

**THE CITY OF TORONTO**

**City Clerk's Division**

**Minutes of the Budget Advisory Committee**

**Meeting No. 14**

**Friday, November 8, 2002**

The Budget Advisory Committee met on Friday, November 8, 2002, in Committee Room No. 2, City Hall, Toronto, commencing at 9:42 a.m.

Attendance

Members were present for some or all of the time period indicated.

	9:42 a.m. – 12:16 p.m.
Councillor David Shiner, Chair	X
Councillor David Soknacki, Vice Chair	X
Councillor Lorenzo Berardinetti	X
Councillor Ron Moeser	X
Councillor Joe Pantalone	X
Councillor Jane Pitfield	R
Councillor Michael Tziretas	X

**Confirmation of Minutes**

On motion by Councillor Tziretas, the Minutes of the Budget Advisory Committee meetings held on October 4, 2002, were confirmed.

**14.1 Management and Control of Capital Project Costs  
(All Wards)**

The Budget Advisory Committee had before it a communication (October 11, 2002) from the City Clerk advising that the Economic Development and Parks Committee, at its meeting held on October 10, 2002, received the report (September 24, 2002) from the Commissioner of Economic Development, Culture and Tourism, entitled "Management and Control of Capital Project Costs", and directed that it be forwarded to the Budget Advisory Committee for information.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- A. Councillor Shiner moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to monitor construction costs and control measures for capital projects for all Departments, Agencies, Boards and Commissions.

**(Carried)**

Councillor Shiner resumed the Chair.

- B. Councillor Moeser moved that the Budget Advisory Committee receive the aforementioned communication.

**(Carried)**

(Chief Financial Officer and Treasurer; c. Commissioner of Economic Development, Culture and Tourism - November 12, 2002)

**14.2 Car Free Day**

The Budget Advisory Committee had before it a communication (October 7, 2002) from the City Clerk advising that the Toronto Cycling Committee, at its meeting held on September 23, 2002, requested the Budget Advisory Committee to plan for an ambitious program for a Car Free Day in the budget year 2003-2004 and provide adequate human and financial resources to make it a reality.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) referred the aforementioned communication to the Works Committee for consideration during the 2003 Budget Process; and

- (2) requested that, in the future, all Toronto Cycling Committee reports be forwarded through the Works Committee.

Councillor Shiner resumed the Chair.

(Works Committee; Toronto Cycling Committee - November 12, 2002)

**14.3 Toronto Police Service Parking Enforcement Unit – 2002 Operating Budget Variance Report as at June 30, 2002 and Request for a Draw from the City’s Corporate Contingency Account**

The Budget Advisory Committee had before it a communication (October 17, 2002) from the City Clerk advising that the Policy and Finance Committee at its meeting held on October 17, 2002, referred the report (September 18, 2002) from the Chairman, Toronto Police Services Board, entitled “Toronto Police Service Parking Enforcement Unit - 2002 Operating Budget Variance Report as at June 30, 2002 and Request for a Draw from the City’s Corporate Contingency Account”, to the Budget Advisory Committee for consideration.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, that the \$0.8 million be funded from the Toronto Police Service 2002 approved adjusted base budget.

Councillor Shiner resumed the Chair.

(Policy and Finance Committee – November 8, 2002)

**14.4 Solvency Valuation Requirements – City of Toronto Pension Plans**

The Budget Advisory Committee had before it a communication (October 8, 2002) from the City Clerk advising that the Administration Committee at its meeting held on October 8, 2002, received the report (September 26, 2002) from the Chief Financial Officer and Treasurer, entitled “Solvency Valuation Requirements – City of Toronto Pension Plans” and directed that it be forwarded to the Budget Advisory Committee for information.

On motion by Councillor Soknacki, the Budget Advisory Committee:

- (1) requested the Chief Financial Officer and Treasurer:
  - (a) to provide an interim report to the Budget Advisory Committee during the 2003 Budget Process, if necessary, with a review of options available to Council with respect to solvency provisions, the Ontario Pension Benefits Act and cash flow impacts for the City budget and reserves; and
  - (b) to report to the Budget Advisory Committee on any “top ups” to pension funds, reserves or contributions; and
- (2) received the aforementioned communication.

(Chief Financial Officer and Treasurer - November 12, 2002)

#### **14.5 Toronto Public Health – 2002 Operating Budget Variance**

The Budget Advisory Committee had before it a communication (October 22, 2002) from the City Clerk advising that the Board of Health, at its meeting held on October 21, 2002, adopted the recommendations contained in the communication (October 1, 2002) from the Committee Secretary, Board of Health Budget Subcommittee; and directed that the aforementioned communication be forwarded to the Budget Advisory Committee for information.

On motion by Councillor Berardinetti, the Budget Advisory Committee received the aforementioned communication.

#### **14.6 Overview of Departmental Air Quality and Greenhouse Gas (GHG) Responsibility and Activities in the City of Toronto (All Wards)**

The Budget Advisory Committee had before it a joint report (November 5, 2002) from the Chief Administrative Officer and the Commissioner of Works and Emergency Services advising of the delay and scheduled submission date of the requested report on the breakdown of expenditures and savings related to the air quality and Greenhouse Gas emission activities in the City; and recommending that this report be received for information.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) requested that the previously requested report on the breakdown of expenditures and savings relating to the air quality and GHG emission activities in the City be submitted to the Budget Advisory Committee no later than February 1, 2003, for consideration during the 2003 Budget Process; and
- (2) received the aforementioned joint report.

Councillor Shiner resumed the Chair.

(Chief Administrative Officer; Commissioner of Works and Emergency Services - November 12, 2002)

#### **14.7 Toronto Police Service – 2002 Operating Budget Variance Report as at July 31, 2002 and Use of any Year-end Surplus Funds**

The Budget Advisory Committee had before it the report (November 1, 2002) from the Chairman, Toronto Police Services Board, providing the 2002 operating budget variance report as at July 31, 2002; advising that the Toronto Police Services Board approved the use of any year-end surplus funds (currently projected to be \$0.5M) identified within the Toronto Police Service budget to offset the impact of the salary settlement with members of the Toronto Police Association; and recommending that the Policy and Finance Committee and the Budget Advisory Committee receive this report for information.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) requested that the Toronto Police Services Board be advised of the following:
  - (a) that there is no corporate contingency account available;
  - (b) as workforce separations are less than projected, the Toronto Police Service be requested to reduce its callback and overtime expenditures;
  - (c) that the City has adjusted the Toronto Police Service 2002 base budget to include a three percent salary increase and

any variances must be found within the adjusted base budget; and

- (d) senior officers, command officers and excluded staff increases are to be funded within the Toronto Police Service 2002 adjusted base budget;
- (2) requested the Chairman of the Toronto Police Services Board to report to the Budget Advisory Committee on actual World Youth Day expenditures, noting that the World Youth Day funds are corporate funds and any under expenditures against this project must be returned to the City; and
- (3) received the aforementioned report and directed that it be forwarded to the Policy and Finance Committee, and Council, for information.

Councillor Shiner resumed the Chair.

(Policy and Finance Committee - November 8, 2002)

(Chairman, Toronto Police Services Board – November 12, 2002)

#### **14.8 2002 Third Quarter Capital Variance Report**

The Budget Advisory Committee had before it a report (November 4, 2002) from the Chief Financial Officer and Treasurer presenting the City of Toronto Capital Variance Report for the nine month period ended September 30, 2002, along with actual expenditure projections to year end; and recommending that this report be forwarded to the Policy and Finance Committee, and Council, for information.

- A. Councillor Soknacki moved that the Budget Advisory Committee:
  - (1) receive the aforementioned report; and direct that it be forwarded to the Policy and Finance Committee, and Council, for information; and
  - (2) request the Chief Financial Officer and Treasurer to undertake a project, as part of his 2003 workplan, on including a capital-to-capital basis as part of the regular capital budget reporting procedure.

**(Carried)**

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- B. Councillor Pantalone moved that the Budget Advisory Committee request the Commissioner of Corporate Services to report to the Budget Advisory Committee on the reasons for the delay in the finalization of actual site location of offices and obtaining approval of specifications from the Province relative to the Information Technology Project as it relates to Court Services.

**(Carried)**

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- C. Councillor Shiner moved that the Budget Advisory Committee request the Commissioner of Works and Emergency Services to report to the Budget Advisory Committee providing further clarification on the projected under expenditure of Water Pollution Control and Water Supply.

**(Carried)**

Councillor Shiner resumed the Chair.

(Policy and Finance Committee – November 8, 2002)

(Commissioner of Corporate Services; Commissioner of Works and Emergency Services; Chief Financial Officer and Treasurer - November 12, 2002)

#### **14.9 2003 Interim Operating Budget Estimates**

The Budget Advisory Committee had before it a report (November 6, 2002) from the Chief Financial Officer and Treasurer requesting approval for an interim allocation to enable Departments, Agencies, Boards and Commissions to carry out their normal operations during the First Quarter of 2003 or until Council adopts the 2003 Operating Budget, in accordance with Financial By-law No. 152-2000; and recommending that the interim operating budget estimate in the amount of \$2,083,178,400.00, be approved.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee:

- (1) recommended to the Policy and Finance Committee, and Council, the adoption of the aforementioned report; and

- (2) requested the Chief Financial Officer and Treasurer to submit a revised schedule with respect to the Consolidated Grants Interim Budget to the Policy and Finance Committee for its meeting of November 14, 2002.

Councillor Shiner resumed the Chair.

(Policy and Finance Committee – November 8, 2002)

(Chief Financial Officer and Treasurer – November 12, 2002)

#### **14.10 Third Quarter 2002 Operating Variance Report**

The Budget Advisory Committee had before it a report (November 5, 2002) from the Chief Financial Officer and Treasurer providing a summary of the gross and net expenditure results of the City of Toronto for the nine months of operations ended September 30, 2002 and projections of gross and net expenditures for the year ending December 31, 2002; and recommending that:

- (1) the technical adjustments contained in this report, and detailed in Appendix D, be approved; and
- (2) the operating variance report for the period ended September 30, 2002, be forwarded to the Policy and Finance Committee, and Council, for information.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

A. Councillor Shiner moved that the Budget Advisory Committee:

- (1) recommend to the Policy and Finance Committee, and Council, the adoption of the report (November 5, 2002) from the Chief Financial Officer and Treasurer, subject to the following amendments:
  - (i) all World Youth Day under expenditures, save and except \$150,000.00 allocated by the Economic Development and Parks Committee, be returned to a Corporate Account of the City as 2002 surplus; and
  - (ii) City Council request the Province to consider cost sharing rent and administrative estimates for the Central Ambulance Communications Centre;



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- (2) request the Chief Financial Officer and Treasurer to provide an explanation of revenue shortfalls, previous years total and in-year totals in future Variance Reports; and
- (3) request the Commissioner of Works and Emergency Services to report to the Policy and Finance Committee, for its meeting of November 14, 2002, providing further clarification on the revenue shortfalls for the Works and Emergency Services programs.

**(Carried)**

Councillor Shiner resumed the Chair.

- B. Councillor Moeser moved that the Budget Advisory Committee request the Commissioner of Community and Neighbourhood Services to report to the Policy and Finance Committee, for its meeting of November 14, 2002, providing further clarification on the revenue shortfalls for the following programs:

- (1) Children's Services - historical background;
- (2) Shelter, Housing and Support; and
- (3) Social Services.

**(Carried)**

(Policy and Finance Committee – November 8, 2002)

(Chief Financial Officer and Treasurer; Commissioner of Community and Neighbourhood Services; Commissioner of Works and Emergency Services – November 12, 2002)

Councillor Soknacki moved that the Budget Advisory Committee meet privately to discuss the matter of the Toronto Port Authority 2001 and 2002 Recommended Capital Budgets, having regard that the subject matter relates to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

The Budget Advisory Committee recessed its meeting at 11:50 a.m. to meet in camera.

Members Present:

Councillor David Shiner, Chair  
Councillor David Soknacki, Vice-Chair  
Councillor Lorenzo Berardinetti  
Councillor Ron Moeser  
Councillor Joe Pantalone  
Councillor Michael Tziretas

The Budget Advisory Committee adjourned its **private meeting** at 12:15 p.m. and immediately reconvened in public session with the aforementioned Members in attendance.

#### **14.11 Toronto Port Authority 2001 and 2002 Recommended Capital Budgets**

The Budget Advisory Committee had before it a confidential report (October 1, 2002) from the Chief Financial Officer and Treasurer, entitled “Toronto Port Authority 2001 and 2002 Recommended Capital Budgets”.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

On motion by Councillor Shiner, the Budget Advisory Committee directed that the aforementioned confidential report be forwarded to the Policy and Finance Committee without recommendation.

Councillor Shiner resumed the Chair.

(Policy and Finance Committee – November 8, 2002)

#### **14.12 2003 Water and Wastewater Rate Increase**

The Budget Advisory Committee had before it a communication (November 6, 2002) from the City Clerk advising that the Works Committee at its meeting on November 6, 2002, recommended to the Policy and Finance Committee, through the Budget Advisory Committee, the adoption of the joint report dated October 28, 2002, from the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer respecting the 2003 water and wastewater rate increase and rate projections for 2003-2007.

Councillor Shiner appointed Councillor Soknacki Acting Chair and vacated the Chair.

- A. Councillor Shiner moved that the Budget Advisory Committee:
- (1) direct that the aforementioned joint report be submitted to the Policy and Finance Committee, without recommendation; and
  - (2) request the Commissioner of Works and Emergency Services to report to the Policy and Finance Committee, for its meeting of November 14, 2002, confirming whether the Engineers will be able to do the work to meet capital expenditures as detailed in the aforementioned report.

**(Carried)**

Councillor Shiner resumed the Chair.

- B. Councillor Pantalone moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to provide an interim report to the Budget Advisory Committee on the Toronto and Region Conservation Authority drawing necessary funding for its Capital and Operating Budget from Water and Wastewater Charges as opposed to the property tax levies.

**(Carried)**

(Policy and Finance Committee – November 8, 2002)

(Commissioner of Works and Emergency Services; Chief Financial Officer and Treasurer – November 12, 2002)

### **14.13 Pre-approval Request for 2003-2007 Capital Projects**

The Budget Advisory Committee had before it a communication (November 7, 2002) from the City Clerk advising that Council at its meeting on October 29, 30 and 31, 2002, adopted, as amended, Clause No. 6 of Report No. 14 of The Policy and Finance Committee, headed “Pre-Approval Request for 2003-2007 Capital Projects” and directed that the matter of the turf and forestry equipment (Project No. FLT 000478) be referred to the Budget Advisory Committee for consideration at its meeting scheduled to be held on November 8, 2002.

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On motion by Councillor Moeser, the Budget Advisory Committee recommended to the Policy and Finance Committee, and Council, that the revised list of turf and forestry equipment acquisitions (Project No. FLT 00478) consisting of 21 pieces of equipment, at a total projected cost of \$828,500.00, be approved for acquisition.

(Policy and Finance Committee – November 8, 2002)

The Budget Advisory Committee adjourned its meeting at 12:16 p.m.

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Chair