reserves and Reserve Funds Variance Report - December 31, 2007

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11383.pdf>

Appendix A, B, C

<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-11384.pdf>

Meeting Sessions

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2008-03-06	Morning	9:30 AM	9:55 AM	Public

Chair