

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Policy and Finance Committee

Meeting No. 4

Thursday, May 9, 2002

The Policy and Finance Committee met on Thursday, May 9, 2002, in Committee Room 1, 2nd Floor, City Hall, Toronto, commencing at 9:38 a.m.

Attendance

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

	9:38 a.m. to 11:59 a.m.	In Camera Session 12:00 noon to 12:40 p.m.	2:10 p.m. to 3:08 p.m.
Mayor Mel Lastman, Chair	X	X	X
Councillor Sandra Bussin	X	X	X
Councillor Norman Kelly	X	X	X
Councillor Gloria Lindsay Luby	X	X	X
Councillor Pam McConnell	X	X	X
Councillor Denzil Minnan-Wong	-	-	-
Councillor Case Ootes, Vice Chair	X	X	X
Councillor Kyle Rae	X	X	X
Councillor David Shiner	X	X	X
Councillor Paul Sutherland	X	X	X

Confirmation of Minutes.

On motion by Councillor Rae, the Policy and Finance Committee confirmed the minutes of its meeting held on April 4, 2002.

4-1. OMERS Governance Structure.

The Policy and Finance Committee had before it a report (April 24, 2002) from the Chief Administrative Officer providing comment and recommendations to Council on the changes to the OMERS governance structure being recommended by the OMERS Board in response to the Provincial government's devolution of involvement in OMERS; and recommending that Council:

- (1) support the recommendations of the OMERS Board for a new autonomous governance structure for OMERS including:
 - (a) two-tier governance structure for OMERS consisting of a sponsors committee and a Plan Administration Board on condition that there is a single Sponsors Committee;

- (b) balanced representation of employers and employees' on the Plan Administration Board and the Sponsors Committee;
 - (c) direct appointment to the Plan Administration Committee and Sponsors Committee by the plan sponsors with the municipal employers representatives appointed by the Association of Municipalities of Ontario; and
 - (d) exclusivity of OMERS as the only pension plan available to municipal employees in Ontario;
- (2) oppose any governance structure for OMERS that includes a separate sponsors committee or plan for any specific sector of employees on the grounds that it would jeopardize the strengths of OMERS for all members;
- (3) request the Province to include in the new legislation:
- (a) the provision that one of the Association of Municipalities of Ontario (AMO) appointees on the Plan Administration Board and one of the AMO appointees on the Sponsors Committee will be nominated by the City of Toronto as the largest employer in the plan; and
 - (b) the provision that it is the responsibility of the Sponsors Committee to communicate as a whole directly with the sponsors of the plan;
- (4) direct the Chief Administrative Officer to continue to participate in OMERS consultation on employers governance;
- (5) request the Association of Municipalities of Ontario to provide an assessment of the anticipated resources necessary to carry-out its the responsibilities in the governance structure recommended by the OMERS Board;
- (6) communicate its recommendations to the OMERS Board, the Ministry of Municipal Affairs and Housing; and the Association of Municipalities of Ontario; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

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The Policy and Finance Committee also had before it a communication (May 9, 2002) from the President, Canadian Union of Public Employees (CUPE), Local 79, expressing disappointment that the City drew up recommendations respecting the OMERS governance structure without consulting any of its employee groups; and recommending that the Policy and Finance Committee reject the staff report and its recommendations and conduct meaningful consultations thereon with all the City's employee groups.

Ms. Debbie Oakley, Senior Vice-President of Corporate Affairs, and Mr. Rick Miller, Chair, Board of Directors, OMERS, appeared before the Policy and Finance Committee in connection with the foregoing matter, and filed a copy of their presentation material in regard thereto.

The Policy and Finance Committee:

- (1) recommended to Council the adoption of the report (April 24, 2002) from the Chief Administrative Officer; and **(Motion by Councillor Ootes)**
- (2) referred the communication (May 9, 2002) from the President, CUPE Local 79 respecting OMERS Governance Structure to the Chief Administrative Officer with a request that she meet with representatives of CUPE Local 79 respecting the concerns raised in the aforementioned communication and submit a report thereon directly to Council for its meeting scheduled to be held on May 21, 2002. **(Motion by Councillor McConnell)**

(Chief Administrative Officer; c. Ms. Anna Pace, Senior Corporate Management and Policy Consultant; Ms. Ivana Zanardo, Director, Pension, Payroll and Employee Benefits, Finance; President, CUPE Local 79 – May 9, 2002)

(Clause No. 4 – Report No. 8)

4-2. Mid-Term Review of the Council-Committee Structure.

The Policy and Finance Committee had before it a report (April 23, 2002) from the Chief Administrative Officer reporting on the interim review of the Council-Committee structure coinciding with the mid-point of the current Council term; presenting terms of reference for a comprehensive review to be undertaken prior to the next term of Council; and recommending that:

- (1) the Chief Administrative Officer proceed with a review of the Council-Committee structure according to terms of reference contained in Appendix No. (1);

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- (2) a Council reference group be established to advise staff conducting the review, such reference group to comprise:
 - (a) one member of the Policy and Finance Committee;
 - (b) one member of the Administration Committee;
 - (c) one member who is currently or has previously served as chair of a standing committee; and
 - (d) one member who is currently or has previously served as chair of a community council;
- (3) an Intergovernmental Affairs Committee be established according to terms of reference contained in Appendix No. (2);
- (4) the City Clerk be requested to canvass members of Council for their interest in serving on the Council Reference Group on Council-Committee Structure Review and the Intergovernmental Affairs Committee and submit the list of interested members to the Striking Committee for recommendation to Council; and
- (5) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report (April 23, 2002) from the Chief Administrative Officer.

(Clause No. 5 – Report No. 8)

4-3. Policy Governing Land Transactions Among City Agencies, Boards, Commissions and Departments and Proceeds From Sale of Surplus City-Owned Real Property.

The Policy and Finance Committee had before it a joint report (April 23, 2002) from the Chief Administrative Officer, the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services recommending that:

- (1) the policy and procedures governing land transactions among City Agencies, Boards, Commissions and Departments and allocating net proceeds from the sale of City-owned real property, set out in Appendix "A" to this report, be adopted;

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- (2) the policy and procedures set out in Appendix "A" be binding on Agencies, Boards, Commissions and City Departments using City-owned land, as more particularly delineated in the body of this report;
- (3) Agencies, Boards and Commissions of the City, owning land in the title of such Agency, Board or Commission be requested to provide their concurrence to the policy contained in this report;
- (4) the Chief Financial Officer and Treasurer report on the establishment of the necessary reserve funds to give effect to the policies and procedures set out in Appendix 'A' to this report;
- (5) existing city policies or procedures be amended to the extent necessary to ensure that they are consistent with the intent and application of the proposed policy;
- (6) any necessary by-laws, including but not limited to, Chapter 227 of the City of Toronto Municipal Code (Reserves and Reserve Funds), and Chapter 179 of the City of Toronto Municipal Code (Parking Authority), be amended accordingly;
- (7) authority be granted for the introduction in Council of any Bills necessary to implement the foregoing; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The Policy and Finance Committee:

- (1) recommended to Council the adoption of the joint report (April 23, 2002) from the Chief Administrative Officer, the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services subject to amending Clause (9) embodied in Appendix "A" by adding thereto the words "Fair Market Value, in such transactions, will reflect a value agreed upon by both parties", so that such Clause shall now read as follows:

“(9) land under the jurisdiction of the Toronto Parking Authority ("TPA") which has been purchased by the City from parking revenues shall be treated somewhat differently, in that jurisdictional transfers and sales of such property or portions thereof shall be at fair market value ("FMV"), with all Net Proceeds to be allocated to the Parking Reserve Fund; and, similarly, where the TPA is

receiving a jurisdictional transfer of lands, TPA shall pay FMV, with all such Net Proceeds to be allocated in the same manner as described above for sales. Fair Market Value, in such transactions, will reflect a value agreed upon by both parties;” and **(Motion by Councillor Rae)**

- (2) referred the following motion to the Chief Administrative Officer for report thereon directly to Council for its meeting scheduled to be held on May 21, 2002:

Moved by Councillor Shiner:

“That 2756 Leslie Street be considered under the jurisdiction of the Works and Emergency Services Department for use by the Fire Department and treated in the same manner as properties used for operation for a minimum of 10 years.” **(Motion by Councillor Shiner)**

(Chief Administrative Officer; Chief Financial Officer and Treasurer
Commissioner of Corporate Services – May 9, 2002)

(Clause No. 6 – Report No. 8)

4-4. Lease of No. 1 Front Street East to Privatized Hummingbird Performing Arts Centre Corporation (HPACC) and Transfer of the Stabilization Reserve Fund and the Hummingbird Donation (Ward 28 - Toronto Centre-Rosedale).

The Policy and Finance Committee had before it a report (April 25, 2002) from the Chief Administrative Officer recommending that:

- (1) authority be granted for the execution of a lease with HPACC for the Property as well as for such other ancillary documentation as may be deemed by City staff to be necessary or desirable, all to be generally on the terms and conditions outlined in this report and on such other terms and conditions otherwise satisfactory to the Chief Administrative Officer in a form satisfactory to the City Solicitor;

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- (2) the Chief Financial Officer and Treasurer transfer the current balance of the Hummingbird Centre Stabilization Reserve Fund of \$323,239.00, plus interest earned to the date of the actual transfer from the City of Toronto to HPACC to fund the Council approved 2002 Operating Budget, as soon as the lease between the City of Toronto and the HPACC has been executed or as soon thereafter as is practical;
- (3) the Chief Financial Officer and Treasurer transfer the remaining portion of the Hummingbird Communications Limited corporate donation, in the amount of \$3,425,548.00, from the Capital Improvement and Rehabilitation Reserve Fund (CIRRF) of the City of Toronto to HPACC and any future contributions made directly to HPACC;
- (4) the balance of the CIRRF and all future ticket surcharges plus interest be retained by the City to contribute to future capital maintenance requirements;
- (5) the Chief Administrative Officer report on the progress and possible outcomes of the review of outstanding potential liabilities from possible OMERS past service costs arising at the Hummingbird Centre;
- (6) any redevelopment proposal for the Hummingbird Centre which HPACC may wish to make shall be submitted to the Chief Administrative Officer no later than 18 months from the date of execution of the lease;
- (7) prior to the expiration of the lease between the City of Toronto and HPACC, the Chief Administrative Officer report back to Council through the Policy and Finance Committee on the future options for the Hummingbird Centre and its operation; and
- (8) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Councillor Anne Johnston, Eglinton-Lawrence, appeared before the Policy and Finance Committee in connection with the foregoing matter.

The Policy and Finance Committee recommended to Council:

- (I) the adoption of the report (April 25, 2002) from the Chief Administrative Officer; and

- (II) the adoption of the following Notice of Motion by Councillor Anne Johnston:

“Hummingbird Centre for the Performing Arts Corporation,
Human Resources Issues:

Whereas the Hummingbird Centre for the Performance Arts Corporation will be an independent and arm’s length Corporation from the City of Toronto for the period of the two year lease; and

Whereas the HPACC Board of Directors will be the employer of all staff at the Hummingbird Centre for the two year lease period; and

Whereas the HPACC Board of Directors may cease to exist after the two year lease period, should City Council not accept HPACC’s potential redevelopment plan and enter into any long-term arrangements with HPACC;

Now therefore be it resolved that the City will ensure that any emerging human resources management issues be dealt with fairly and sensitively at the completion of the short-term lease between the City and HPACC.

Negotiations of long-term arrangements:

Whereas the City of Toronto and the Hummingbird Performing Arts Centre Corporation are proposing to enter into a 24 month lease arrangement; and

Whereas the HPACC Board of Directors has the intention of preparing a business plan and a redevelopment plan for the Hummingbird Centre to be presented to City Council in the 18th month of the short-term lease; and

Whereas the HPACC Board of Directors is committed to seek sponsorship funds to finance the proposed redevelopment of the Hummingbird Centre;

Now therefore be it resolved that if the HPACC redevelopment proposal is accepted by City Council, a long term arrangement be negotiated with the Board of HPACC.

Discussion about the future disposition of the Hummingbird Centre:

Whereas Members of Council have discussed numerous scenarios for the long-term disposition of the Hummingbird Centre; and

Whereas there is no definite decision about the development of a new Opera House; and

Whereas a decision on a new Opera House may be made in the foreseeable future, both the Canadian Opera Company and the National Ballet of Canada will require a performance venue of several years to come;

Whereas the HPACC Board of Directors will spend significant financial resources on the development of a business plan and redevelopment plan for the Hummingbird Centre;

Now therefore be it resolved that the Board of HPACC be included in any discussions which focus on the long-term future disposition of the Hummingbird Performing Arts Centre.”

(Clause No. 8 – Report No. 8)

**4-5. International Policy Framework
for the City of Toronto.**

The Policy and Finance Committee had before it a report (April 25, 2002) from the Chief Administrative Officer presenting an integrated policy framework for the City of Toronto’s international activities; advising that this policy framework will rationalize the City’s current international activities and suggest ways of increasing co-ordination among departments and elected officials in international relations; and recommending that:

- (1) Council adopt the integrated policy framework for the City of Toronto’s international activities, as set out in Appendix 1 of this report;
- (2) Council adopt the mechanisms for improving accountability for international activities, as set out in Appendix 1 of this report;
- (3) the Chief Administrative Officer prepare an annual report on the City of Toronto’s international activities; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Kelly, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (April 25, 2002) from the Chief Administrative Officer.

(Clause No. 9 – Report No. 8)

4-6. Joint City of Toronto-ICLEI Workplan for 2002.

The Policy and Finance Committee had before it a report (April 24, 2002) from the Chief Administrative Officer providing information respecting the joint workplan between the City of Toronto and the International Council for Local Environmental Initiatives (ICLEI) for 2002; advising that as part of the host agreement between the City of Toronto and ICLEI (2002-2006), both parties negotiate an annual workplan with specific projects to be undertaken by ICLEI; that ICLEI provides the City of Toronto with knowledge and expertise in the area of sustainability as well as linkages to an international network of organizations working in this field; and recommending that this report be received for information.

On motion by Councillor Rae, the Policy and Finance Committee received the foregoing report.

(Clause No. 26(a) – Report No. 8)

4-7. Bid to Host the 2003 World Executive Committee Meeting (WEXCOM) of IULA.

The Policy and Finance Committee had before it the following report and communication:

- (i) (April 25, 2002) from the Chief Administrative Officer seeking Council authority to enter a bid for Toronto to host the 2003 World Executive Committee Meeting (WEXCOM) of the International Union of Local Authorities (IULA) in the Fall of 2003, together with a one-day international conference; and recommending that:
 - (1) City Council authorize submission of a bid to host the 2003 World Executive Committee Meeting of IULA, together with a one-day international conference;
 - (2) the Chief Administrative Officer include a total of \$190,000 in the 2003 budget estimates of the Corporate Studies Account to host this event, given that the anticipated net cost for this event are estimated at \$140,000 and given maximum sponsorship revenues of \$50,000;

- (3) City staff develop a sponsorship strategy and solicit sponsorship revenues to offset expenditures associated with hosting this event; and
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (ii) (May 8, 2002) from Councillor Brian Ashton requesting the Policy and Finance Committee to defer consideration of this matter to permit further discussions with staff regarding sponsorship of this international meeting, development of the one-day conference/symposium, structuring of the host responsibilities and potential partnership with the Federation of Canadian Municipalities.

On motion by Councillor Ootes, the Policy and Finance Committee deferred consideration of the foregoing report until the meeting of the Committee scheduled to be held on June 6, 2002, to permit further discussions with staff regarding sponsorship of this international meeting, development of the one-day conference/symposium, structuring of the host responsibilities and potential partnership with FCM.

(Chief Administrative Officer; c. Councillor Brian Ashton; Committee Administrator, Policy and Finance Committee – May 9, 2002)

(Clause No. 26(b) – Report No. 8)

4-8. Summary of City Applications Submitted to the FCM Green Municipal Funds.

The Policy and Finance Committee had before it a report (April 12, 2002) from the Chief Administrative Officer providing a summary of the City applications made to the Federation of Canadian Municipalities (FCM) Green Municipal Funds (GMF) for the March 28, 2002 application deadline; advising that two projects have been submitted to the FCM Green Municipal Enabling Fund for consideration, and no applications to the GMIF; and recommending that this report be received for information.

On motion by Councillor Bussin, the Policy and Finance Committee received the foregoing report.

(Clause No. 26(c) – Report No. 8)

**4-9. Federation of Canadian Municipalities (FCM)
HIV/AIDS Partnership With Botswana.**

The Policy and Finance Committee had before it a report (April 24, 2002) from the Chief Administrative Officer providing a brief overview of the findings of the February 2002 FCM needs assessment diagnostic mission to Botswana on HIV/AIDS and proposes that the City of Toronto enter into a municipal capacity building partnership through the FCM's International Centre for Municipal Development (ICMD) Municipal Partnership Program (MPP); advising that the goal of the proposed partnership is to increase the capacity of a particular municipality in Botswana to better address HIV/AIDS issues at the local government level; and recommending that:

- (1) the City of Toronto enter into a partnership with a municipality in Botswana through the Federation of Canadian Municipalities International Centre for Municipal Development's Municipal Partnership Program, with a view to increasing the capacity of that municipality and the municipal sector to address HIV/AIDS issues in Botswana;
- (2) subject to the satisfactory completion and outcome of the diagnostic mission, the Chief Administrative Officer be authorized to enter into the necessary agreement to give effect to the partnership;
- (3) this report be forwarded to the Board of Health for information; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

The Policy and Finance Committee also had before it a communication (May 6, 2002) from Councillor Jack Layton, President, Federation of Canadian Municipalities (FCM), forwarding comments respecting the FCM/City of Toronto HIV/AIDS Partnership with Botswana and expressing the hope that Toronto City Council will agree to take the first step by endorsing this partnership.

Councillor Doug Holyday, Etobicoke Centre, appeared before the Policy and Finance Committee in connection with the foregoing matter.

The Policy and Finance Committee

(A) recommended to Council:

- (I) the adoption of Recommendations Nos. (1), (2) and (4) embodied in the report (April 24, 2002) from the Chief Administrative Officer; and **(Motion by Councillor McConnell)**

(II) that on completion of this project, the Chief Administrative Officer be requested to evaluate the project and submit a report thereon to the Policy and Finance Committee; and
(Motion by Councillor Lindsay Luby)

(B) concurred with the following Recommendation No. (3) embodied in the aforementioned report:

“(3) this report be forwarded to the Board of Health for information”. **(Motion by Councillor McConnell)**

(Board of Health; c. Chief Administrative Officer; Councillor Jack Layton
– May 9, 2002)

(Clause No. 10 – Report No. 8)

4-10. Enforcement of Procedures for Supplementary Agenda Items.

The Policy and Finance Committee had before it a report (April 22, 2002) from the Chief Administrative Officer reporting on the enforcement of the current procedures respecting the submission of supplementary agenda items to committees; advising that the management of supplementary items and late agenda items is currently governed through Chapter 27, Council Procedures of the Municipal Code; that under the sections §27-126 “Supplementary items” and §27-127 “Late items”, Committee Chairs and Committee Members can reject, defer, or hold down an item depending on the urgency of the matter; that the current structure attempts to provide a consistent process, which balances the interests of Members of Council, City staff and the public so that the meeting process is open and accountable; that there is a renewed corporate commitment from EMT to submit staff reports in a more timely manner, and a commitment from the City Clerk to better manage the process; and recommending that this report be received for information.

The Policy and Finance Committee:

(A) recommended to Council:

(1) that Council adopt the following “48 (business) hour option rule” outlined in the aforementioned report (April 22, 2002)

from the Chief Administrative Officer respecting supplementary agenda items:

- “(i) reports should be submitted to the City Clerk’s Office 72 business hours before the meeting (24 business hours before the two-day deadline) to provide time to prepare the agenda listing, do the printing and distribution; and
 - (ii) any reports submitted to the City Clerk later than 72 business hours should not be processed by the City Clerk for that meeting unless the Commissioner of the relevant department has had the Chair sign it off as a late report;” and **(Motion by Councillor Shiner)**
- (2) that the City Clerk be requested to develop a way of submitting additional staff reports presented to City Council to enable Members of Council to more easily identify these reports from other forms of communications; and **(Motion by Councillor McConnell)**
- (B) requested the Committee Administrator of the Policy and Finance Committee to distribute the Policy and Finance Committee Annotated Agenda to Members of the Committee one day prior to the meeting date. **(Motion by Councillor McConnell)**

(Clause No. 25 – Report No. 8)

**4-11. Yonge-Dundas Square – Restaurant Options
(Ward 27 – Toronto Centre-Rosedale).**

The Policy and Finance Committee had before it a report (April 8, 2002) from the City Solicitor responding to a request of City Council that the City Solicitor, in consultation with the Medical Officer of Health; the Executive Director, Municipal Licensing and Standards, and the Commissioner of Economic Development, Culture and Tourism be requested to submit a report to the Policy and Finance Committee, on the possibility of permitting restaurants near Yonge Dundas Square to serve food and alcoholic beverages

in the Square on a regular basis; and recommending that should City Council wish to pursue the proposal to have restaurants serve food and alcoholic beverages in Yonge-Dundas Square on a regular basis:

- (1) City Council direct the Commissioner of Corporate Services (Director of Real Estate Services) to report on the appropriate process for selecting restaurants and the terms of a lease that could be entered into with the restaurants; and
- (2) City Council direct the Commissioner of Economic Development, Culture and Tourism to report, in consultation with the Yonge-Dundas Board of Management, on the policy implications of this proposal and the manner in which it could co-exist with the current permitting process.

On motion by Councillor Rae, the Policy and Finance Committee referred the foregoing report to the Commissioner of Economic Development, Culture and Tourism for report thereon to the Policy and Finance Committee as to whether it would be feasible to permit restaurants near the Yonge-Dundas Square.

(Commissioner of Economic Development, Culture and Tourism; c. City Solicitor – May 9, 2002)

(Clause No. 26(d) – Report No. 8)

4-12. City of Toronto 2001 Investment Report.

The Policy and Finance Committee had before it a report (April 23, 2002) from the Chief Financial Officer and Treasurer reviewing the City of Toronto's 2001 investment results and investment practices being used; reconfirming the Investment Policies and Procedures previously approved by Council; advising that in 2001 the City's investment portfolios had an average book value of \$2.290 billion; that despite market volatility the City's two largest portfolios, the Money Market and Bond Funds, outperformed their respective benchmarks reflecting added market value of \$12.966 million in excess of what would have been achieved had the City realized a market value at the level of the market benchmarks; that total earnings by all investment portfolios amounted to \$139.793 million, which represented a 5.83 percent income return; that actual income earnings allocated to the City's operating budget in 2001 of \$61.761 million fell below budget earnings of \$68 million largely as a result of deteriorating interest rates throughout 2001; and recommending that this report be received for information.

On motion by Councillor Shiner, the Policy and Finance Committee received the foregoing report.

(Clause No. 26(e) – Report No. 8)

4-13. Vacancy Rebate Program Verification Mechanisms.

The Policy and Finance Committee had before it a report (April 25, 2002) from the Chief Financial Officer and Treasurer outlining proposed verification mechanisms for property tax rebates for vacant space in commercial and industrial property; responding to a request of the Policy and Finance Committee to report on the feasibility of having property owners inform the City when a property becomes vacant; and recommending that:

- (1) Council authorize the Chief Financial Officer and Treasurer to negotiate and execute a sole source agreement with the Municipal Property Assessment Corporation, to the satisfaction of the City Solicitor, to provide a vacancy rebate verification service for the period May to December 2002 as an interim measure;
- (2) Council authorize staff to prepare and issue a Request for Proposal (RFP) in early Fall 2002 to provide a vacancy rebate verification service beginning January 1, 2003; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Mr. John Hogg, President, Cole Layer Trumble Canada Inc., appeared before the Policy and Finance Committee in connection with the foregoing matter, and filed a copy of his presentation material in regard thereto.

Councillor Frances Nunziata, York South-Weston, also appeared before the Policy and Finance Committee in connection with the foregoing matter.

Councillor Shiner declared his interest in the foregoing matter in that his son is a summer student working at the Municipal Property Assessment Corporation.

The Policy and Finance Committee:

- (A) recommended to Council that the Chief Financial Officer and Treasurer be requested to immediately issue a Request for Proposal (RFP) to provide a vacancy rebate verification service; and in the meantime, continue to use the current program; and **(Motion by Councillor McConnell)**

- (B) requested the Chief Financial Officer and Treasurer:
- (1) to give further consideration to the following motion referred to in the report (April 25, 2002) from the Chief Financial Officer and Treasurer and submit a further report thereon to the Policy and Finance Committee:

“That in the implementation of the Vacancy Rebate Program for Commercial and Industrial Properties, the City require property owners to inform the City when a property becomes vacant, to ensure that verification will be possible;” and **(Motion by Councillor McConnell)**
 - (2) to submit a report to the Policy and Finance Committee:
 - (a) on the existing eligibility criteria for the vacancy rebate program and provide recommendations he may have with respect thereto; **(Motion by Councillor Sutherland)**
 - (b) identifying the MPAC costs to determining the assessed value of vacant space in the City of Toronto; and **(Motion by Councillor Ootes)**
 - (c) on the use by the private sector of an “auctioning” service via the internet as a quick, reliable cost saving method of buying goods and services for the City. **(Motion by Councillor Kelly)**

(Chief Financial Officer and Treasurer; c. City Solicitor – May 9, 2002)

(Clause No. 11 – Report No. 8)

**4-14. Tax Exemption for Black Creek Neighbourhood
Branch Library (Ward 9 – York Centre).**

The Policy and Finance Committee had before it a joint report (April 25, 2002) from the Chief Financial Officer and Treasurer and the Acting Commissioner of Community and Neighbourhood Services reporting on a request from the Toronto Public Library Board to obtain Council’s authority for the adoption of necessary by-laws providing tax exemption

for municipal and education purposes for Black Creek Neighbourhood Branch Library for the space to be leased in North York Sheridan Mall located at 1700 Wilson Avenue effective September 1, 2002; and recommending that:

- (1) Council pass a by-law pursuant to section 210.1 of the *Municipal Act*, providing authority for entering into a municipal capital facilities agreement with the property owner of the North York Sheridan Mall at 1700 Wilson Avenue, in respect of the land to be leased by the Toronto Public Library Board for the relocation of its Black Creek Branch;
- (2) Toronto Public Library Board staff be directed to negotiate the municipal capital facilities agreement pursuant to Recommendation (1), to the satisfaction of the City Solicitor;
- (3) Council pass a by-law to exempt the lands leased by the Toronto Public Library Board at 1700 Wilson Avenue from taxation for municipal and school purposes after a municipal capital facilities agreement with the property owner is signed, which tax exemption is to be effective from the latter of the following dates:
 - (a) the commencement date of the lease between the Toronto Public Library Board and the property owner of 1700 Wilson Avenue;
 - (b) the date that the municipal capital facilities agreement is signed; or
 - (c) the date that tax exemption by-law is enacted; and
- (4) appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council the adoption of the foregoing joint report (April 25, 2002) from the Chief Financial Officer and Treasurer and the Acting Commissioner of Community and Neighbourhood Services.

(Clause No. 12 – Report No. 8)

**4-15. Property Tax Relief – Centre Francophone
Du Toronto Métropolitain.**

The Policy and Finance Committee had before it the following communications and report:

- (i) (February 21, 2002) from the City Clerk advising that City Council, at its meeting held on February 13, 14 and 15, 2002, re-opened Clause No. 6 of Report No. 16 of The Policy and Finance Committee, headed “Property Tax Relief – Centre Francophone Du Toronto Métropolitain – 20 Lower Spadina Avenue (Future Analysis) (Ward 20 – Trinity-Spadina)”, for further consideration, and adopted the balance of the following Motion, without amendment:

(7) Property Tax Relief – Centre Francophone Du Toronto Métropolitain

Moved by: Councillor Miller

Seconded by: Councillor Silva

“WHEREAS City Council on December 4, 5 and 6, 2001, in adopting, without amendment, Policy and Finance Committee Report No. 16, Clause No. 6, headed ‘Property Tax Relief – Centre Francophone Du Toronto Métropolitain – 20 Lower Spadina Avenue (Future Analysis) (Ward 20 - Trinity-Spadina)’, adopted a staff report recommending that:

- ‘(1) the federal government be requested to provide the Centre with a grant amount equivalent to the “grant-in-lieu”/property taxes from 1998 and forward; and
- (2) the Centre is advised to pay all the outstanding property taxes’; and

WHEREAS, despite ongoing discussions and negotiations with staff about this issue, the report came forward with no notice to the Centre Francophone Du Toronto Métropolitain or its agent; and

WHEREAS the Centre Francophone Du Toronto Métropolitain and its agent were astounded to learn, after the fact, that a staff report came before, and was passed by the Policy and Finance Committee; and

WHEREAS, because it was not notified of the report, the Centre Francophone Du Toronto Métropolitain was denied an opportunity to make deputation to the Policy and Finance Committee;

NOW THEREFORE BE IT RESOLVED THAT, in accordance with §27-49 of Chapter 27 of the City of Toronto Municipal Code, Policy and Finance Committee Report No. 16, Clause No. 6, headed 'Property Tax Relief – Centre Francophone Du Toronto Métropolitain – 20 Lower Spadina Avenue (Future Analysis) (Ward 20 – Trinity-Spadina)', be re-opened for further consideration;

AND BE IT FURTHER RESOLVED THAT such Clause be referred back to the Policy and Finance Committee;

AND BE IT FURTHER RESOLVED THAT staff be directed to advise the Centre Francophone Du Toronto Métropolitain and its agent when this item will be dealt with at Committee so that they can make a deputation to said Committee;

AND BE IT FURTHER RESOLVED THAT staff be directed to meet with the Centre Francophone Du Toronto Métropolitain, prior to the relevant meeting of the Policy and Finance Committee.”;

- (ii) (January 22, 2002) from The Honourable Don Boudria, Minister of Public Works and Government Services, responding to a communication dated December 10, 2001, he received from the City of Toronto respecting Clause No. 6 of Report No. 16 of Policy and Finance Committee, entitled “Property Tax Relief – Centre Francophone Du Toronto Métropolitain – 20 Lower Spadina Avenue (Further Analysis) (Ward 20 – Trinity-Spadina”); advising that departmental officials have reviewed their records and have determined that no payment was made by the Federal Government for the Harbourfront Corporation Lands occupied by the aforementioned Centre; pointing out that the Act does not allow for payment on federal property that is leased by a third party, and thus the subject property was excluded from the calculation for the City of Toronto; that the property was sold by the Federal Government in 1996 and that the Payments In Lieu of Taxes Act (2000) was designated to allow the Federal Government to fulfill its responsibility to pay a fair share of the cost of local services where it owns property, and given that the property of interest was sold by the Federal Government in 1996, no payment is allowed in accordance with the Act;
- (iii) (April 30, 2002) from the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services providing an update on the property tax issues for the Centre francophone du Toronto métropolitain (the “Centre”); reporting on a meeting between City staff and an agent representing the Centre held on April 18, 2002; and recommending that the Commissioner of Corporate Services enforce the provision of the executed lease agreement, between the City and the Centre francophone du Toronto métropolitain, that provides for the payment of realty taxes by the Centre; and

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- (iv) (May 8, 2002) e-mail from Mr. John Adams, advising that he was involved with this issue as a Councillor on the old and new Toronto City Council and as Chair of the Task Force on Assessment and Tax Policy; that due to a previous business commitment he is not able to attend the Policy and Finance Committee meeting of May 9, 2002; and requesting that this matter be deferred until the next meeting of the Committee to be held on June 6, 2002.

On motion by Councillor Rae, the Policy and Finance Committee deferred consideration of the foregoing report until its meeting scheduled to be held on June 6, 2002.

(Chief Financial Officer and Treasurer; c. Commissioner of Corporate Services; Mr. David G. Fleet, Poole Milligan, Barristers & Solicitors; Mr. Marc Beaulieu; Mr. John Adams – May 9, 2002)

(Clause No. 26(f) – Report No. 8)

4-16. 2003 Budget Schedule.

The Policy and Finance Committee had before it the following communications:

- (i) (May 3, 2002) from the City Clerk advising that the Budget Advisory Committee on May 3, 2002, recommended to The Policy and Finance Committee, and Council:
- (1) the adoption of Recommendation Nos. (1), (3) and (4) contained in the joint report (April 23, 2002) from the Chief Financial Officer and Treasurer and the City Clerk, viz:
 - “(1) the fall portion of the 2002 Schedule of Meetings previously adopted by City Council be rescinded and replaced with the revised Schedule attached as Appendix “A” to this report;
 - (3) the revised fall portion of the 2002 Schedule of Meetings and the 2003 Schedule of Meetings, as approved by City Council, be circulated to the City’s Agencies, Boards, Commissions and special committees established by City Council, with a request that they avoid scheduling meetings which conflict with City Council meetings and the Standing Committees to which they report; and
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;” and

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- (2) the adoption of the alternative version of the 2003 Schedule of Meetings as embodied in the joint report (May 1, 2002) from the Chief Administrative Officer, the City Clerk and the Chief Financial Officer and Treasurer, as Appendix "B(i)".
- (ii) (April 16, 2002) from the General Secretary, Toronto Transit Commission advising that the TTC Audit Committee on April 10, 2002, adopted the following recommendation contained in a report (April 10, 2002) from the Chief General Manager, Toronto Transit Commission:

"It is recommended that the TTC Audit Committee:

- (1) receive this report for information noting that the 2003 budgets will be formally submitted to the Commission for approval on September 25, 2002; and
- (2) forward this report to the City of Toronto for information."

On motion by Councillor Shiner, the Policy and Finance Committee:

- (1) recommended to the Striking Committee, and Council, the adoption of the Recommendations of the Budget Advisory Committee contained in the foregoing communication (May 3, 2002) from the City Clerk; and
- (2) received the foregoing communication (April 16, 2002) from the General Secretary, Toronto Transit Commission.

(Striking Committee; c. Chief Administrative Officer; Chief Financial Officer and Treasurer; City Clerk; General Secretary, Toronto Transit Commission; Ms. Joanne Hamill, Manager, Community Councils and Committees, City Clerk's Office; Mr. Alan Cohen, Manager, Budget Services, Finance Department – May 9, 2002)

(Clause No. 26(g) – Report No. 8)

**4-17. Toronto Community Housing Corporation (TCHC) –
2001 Audited Financial Statements and 2002
Performance Update.**

The Policy and Finance Committee had before it a report (April 24, 2002) from the Chief Executive Officer, Toronto Community Housing Corporation, providing the Toronto Community Housing Corporation (TCHC) Shareholder with a copy of the 2001 Audited Financial Statements for the Toronto Community Housing Corporations' predecessor

organizations as well as an update on achievement of performance expectations set out in the Shareholder Direction; and recommending that the Policy and Finance Committee receive this report and forward it to Council for the information of the Toronto Community Housing Corporation (TCHC) Shareholder.

On motion by Councillor McConnell, the Policy and Finance Committee recommended to Council that Council receive the foregoing report (April 24, 2002) from the Chief Executive Officer, Toronto Community Housing Corporation.

(Clause No. 13 – Report No. 8)

**4-18. Authorization to Withdraw Funds from the
Jarvis Street Corridor Reserve Fund
(Ward 27 – Toronto Centre-Rosedale).**

The Policy and Finance Committee had before it a communication (April 30, 2002) from the City Clerk advising that the Economic Development and Parks Committee, at its meeting held on April 29, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report (April 10, 2002) from the Commissioner of Economic Development, Culture and Tourism, wherein it is recommended that:

- (1) the Culture Division's 2002 Operating Budget be amended on a one-time basis to include funding for the Allan Gardens Heritage Conservation Strategy study by increasing gross expenditures by \$30,000.00 and revenues by \$30,000.00 for a net zero increase (Cost Centre AH0044);
- (2) funding for the Allan Gardens Heritage Conservation Strategy Study in the amount of \$30,000.00 be provided from the Jarvis Street Corridor Reserve Fund;
- (3) this report be forwarded to Policy and Finance Committee for consideration; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Rae, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Economic Development and Parks Committee embodied in the foregoing communication (April 30, 2002) from the City Clerk.

(Clause No. 14 – Report No. 8)

**4-19. Canada's Urban Strategy: A Vision for the 21st Century
Interim Report of the Prime Minister's Caucus
Task Force on Urban Issues.**

The Policy and Finance Committee had before it a report (May 6, 2002) from the Chief Administrative Officer recommending that:

- (1) City Council express its appreciation to Judy Sgro and her Task Force for their work to date in bringing the issues confronting Canada's urban areas to the nation's attention;
- (2) the Mayor write to the Prime Minister and the Minister of Finance to urge them to give expeditious consideration to the Task Force's recommendations and include actions and resources to support a national urban strategy in a federal speech from the throne and budget before the end of this year;
- (3) the Chief Administrative Officer be requested to prepare information materials detailing the City of Toronto's infrastructure funding shortfall for the next 10 years in order to assist the Federal Government develop its response to the recommendations of the Sgro Task Force; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Mr. Alan Heisey appeared before the Policy and Finance Committee in connection with the foregoing matter and filed a written submission in regard thereto.

The Policy and Finance Committee recommended to Council the adoption of the foregoing report (May 6, 2002) from the Chief Administrative Officer.

(Clause No. 1 – Report No. 8)

4-20. 2002 Business Education Tax Rates.

The Policy and Finance Committee had before it a report (April 29, 2002) from the Chief Financial Officer and Treasurer reporting on the business education tax rates prescribed by the Province for 2002 and on the implications of the anticipated education tax reductions for Toronto's businesses; and recommending that:

- (1) the Province again be requested to reduce Toronto's commercial and industrial education tax rates to the average of the education tax rates prescribed for businesses in the other GTA regions (Durham, Halton, Peel and York); and

- (2) the appropriate City Officials be authorized to take the necessary action to give effect thereto.

On motion by Councillor Ootes, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (April 29, 2002) from the Chief Financial Officer and Treasurer.

(Clause No. 15 – Report No. 8)

**4-21. Payment of Funds for Parks and Recreation
Use of Schools for City Programs.**

The Policy and Finance Committee had before it a report (May 1, 2002) from the Chief Financial Officer and Treasurer seeking authorization for City officials to pay funds for Parks and Recreation use of schools for City programs on the basis of the previous “per square foot cost” as previously adopted by Council; and recommending that:

- (1) upon receipt of detailed invoices from the Toronto District School Board (TDSB) for the Parks and Recreation use of their facilities, City staff be authorized to make payments to the TDSB for the period since year 2000, on the basis of the previous “per square foot cost” as approved by Council; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (May 1, 2002) from the Chief Financial Officer and Treasurer.

(Clause No. 16 – Report No. 8)

**4-22. Allocation of Program Funds for Youth
Safety and Violence Prevention and Allocation of
Ontario Works Targets Incentive Funds.**

The Policy and Finance Committee had before it the following communications:

- (i) (April 15, 2002) from the City Clerk advising that the Task Force on Community Safety, at its meeting held on April 15, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the joint report (April 11, 2002) from Acting Commissioner of Community and Neighbourhood Services and the

Commissioner of Economic Development, Culture and Tourism, wherein it is recommended that:

- (1) a total of \$156,000 be reallocated from the operating budget of the Social Development and Administration Division to the operating budget of the Parks and Recreation Division for the enhanced funding of three programs (Youth Leadership Skill Development, Youth Programs in the Arts, Youth Outreach Recreation Worker Program), to support youth violence prevention, targeting high-risk youth;
 - (2) \$50,000 be reallocated from the operating budget of the Social Development and Administration Division to the operating budget of Toronto Public Health for the enhanced funding of the Ambassador Program, to support youth violence prevention, targeting high-risk youth;
 - (3) \$30,000 be reallocated from the operating budget of the Social Development and Administration Division to the operating budget of Toronto Public Library funding the maintenance of a Teen Zone Internet Gateway to support youth violence prevention, targeting high-risk youth;
 - (4) \$14,000 be reallocated within the operating budget of the Social Development and Administration Division for expansion of the Rexdale Youth Employment Pilot to support youth violence prevention, targeting high-risk youth;
 - (5) the Commissioner of Community and Neighbourhood Services and the Commissioner of Economic Development, Culture and Tourism be requested to report to their respective standing committees in 2003 on the use of these funds; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (ii) (May 2, 2002) from the City Clerk advising that The Community Services Committee on May 2, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the attached report (April 8, 2002) from the Acting Commissioner of Community and Neighbourhood Services respecting the Allocation of Ontario Works Targets Incentive Funds wherein it is recommended that:
- (1) funding of \$5.1 million from the Ontario Works incentive funds included in Toronto Social Services' 2002 Operating Budget be approved to fund 55 projects over the two year period 2002 to 2003 (as detailed in Attachment 1 of this report), designed to address the needs of at risk youth

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populations, and related food and hunger and safety issues in disadvantaged communities;

- (2) funding of \$5.1 million for the projects be accessed by the appropriate operating divisions and boards via the City's Inter-departmental Charge (IDC) mechanism, on a half-yearly basis, or other frequency as approved by Toronto Social Services;
- (3) the appropriate operating divisions and boards be responsible for the management and administration of the projects;
- (4) as part of Toronto Social Services' accountability to the province for the Ontario Works incentive funds, the operating divisions' and boards' project management and administration be consistent with the requirements in this report under the heading "Project Administration," and any other requirements that the Toronto Social Services Division determines to be necessary during the course of the projects;
- (5) the appropriate operating divisions and boards be requested to submit status reports on the projects to the Commissioner of Community and Neighbourhood Services, to be incorporated in the Commissioner's report to the Community Services Committee during the first quarter of 2003 on the progress of the projects and during 2004 on their final outcomes; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor McConnell, the Policy and Finance Committee recommended to Council:

- (I) the adoption of the foregoing Recommendation of the Task Force on Community Safety embodied in the communication (April 15, 2002) from the City Clerk; and
- (II) the adoption of the foregoing Recommendation of the Community Services Committee embodied in the communication (May 2, 2002) from the City Clerk.

(Clause No. 2 – Report No. 8)

**4-23. Award of Design/Build Contracts for
Process Control Systems - Water Supply
Production Facilities (RFP: 9117-01-7786) and Water
Supply Transmission Facilities (RFP: 9117-01-7824).**

The Policy and Finance Committee had before it a communication (May 1, 2002) from the City Clerk advising that The Works Committee at its meeting on May 1, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the joint report dated April 25, 2002, from the Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer respecting the results of Requests for Proposals for the Water Supply Production and Water Supply Transmission Process Control System Design/Build Projects, and the award of contracts to each of the recommended proponents, wherein it is recommended that:

- (1) Appropriation CPW010 of Water and Wastewater Services be increased by \$13,554,000 to \$72,513,000 after the Municipal GST Rebate:
 - (i) through the reallocation of the full available funding from two capital projects: Water Supply Remote Meter Reading, Capital Account No. PW-024 in the amount of \$2,021,000, and Water Supply, Harris Filter Control Equipment, Capital Account No. CPW-015 in the amount of \$1,293,000; and
 - (ii) through an additional capital expenditure of \$10,240,000 after the Municipal Goods and Services Tax rebate for the design/build of the Water Supply Production and Transmission facilities Process Control Systems in Capital Account No. CPW010;
- (2) authority be granted to commence negotiations with and, if successfully concluded, enter into an agreement with Comstock Canada Limited (Comstock), being the proponent with the lowest evaluated cost, for the provision of design, construction, equipment, process instrumentation, security and supervisory control and data acquisition equipment for the installation of a Process Control System for the Water Supply Production Facilities in accordance with Comstock's proposal dated March 11, 2002, at a lump sum price of \$27,682,867 including contingencies and GST on the terms and conditions as set out in this report, RFP No. 9117-01-7786, and otherwise on such terms and conditions satisfactory to the Commissioner of Works and Emergency Services and in a form satisfactory to the City Solicitor;

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- (3) authority be granted to commence negotiations with and, if successfully concluded, enter into an agreement with Black and McDonald Limited, being the proponent with the lowest evaluated cost, for the provision of design, construction, equipment, process instrumentation, security and supervisory control and data acquisition equipment for the installation of a Process Control System for the Water Supply Transmission Facilities in accordance with Black and McDonald's proposal dated February 21, 2002, at a lump sum price of \$14,900,806 including contingencies and GST on the terms and conditions as set out in this report, RFP No. 9117-01-7824, and otherwise on such terms and conditions satisfactory to the Commissioner of Works and Emergency Services and in a form satisfactory to the City Solicitor;
- (4) this report be forwarded to the Policy and Finance Committee for authorization of the additional funding and allocation of funding; and
- (5) the appropriate City officials be directed to take the necessary action to give effect thereto.

A. Councillor Kelly moved that the Policy and Finance Committee:

- (1) submit to Council, without Recommendation, the communication (May 1, 2002) from the City Clerk; and
- (2) request the Commissioner of Works and Emergency Services, in consultation with the consultants engaged in this project, to submit a report directly to Council for its meeting scheduled to be held on May 21, 2002, advising what the implications would be in not proceeding with the award of this contract. **(Carried)**

B. Councillor Shiner moved that the Part (2) of the foregoing motion A. moved by Councillor Kelly be amended by adding thereto the following:

“such report to indicate which projects are going to be deferred to keep this project going and stay within the Capital envelope approved by Council for 2002.” **(Carried)**

(Chief Administrative Officer; c. Chief Financial Officer and Treasurer – May 9, 2002)

(Clause No. 17 – Report No. 8)

4-24. Construction of North Yonge Centre Service Road.

The Policy and Finance Committee had before it a communication (May 1, 2002) from the City Clerk advising that The Works Committee at its meeting on May 1, 2002, recommended to the Policy and Finance Committee, and Council, the adoption of the report dated April 19, 2002, from the Commissioner of Works and Emergency Services respecting construction of the North Yonge Centre Service Road wherein it is recommended:

- (1) the construction of the section of the North Yonge Centre Service Road from Norton Avenue to Byng Avenue be approved to proceed in 2002;
- (2) the approved 2002 Transportation Services Capital Budget be increased by an amount of \$2.028 million gross and zero net; with recoveries of \$2.028 million transferred from the former North York Yonge Centre Development Charge Reserve Fund; and
- (3) this report be forwarded to the Policy and Finance Committee for its information.

On motion by Councillor Sutherland, the Policy and Finance Committee recommended to Council the adoption of the Recommendation of the Works Committee embodied in the foregoing communication (May 1, 2002) from the City Clerk.

(Clause No. 18 – Report No. 8)

4-25. December 31, 2001 - Final Operating Budget Variance Report.

The Policy and Finance Committee had before it a communication (May 3, 2002) from the City Clerk advising that The Budget Advisory Committee on May 3, 2002:

- (I) recommended to the Policy and Finance Committee, and Council, the adoption of the report (April 9, 2002) from the Chief Financial Officer and Treasurer, wherein it is recommended that:
 - (1) the operating variance report for the year ending December 31, 2001, be forwarded to the Policy and Finance Committee;
 - (2) the unallocated incremental surplus of \$4.8 million be transferred to the Capital Financing Reserve Fund to reduce future debt charges; and

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- (3) the technical adjustments to the 2001 Operating Budget, as outlined in Appendix D, be approved

subject to the surplus, if any, in terms of the reserve account for winter maintenance costs relating to the Works Operating Budget, be allocated to the reserve account for future maintenance years; and

- (II) amongst other things, requested:

- (a) the Chief Financial Officer and Treasurer to report to the Policy and Finance Committee for its meeting of May 9, 2002, on whether the \$4.8 million unallocated incremental surplus should be transferred to the Insurance Reserve Fund rather than to the Capital Financing Reserve Fund to reduce future debt charges.

The Policy and Finance Committee also had before it a report (May 8, 2002) from the Chief Financial Officer and Treasurer recommending that:

- (1) the unallocated incremental 2001 operating surplus of \$4.8 million be transferred to the Insurance Reserve Fund instead of the Capital Financing Reserve Fund; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council:

- (I) the adoption of the report (May 8, 2002) from the Chief Financial Officer and Treasurer; and
- (II) that the technical adjustments to the 2001 Operating Budget, as outlined in Appendix D, in the report (April 9, 2002) from the Chief Financial Officer and Treasurer be approved subject to the surplus, if any, in terms of the reserve account for winter maintenance costs relating to the Works Operating Budget, being allocated to the reserve account for future maintenance years.

(Clause No. 19 – Report No. 8)

**4-26. March 2002 - First Quarter
Operating Budget Variance Report.**

The Policy and Finance Committee had before it a communication (May 3, 2002) from the City Clerk advising that The Budget Advisory Committee on May 3, 2002, directed that the report (April 26, 2002) from the Chief Financial Officer and Treasurer, entitled "March 2002 – First Quarter Operating Budget Variance Report" be forwarded to the Policy and Finance Committee, and Council, for information.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council that Council receive for information the foregoing communication (May 3, 2002) from the City Clerk.

(Clause No. 20 – Report No. 8)

4-27. 2002 First Quarter Capital Variance Report.

The Policy and Finance Committee had before it a communication (May 3, 2002) from the City Clerk advising that The Budget Advisory Committee on May 3, 2002, amongst other things, directed that the report (April 30, 2002) from the Chief Financial Officer and Treasurer, entitled "2000 First Quarter Capital Variance Report" be forwarded to the Policy and Finance Committee, and Council, for information.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council that Council receive for information the foregoing communication (May 3, 2002) from the City Clerk.

(Clause No. 21 – Report No. 8)

**4-28. Quarterly Reserves and Reserve Funds
Variance Report - March 31, 2002**

The Policy and Finance Committee had before it a communication (May 3, 2002) from the City Clerk advising that The Budget Advisory Committee on May 3, 2002, directed that the report (April 22, 2002) from the Chief Financial Officer and Treasurer, entitled "Quarterly Reserves and Reserve Funds Variance Reports – March 31, 2002", be forwarded to the Policy and Finance Committee, and Council, for information.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council that Council receive for information the foregoing communication (May 3, 2002) from the City Clerk.

(Clause No. 22 – Report No. 8)

**4-29. Options for Addressing the Current
2002 Operating Budget Shortfall
(Toronto Transit Commission).**

The Policy and Finance Committee had before it a communication (May 3, 2002) from the City Clerk advising that The Budget Advisory Committee on May 3, 2002, amongst other things, recommended to the Policy and Finance Committee, and Council:

- (1) the adoption of the joint report (April 30, 2002) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, wherein it is recommended:
 - (a) the necessary authority be granted to draw on the full amount of the TTC Stabilization Reserve Fund, totalling \$23.8 million to address the TTC 2002 Operating Budget expenditure adjustments; and
 - (b) the TTC report back through quarterly variance reports and its Chief General Manager report on ridership projections for 2002 and that any revenue shortfall resulting from lower than budgeted ridership be funded by a corresponding reduction in the TTC's capital from current expenditure at year-end to a maximum of \$17.6 million and the decision to eliminate all or part of the capital from current account be deferred for consideration until year-end variances are reported; and
 - (c) the TTC report back through its Commission on how it will manage the timing and, or, level of its capital expenditure in 2002 to minimize capital from current requirements in 2002; and
 - (d) the Chief General Manager develop a budget schedule process to review its 2003 TTC operating and capital budgets; and further that the Chief General Manager submit a copy of the report from the Chief General Manager on "the current value auditing policies and practices, and the work program of the TTC auditor for 2002 and 2003" to the Budget Advisory Committee when such a report is available; and further that the Chief Administrative Officer and the Chief Financial Officer and Treasurer of the City of Toronto be advised of the schedule; and
 - (e) the TTC and City staff be directed to pursue the senior levels of government to provide the committed additional capital funding (\$28 million) from the Provincial and Federal Governments as planned in the 2002 capital budget; and

- (f) the TTC and City staff be directed to continue efforts to ensure long term sustainable sources of funding from the Provincial and Federal Governments (based on a one-third funding partnership) for the TTC capital program; and
- (2) that the communication (April 26, 2002) from the General Secretary, Toronto Transit Commission, be received.

On motion by Councillor Shiner, the Policy and Finance Committee recommended to Council the adoption of the Recommendations of the Budget Advisory Committee embodied in the foregoing communication (May 3, 2002) from the City Clerk.

(Clause No. 23 – Report No. 8)

4-30. Appointments to the Toronto Zoo Board of Management.

The Policy and Finance Committee had before it a report (May 6, 2002) from the General Manager and CEO, Toronto Zoo, recommending that the following members be appointed to the Toronto Zoo Board of Management for an eighteen-month term beginning June 21, 2002:

- Marilyn De Mara;
- Peter Evans;
- Dr. Suzanne MacDonald;
- Dr. Jay Naidoo; and
- Fraser Phillips.

On motion by Councillor Lindsay Luby, the Policy and Finance Committee recommended to Council the adoption of the foregoing report (May 6, 2002) from the General Manager and CEO, Toronto Zoo.

(Clause No. 24 – Report No. 8)

On motion by Councillor Lindsay Luby, the Policy and Finance Committee met privately to discuss the following Item No. 4-31, having regard that the subject matter relates to the security of the property of the municipality or local board, in accordance with the Municipal Act.

4-31. Capital Call of Enwave District Energy Limited.

The Policy and Finance Committee had before it a confidential report (May 6, 2002) from the Chief Financial Officer and Treasurer respecting Capital Call of Enwave District Energy Limited, such report to be considered in-camera having regard that the subject matter relates to the security of the property of the municipality.

Mr. Michael J. Nobrega, President, Borealis Capital, appeared before the Policy and Finance Committee in connection with the foregoing matter.

The Policy and Finance Committee recommended to Council the adoption of the Recommendations of the Policy and Finance Committee embodied in the confidential communication (May 9, 2002) from the City Clerk, entitled "Capital Call of Enwave District Energy Limited" which was forwarded to Members of Council under confidential cover; and further that in accordance with the Municipal Act, discussions pertaining thereto be held in-camera having regard that the subject matter relates to the security of the property of the municipality.

(City Council; Chief Administrative Officer; c. Chief Financial Officer and Treasurer – Confidential - May 9, 2002)

(Clause No. 3 – Report No. 8)

4-32. Ratification of Earlier Declarations as Surplus and Other Matters to Provide for the Development of Affordable Housing on the Lands Described as Toronto Public Library Surplus Property Southerly Portion of 1745 Eglinton Avenue West (Ward 15 - Eglinton Lawrence).

The Policy and Finance Committee had before it a joint report (May 7, 2002) from the Commissioner of Corporate Services and the Acting Commissioner of Community and Neighbourhood Services recommending that:

- (1) Council amend and restate its earlier authorizations for the development of 657 and 659 Northcliffe Boulevard and the parcel to the north by way of long-term lease and related agreements for affordable housing with Toronto Housing Company Inc. ("THCI") by deleting all references to THCI and substituting therefor the Toronto Community Housing Corporation ("TCHC");
- (2) Council ratify its earlier declarations as surplus for the purposes of both the Library Board and the City to confirm that such declarations included Parts 2 to 13, inclusive, shown on the attached sketch (the "Development Lands");

- (3) Council ratify its earlier authorizations for the development of 657 and 659 Northcliffe Boulevard and the parcel to the north by way of long-term lease and related agreements to confirm that those portions of the Development Lands comprising Parts 2, 3, 4, 5, 6, 7, 9, 10, 11 and 13 on the attached sketch, were to be conveyed to the City for nominal consideration, subject to the Library Board reserving the following easement rights:
 - (a) an exclusive temporary easement over Parts 2 and 3 for the construction of the Library Building;
 - (b) a permanent easement over Parts 2, 3, 4 and 5 for rear driveway vehicular access to and from the Library Building in common with the City and others entitled thereto from time to time;
 - (c) a permanent easement over Part 6 for vehicular access to and from the covered parking spaces at grade in TCHC's 8-storey (plus mechanical penthouse) residential apartment project on lands to the south of the Library Building and fronting on Northcliffe Boulevard ("Affordable Housing Development Project") in common with the City and others entitled thereto from time to time; and
 - (d) a permanent easement over Parts 7 and 9 for vehicular access from the public lane to the south in common with the City and others entitled thereto from time to time.
- (4) Council consent to the disposition of Parts 2, 3, 4, 5, 6, 7, 9, 10, 11 and 13 as shown on the attached sketch by the Library Board, for nominal consideration, pursuant to Section 19 of the *Public Libraries Act*, as amended, and their acquisition by the City;
- (5) a permanent easement be granted by the City to the Library Board over Part 8 shown on the attached sketch for nominal consideration, for vehicular access for the Library Building from the public lane to the south of the Library Building, in common with the City and others entitled from time to time;
- (6) Council consent to the granting and acquisition of a permanent easement (the "Electrical Servicing Easement") by the Library Board to the City and Toronto Hydro-Electric System Limited ("Toronto Hydro-Electric"), one of the successor companies to Toronto Hydro, over Part 1 as shown on the attached sketch, for nominal consideration, to satisfy the requirements of Toronto Hydro-Electric, the Library Board, the City and TCHC for electrical service and distribution to the Library Building and the Affordable Housing Development Project;

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- (7) that all documentation necessary or desirable to give effect to the foregoing and earlier authorities of Council be on terms and conditions satisfactory to the Acting Commissioner of Community and Neighbourhood Services (the "Acting Commissioner") and in a form acceptable to the City Solicitor;
- (8) Council authorize the Commissioner to negotiate and approve a temporary access Licence agreement among TCHC, the Library Board and the City for nominal consideration, to permit access to and from the Development Lands prior to the execution and registration of the agreements for the Affordable Housing Development Project, on terms and conditions satisfactory to the Commissioner and in a form acceptable to the City Solicitor; and
- (9) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Kelly, the Policy and Finance Committee recommended to Council the adoption of the foregoing joint report (May 7, 2002) from the Commissioner of Corporate Services and the Acting Commissioner of Community and Neighbourhood Services.

(Clause No. 7 – Report No. 8)

The Policy and Finance Committee adjourned its meeting at 3:08 p.m.

Chair.