
POLICY AND FINANCE COMMITTEE**AGENDA**

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|-------------------------|----------------------------------|-----------------|--|
| Date of Meeting: | Thurs., February 15, 2001 | Enquiry: | Patsy Morris |
| Time: | 9:30 a.m. | | Administrator |
| Location: | Committee Room 1 | | (416) 392-9151 |
| | City Hall | | pmorris@city.toronto.on.ca |
| | 100 Queen Street West | | |
| | Toronto | | |

**DECLARATIONS OF INTEREST PURSUANT TO
THE MUNICIPAL CONFLICT OF INTEREST ACT.**

CONFIRMATION OF MINUTES.

DEPUTATIONS/PRESENTATIONS.

COMMUNICATIONS/REPORTS:

**1. THE CITY OF TORONTO'S PERFORMANCE MEASUREMENT
FRAMEWORK - THE PROVINCIAL REQUIREMENT TO REPORT
UNDER THE MUNICIPAL PERFORMANCE MEASUREMENT
PROGRAM (MPMP)**

Chief Administrative Officer.
(February 7, 2001)

Reporting on work staff have undertaken in the area of performance measurement and on the value and uses of this information; providing information on the provincially-mandated Municipal Performance Measurement Program (MPMP) and the requirement to report 2000 results on thirty- five performance measures in nine service areas to the Province by April 30, 2001 and to taxpayers by June 30, 2001; and recommending that:

- (1) the Chief Administrative Officer report to the Policy and Finance Committee annually on progress made in implementing phase II of the performance measurement framework;

- (2) Agencies, Boards and Commissions be requested by Council to include appropriate performance measures consistent with the direction of this report in any future budget documents or multi-year program plans. Determination of those measures to include in submissions to the City should be done in collaboration with the Chief Financial Officer; and
- (3) details of the provincially mandated Municipal Performance Measurement Program (MPMP) be received as information and that the Chief Administrative Officer report to the Policy and Finance Committee on the results submitted to the Province under this new provincial program.

2. IMPLEMENTING COUNCIL'S CORPORATE MANAGEMENT FRAMEWORK A NEW BUDGET PROCESS FOR 2001 AND BEYOND – SUPPLEMENTARY REPORT.

Chief Administrative Officer
Chief Financial Officer and Treasurer.
(February 18, 2001)

Recommending that:

- (1) the recommendations contained in the attached report (September 21, 2000) be approved by the Policy and Finance Committee; and further to those recommendations that:
- (2) as part of this new budget initiative, the Chief Financial Officer and Treasurer report back on a review of the budget monitoring process with a view to providing Committees and Council with more comprehensive in-year budget control and variance reporting.

3. POLICY FOR CAPITAL LOAN AND LINE OF CREDIT GUARANTEES.

Chief Financial Officer and Treasurer.
(February 8, 2001)

Recommending that Council adopt the criteria for Capital Loan and Line of Credit Guarantees contained in Appendix A attached to this report.

4. ISSUANCE OF LOW INTEREST LOANS TO MUNICIPALITIES FOR THE PURPOSE OF FUNDING CAPITAL PROJECTS AND/OR EXISTING DEBTS.

City Clerk.
(January 30, 2001)

Forwarding the following motion for consideration by the Policy and Finance Committee:

Moved by: Councillor Mihevc

Seconded by: Councillor Moscoe

WHEREAS the City of Toronto has a debt over \$2 million and the interest on that debt constitutes a significant burden on the Toronto taxpayers; and

WHEREAS the City of Toronto faces an acute budgetary crisis and a need for major capital expenditures; and

WHEREAS under Article 18 of the Bank of Canada Act, that Bank can lend money to the Province or their municipalities up to 25 percent of their annual revenues;

BE IT RESOLVED THAT this Council respectfully request the Canadian Parliament to instruct the Bank of Canada to issue a low interest loan to municipalities for the purpose of funding capital projects and/or paying of existing debts.

5. OVERVIEW OF THE 2001 PROVINCIAL RE-ASSESSMENT IMPACTS AND TAX POLICY OPTIONS REPORTS.

Chief Financial Officer and Treasurer.
(February 5, 2001)

Providing an overview of the 2001 Provincial Re-assessment Impacts and Tax Policy Options Reports respecting:

- (a) Preliminary 2001 Provincial Re-assessment Impacts and Tax Policy Options – Residential Property Class;
- (b) Preliminary 2001 Provincial Re-assessment Impacts and Tax Policy Options – Multi-Residential Property Class;
- (c) Preliminary 2001 Provincial Re-assessment Impacts and Tax Policy Options – Commercial and Industrial Property Classes; and
- (d) Property Tax Relief for Low-Income Seniors and Low-Income Disabled Persons; and

recommending that this report be received for information.

**5(a). PRELIMINARY 2001 PROVINCIAL RE-ASSESSMENT
IMPACTS AND TAX POLICY OPTIONS
RESIDENTIAL PROPERTY CLASS.**

Chief Financial Officer and Treasurer.

(February 5, 2001)

Recommending that, for the residential property class, Council adopt:

- (1) a five-year phase-in program to phase-in CVA related tax increases and decreases;
- (2) a threshold of \$200.00 apply to CVA related tax increases, over the five-year term of the phase-in program (2001-2005);
- (3) the threshold for CVA related tax decreases be set at \$110.00 to fund the revenues foregone from the phasing-in of increases, as provided for in recommendation (2) above; and
- (4) the appropriate City Officials be authorized to take the necessary action to give effect thereto.

**5(b) PRELIMINARY 2001 PROVINCIAL RE-ASSESSMENT
IMPACTS AND TAX POLICY OPTIONS
MULTI-RESIDENTIAL PROPERTY CLASS.**

Chief Financial Officer and Treasurer.

(February 5, 2001)

Recommending that:

- (1) a 2.5 percent limit for CVA-related tax increases be adopted if the Minister of Finance allows by regulation that budgetary increases to the commercial, industrial and multi-residential tax classes are permitted to at least the 5 percent limit, otherwise that a 5 percent limit be adopted;
- (2) the limit on tax increases be financed entirely within the Multi-residential tax class, by withholding a portion of the tax decreases that would otherwise be payable to properties that have experienced a decrease under Current Value Assessment;

- (3) the optional New Multi-residential tax class that allows a reduced tax rate to apply to newly-constructed multi-residential properties for a limited period of time following construction be adopted for the 2001 taxation year; and
- (4) the applicable tax rate for the New Multi-residential tax class be set at a tax rate equivalent to the 2001 residential tax rate; and
- (5) the appropriate City staff be directed to take the necessary action to give effect thereto.

**5(c). PRELIMINARY 2001 PROVINCIAL RE-ASSESSMENT
IMPACTS AND TAX POLICY OPTIONS
COMMERCIAL AND INDUSTRIAL PROPERTY CLASSES.**

Chief Financial Officer and Treasurer.
(February 5, 2001)

Recommending that:

- (1) a 2.5 percent limit for CVA-related tax increases be adopted if the Minister of Finance allows by regulation that budgetary increases to the commercial and industrial property classes are permitted to at least the 5 percent limit, otherwise that a 5 percent limit be adopted;
- (2) the limits on tax increases for the commercial and industrial property classes be financed entirely within the respective property class, by clawing back a portion of the tax decreases that would otherwise be payable to properties that have experienced a decrease under Current Value Assessment;
- (3) the clawback rate on tax decreases be set at a rate sufficient to ensure revenue-neutrality in 2001, and adjusted if necessary in 2002, having regard for anticipated losses arising through appeals and assessment changes; such rate to be calculated at the time that the final tax rates are determined;
- (4) no other tax policy tools be adopted for the commercial and industrial property classes at this time;
- (5) the 2000 budget be restated to include a non-program line item "Commercial and Industrial Vacancy Rebates", based on the revised treatment of commercial and industrial vacancies pursuant to Bill 140, and that a provision for vacancy rebates of \$17.0 million (City share) be included in the 2001 Operating Budget;
- (6) the appropriate City Officials be authorized to take the necessary action to give effect thereto.

5(d). PROPERTY TAX RELIEF FOR LOW-INCOME SENIORS AND LOW-INCOME DISABLED PERSONS.

(NOTE: THE AFOREMENTIONED REPORT WILL BE DISTRIBUTED PRIOR TO THE MEETING.)

5(e). CITY OF TORONTO SUBMISSION REGARDING THE ONTARIO PROPERTY ASSESSMENT CORPORATION.

City Clerk.

(February 5, 2001)

Advising that Council on January 30, 31 and February 1, 2001, referred the following motion to the Policy and Finance Committee:

Moved by: Councillor Flint

Seconded by: Councillor Balkissoon

“WHEREAS the Minister of Finance sets assessment policy and standards across the Province. and the Ontario Property Assessment Corporation’s (OPAC) role is to carry out property assessments in accordance with these policies; and

WHEREAS the Finance Minister, the Honourable Ernie Eves, has appointed Mr. Marcel Beaubien, MPP for Lambton-Kent-Middlesex, as a special advisor to conduct a review of OPAC; and

WHEREAS Mr. Beaubien will:

- (1) review the operational structure of OPAC, including the composition of the Board of Directors;
- (2) study the working relationship between OPAC and the provincial government; and
- (3) conduct a comprehensive review of the regulation which defines property classifications; and

WHEREAS Mr. Beaubien will be conducting public focus groups and will be inviting submissions from various associations representing property taxpayers and municipalities; and

WHEREAS he will submit his findings to the Minister by March 31, 2001;

NOW THEREFORE BE IT RESOLVED THAT the Chief Financial Officer and Treasurer be requested to prepare a submission, on behalf of the City of Toronto, outlining the City difficulties in dealing with OPAC and recommending appropriate changes that would enable a more open and fair method of determining assessments, appealing assessments, releasing information and improving the relationship between OPAC, the Province and municipalities;

AND BE IT FURTHER RESOLVED THAT this submission be reported to the February 15, 2001 meeting of the Policy and Finance Committee;

AND BE IT FURTHER RESOLVED THAT the Chief Financial Officer and Treasurer, the Chief Administrative Officer and the Chair of the Policy and Finance Committee seek a date to present a submission, in person, before Mr. Beaubien, on behalf of the taxpayers of Toronto and Toronto City Council.”

5(f). PROPERTY TAX ASSESSMENTS FOR WARD 32.

Councillor Sandra Bussin, Beaches – East York.
(January 29, 2001)

Advising that a series of five property tax clinics were recently held in Ward 32 respecting property tax assessments; that she has become concerned with the methodology of the Ontario Property Assessment Corporation; and requesting that the City of Toronto forward the concerns and suggestions outlined in her communication to the Ontario Government Corporation.

5(g). COMMITTEE FOR FAIR CITY TAXES.

Mr. John Sewell,
Committee for Fair City Taxes.
(February 6, 2001)

Requesting an opportunity to present the opinion of the Committee for Fair Taxes to the Policy and Finance Committee at its meeting scheduled to be held on February 15, 2001.

- 5(h).** Ms. Alex Fortais.
(February 7, 2001)

Requesting an opportunity to appear before the Policy and Finance Committee to discuss their specific property tax situation and the tax problem other such organizations are facing.

6. PAYMENT OF MUNICIPAL PROPERTY TAXES.

Councillor Sandra Bussin, Beaches – East York
(January 29, 2001)

Forwarding the following Notice of Motion requesting the Tax Department to provide as much relief as possible to residents in the payment of municipal taxes:

Whereas the Tax Department has offered City residents the ability to pay their municipal taxes in 11 pre-authorized bank withdrawals; and

Whereas resident wishing to pay by other methods are forced to pay in 6 instalments; and

Whereas this requires that these taxpayers are penalized, having to disburse a larger portion per payment to the City; and

Whereas many senior and low-income homeowners do not use pre-authorized banking plans; and

Whereas the negative impact of CVA on neighbourhoods with a high percentage of seniors and low-income homeowners is compounded by this city policy;

Now Therefore Be It Resolved That the Policy and Finance Committee request the Tax Department to provide as much relief as possible in the payment of municipal taxes;

And Be It Further Resolved That there be a review of the options put forward for payments so that all taxpayers may be permitted to pay municipal taxes in eleven monthly instalments regardless of method of payment.

**7. TORONTO POLICE SERVICES BOARD'S
BUSINESS PLAN AND GOVERNANCE PLAN
FOR THE YEAR 2001.**

Chairman, Toronto Police Services Board.
(January 17, 2001)

Providing the City of Toronto Council, through the Policy and Finance Committee, with a copy of the Toronto Police Services Board's 2001 Business Plan and Governance Plan; advising that in accordance with the Police Services Act's Adequacy and Effectiveness of Police Services Regulation and the Board's draft protocol with City Council, the Board is required to forward a copy of the 2001 Business Plan and Governance Plan to the City of Toronto Council for information; and recommending that:

- (1) the Policy and Finance Committee receive this report; and
- (2) the Policy and Finance Committee forward a copy of this report to Toronto City Council for information.

**8. INTEGRATED FIRE AND POLICE RADIO COMMUNICATIONS SYSTEM
SIX MONTH STATUS REPORT.**

Fire Chief; Chief of Police. (January 19, 2001)
Commissioner of Works and Emergency Services.
(January 19, 2001)

Providing the fourth semi-annual status report on the Integrated Fire and Police Radio Communications System as directed by the Audit Committee on May 25, 1999; advising that the first three status reports were tabled in June, 1999, December, 1999 and July, 2000; forecasting that there will be no changes to the final project cost for the radio communications system; that possible savings due to optimization of system performance will achieve the best cost performance ratio; and recommending that this report be received and forwarded to the Community Services Committee for information.

9. DIVERSITY ADVOCATE ACTION PLAN.

Councillor Sherene Shaw, Scarborough-Agincourt
City of Toronto Diversity Advocate.
(February 7, 2001)

Reporting, as directed by Council in December, 2000, on a diversity plan of action to be initiated during 2001; advising that since Toronto is becoming increasingly known as the City of Diversity, and considered a leader in the Global marketplace for proactive equity

initiatives; the role, responsibilities and action plan of the Diversity Advocate as outlined in the report will promote, support and enhance Toronto's position on Diversity, and Access and Equity strategies, both locally, nationally, and internationally; and recommending that the action plan outlined in the report be approved.

9(a) City Clerk.
(December 13, 2000)

Advising that Council at its inaugural meeting held on December 5, 6 and 7, 2000, adopted a notice of motion by Councillor Disero, seconded by Councillor Ootes establishing the position of Diversity Advocate; endorsing the appointment of Councillor Sherene Shaw as the City of Toronto's first Diversity Advocate; and amongst other things requesting the Diversity Advocate to submit a report to the February, 2001, meeting of the Policy and Finance Committee on a proposed diversity plan of action to be initiated during 2001.

10. A SERVICE DELIVERY POLICY FRAMEWORK.

Chief Administrative Officer.
(February 2, 2001)

Recommending that:

- (1) Council adopt the following policy to guide City services:

“The City of Toronto is committed to providing quality services at an affordable cost on a sustainable basis. To this end, the City will systematically review its programs, services, and delivery mechanisms, and will pursue the most appropriate methods and structures for providing services to achieve the best value for the municipal tax dollar”;
- (2) the Chief Administrative Officer report to the Policy & Finance Committee by June 2001 on the process for implementing the concept of best value service delivery after consultation with all the appropriate stakeholders;
- (3) the guiding principles outlined on page 4 of this report be adopted; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

11. FINAL REPORT OF THE MAYOR'S SINGLE CITY SAVINGS TASK FORCE – STRENGTHENING THE NEW CITY OF TORONTO, AN AGENDA FOR ACTION.

Chief Administrative Officer.
(February 5, 2001)

Forwarding the final report of the Mayor's Single City Savings Task Force; proposing next steps; and recommending that the attached final report of the Mayor's Single City Savings Task Force, *Strengthening the New City of Toronto, An Agenda for Action*, be referred to the CAO and that he be requested to report back on:

- (a) current activities underway relating to recommendations of the report;
- (b) an overall implementation strategy based on the recommendations of the report; and
- (a) any potential issues, implications or impacts arising from the recommendations of the report.

11(a). Councillor David Soknacki.
(January 10, 2001)

Requesting that the Mayor:

- (1) release copies of the Single City Savings Task Force to the Clerk's office, who will make the document available to all interested parties;
- (2) to present to the March 2001 meeting of the Policy and Finance Committee a detailed work plan necessary to implement the recommendations of the report.

(NOTE: A COPY OF THE REPORT ENTITLED "SINGLE CITY SAVINGS TASK FORCE - STRENGTHENING THE NEW CITY OF TORONTO – AN AGENDA FOR ACTION, DATED JANUARY, 2000", WAS FORWARDED TO ALL MEMBERS OF COUNCIL AND SELECT OFFICIALS ONLY, AND A COPY THEREOF IS ALSO ON FILE IN THE OFFICE OF THE CLERK.)

12. OLAND SPECIALTY BEER COMPANY.

Chief Financial Officer and Treasurer.

(January 31, 2001)

Advising that a donation of \$10,000.00 has been received from the Oland Specialty Beer Company in support of the 2001 Caribana Festival; and recommending:

- (1) a income tax receipt, be issued to the Oland Specialty Beer Company in the amount of \$10,000.00; and
- (2) a cheque for \$10,000.00 be issued to the Caribbean Cultural Committee in respect of the 2001 Caribana Festival.

13. BASEMENT FLOODING INVESTIGATION AND ASSESSMENT – VOLUNTARY PRIVATE HOME ISOLATION PROGRAM.

City Clerk.

(February 2, 2001)

Advising that City Council on January 30, 31 and February 1, 2001, had before it Clause No. 16 contained in Report No. 1 of the Policy and Finance Committee, entitled “Other Items Considered by the Committee”; and directed that the following Item (p) entitled “Basement Flooding Investigation and Assessment – Voluntary Private House Isolation Program”, embodied therein, be struck out and referred back to the Policy and Finance Committee for further consideration at such time as the pre-commitment process for 2001 Capital Projects is considered by the Policy and Finance Committee in February, 2001:

- “(p) Basement Flooding Investigation and Assessment - Voluntary Private Home Isolation Program.

The Policy and Finance Committee reports having referred the following communication to the Budget Advisory Committee for consideration during the 2001 Budget deliberations:

(January 10, 2001) from the City Clerk advising that the Works Committee on January 10, 2001, recommended to the Policy and Finance Committee and Council:

- (1) the adoption of the report dated December 18, 2000, from the Commissioner of Works and Emergency Services entitled “Basement Flooding Investigation and Assessment – Status Report – All Wards”;

- (2) that the Voluntary Private Home Isolation Program be in addition to programs presently in effect; and
- (3) that each Councillor be presented with a report on each cluster as it becomes available, and that the Works and Emergency Services Department work with Councillors to bring this information to community meetings and develop a plan for each cluster as soon as possible.

14. PURCHASING POLICY WHEN PURCHASING ELECTRICAL POWER.

Chief Financial Officer and Treasurer
(January 22, 2001)

Reporting on the feasibility of adopting a purchasing policy which encourages a shift to natural gas and renewable energies by stipulating that air emission rates for nitrogen oxides, sulphur dioxide, carbon dioxide and mercury, be considered along with price when purchasing electrical power; advising that the City is already committed to signing a power purchase agreement with Toronto Hydro which includes a provision to purchase electricity from clean sources and since Toronto Hydro has been directed by Council to act in an environmentally responsible manner, the development of a purchasing policy that encourages a shift to purchasing electricity generated from natural gas and renewable energy sources is no longer necessary; and recommending that this report be received for information.

IN CAMERA **In accordance with the Municipal Act, a motion is required for the Committee to meet privately and the reason must be stated.**

IN CAMERA.

**15. TORONTO HYDRO CORPORATION:
ADJUSTMENT OF INTEREST ACCRUED IN 2000; AND
SHAREHOLDER RESOLUTION REGARDING THE
ABILITY TO PROVIDE FINANCIAL GUARANTEES.**

Chief Financial Officer and Treasurer.
(February 6, 2001)

Confidential report respecting Toronto Hydro Corporation Adjustment of Interest Accrued in 2000 and Shareholder Resolution Regarding the Ability to Provide Financial Guarantees.

INCAMERA.

**16. CAPITAL CALLS AND BUSINESS PLAN OF
ENWAVE DISTRICT ENERGY LIMITED.**

Chief Financial Officer and Treasurer.
(February 6, 2001)

Confidential report respecting Capital Calls and Business Plans of Enwave District Energy Limited.

INCAMERA.

**17. EVALUATION OF TORONTO HYDRO ENERGY SERVICES INC.
PROPOSAL FOR THE IMPLEMENTATION OF ENERGY RETROFIT
MEASURES IN A GROUP OF CITY-OWNED FACILITIES AS PART
OF THE BETTER BUILDINGS PARTNERSHIP PROGRAM
(ALL WARDS).**

Commissioner of Corporate Services and
Commissioner of Works and Emergency Services.
(January 26, 2001)

Confidential report respecting the Evaluation of Toronto Hydro Energy Services Inc. Proposal for the Implementation of Energy Retrofit Measures in a Group of City-owned facilities.

IN CAMERA

**18. CLAIM BY THE
CANADIAN BROADCASTING CORPORATION
REGARDING 354 JARVIS STREET.**

City Solicitor
(January 25, 2001)

Confidential report respecting the Claim by the Canadian Broadcasting Corporation regarding 354 Jarvis Street such report to be considered in-camera having regard that the subject matter relates to possible litigation matters.

19. RESPONSE TO THE NOTICE OF MOTION TO SUBMIT AN APPLICATION FOR A NEW HOME FOR THE AGED (WARD 35 - SCARBOROUGH SOUTHWEST).

Report addressed to the Community Services Committee
From the Commissioner of Community and Neighbourhood Services
 (January 24, 2001)

Providing an update on the staff actions taken since the Council direction on October 3, 4, 5, 6, 10 and 11, 2000, to submit the City's intention to the Ministry of Health and Long Term Care (MOHLTC) to apply to build and operate a new long term care facility; noting that the application is in response to the third and final Request for Proposals released by the Ministry; advising that the site identified in the application is the triangular parcel of land, located at the northwest corner of St. Clair and Midland Avenues; outlining the financial implications with respect to the construction and operation of such a facility; and recommending that:

- (1) City Council formally reconfirm its support for the application for the construction and ongoing operation of a new 178-bed long term care facility to be located on the City-owned property located at the northwest corner of St. Clair and Midland Avenues, and communicate this support to the MOHLTC as required by the application process, by the March 15, 2001 deadline;
- (2) City Council recognize that the Capital Budget for the project is projected at \$24.0 M (with \$13.35 M in MOHLTC funding towards the cost of construction), and would result in a required cashflow for the period 2002 to 2004;
- (3) City Council recognize that the Operating Budget for the project is projected at \$7.77 M annually (with a \$1.07 M net cost to support the operation of the new Home), that would become operational in the year 2004;
- (4) this report be referred to the Budget Advisory Committee for their deliberations and decisions in considering multi-year priorities of all of the projects for the City;
- (5) contingent upon MOHLTC approval of the City's application, and in consideration of the very significant time constraints associated with the MOHLTC approval process, staff be directed to report directly to City Council regarding the next steps required;
- (6) contingent upon MOHLTC approval of the City's proposal:
 - (a) City Council support the notion of a Community Facilities Official Plan designation on the triangular parcel of land located at the northwest corner of St. Clair and Midland Avenues; and

- (b) staff be directed to submit the additional planning applications (i.e., Zoning By-Law Amendment and Site Plan Control approval) required to support this Official Plan designation and to develop this land with a long term care facility; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

19(a) Ms. Ann Dembinski, President, CUPE Local 79.
(February 7, 2001)

Urging the Community Services Committee to confirm its support for the application to build and operate a new Home for the Aged.

(NOTE: THE RECOMMENDATIONS FROM THE COMMUNITY SERVICES COMMITTEE FROM ITS MEETING SCHEDULED TO BE HELD ON MONDAY FEBRUARY 12, 2001, WILL BE DISTRIBUTED PRIOR TO THE MEETING.)

ANY OTHER MATTERS.