
Budget Committee

Meeting No.	49	Contact	Merle MacDonald, Committee Administrator
Meeting Date	Tuesday, May 19, 2009	Phone	416-392-7340
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 2, City Hall	Chair	Councillor Shelley Carroll

Budget Committee		
Councillor Shelley Carroll (Chair) Councillor Paul Ainslie (Vice-Chair) Councillor Maria Augimeri	Councillor A. A. Heaps Councillor Joe Mihevc	Councillor Gord Perks Councillor Kyle Rae

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Declarations of Interest under the Municipal Conflict of Interest Act**Confirmation of Minutes - April 24, 2009****Communications/Reports**

BU49.1	ACTION			Ward: 11, 16, 18, 20, 26, 27, 32
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Arena Boards of Management 2007 Operating Surpluses/(Deficits) Settlement**Origin**

(May 6, 2009) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that City Council approve the following recommendations:

1. the 2007 operating surpluses totalling \$7,611 from three Arenas (Larry Grossman Forest Hill, Moss Park, North Toronto), and the excess funds advanced to Ted Reeve Arena during 2007 of \$8,164, be paid to the City of Toronto and be used to partially fund the payment of operating deficits of \$277,652 for the other five Arenas (George Bell, William H. Bolton, Leaside, McCormick, Ted Reeve) resulting in an operating net deficit of \$270,041 to be funded by the City, as detailed in Appendix A, column (c).
2. a funding provision of \$27,651 be made through the 2008 Final Year-End Operating Variance Report, as calculated in Appendix A.

Summary

This report recommends settlement with the eight Arena Boards of Management (Arenas) on their 2007 operating surpluses and deficits based on audited financial results for the year ended December 31, 2007, with any unsettled operating surplus to be payable to the City by various Arenas and any unsettled operating deficit to be funded by the City upon Council's approval.

Financial Impact

The Arena Boards of Management final net settlement for the year 2007 requires that operating surpluses totalling \$7,611 from three Arenas be paid to the City and be used to partially fund the payments of the operating deficits of \$277,652 to five other Arenas, resulting in a net funding requirement from the City to the Arenas of \$270,041. A summary of net funding to the Arena Boards or surpluses payable to the City is detailed in Appendix A.

In addition, there was a 2006 settlement of \$9,355 that was funded from the 2007 Operating Budget.

Of the total funding requirement of \$279,396 in 2007, \$251,745 was provisioned through the 2007 Final Year-End Operating Variance Report, leaving a balance of \$27,651 to be funded in 2008 from an allocation of underspending through the 2008 Final Operating Variance Report.

Background Information

Arena Boards of Management 2007 Operating Surpluses/(Deficits) Settlement

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21105.pdf>)

Appendix A

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21106.pdf>)

BU49.2	ACTION			Ward: All
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Capital Variance Report - For the Three Months Ended March 31, 2009

Origin

(May 7, 2009) Report from Deputy City Manager and Chief Financial Officer

Summary

This is to advise that the Capital Variance Report - For the Three Months Ended March 31, 2009 will be on the Supplementary Agenda for the Budget Committee meeting of May 19, 2009.

Background Information

Capital Variance Report - For the Three Months Ended March 31, 2009

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21111.pdf>)

BU49.3	ACTION			Ward: All
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Amendments to Solid Waste Management Services Diversion Contracts

Confidential Attachment - The security of the property of the municipality or local board

Origin

(May 5, 2009) Letter from Public Works and Infrastructure Committee

Recommendations

The Public Works and Infrastructure Committee recommended to the Budget Committee that:

1. City Council approve an increase in the maximum contracted single stream recycling tonnage to be processed by Canada Fibers Ltd. by an additional 20,000 tonnes to 105,000 tonnes per year at an additional \$16.00 per tonne above the current processing

rate with CPI adjustments on the new tonnes effective January 1, 2010 and annually thereafter, all net of GST.

2. City Council approve an increase in the maximum contracted source separated organic tonnage to be hauled and processed by OrgaWorld Canada Ltd. by 25,000 tonnes to 75,000 tonnes per year at a rate reduced by \$5.00 per tonne from the current processing rate of \$112.50 per tonne to \$107.50 per tonne on both the currently committed tonnes and the new tonnes with CPI adjustments effective June 1, 2009 and annually thereafter and no change in the current contracted rate of \$17.25 per tonne for haulage, all net of GST.
3. Subject to the adoption of Recommendation 2, City Council approve a put or pay commitment of 70% of the full 75,000 tonnes until May 31, 2013, provided that OrgaWorld Canada Ltd. is capable of processing the full amount.
4. Subject to the adoption of Recommendation 2, City Council authorize the General Manager, Solid Waste Management Services to exercise the two (2) option years from June 1, 2013 to May 31, 2014 and June 1, 2014 to May 31, 2015 with OrgaWorld Canada Ltd. as part of the agreement for increased capacity.
5. City Council authorize the General Manager, Solid Waste Management Services to enter into any necessary amending agreements with both Canada Fibers Ltd. and OrgaWorld Canada Ltd. to reflect Recommendations 1, 2, 3 and 4, and otherwise on terms and conditions satisfactory to the General Manager, Solid Waste Management Services and in a form satisfactory to the City Solicitor.
6. City Council:
 - a. extend the existing authority of the General Manager of Solid Waste Management Services to negotiate and enter into amending agreements with the City's current SSO processing contractors and/or negotiate and enter into agreements with other SSO processing contractors as required to meet the City's SSO (including SSO digestate) processing needs for terms up to December 31, 2015 on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor, provided that the prices do not exceed the increased processing fees identified in Attachment 1 – Confidential Information; and
 - b. authorize the General Manager of Solid Waste Management Services to negotiate and enter into amending agreements with the City's current SSRM processing contractors and/or negotiate and enter into agreements with other SSRM processing contractors as required to meet the City's SSRM processing needs for terms up to December 31, 2015 on terms and conditions satisfactory to the General Manager, Solid Waste Management Services, and in a form satisfactory to the City Solicitor, provided that the prices do not exceed the processing fees identified in Attachment 1 – Confidential Information.

7. City Council amend the 2009 Approved Operating Budget for Solid Waste Management Services by increasing expenditures in Cost Centre SW0751 (MRF: Single Stream - Dufferin) by \$1,008,410.; by decreasing expenditures in Cost Centre SW0476 (MWPFD-DUFFERIN) by \$218,750 and by increasing revenue in Cost Centre SW0751 (MRF: Single Stream - Dufferin) by \$789,660.
8. Confidential Attachment 1 to the report (April 21, 2009) from the General Manager, Solid Waste Management Services, remain confidential in its entirety, in accordance with the provisions of the City of Toronto Act, 2006, as it relates to the security of the property of the municipality or local board.

Summary

The Public Works and Infrastructure Committee on May 5, 2009, considered a report (April 21, 2009) from the General Manager, Solid Waste Management Services, entitled “Amendments to Solid Waste Management Services Diversion Contracts”.

Background Information

Amendments to Solid Waste Management Services Diversion Contracts

<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21094.pdf>

Appendix A

<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21095.pdf>

BU49.4	ACTION			Ward: All
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Toronto Water Capital Budget: Additional 2009 Cashflow Reallocations

Origin

(May 8, 2009) Report from General Manager, Toronto Water

Recommendations

The General Manager, Toronto Water recommends that:

1. The cashflow adjustments and budget reallocations detailed in Appendix 1 of this report, which have no impact on the Toronto Water’s total approved 2009 Capital Budget and 2010-2013 Capital Plan, be approved.
2. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Summary

The purpose of this report is to seek approval for additional reallocations in Toronto Water’s approved 2009 Capital Budget and 2010-2013 Capital Plan in response to recent increased tender prices.

Financial Impact

There are no direct financial impacts to Toronto Water's approved 2009 Capital Budget of \$498.438 million, comprised of \$58.6 million of unspent 2008 carry-forwards and \$439.838 million of approved new 2009 cashflow.

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

Background Information

Toronto Water Capital Budget: Additional 2009 Cashflow Reallocations
(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21121.pdf>)

BU49.5	ACTION			Ward: All
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Transportation Services - 2009 Cash Flow Reallocations and Deferrals

Origin

(May 7, 2009) Report from General Manager, Transportation Services

Recommendations

The General Manager of Transportation Services recommends that City Council:

1. Approve the deferred and accelerated cash flows in the amount of \$12,750,000 detailed in Table 1, attached, which will have no net impact on the approved 2009 approved debt.
2. Request the General Manager, Transportation Services to report back to the Budget Committee as part of the 2010 Capital Budget process, on a revised 10 year capital plan.
3. Authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.

Summary

The Transportation Services Division submitted two reports in 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. As with the previous reports, 2009 cash flows are needed to be realigned to other program areas that are ready to proceed. This involves the deferral of 2009 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 2009.

The impact on project costs resulting from the cash flow reallocations is an increase of \$2,750,000 million. An equivalent amount of project costs will either be 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 2010 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.

Financial Impact

Funding in the amount of \$12,750,000 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 2009 net debt funding requirement. Transportation Services staff, as part of the upcoming 2010 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.

Background Information

Transportation Services - 2009 Cash Flow Reallocations and Deferrals
<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21108.pdf>

Attachment 1

<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21109.pdf>

BU49.6	ACTION			Ward: All
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Budget Adjustments to the Toronto Public Health 2009 Approved Operating Budget

Origin

(April 20, 2009) Letter from Board of Health

Recommendations

The Board of Health recommended to the Budget Committee that:

1. City Council approve the following adjustments to Toronto Public Health's 2009 Approved Operating Budget:
 - a. a reduction of \$307.9 thousand gross and \$0.0 net, and an increase of 4

temporary positions to reflect confirmed funding from various Provincial ministries and external sources (Attachment 1, Table1); and

- b. an increase of \$110.4 thousand gross and \$0.0 net, to reflect unspent 2008 funds from Health Canada required in 2009 (Attachment 1, Table 2).

Summary

The Board of Health on April 20, 2009, considered a report (March 31, 2009) from the Medical Officer of Health, entitled “Budget Adjustments to the Toronto Public Health 2009 Approved Operating Budget”.

Background Information

Budget Adjustments to the Toronto Public Health 2009 Approved Operating Budget

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-20691.pdf>)

Attachment 1

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-20692.pdf>)

BU49.7	ACTION			Ward: All
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Diabetes Prevention Strategy - Update

Origin

(April 20, 2009) Letter from Board of Health

Recommendations

The Board of Health recommended to the Budget Committee that:

1. The Toronto Public Health 2009 Approved Operating Budget be increased by \$638,728 gross and \$0.0 net, and five temporary positions, to reflect confirmed one-time funding from the Ministry of Health Promotion for the Diabetes Prevention Strategy for the period April – December 2009.

Summary

The Board of Health on April 20, 2009, considered a report (April 1, 2009) from the Medical Officer of Health, entitled “Diabetes Prevention Strategy - Update”.

Background Information

Diabetes Prevention Strategy - Update

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-20649.pdf>)

Attachment 1

(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-20650.pdf>)

BU49.8	ACTION			Ward: All
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The Live Green Toronto Home Energy Efficiency Incentive Program

Origin

(May 8, 2009) Report from Deputy City Manager, Richard Butts and Deputy City Manager and Chief Financial Officer, Cam Weldon

Recommendations

Deputy City Manager Richard Butts and Deputy City Manager and Chief Financial Officer Cam Weldon recommend that:

1. City Council establish a Home Energy Efficiency Incentive Program:
 - a. whereby property owners of low rise residential properties in the City of Toronto will be eligible for a financial grant up to a maximum of \$1,000 for a selected set of energy efficiency retrofits; and
 - b. that will conclude by March 31, 2012.
2. The Director of the Toronto Environment Office be authorized to sign a Memorandum of Understanding, satisfactory to the City Solicitor, with appropriate officials of Natural Resources Canada to integrate delivery of the recommended Home Energy Efficiency Incentive Program with the ecoENERGY program delivered by Natural Resources Canada.
3. The Director of the Toronto Environment Office report to Council on the establishment and design of a Home Energy Efficiency Incentive Program for low-income homeowners once the Province of Ontario, utility companies and others have articulated what program(s) will be delivered for this group and that up to \$2.0 million of the total \$9.0 million be allocated for the low-income homeowners.
4. The Director of the Toronto Environment Office report to Council as part of the regular reporting on the progress of the Live Green Toronto initiatives on the outcomes of the program and any proposed changes deemed necessary to improve the performance of the Home Energy Efficiency Incentive Program.
5. The funds in the Home Energy Loan Reserve Fund be returned to the Strategic Infrastructure Partnership Reserve Fund, the Home Energy Loan Reserve Fund be closed (Attachment 2) and it be deleted from the Municipal Code Chapter 227, Reserves and Reserve Funds and the 2009 - 2013 Approved Capital Budget and Capital Plan for the Sustainable Energy Program be amended to remove the funds in the amount of \$9.0 million.
6. City Council establish and amend Toronto Municipal Code Chapter 227, Reserves and Reserve Fund – by adding a discretionary reserve fund called the ‘Home Energy Assistance Toronto Reserve Fund’ - as set out in Attachment 1 within Schedule 7 – Corporate Discretionary Reserve Funds as part of the Climate Change Reserve Fund

Group to be used to finance sustainable energy retrofit grants and associated administrative costs for single family and small commercial building sectors across the City.

7. City Council authorize the Deputy City Manager and Chief Financial Officer to transfer funds from the Strategic Infrastructure Partnership Reserve Fund to the Home Energy Assistance Toronto Reserve Fund up to a limit of \$9.0 million, consistent with the approved 2009 Capital and Operating Budgets and subsequent budget approvals.
8. The 2009 Approved Operating Budget of the Toronto Environment Office be increased by \$0.500 million for a net \$0 increase, funded from Home Energy Assistance Toronto Reserve Fund for the Home Energy Efficiency Incentive Program.
9. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and that leave be granted for the introduction of any necessary bills in Council.

Summary

In July 2007, City Council adopted the Climate Change, Clean Air and Sustainable Energy Action Plan, which included a direction to establish energy retrofit funding programs to provide financial support to owners of low-rise residential buildings. As part of the 2009 Capital Budget, City Council approved funding of \$9 million over four years for this program.

At that time the proposed program was contemplated to be a revolving loan fund. In light of the changing economy and associated drop in interest rates, staff recognized that an alternative program design would be required because owners of low-rise residential buildings now have access to low interest loans and would not seek assistance from the City for similar loan rates. Therefore, this report recommends that the program be shifted from a revolving loan fund to a grants program in order to: address the availability of low interest loans; keep administrative costs to a minimum; and maximize participation by eligible residents.

By establishing an incentive program geared towards encouraging implementation of the more significant energy retrofit measures by homeowners, the City will be helping those homeowners leverage up to an additional \$6,000 per home in Federal and Provincial financial resources and reducing the greenhouse gas emissions associated with heating and cooling their home by an estimated additional 0.5 tonnes.

Financial Impact

Grant funding up to a maximum of \$1,000 per household will be provided, up to a maximum of \$9.0 million for the City-wide program.

A total of \$9.0 million was approved for a Home Energy Loan Program Fund, as part of the Sustainable Energy Program's 2009-2013 5-Year Capital Plan, funded from the Strategic Infrastructure Partnership Reserve Fund. This was anticipated to be a revolving loan fund. The report recommends the transfer of this funding to the Toronto Environment Office, as part of its

Live Green Toronto Energy Efficiency Incentive Program and that the funds be provided as grants, rather than as loans.

It is recommended that Toronto Environment Office's 2009 Approved Operating Budget be increased \$0.500 million, funded from the Home Energy Assistance Toronto Reserve Fund, for a net \$0 increase in 2009. Funding in the amount of \$2.000 million in 2010, \$3.000 million in 2011 and \$3.500 million in 2012 will be included in the Toronto Environment Office's 2010, 2011 and 2012 operating budget submissions, funded from the Reserve. This is a four year program.

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

Background Information

The Live GreenToronto Home Energy Efficiency Incentive Program
(<http://www.toronto.ca/legdocs/mmis/2009/bu/bgrd/backgroundfile-21113.pdf>)