

THE CITY OF TORONTO

City Clerk's Office

Minutes of the Budget Advisory Committee

Meeting No. 8

Thursday, February 13, 2003

The Budget Advisory Committee met on Thursday, February 13, 2003, in Committee Room No. 1, City Hall, Toronto, commencing at 10:45 a.m.

Attendance

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

	10:45 a.m. – 12:24 p.m.	2:10 p.m. – 3:09 p.m.
Councillor David Shiner, Chair	X	X
Councillor David Soknacki, Vice Chair	X	X
Councillor Lorenzo Berardinetti	X	X
Councillor Ron Moeser	X	X
Councillor Joe Pantalone	X	X
Councillor Jane Pitfield	X	X
Councillor Michael Tziretas	X	X

Also Present:

Councillor Betty Disero	Councillor Joe Mihevc
Councillor Chris Korwin-Kuczynski	Councillor Kyle Rae

8.1 2003 Capital and Operating Budgets

Consolidated Grants

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Operating Budget for Consolidated Grants.

The Budget Advisory Committee also had before it a communication (June 11, 2002) from the Secretary, Board of Health, advising that the Board of Health at its meeting held on June 10, 2002, recommended that whereas the City of Toronto HIV/AIDS partner agencies are unable to provide the service levels required to adequately address continued and emerging HIV/AIDS prevention across the City of Toronto, that City Council allocate an additional \$275,000.00 to the 2003 Consolidated Grants Budget for AIDS Prevention Grants.

Councillor Kyle Rae, Ward 27 Toronto Centre-Rosedale, appeared before the Budget Advisory Committee in connection with the foregoing matter.

- A. Councillor Moeser moved that the 2003 Consolidated Grants Operating Budget, as recommended by the Grants Sub-Committee, be amended by:

- (1) adding \$22,000.00 for the 18 child nutrition programs that opened in 2002 to bring such funding to the 24 percent level.

(Carried)

- B. Councillor Tziretas moved that Councillor Moeser's motion A. be amended by adding the following amendment:

- “(2) deleting \$250,000.00 (gross and net) for Grants Service Harmonization, as recommended by the Grants Sub-Committee.”

(Carried)

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

- C. Councillor Shiner moved that Councillor Moeser's motion A. be amended by adding the following amendment:

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- “(3) deleting \$178,800.00 (gross and net) in the New and Enhanced Service Request for two elementary school nutrition programs that were not funded in 2002, as recommended by the Grants Sub-Committee.”

(Carried)

Councillor Shiner resumed the Chair.

- D. Councillor Pantalone moved that Councillor Moeser’s motion C. be amended by adding the following amendment:

- “(4) requesting the Grants Sub-Committee to reallocate funding in the amount of \$55,000.00 within the 2003 Consolidated Grants Budget, such funding to be allocated to the Fort York Guards Program (\$30,000.00) and report thereon to the Economic Development and Parks Committee prior to its consideration of the disbursement of grants funding under its purview.”

(Carried)

- E. Councillor Pitfield moved that Councillor Pantalone’s motion D. be amended by inserting the words “and the Aboriginal Festival (\$25,000.00)”, so that such amendment reads as follows:

- “(4) requesting the Grants Sub-Committee to reallocate funding in the amount of \$55,000.00 within the 2003 Consolidated Grants Budget, such funding to be allocated to the Fort York Guards Program (\$30,000.00) and the Aboriginal Festival (\$25,000.00) and report thereon to the Economic Development and Parks Committee prior to its consideration of the disbursement of grants funding under its purview.”

(Carried)

- F. Councillor Soknacki moved that the Budget Advisory Committee receive the report (June 11, 2002) from the Secretary, Board of Health.

(Carried)

Public Health

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Capital and Operating Budgets for Public Health.

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The Budget Advisory Committee also had before it the following report and communication:

- (a) (January 20, 2003) from the Medical Officer of Health, advising the Budget Advisory Committee and the Board of Health Budget Sub Committee about deficiencies in relation to Public Health's financial management needs based on reports available from SAP and the extent of the Public Health computer systems budget to be assigned towards the identified deficiencies; and recommending that this report be received for information; and
- (b) (January 30, 2003) from the Secretary, Board of Health, advising that the Board of Health, at its meeting held on January 27, 2003, in part, recommended to the Budget Advisory Committee the adoption of the following Recommendation Nos. (5), (6) and (7):
 - (5) the resources provided for the prevention and control of the West Nile Virus public education programs be strengthened;
 - (6) \$1.5 million gross is required to combat West Nile Virus in 2003; and
 - (7) the approval of funds in the amount of \$750,000.00 net to be allocated to the prevention and control of West Nile Virus be deferred until the 2003 Budget wrap-up meeting to ensure provincial funding and that a concerted GTA-wide approach is taken to combat West Nile Virus.

Councillor Joe Mihevc, Chair, Toronto Board of Health, appeared before the Budget Advisory Committee in connection with the foregoing matter.

Capital

- A. Councillor Pantalone moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of 2003 Capital Budget of Toronto Public Health, including the technical amendments as presented.

(Carried)

Operating

- B. Councillor Pantalone moved that the Budget Advisory Committee:
 - (a) recommend to the Policy and Finance Committee, and Council, that the 2003 Operating Budget of Toronto Public Health, be amended by adding the following amendments:
 - (1) adding \$213,900.00 for Mobile Dental Services;

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- (2) adding one time funding in the amount of \$688,000.00 net for the West Nile Virus Program, such funds to be from the Water and Wastewater reserve budget for treatment of catchbasins, subject to a favourable report in that regard to City Council for its meeting of February 24, 2003 from the Chief Administrative Officer, in consultation with, but not limited to, the Commissioner of Works and Emergency Services, the Chair of the Board of Health, the Ministry of Fisheries, Toronto Environmental Alliance and the Toronto and Region Conservation Authority.”; and
- (b) request the Chair, Board of Health, to report to the Board of Health, and Council, in June 2003 providing a criteria which ensures the Mobile Dental Service Program targets seniors in long term care facilities who are not able to afford such services to allow staff time to assess the program for consideration of funding in 2004.

(Carried)

C. Councillor Soknacki moved that:

- (a) Councillor Pantalone’s motion B. (a) be amended by adding the following amendments:
 - “(2) one time funding in the amount of \$247,600.00 net for the TB expansion program not to be included in the base budget of the Toronto Public Health in 2003 or 2004; and
 - (3) the Pesticide Reduction Strategy, be received.”; and

(Carried)

- (b) the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the following amendment:

“one time funding in the amount of \$680,000.00 net to be taken from the Water and Wastewater reserve budget for treatment of catchbasins.”

(Lost)

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- D. Councillor Tziretas moved that Councillor Pantalone's motion B.(a)(2) be referred to the Policy and Finance Committee for its consideration.

(Carried)

- E. Councillor Moeser moved that the Budget Advisory Committee request the Chief Administrative Officer, the Mayor and the Medical Officer of Health to approach the Provincial government to reinforce that the West Nile Virus Program should be 100 percent provincially funded as this is a Province-wide issue.

(Carried)

(Chair, Board of Health; c. Chief Administrator Officer; Chief Financial Officer and Treasurer; Secretary, Board of Health - February 13, 2003)

Children's Services

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Capital and Operating Budgets for Children's Services.

The Budget Advisory Committee also had before it a communication (January 30, 2003) from the Secretary, Board of Health advising that the Board of Health, at its meeting on January 27, 2003, supported and endorsed the recommendations contained in the 2003 Action Plan for Children, submitted by Councillor Pam McConnell, Chair, Policy Sub-Committee, Children and Youth Action Committee.

Capital

- A. Councillor Pitfield moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the technical amendments with regard to the 2003 Capital Budget of Children's Services, as presented.

(Carried)

Operating

- B. Councillor Pitfield moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2003 Operating Budget for Children's Services be amended by adding \$33,300.00 to provide for an After School Program at Highview Elementary School and St. Conrad's School.

(Carried)

Homes for the Aged

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Capital and Operating Budgets for Homes for the Aged.

Capital

- A. Councillor Berardinetti moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the adoption of the technical amendments with regard to the 2003 Capital Budget of the Homes for the Aged, as presented.
(Carried)

Operating

- B. Councillor Pantalone moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2003 Operating Budget for the Homes for the Aged be amended by adding the following:
- “(1) that 3.0 FTE (gapped) be added to Painter Services and that the appropriate staff of the Homes for the Aged continue current discussions with Labour Relations and the Toronto Civic Employees’ Union Local 416 in this regard.”
(Carried)

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

- C. Councillor Shiner moved that Councillor Pantalone’s motion B. be amended by adding the following:
- “(2) deleting 31.9 FTE be added to Support Services, as recommended by the Community Services Committee; and
- (3) deleting 8.1 FTE be added to Food Services, as recommended by the Community Services Committee.”
(Carried)

Councillor Shiner resumed the Chair.

Shelter, Housing and Support

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Capital and Operating Budgets for Shelter, Housing and Support.

The Budget Advisory Committee also had before it the following communication and report:

- (a) (August 6, 2002) from the City Clerk, advising that City Council at its meeting held on July 30, 31 and August 1, 2002, directed that Clause No. 17 of Report No. 7 of The Community Services Committee, headed "Multi-year Shelter Strategy for the City of Toronto", be referred to the Budget Advisory Committee for consideration during the 2003 budget review process; and
- (b) (January 12, 2003) from the Commissioner of Community and Neighbourhood Services, addressed to the Community Services Committee, providing information on the expanded Central Intake Model included in the Shelter, Housing and Support 2003 budget submission; and recommending that this report be received.

Capital

- A. Councillor Pitfield moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2003 Capital Budget for Shelter, Housing and Support be amended as follows:

- (1) the funding for the following projects be approved:
 - (a) 28 Bathurst Street;
 - (b) Eva's Shelter; and
 - (c) 717 Broadview Avenue;

with the balance of funding for the remaining projects being contingent upon Council's decision with regard to a report to be submitted to the Community Services Committee, and Council for its May 21, 2003 meeting by the Commissioner of Community and Neighbourhood Services identifying targets for Council's approval related to new shelter beds in 2003 and future by implementing the Multi-Year Strategy for Shelters.

(Carried)

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

B. Councillor Shiner moved that Councillor Pitfield's motion A. be amended by adding the following:

- “(2) that the request for the Central Intake System for single adults and youth be deferred to the 2004 budget process, subject to a report by the Commissioner of Community and Neighbourhood Services to the Community Services Committee and the Budget Advisory Committee on details of the initiative including projected long-term savings; and
- (3) that the technical amendments with regard to the 2003 Capital Budget for Shelter, Housing and Support be adopted, as presented.”

(Carried)

Councillor Shiner resumed the Chair.

Operating

C. Councillor Moeser moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2003 Operating Budget for Shelter, Housing and Support be amended by deleting the \$25,000.00 in additional funding with regard to the Tenant Defence Fund to provide for grant payments only, as recommended by the Community Services Committee.

(Carried)

D. Councillor Pitfield moved that the Budget Advisory Committee request the Commissioner of Community and Neighbourhood Services to report to the Community Services Committee, and Council, by April 2003, providing a comprehensive update on the Tenant Defence Fund and other like funds from 2002, such report to include a chart showing the decline in rent increases and appeals.

(Carried)

(Commissioner of Community and Neighbourhood Services; c. Chief Administrative Officer; Chief Financial Officer and Treasurer; Committee Administrator, Community Services Committee - February 13, 2003)

Finance

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Capital Budget for Finance.

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, the adoption of the technical amendments with regard to the 2003 Capital Budget for the Finance Department, as presented.

Councillor Shiner resumed the Chair.

Toronto Transit Commission

The Budget Advisory Committee had before it the 2003 Operating Budget for the Toronto Transit Commission.

The Budget Advisory Committee also had before it the following reports:

- (a) (November 18, 2002) from the General Secretary, Toronto Transit Commission, advising that the Toronto Transit Commission at its meeting held on November 15, 2002, gave consideration to the report (November 15, 2002), entitled "2003 TTC Operating Budget", and approved the following Recommendations Nos. (1), (2), (3) and (6):
 - (1) the 2003 TTC Operating Budget be approved as described in this report and the following accompanying reports:
 - (a) Toronto Transit Commission 2003 Operating Budget Overview;
 - (b) Toronto Transit Commission 2003 Departmental Goals and Objectives;
 - (c) Toronto Transit Commission 2003 Organization Charts; and
 - (d) Toronto Transit Commission 2003 Detailed Operating Budget (Blue Book);
 - (2) this report be considered in concert with:
 - (a) the 2003 Wheel-Trans Operating Budget; and
 - (b) the 2003-2007 Capital Program and 10-year Capital Forecast;

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- (3) the TTC 2003 Operating Budget includes a budget shortfall of about \$78 million, based on City of Toronto 2002 budgeted operating subsidy levels as summarized below:

Expenditures	\$918.5 million;
Revenues	\$688.1 million;
Subsidy Needed	\$230.4 million;
Operating Subsidy	\$152.2 million (2002 budgeted level from City); and
Shortfall	\$ 78.2 million; and

- (6) this report be forwarded to the Province of Ontario for approval of the “ramp up” subsidy for the Sheppard Subway;
- (b) (November 18, 2002) from the General Secretary, Toronto Transit Commission, advising that the Toronto Transit Commission at its meeting held on November 15, 2002, gave consideration to the report (November 15, 2002), entitled “2003 Wheel-Trans Operating Budget”, and approved the following recommendations:
- (1) 2003 Wheel-Trans Operating Budget of \$45.7M be provided for in this report and companion documents which includes \$48.2M for service partially offset through revenues of \$2.5M, resulting in a subsidy increase of \$1.2M over the approved 2002 budget;
- (2) Wheel-Trans Service Plan which encompasses the following key factors:
- (a) Eligibility Criteria and Application Process remain unchanged;
 - (b) registrant base increases by 10.7 percent to 30,100.00;
 - (c) trip demand increasing by 5 percent to 1,658,600.00;
 - (d) unaccommodated rate remains at 2 percent;
 - (e) trips provided by accessible vehicles increase from 85 percent to 88 percent;
 - (f) workforce increases by two; and
 - (g) on-time delivery of service improved from 96 percent to 97 percent;
- (3) this report be considered in concert with the following:
- (a) the 2003 TTC Operating Budget; and

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- (b) 2003-2007 TTC Capital Program which includes in 2003 \$5.4M for the purchase of 12 ELF buses (\$3.3M) as well as facility improvements and scheduling enhancements (\$2.1M); and
- (4) this report be forwarded to the City of Toronto Council for approval and to the TTC's Advisory Committee on Accessible Transportation (ACAT) for information;
- (c) (February 6, 2003) from the Chief General Manager, Toronto Transit Commission, providing a status update on the Toronto Transit Commission's 2003 Operating Budget and 2003 to 2007 Capital Program; and
- (d) (January 20, 2003) from the Chief Financial Officer and Treasurer, responding to a request concerning the feasibility of exempting the TTC's properties from property taxes; and recommending that this report be received for information.

The following persons appeared before the Budget Advisory Committee in connection with the foregoing matter:

- Mr. Richard Ducharme, Chief General Manager, Toronto Transit Commission;
- Mr. Vincent Rodo, General Secretary, Toronto Transit Commission; and
- Councillor Betty Disero, Chair, Toronto Transit Commission.

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, the adoption of the 2003 Operating Budget of the Toronto Transit Commission subject to referring outstanding issues to the Toronto Transit Commission for further consideration and requested the Toronto Transit Commission Budget Committee, together with the Chair, Toronto Transit Commission, the Chair, Budget Advisory Committee, and all interested Members of the Budget Advisory Committee along with City staff, to meet to discuss outstanding issues and report to the Policy and Finance Committee, and Council, in that regard.

Councillor Shiner resumed the Chair.

Council

The Budget Advisory Committee had before it the outstanding items respecting the 2003 Operating Budget for Council.

The Budget Advisory Committee also had before it a communication (January 27, 2003) from Councillor Frank Di Giorgio, Chair, Humber York Community Council, advising that the Humber York Community Council on January 21, 2003:

- (1) requested the Chair of the Humber York Community Council to forward a request to the Chair of the Budget Advisory Committee that consideration be given to flatlining the Councillors' office budget for this year; and
- (2) requested the Chief Financial Officer and Treasurer to report to the Budget Advisory Committee on the amount and status of the funds in all Reserve Accounts.
 - A. Councillor Tziretas moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, that the 2003 Operating Budget for Council be amended by reducing the Councillor's Global Office Budget by \$3,100.00 to \$50,000.00.

(Carried)
 - B. Councillor Pantalone moved that the Councillor's Global Office Budget be set at \$53,100.00.

(Lost)

Non Program

The Budget Advisory Committee had before it the 2003 Capital and Corporate Financing for Non Program.

The Budget Advisory Committee also had before it the following reports:

- (a) (November 4, 2002) from the Chief Financial Officer and Treasurer, providing an update on the adequacy of the Insurance Reserve Fund; addressing matters of expenditure control, potential areas of savings and the target balance for the Insurance Reserve Fund; developing a ten-year action plan for the Insurance Reserve Fund; and recommending that:
 - (1) additional funding in the amount of \$5 million be provided from the 2003 Non-Program Budget to the Insurance Reserve Fund; and

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- (2) this report be considered during the 2003 Budget Process; and
- (b) (February 10, 2003) from the Chief Financial Officer and Treasurer, seeking approval for payment of the annual sinking fund levies for 2003 to fulfill the legislative requirements of the Municipal Act 2001; informing Council of the activities of the Sinking Fund during 2002; and recommending that:
 - (1) the 2003 sinking fund levies, as detailed in this report, be approved; and
 - (2) the appropriate City officials be authorized to take the necessary action to give effect thereto.
- A. Councillor Soknacki moved that the Budget Advisory Committee recommend to the Policy and Finance Committee, and Council, the following:
 - (1) the 2003 recommended budget for Capital and Corporate Financing of \$405,620.8 million be adopted; and
 - (2) the 2003 recommended budget for Non-Program Expenditures of \$183,390.3 million be adopted, SAVE AND EXCEPT the Insurance Premiums and Claims component which will be considered at the Budget Advisory Committee meeting of February 18, 2003.

(Carried)

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

- B. Councillor Shiner moved that Councillor Soknacki's motion A. be amended by adding the following:
 - “(3) the 2003 recommended budget for Non-Program Revenues of \$393,284.9 million be adopted, SAVE AND EXCEPT the Prior Year Surplus component which will be considered at the Budget Advisory Committee meeting of February 18, 2003; and
 - (4) the report (February 10, 2003) from the Chief Financial Officer and Treasurer, entitled “2003 Annual Sinking Fund Levies and Activity during 2002”, be adopted.”

(Carried)

Councillor Shiner resumed the Chair.

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C. Councillor Pantalone moved that the Budget Advisory Committee request the Chief Financial Officer and Treasurer to:

- (1) report to the Budget Advisory Committee on the actuals for the 1991 elections: and
- (2) report to the Policy and Finance Committee providing options to increase supplementary taxes which may include hiring additional staff which would be financed from the additional revenue generated, including searching for properties which have not been assessed.

(Carried)

D. Councillor Moeser moved that Councillor Pantalone's motion C.(2) be amended by adding "such report to include comments from the City Solicitor as to the legal implications in this regard," so that such amendment reads as follows:

- "(b) report to the Policy and Finance Committee providing options to increase supplementary taxes which may include hiring additional staff which would be financed from the additional revenue generated, including searching for properties which have not been assessed, such report to include comments from the City Solicitor as to the legal implications in this regard."

(Carried)

(Chief Financial Officer and Treasurer; City Solicitor; c. Chief Administrative Officer; Committee Administrator, Budget Advisory Committee; Committee Administrator, Policy and Finance Committee - February 13, 2003)

The Budget Advisory Committee adjourned its meeting at 3:09 p.m.

Chair